



September 13, 2010

Marty Brown, Director  
Office of Financial Management  
State of Washington  
300 Insurance Building  
Box 43113  
Olympia, Washington 98054-3113

**SUBJECT: 2011-13 University of Washington Biennial Operating Budget Request**

Dear Marty,

As requested, attached are eight copies of the 2011-13 UW Biennial Operating Budget Request for the Office of Financial Management to distribute as needed. We understand that copies of this budget will be distributed to the Council of Presidents, the Higher Education Coordinating Board, and relevant committees in both bodies of the Legislature.

The UW is submitting one operating budget request at the maintenance level and five operating budget requests at the performance level. The University anticipated and responded to the continued revenue shortfall experienced by our state and did not seek proposals for new funding from campus units. Instead, the UW respectfully submits a carefully selected suite of its most urgent operating budget requests.

The requests herein must be considered in the context of anticipated revenue shortfalls in the current fiscal year, as well as planned cuts in the coming biennium. We know that Washington will face a nearly \$3 billion revenue shortfall for FY 2012 and FY 2013, and we are currently following OFM instructions to create and submit an additional decision package for a 10 percent reduction in general funds at the UW. In tandem, we are working with our colleagues across all baccalaureate institutions to formulate a new financing model, which we hope will aid progress toward a more stable and predictable level of funding for higher education in the future.

We are grateful that Governor Gregoire has devoted resources toward reconsidering higher education funding in forming the Higher Education Funding Task Force. This group, alongside others, has recognized that higher education will serve as the primary vehicle for transforming our workforce during the economic downturn, in preparation for a robust rebound in the future. We look forward to the results of this important work, and to collaborating with the Task Force and others, as we continue to search for new ways to weather the challenging economic climate we continue to face.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paul Jenny', written over the word 'Sincerely,'.

Paul Jenny  
Vice Provost, Planning & Budgeting

CC: Phyllis Wise, Interim President  
Mary Lidstrom, Interim Provost  
Margaret Shepherd, Director of State Relations





**University of Washington**  
**2011-2013 Operating Budget Request**

**September 2010**



**W** UNIVERSITY *of* WASHINGTON  
**2011-2013 Operating Budget Request**  
**September 2010**

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# TAB A

1. **Organization Chart**
2. **Agency Activity Report**
3. **Agency Performance Measures**

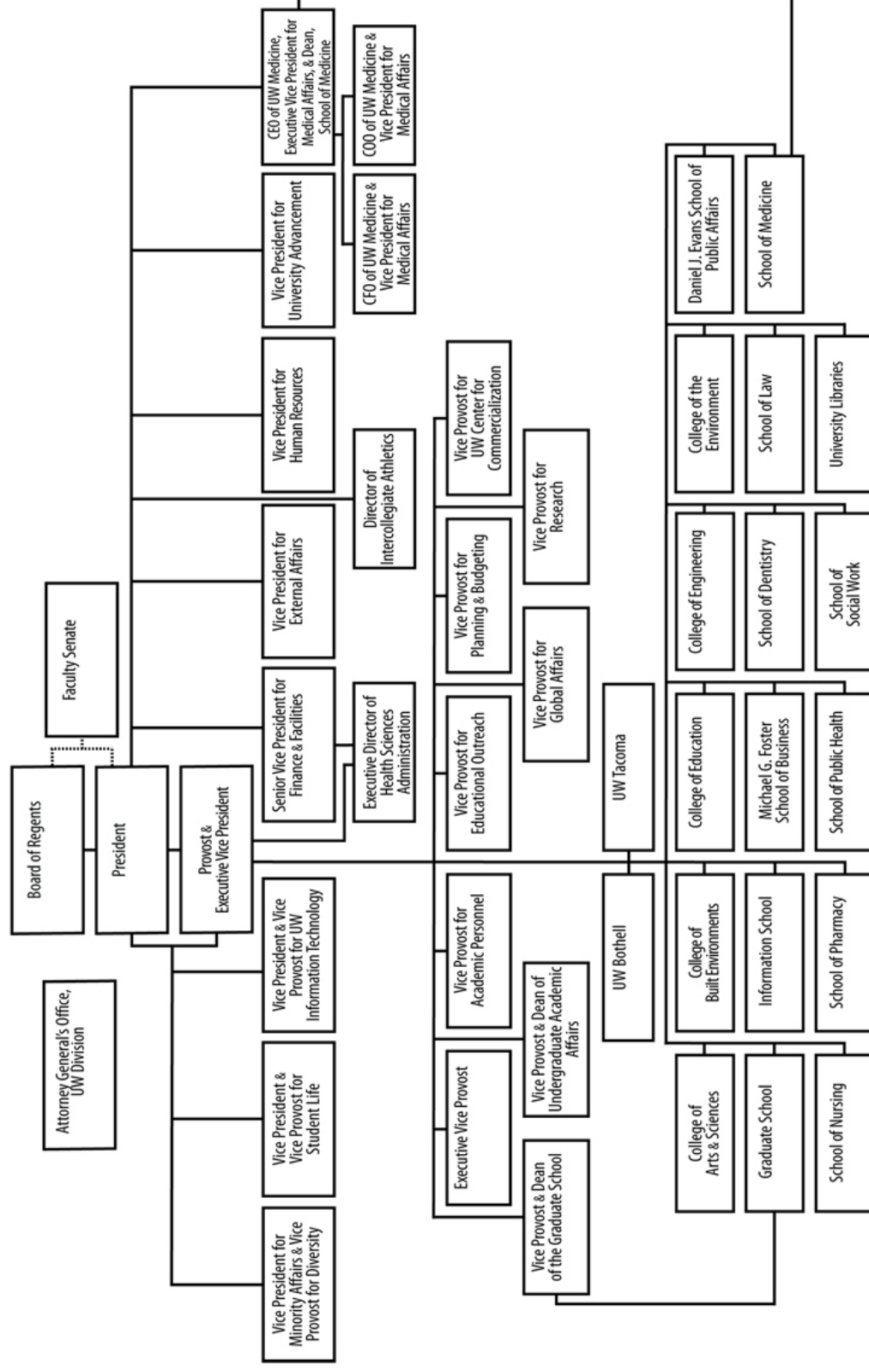




## University Organization Chart

(Approved by the President by authority of the Board of Regents Standing Orders, Chapter 1)

This chart reflects the organization and reporting relationships of the University of Washington's administrative offices, schools, and colleges.



Appropriation Period: 2011-13 Activity Version: 01 - 2011-13 Budget Request Sort By: Activity

## 360 - University of Washington

### A001 Agency Management/Administrative Support Services

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The administration and management of the university includes governance, executive management, fiscal operations, information services, human resources services, planning, and community relations and development.

|       | FY 2012      | FY 2013       | Biennial Total |
|-------|--------------|---------------|----------------|
| FTE's | 744.7        | 723.6         | 734.2          |
| GFS   | \$24,368,000 | \$15,832,000  | \$40,200,000   |
| Other | \$72,900,900 | \$97,940,200  | \$170,841,100  |
| Total | \$97,268,900 | \$113,772,200 | \$211,041,100  |

**Statewide Result Area:** Improve the value of postsecondary learning

**Statewide Strategy:** Provide convenient and efficient post-secondary education

#### Expected Results

Provide fiscal, human resources, and other information services in support of the university's teaching, research and service missions.

### A002 Hospital Operation

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The University operates two hospitals: the University of Washington Medical Center (owned by the University) and Harborview Medical Center (owned by King County, but managed by the University). These two hospitals provide patient care and clinical facilities for health sciences training and research. They also train future health care professionals and upgrade the skills of current practitioners.

|       | FY 2012       | FY 2013       | Biennial Total |
|-------|---------------|---------------|----------------|
| FTE's | 3,517.5       | 3,482.6       | 3,500.1        |
| GFS   | \$8,454,000   | \$13,873,000  | \$22,327,000   |
| Other | \$457,251,000 | \$455,141,000 | \$912,392,000  |
| Total | \$465,705,000 | \$469,014,000 | \$934,719,000  |

**Statewide Result Area:** Improve the health of Washingtonians

**Statewide Strategy:** Provide access to appropriate health care

#### Expected Results

Provide opportunities for clinical education for medical, dental, nursing, and pharmacy students.

Appropriation Period: 2011-13 Activity Version: 01 - 2011-13 Budget Request Sort By: Activity

## A003 Institutional Management

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This activity includes institutional management costs that are recorded in program 081 in the state financial systems. These costs include relevant elements of the Board of Regents, the President's Office, the Provost's Office, the Executive Vice President's Office, the Faculty Senate, and the Attorney General's Office.

|       | FY 2012      | FY 2013      | Biennial Total |
|-------|--------------|--------------|----------------|
| FTE's | 73.7         | 71.5         | 72.6           |
| GFS   | \$2,708,000  | \$1,759,000  | \$4,467,000    |
| Other | \$8,100,100  | \$10,881,800 | \$18,981,900   |
| Total | \$10,808,100 | \$12,640,800 | \$23,448,900   |

**Statewide Result Area: Improve the value of postsecondary learning**

**Statewide Strategy: Provide convenient and efficient post-secondary education**

### Expected Results

Ensure that university issues are discussed and addressed in a timely manner by the executive management of the university.

## A004 Instruction

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The Instruction program provides undergraduate and graduate students with the knowledge they need to acquire a degree, prepare for a career, and continue learning after they leave the university.

|       | FY 2012       | FY 2013       | Biennial Total  |
|-------|---------------|---------------|-----------------|
| FTE's | 5,721.5       | 5,862.1       | 5,791.8         |
| GFS   | \$188,429,555 | \$201,803,721 | \$390,233,276   |
| Other | \$417,216,000 | \$377,498,000 | \$794,714,000   |
| Total | \$605,645,555 | \$579,301,721 | \$1,184,947,276 |

**Statewide Result Area: Improve the value of postsecondary learning**

**Statewide Strategy: Provide convenient and efficient post-secondary education**

### Expected Results

Serve 35,525 State funded student FTEs each year.

Grant approximately 10,000 degrees (Bachelor's, Master's, Professional, and Doctoral combined) each year.

Appropriation Period: 2011-13 Activity Version: 01 - 2011-13 Budget Request Sort By: Activity

## A005 Library Services

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Libraries support the instructional, research, and public service functions of the University by providing information in a variety of media.

|       | FY 2012      | FY 2013      | Biennial Total |
|-------|--------------|--------------|----------------|
| FTE's | 306.8        | 292.2        | 299.5          |
| GFS   | \$13,315,000 | \$11,972,000 | \$25,287,000   |
| Other | \$25,142,000 | \$32,675,000 | \$57,817,000   |
| Total | \$38,457,000 | \$44,647,000 | \$83,104,000   |

**Statewide Result Area: Improve the value of postsecondary learning**

**Statewide Strategy: Provide convenient and efficient post-secondary education**

### Expected Results

Provide access to books, journals, and other materials in support of undergraduate education, graduate education, and research.

## A006 Plant Operations

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Plant Operations includes functions that preserve and maintain the physical assets of the campus facilities, as well as providing a healthy and secure environment for students, faculty, staff, and visitors. Activities included in this category are utilities, facility maintenance and repair, custodial services, grounds maintenance, university police, environmental health and safety, and plant administration.

|       | FY 2012       | FY 2013       | Biennial Total |
|-------|---------------|---------------|----------------|
| FTE's | 769.4         | 741.9         | 755.7          |
| GFS   | \$42,738,433  | \$40,541,792  | \$83,280,225   |
| Other | \$78,240,000  | \$96,294,000  | \$174,534,000  |
| Total | \$120,978,433 | \$136,835,792 | \$257,814,225  |

**Statewide Result Area: Improve the value of postsecondary learning**

**Statewide Strategy: Provide convenient and efficient post-secondary education**

### Expected Results

Provide necessary maintenance and other services for university facilities so that the teaching, research, and service missions of the university can be carried out in a healthy and safe environment.

Appropriation Period: 2011-13 Activity Version: 01 - 2011-13 Budget Request Sort By: Activity

## A007 Primary Support

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These administrative functions directly support the instructional, research, and public service activities of the University. Primary support activities include academic computing services, ancillary support services, and academic administration of the University's various schools and colleges.

|       | FY 2012      | FY 2013      | Biennial Total |
|-------|--------------|--------------|----------------|
| FTE's | 684.6        | 653.5        | 669.1          |
| GFS   | \$24,545,000 | \$26,079,000 | \$50,624,000   |
| Other | \$52,312,000 | \$54,709,000 | \$107,021,000  |
| Total | \$76,857,000 | \$80,788,000 | \$157,645,000  |

**Statewide Result Area: Improve the value of postsecondary learning**

**Statewide Strategy: Provide convenient and efficient post-secondary education**

### Expected Results

Provide the technical infrastructure and support services needed to support instruction and to support students as they pursue their degrees.

## A008 Public Service

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Through public service activities, the non-instructional services of students, faculty, and staff are available to the citizens of the state. These activities include lectures, concerts, conferences, radio programming, the Mathematics, Engineering and Science Achievement Program, and the Center for International Trade in Forest Products.

|       | FY 2012     | FY 2013     | Biennial Total |
|-------|-------------|-------------|----------------|
| FTE's | 200.1       | 197.2       | 198.7          |
| GFS   | \$1,379,000 | \$1,324,000 | \$2,703,000    |
| Other | \$6,618,000 | \$6,692,000 | \$13,310,000   |
| Total | \$7,997,000 | \$8,016,000 | \$16,013,000   |

**Statewide Result Area: Improve the value of postsecondary learning**

**Statewide Strategy: Offer university services to the community**

### Expected Results

Provide opportunities for undergraduate students to get involved in public service activities relevant to their field of study.

Appropriation Period: 2011-13 Activity Version: 01 - 2011-13 Budget Request Sort By: Activity

## A009 Research

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State and locally-funded research provides opportunities for faculty and students to maintain and enhance their scholarship and to advance knowledge on many social, environmental, and health care issues of concern to the citizens of the state.

|       | FY 2012      | FY 2013      | Biennial Total |
|-------|--------------|--------------|----------------|
| FTE's | 153.2        | 152.0        | 152.6          |
| GFS   | \$1,538,000  | \$2,147,000  | \$3,685,000    |
| Other | \$12,587,000 | \$12,021,000 | \$24,608,000   |
| Total | \$14,125,000 | \$14,168,000 | \$28,293,000   |

**Statewide Result Area: Improve the value of postsecondary learning**

**Statewide Strategy: Provide access to high-quality research opportunities**

### Expected Results

Provide opportunities for both undergraduate and graduate students to be involved in research. Obtain funding from federal and private sources for sponsored research projects.

## A010 Sponsored Research

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This program permits public and private organizations to purchase or sponsor research, instruction, or consultative services from the University. These activities are an essential component of the University's graduate education program. (Institutions of Higher Education-Grants and Contracts Account-Nonappropriated)

|       | FY 2012       | FY 2013       | Biennial Total  |
|-------|---------------|---------------|-----------------|
| FTE's | 6,775.4       | 6,799.6       | 6,787.5         |
| GFS   | \$0           | \$0           | \$0             |
| Other | \$728,004,000 | \$726,163,000 | \$1,454,167,000 |
| Total | \$728,004,000 | \$726,163,000 | \$1,454,167,000 |

**Statewide Result Area: Improve the value of postsecondary learning**

**Statewide Strategy: Provide access to high-quality research opportunities**

### Expected Results

This program permits public and private organizations to purchase or sponsor research, instruction, or consultative services from the University.

Appropriation Period: 2011-13 Activity Version: 01 - 2011-13 Budget Request Sort By: Activity

## A011 Student Services

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Student services include admissions, registration, student records maintenance, academic and career advising, student organizations, and other related services.

|       | FY 2012      | FY 2013      | Biennial Total |
|-------|--------------|--------------|----------------|
| FTE's | 233.8        | 222.3        | 228.1          |
| GFS   | \$9,045,000  | \$9,840,000  | \$18,885,000   |
| Other | \$19,139,000 | \$19,412,000 | \$38,551,000   |
| Total | \$28,184,000 | \$29,252,000 | \$57,436,000   |

**Statewide Result Area: Improve the value of postsecondary learning**

**Statewide Strategy: Provide support services to college students**

### Expected Results

Ensure the efficient processing of applications for admittance, registration, grade reports, and other services provided to students.

## Grand Total

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|       | FY 2012         | FY 2013         | Biennial Total  |
|-------|-----------------|-----------------|-----------------|
| FTE's | 19,180.7        | 19,198.5        | 19,189.6        |
| GFS   | \$316,519,988   | \$325,171,513   | \$641,691,501   |
| Other | \$1,877,510,000 | \$1,889,427,000 | \$3,766,937,000 |
| Total | \$2,194,029,988 | \$2,214,598,513 | \$4,408,628,501 |

| Agency 360 - University of Washington - All Campuses |  |   |       |         |                |         |         |         |         |         |
|--|--|---|-------|---------|----------------|---------|---------|---------|---------|---------|
| Indicator  |  | Baseline  |       |         | Actual Results |         |         |         |         |         |
|  |  | 5-year average  |       | 2002-03 | 2003-04        | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 |
| 1  | Bachelor's Degrees   |   |       |         |                |         |         |         |         |         |
|  | All Students   | 7,108   | 8,043 | 8,411   | 8,514          | 8,290   | 8,289   | 8,165   | 8,434   |         |
|  | Pell Grant Recipients  | 1,924   | 2,200 | 2,280   | 2,377          | 2,286   | 2,340   | 2,327   | 2,391   |         |
| 2  | High-Demand Bachelor's Degrees   |   |       |         |                |         |         |         |         |         |
|  | All Students   | 1,419   | 1,546 | 1,472   | 1,559          | 1,491   | 1,474   | 1,450   | 1,570   |         |
|  | Pell Grant Recipients  | 424   | 467   | 449     | 453            | 403     | 418     | 423     | 410     |         |
| 3  | Advanced Degrees   |   |       |         |                |         |         |         |         |         |
|  | All Students   | 3,175   | 3,706 | 3,787   | 3,845          | 4,030   | 4,008   | 4,030   | 4,161   |         |
|  | Pell Grant Recipients  | Not applicable. Pell Grants are for undergraduate study only. |       |         |                |         |         |         |         |         |
|  |  |   |       |         |                |         |         |         |         |         |
| 4  | 6-Year Graduation Rate<br>(first-time full-time freshmen) <i>Seattle Campus Only</i>                               |   |       |         |                |         |         |         |         |         |
|  | All Students   |   |       |         |                |         |         |         |         |         |
|  | Number of entering students  | 3,469   | 4,353 | 4,042   | 4,325          | 4,774   | 5,294   | 4,778   | 4,952   |         |
|  | Number of graduates  | 2,440   | 3,066 | 2,967   | 3,208          | 3,571   | 3,988   | 3,673   | 3,992   |         |
|  | Percentage graduating  | 70.3%   | 70.4% | 73.4%   | 74.2%          | 74.8%   | 75.3%   | 76.9%   | 80.6%   |         |
|  | Pell Grant Recipients  |   |       |         |                |         |         |         |         |         |
|  | Number of entering students  | Not Available   | 774   | 754     | 708            | 723     | 833     | 871     | 945     |         |
| Number of graduates                                  | Not Available  | 573   | 554   | 541     | 544            | 653     | 668     | 768     |         |         |
| Percentage graduating                                | Data not avail   | 74.0%   | 73.5% | 76.4%   | 75.2%          | 78.4%   | 76.7%   | 81.3%   |         |         |
|  |  |   |       |         |                |         |         |         |         |         |
| 5  | 3-Year Graduation Rate (transfer with<br>associate degree from WA community<br>college) <i>Seattle Campus Only</i> |   |       |         |                |         |         |         |         |         |
|  | All Students   |   |       |         |                |         |         |         |         |         |
|  | Number of entering students  | 1,697   | 1,626 | 1,818   | 1,805          | 1,696   | 1,840   | 1,670   | 1,670   |         |
|  | Number of graduates  | 1,098   | 1,134 | 1,341   | 1,373          | 1,343   | 1,400   | 1,015   | 1,333   |         |
|  | Percentage graduating  | 64.7%   | 69.7% | 73.8%   | 76.1%          | 79.2%   | 76.1%   | 60.8%   | 79.9%   |         |
|  | Pell Grant Recipients  |   |       |         |                |         |         |         |         |         |
|  | Number of entering students  | 374   | 286   | 274     | 373            | 277     | 290     | 310     | 282     |         |
| Number of graduates                                  | 245  | 249   | 242   | 321     | 235            | 225     | 248     | 221     |         |         |
| Percentage graduating                                | 65.5%  | 87.1%   | 88.3% | 86.1%   | 84.8%          | 77.6%   | 80.0%   | 78.4%   |         |         |



| 6                     | Freshman Retention<br>(Enroll Fall term, still enrolled Fall term<br>of following academic year) <i>Seattle<br/>Campus Only</i> | 5-year average | Enter 2001 -<br>Enroll 2002 | Enter 2002 -<br>Enroll 2003 | Enter 2003 -<br>Enroll 2004 | Enter 2004 -<br>Enroll 2005 | Enter 2005 - Enroll<br>2006 | Enter 2006 - Enroll<br>2007 | Enter 2007 - Enroll<br>2008 |
|-----------------------|---|----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| All Students          |   |                |                             |                             |                             |                             |                             |                             |                             |
|                       | Number of entering students   | 4,558          | 5,294                       | 4,778                       | 4,952                       | 4,871                       | 4,856                       | 5,392                       | 5,263                       |
|                       | Number of students retained   | 4,092          | 4,772                       | 4,372                       | 4,581                       | 4,513                       | 4,508                       | 4,997                       | 4,882                       |
|                       | Percentage retained   | 89.8%          | 90.1%                       | 91.5%                       | 92.5%                       | 92.7%                       | 92.8%                       | 92.7%                       | 92.8%                       |
| Pell Grant Recipients |   |                |                             |                             |                             |                             |                             |                             |                             |
|                       | Number of entering students   | 723            | 723                         | 833                         | 871                         | 901                         | 756                         | 835                         | 850                         |
|                       | Number of students retained   | 634            | 636                         | 738                         | 787                         | 832                         | 700                         | 761                         | 785                         |
|                       | Percentage retained   | 87.6%          | 88.0%                       | 88.6%                       | 90.4%                       | 92.3%                       | 92.6%                       | 91.1%                       | 92.4%                       |
|                       |   |                |                             |                             |                             |                             |                             |                             |                             |
| 7                     | Bachelor's Degree Efficiency<br>(first degree, single major)  | 5-year average | 2002-03                     | 2003-04                     | 2004-05                     | 2005-06                     | 2006-07                     | 2007-08                     | 2008-09                     |
| All Students          |   |                |                             |                             |                             |                             |                             |                             |                             |
|                       | Number of degrees   | 6,039          | 6,614                       | 6,725                       | 6,970                       | 6,754                       | 6,752                       | 6,641                       | 6,789                       |
|                       | Number not exceeding 125% of<br>required credits  | 5,554          | 6,057                       | 6,137                       | 6,405                       | 6,299                       | 6,290                       | 6,193                       | 6,356                       |
|                       | Percentage not exceeding<br>125% of required credits  | 92.0%          | 91.6%                       | 91.3%                       | 91.9%                       | 93.3%                       | 93.2%                       | 93.3%                       | 93.6%                       |
| Pell Grant Recipients |   |                |                             |                             |                             |                             |                             |                             |                             |
|                       | Number of degrees   | 1,704          | 1,913                       | 1,969                       | 2,059                       | 1,991                       | 2,050                       | 2,022                       | 2,075                       |
|                       | Number not exceeding 125% of<br>required credits  | 1,518          | 1,670                       | 1,698                       | 1,806                       | 1,774                       | 1,859                       | 1,823                       | 1,892                       |
|                       | Percentage not exceeding<br>125% of required credits  | 89.1%          | 87.3%                       | 86.2%                       | 87.7%                       | 89.1%                       | 90.7%                       | 90.2%                       | 91.2%                       |



# **TAB B**

- 1. Recommendation Summary**
- 2. Agency Budget Levels by Program**



BASS - BDS024

State of Washington  
**Recommendation Summary**

4:53:37PM

**Agency: 360 University of Washington**

9/7/2010

Dollars in Thousands

|   | <b>Annual Average<br/>FTEs</b> | <b>General<br/>Fund State</b> | <b>Other Funds</b> | <b>Total Funds</b> |
|---|--------------------------------|-------------------------------|--------------------|--------------------|
| <b>2009-11 Current Biennium Total</b>       | <b>19,221.8</b>                | <b>540,663</b>                | <b>3,755,331</b>   | <b>4,295,994</b>   |
| CL AA Carry Forward Level                   | (35.9)                         | 39,279                        | 11,606             | 50,885             |
| <b>Total Carry Forward Level</b>            | <b>19,185.9</b>                | <b>579,942</b>                | <b>3,766,937</b>   | <b>4,346,879</b>   |
| Percent Change from Current Biennium        | (.2)%                          | 7.3%                          | .3%                | 1.2%               |
| M1 AB Tacoma Phase III O&M                  |                                | 1,274                         |                    | 1,274              |
| M1 AF B9 (Revenues)                         |                                |                               |                    |                    |
| <b>Carry Forward plus Workload Changes</b>  | <b>19,185.9</b>                | <b>581,216</b>                | <b>3,766,937</b>   | <b>4,348,153</b>   |
| Percent Change from Current Biennium        | (.2)%                          | 7.5%                          | .3%                | 1.2%               |
| <b>Total Maintenance Level</b>              | <b>19,185.9</b>                | <b>581,216</b>                | <b>3,766,937</b>   | <b>4,348,153</b>   |
| Percent Change from Current Biennium        | (.2)%                          | 7.5%                          | .3%                | 1.2%               |
| PL AC Compensation Adjustments              |                                | 25,460                        |                    | 25,460             |
| PL AD Restoration of Support - Enrollment   |                                | 6,300                         |                    | 6,300              |
| PL AE WWAMI Expansion                       | 3.8                            | 1,203                         |                    | 1,203              |
| PL AG O&M for Molecular Engineering         |                                | 1,712                         |                    | 1,712              |
| PL AH Restore O&M Fund Shift                |                                | 25,800                        |                    | 25,800             |
|   |                                |                               |                    | <b>60,475</b>      |
| <b>Subtotal - Performance Level Changes</b> | <b>3.8</b>                     | <b>60,475</b>                 |                    |                    |
| <b>2011-13 Total Proposed Budget</b>        | <b>19,189.6</b>                | <b>641,691</b>                | <b>3,766,937</b>   | <b>4,408,628</b>   |
| Percent Change from Current Biennium        | (.2)%                          | 18.7%                         | .3%                | 2.6%               |

**M1 AB Tacoma Phase III O&M**

A total of \$1.2 million in state support is requested in the 2011-2013 biennium for operations and maintenance (O&M) costs for Tacoma Phase 3, calculated according to occupancy date. Tacoma Phase 3, a combined project comprising two buildings, will be completed in two phases over the next biennium. The project was funded through a combination of state funds, student building fee funds, donor funds and UW supported bonds. The UW acquires beneficial use of the Jefferson Building in February 2012 and the Joy Building in February 2011.

**PL AC Compensation Adjustments**

\$25.26 million in funding is requested for the 2011-2013 biennium to provide an average salary increase of 2 percent for all UW faculty, professional staff and librarians in both FY 2012 and FY 2013. The caliber of faculty and staff at the UW has been instrumental in creating a high-quality academic environment and allowing the University to successfully secure 538 American Recovery and Reinvestment Act (ARRA) awards totaling \$238 million. Compensation must be set at a competitive level for the UW to recruit and retain high-quality faculty, staff, and students. Note that separate decision packages will be submitted for those classified staff, teaching assistants and research assistants who are subject to collective bargaining agreements; therefore salary

increase costs associated with these staff are not reflected in this request.

**PL AD Restoration of Support - Enrollment**

A total of \$7.2 million in state funding is requested in the 2011-13 biennium to increase state supported enrollment at the Seattle, Bothell, and Tacoma campuses by a total of 150 full time equivalent students (FTE) in FY 2012 and 150 FTE in FY 2013. At the Seattle campus, this funding will support 100 undergraduate enrollments in both FY 2012 and FY 2013. The funding will also support 20 undergraduate enrollments at UW Bothell and 30 enrollments at UW Tacoma in each fiscal year. All 150 enrollments across the three campuses will be in areas of critical state need (high demand).

**PL AE WWAMI Expansion**

The UW is requesting \$1.2 million of funding for the 2011-13 biennium to develop and expand graduate medical education (GME) for physician training (clerkships and residencies) in Spokane and eastern Washington and to expand the Washington/Wyoming/Alaska/Montana/Idaho (WWAMI) medical student education program in Spokane and eastern Washington. This proposal is a joint effort between the University of Washington (UW) and Washington State University (WSU) to address the current and growing shortage of physicians in Spokane and the surrounding rural counties. In FY 2012, funding for GME will support the development of new primary care graduate medical education (residency) programs in Spokane and eastern Washington as well as a residency in the Psychiatry graduate medical education program in Spokane. In FY 2013 and beyond, the funding will support three residencies on an annual basis in eastern Washington and Spokane.

Funding requested by the UW for medical student education will support the development or expansion of third and fourth year clinical clerkships (ten additional clerkships at six sites) in Spokane and eastern Washington where currently there are limited or no sites. WSU is separately requesting support for the basic science curriculum for the first two years of medical student education in Spokane and eastern Washington.

Studies clearly indicate that physicians typically choose to practice in the same region where they go to medical school or receive their graduate medical education training as a medical resident. Increasing the clinical clerkships in Spokane and eastern Washington allows a greater number of medical students to train in Spokane and eastern Washington, which will increase the number of graduates who will stay and practice in the area.

**PL AG O&M for Molecular Engineering**

A total of \$1.2 million in state support is requested in the 2011-13 biennium for operations and maintenance (O&M) costs for the Molecular Engineering Building, for which the UW will acquire beneficial use beginning in December 2011. The Molecular Engineering Building will accommodate the growth occurring in this emerging field. The project includes research lab space as well as ultra-sensitive ground contact lab space, each with support space. Phase 1 of this project includes the completion of approximately 90,300 gross square feet (GSF).

**PL AH Restore O&M Fund Shift**

The UW is requesting \$25.8 million in the 2011-13 biennium to restore operations and maintenance (O&M) funding that was shifted from the operating budget to the capital budget. A total of \$25.8 million in UW operating funds for routine maintenance and preventive inspections, mechanical adjustments, and minor work to replace or repair building systems, surfaces, or materials was shifted from the operating budget to the capital budget in the 2003-05, 2005-07 and 2007-09 biennial budgets.

## 2011-13 Agency Budget Levels by Program

**Agency: 360 University of Washington**

9/7/2010

4:08:55PM

Dollars in Thousands

| Program: 010 Instruction                                  |  | Current Biennium |        | Carry Forward Level |        | Maintenance Level |        | Performance Level |        |
|---|--|------------------|--------|---------------------|--------|-------------------|--------|-------------------|--------|
|   |  | Year 1           | Year 2 | Year 1              | Year 2 | Year 1            | Year 2 | Year 1            | Year 2 |
| FTEs  |  |                  |        |                     |        |                   |        |                   |        |
| FTEs-Annual Average                                       |  |                  |        |                     |        |                   |        |                   |        |
| Fund - Appropriation Type                                 |  |                  |        |                     |        |                   |        |                   |        |
| 001-1 General Fund - Basic Account-State                  |  |                  |        |                     |        |                   |        |                   |        |
| 001-8 General Fund - Basic Account-Federal Stimulus       |  |                  |        |                     |        |                   |        |                   |        |
| 08A-1 Education Legacy Trust Account-State                |  |                  |        |                     |        |                   |        |                   |        |
| 148-6 Inst of Hi Ed-Dedicated Local Acct-Non-Appropriated |  |                  |        |                     |        |                   |        |                   |        |
| 149-6 Inst of HI ED-Operating Fees Acct-Non-Appropriated  |  |                  |        |                     |        |                   |        |                   |        |
| Total All Funds - Program 010                             |  |                  |        |                     |        |                   |        |                   |        |
| Biennial Total All Funds - Program 010                    |  |                  |        |                     |        |                   |        |                   |        |
| Program: 020 Research                                     |  |                  |        |                     |        |                   |        |                   |        |
| FTEs  |  |                  |        |                     |        |                   |        |                   |        |
| FTEs-Annual Average                                       |  |                  |        |                     |        |                   |        |                   |        |
| Fund - Appropriation Type                                 |  |                  |        |                     |        |                   |        |                   |        |
| 001-1 General Fund - Basic Account-State                  |  |                  |        |                     |        |                   |        |                   |        |
| 12P-6 Geoduck Aquaculture Research Acct-Non-Appropriated  |  |                  |        |                     |        |                   |        |                   |        |
| 148-6 Inst of Hi Ed-Dedicated Local Acct-Non-Appropriated |  |                  |        |                     |        |                   |        |                   |        |
| 149-6 Inst of HI ED-Operating Fees Acct-Non-Appropriated  |  |                  |        |                     |        |                   |        |                   |        |
| 15M-1   |  |                  |        |                     |        |                   |        |                   |        |
| 225   |  |                  |        |                     |        |                   |        |                   |        |
| 608-1 Accident Account-State                              |  |                  |        |                     |        |                   |        |                   |        |

|   |               |               |               |               |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 609-1 Medical Aid Account-State               | 3,266         | 3,274         | 3,315         | 3,302         | 3,315         | 3,302         | 3,315         | 3,302         | 3,315         | 3,302         |
| <b>Total All Funds - Program 020</b>          | <b>13,966</b> | <b>14,013</b> | <b>14,079</b> | <b>14,076</b> | <b>14,079</b> | <b>14,076</b> | <b>14,125</b> | <b>14,076</b> | <b>14,125</b> | <b>14,168</b> |
| <b>Biennial Total All Funds - Program 020</b> |               | <b>27,979</b> |               | <b>28,155</b> |               | <b>28,155</b> |               | <b>28,155</b> |               | <b>28,293</b> |

**Program: 030 Community and Public Service**

|                            |              |              |              |              |              |              |              |              |              |              |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>FTEs</b>                | <b>200.1</b> | <b>197.2</b> | <b>200.1</b> | <b>197.2</b> | <b>200.1</b> | <b>197.2</b> | <b>200.1</b> | <b>197.2</b> | <b>200.1</b> | <b>197.2</b> |
| <b>FTEs-Annual Average</b> |              | <b>198.7</b> |              | <b>198.7</b> |              | <b>198.7</b> |              | <b>198.7</b> |              | <b>198.7</b> |

**Fund - Appropriation Type**

|   |              |               |              |               |              |               |              |               |              |               |
|---|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|
| 001-1 General Fund - Basic Account-State                  | 1,466        | 1,434         | 1,343        | 1,251         | 1,343        | 1,251         | 1,379        | 1,251         | 1,379        | 1,324         |
| 148-6 Inst of Hi Ed-Dedicated Local Acct-Non-Appropriated | 4,887        | 4,895         | 4,887        | 4,895         | 4,887        | 4,895         | 4,887        | 4,895         | 4,887        | 4,895         |
| 149-6 Inst of HI ED-Operating Fees Acct-Non-Appropriated  | 1,731        | 1,797         | 1,731        | 1,797         | 1,731        | 1,797         | 1,731        | 1,797         | 1,731        | 1,797         |
| <b>Total All Funds - Program 030</b>                      | <b>8,084</b> | <b>8,126</b>  | <b>7,961</b> | <b>7,943</b>  | <b>7,961</b> | <b>7,943</b>  | <b>7,997</b> | <b>7,943</b>  | <b>7,997</b> | <b>8,016</b>  |
| <b>Biennial Total All Funds - Program 030</b>             |              | <b>16,210</b> |              | <b>15,904</b> |              | <b>15,904</b> |              | <b>15,904</b> |              | <b>16,013</b> |

**Program: 040 Primary Service**

|                            |              |              |              |              |              |              |              |              |              |              |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>FTEs</b>                | <b>684.6</b> | <b>653.5</b> | <b>684.6</b> | <b>653.5</b> | <b>684.6</b> | <b>653.5</b> | <b>684.6</b> | <b>653.5</b> | <b>684.6</b> | <b>653.5</b> |
| <b>FTEs-Annual Average</b> |              | <b>669.1</b> |              | <b>669.1</b> |              | <b>669.1</b> |              | <b>669.1</b> |              | <b>669.1</b> |

**Fund - Appropriation Type**

|   |               |                |               |                |               |                |               |                |               |                |
|---|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|
| 001-1 General Fund - Basic Account-State                  | 23,893        | 24,763         | 23,893        | 24,763         | 23,893        | 24,763         | 24,545        | 24,763         | 24,545        | 26,079         |
| 148-6 Inst of Hi Ed-Dedicated Local Acct-Non-Appropriated | 24,682        | 24,722         | 24,682        | 24,722         | 24,682        | 24,722         | 24,682        | 24,722         | 24,682        | 24,722         |
| 149-6 Inst of HI ED-Operating Fees Acct-Non-Appropriated  | 27,630        | 29,987         | 27,630        | 29,987         | 27,630        | 29,987         | 27,630        | 29,987         | 27,630        | 29,987         |
| <b>Total All Funds - Program 040</b>                      | <b>76,205</b> | <b>79,472</b>  | <b>76,205</b> | <b>79,472</b>  | <b>76,205</b> | <b>79,472</b>  | <b>76,857</b> | <b>79,472</b>  | <b>76,857</b> | <b>80,788</b>  |
| <b>Biennial Total All Funds - Program 040</b>             |               | <b>155,677</b> |               | <b>155,677</b> |               | <b>155,677</b> |               | <b>155,677</b> |               | <b>157,645</b> |

**Program: 050 Library**

|                            |              |              |              |              |              |              |              |              |              |              |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>FTEs</b>                | <b>306.8</b> | <b>292.2</b> | <b>306.8</b> | <b>292.2</b> | <b>306.8</b> | <b>292.2</b> | <b>306.8</b> | <b>292.2</b> | <b>306.8</b> | <b>292.2</b> |
| <b>FTEs-Annual Average</b> |              | <b>299.5</b> |              | <b>299.5</b> |              | <b>299.5</b> |              | <b>299.5</b> |              | <b>299.5</b> |

**Fund - Appropriation Type**

|   |               |               |               |               |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 001-1 General Fund - Basic Account-State                  | 13,114        | 11,565        | 13,114        | 11,565        | 13,114        | 11,565        | 13,315        | 11,565        | 13,315        | 11,972        |
| 148-6 Inst of Hi Ed-Dedicated Local Acct-Non-Appropriated | 8,069         | 8,082         | 8,069         | 8,082         | 8,069         | 8,082         | 8,069         | 8,082         | 8,069         | 8,082         |
| 149-6 Inst of HI ED-Operating Fees Acct-Non-Appropriated  | 17,073        | 24,593        | 17,073        | 24,593        | 17,073        | 24,593        | 17,073        | 24,593        | 17,073        | 24,593        |
| <b>Total All Funds - Program 050</b>                      | <b>38,256</b> | <b>44,240</b> | <b>38,256</b> | <b>44,240</b> | <b>38,256</b> | <b>44,240</b> | <b>38,457</b> | <b>44,240</b> | <b>38,457</b> | <b>44,647</b> |



|   |                |                    |                |                    |                |                    |                |                    |                |
|---|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|
| <b>Biennial Total All Funds - Program 050</b>             |                |                    |                |                    |                |                    |                |                    |                |
|   |                |                    |                |                    |                |                    |                |                    |                |
| <b>Program: 060 Student Services</b>                      |                |                    |                |                    |                |                    |                |                    |                |
| FTEs  |                |                    |                |                    |                |                    |                |                    |                |
| FTEs-Annual Average                                       | 233.8          | 222.3<br>228.1     | 233.8          | 222.3<br>228.1     | 233.8          | 222.3<br>228.1     | 233.8          | 222.3<br>228.1     | 233.8          |
| <b>Fund - Appropriation Type</b>                          |                |                    |                |                    |                |                    |                |                    |                |
| 001-1 General Fund - Basic Account-State                  | 8,801          | 9,346              | 8,801          | 9,346              | 8,801          | 9,346              | 8,801          | 9,346              | 9,045          |
| 148-6 Inst of Hi Ed-Dedicated Local Acct-Non-Appropriated | 9,160          | 9,175              | 9,160          | 9,175              | 9,160          | 9,175              | 9,160          | 9,175              | 9,160          |
| 149-6 Inst of HI ED-Operating Fees Acct-Non-Appropriated  | 9,979          | 10,237             | 9,979          | 10,237             | 9,979          | 10,237             | 9,979          | 10,237             | 9,979          |
| <b>Total All Funds - Program 060</b>                      | <b>27,940</b>  | <b>28,758</b>      | <b>27,940</b>  | <b>28,758</b>      | <b>27,940</b>  | <b>28,758</b>      | <b>27,940</b>  | <b>28,758</b>      | <b>28,184</b>  |
| <b>Biennial Total All Funds - Program 060</b>             |                | <b>56,698</b>      |                | <b>56,698</b>      |                | <b>56,698</b>      |                | <b>56,698</b>      |                |
|   |                |                    |                |                    |                |                    |                |                    |                |
| <b>Program: 070 Hospital</b>                              |                |                    |                |                    |                |                    |                |                    |                |
| FTEs  |                |                    |                |                    |                |                    |                |                    |                |
| FTEs-Annual Average                                       | 3,517.5        | 3,482.6<br>3,500.1 | 3,517.5        | 3,482.6<br>3,500.1 | 3,517.5        | 3,482.6<br>3,500.1 | 3,517.5        | 3,482.6<br>3,500.1 | 3,517.5        |
| <b>Fund - Appropriation Type</b>                          |                |                    |                |                    |                |                    |                |                    |                |
| 001-1 General Fund - Basic Account-State                  | 8,435          | 13,834             | 8,435          | 13,834             | 8,435          | 13,834             | 8,435          | 13,834             | 8,454          |
| 149-6 Inst of HI ED-Operating Fees Acct-Non-Appropriated  | 6,387          |                    | 6,387          |                    | 6,387          |                    | 6,387          |                    | 6,387          |
| 505-6 UW-University Hospital Account-Non-Appropriated     | 446,851        | 455,141            | 450,864        | 455,141            | 450,864        | 455,141            | 450,864        | 455,141            | 455,141        |
| <b>Total All Funds - Program 070</b>                      | <b>461,673</b> | <b>468,975</b>     | <b>465,686</b> | <b>468,975</b>     | <b>465,686</b> | <b>468,975</b>     | <b>465,705</b> | <b>469,014</b>     |                |
| <b>Biennial Total All Funds - Program 070</b>             |                | <b>930,648</b>     |                | <b>934,661</b>     |                | <b>934,661</b>     |                | <b>934,719</b>     |                |
|   |                |                    |                |                    |                |                    |                |                    |                |
| <b>Program: 080 Institutional Support</b>                 |                |                    |                |                    |                |                    |                |                    |                |
| FTEs  |                |                    |                |                    |                |                    |                |                    |                |
| FTEs-Annual Average                                       | 818.4          | 795.1<br>806.8     | 818.4          | 795.1<br>806.8     | 818.4          | 795.1<br>806.8     | 818.4          | 795.1<br>806.8     | 818.4          |
| <b>Fund - Appropriation Type</b>                          |                |                    |                |                    |                |                    |                |                    |                |
| 001-1 General Fund - Basic Account-State                  | 26,477         | 16,382             | 26,477         | 16,382             | 26,477         | 16,382             | 26,477         | 16,382             | 27,076         |
| 148-6 Inst of Hi Ed-Dedicated Local Acct-Non-Appropriated | 41,871         | 41,938             | 41,871         | 41,938             | 41,871         | 41,938             | 41,871         | 41,938             | 41,871         |
| 149-6 Inst of HI ED-Operating Fees Acct-Non-Appropriated  | 39,130         | 66,884             | 39,130         | 66,884             | 39,130         | 66,884             | 39,130         | 66,884             | 39,130         |
| <b>Total All Funds - Program 080</b>                      | <b>107,478</b> | <b>125,204</b>     | <b>107,478</b> | <b>125,204</b>     | <b>107,478</b> | <b>125,204</b>     | <b>107,478</b> | <b>125,204</b>     | <b>108,077</b> |
| <b>Biennial Total All Funds - Program 080</b>             |                | <b>232,682</b>     |                | <b>232,682</b>     |                | <b>232,682</b>     |                | <b>232,682</b>     |                |
|   |                |                    |                |                    |                |                    |                |                    |                |

**Program: 090 Plant Operations & Maintenance**

|                     |       |       |       |       |       |       |       |       |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| FTEs                | 769.4 | 741.9 | 769.4 | 741.9 | 769.4 | 741.9 | 769.4 | 741.9 |
| FTEs-Annual Average |       | 755.7 |       | 755.7 |       | 755.7 |       | 755.7 |

**Fund - Appropriation Type**

|   |                |                |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 001-1 General Fund - Basic Account-State                  | 28,527         | 25,795         | 28,527         | 25,499         | 29,055         | 26,245         | 42,738         | 40,542         |
| 148-6 Inst of Hi Ed-Dedicated Local Acct-Non-Appropriated | 39,511         | 39,574         | 39,511         | 39,574         | 39,511         | 39,574         | 39,511         | 39,574         |
| 149-6 Inst of HI ED-Operating Fees Acct-Non-Appropriated  | 38,729         | 56,720         | 38,729         | 56,720         | 38,729         | 56,720         | 38,729         | 56,720         |
| <b>Total All Funds - Program 090</b>                      | <b>106,767</b> | <b>122,089</b> | <b>106,767</b> | <b>121,793</b> | <b>107,295</b> | <b>122,539</b> | <b>120,978</b> | <b>136,836</b> |
| <b>Biennial Total All Funds - Program 090</b>             |                | <b>228,856</b> |                | <b>228,560</b> |                | <b>229,834</b> |                | <b>257,814</b> |

**Program: 100 Sponsored Research**

|                     |         |         |         |         |         |         |         |         |
|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| FTEs                | 6,775.4 | 6,799.6 | 6,775.4 | 6,799.6 | 6,775.4 | 6,799.6 | 6,775.4 | 6,799.6 |
| FTEs-Annual Average |         | 6,787.5 |         | 6,787.5 |         | 6,787.5 |         | 6,787.5 |

**Fund - Appropriation Type**

|  |         |                  |         |                  |         |                  |         |                  |
|--|---------|------------------|---------|------------------|---------|------------------|---------|------------------|
| 145-6 Inst of Hi Ed-Grants/Contracts Acct-Non-Appropriated | 715,553 | 726,163          | 728,004 | 726,163          | 728,004 | 726,163          | 728,004 | 726,163          |
| <b>Biennial Total All Funds - Program 100</b>              |         | <b>1,441,716</b> |         | <b>1,454,167</b> |         | <b>1,454,167</b> |         | <b>1,454,167</b> |

**Agency FTEs**

**Agency Annual Average FTEs**

|                            |          |          |          |          |          |          |          |          |
|----------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Agency FTEs                | 19,298.6 | 19,144.9 | 19,177.2 | 19,194.5 | 19,177.2 | 19,194.5 | 19,180.7 | 19,198.5 |
| Agency Annual Average FTEs |          | 19,221.8 |          | 19,185.9 |          | 19,185.9 |          | 19,189.6 |

**Agency Totals by Fund**

|  |         |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| 001-1 General Fund - Basic Account-State                   | 269,571 | 271,092 | 291,427 | 288,515 | 291,955 | 289,261 | 316,520 | 325,172 |
| 001-8 General Fund - Basic Account-Federal Stimulus        | 43,971  |         | 43,971  |         | 43,971  |         | 43,971  |         |
| 08A-1 Education Legacy Trust Account-State                 | 26,345  | 28,189  | 26,345  | 28,189  | 26,345  | 28,189  | 26,345  | 28,189  |
| 12P-6 Geoduck Aquaculture Research Acct-Non-Appropriated   | 365     |         | 365     |         | 365     |         | 365     |         |
| 145-6 Inst of Hi Ed-Grants/Contracts Acct-Non-Appropriated | 715,553 | 726,163 | 728,004 | 726,163 | 728,004 | 726,163 | 728,004 | 726,163 |
| 148-6 Inst of HI Ed-Dedicated Local Acct-Non-Appropriated  | 305,461 | 313,154 | 312,097 | 313,154 | 312,097 | 313,154 | 312,097 | 313,154 |
| 149-6 Inst of HI ED-Operating Fees Acct-Non-Appropriated   | 320,841 | 359,556 | 352,867 | 359,556 | 352,867 | 359,556 | 352,867 | 359,556 |
| 15M-1 Biotoxin Account-State                               | 225     | 224     | 225     | 225     | 225     | 225     | 225     | 225     |
| 505-6 UW-University Hospital Account-Non-Appropriated      | 446,851 | 455,141 | 450,864 | 455,141 | 450,864 | 455,141 | 450,864 | 455,141 |
| 608-1 Accident Account-State                               | 3,364   | 3,386   | 3,428   | 3,420   | 3,428   | 3,420   | 3,428   | 3,420   |
| 609-1 Medical Aid Account-State                            | 3,266   | 3,274   | 3,315   | 3,302   | 3,315   | 3,302   | 3,315   | 3,302   |

**Total All Funds**

|                 |           |           |           |           |           |           |           |           |
|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total All Funds | 2,135,813 | 2,160,179 | 2,212,908 | 2,177,665 | 2,213,436 | 2,178,411 | 2,238,001 | 2,214,322 |
|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

**Biennial Total All Funds**

|                          |  |           |  |           |  |           |  |           |
|--------------------------|--|-----------|--|-----------|--|-----------|--|-----------|
| Biennial Total All Funds |  | 4,295,992 |  | 4,390,573 |  | 4,391,847 |  | 4,452,323 |
|--------------------------|--|-----------|--|-----------|--|-----------|--|-----------|

# TAB C

1. Executive Summary
2. Decision Package Overview
3. Individual Decision Packages



September 13, 2010

Marty Brown, Director  
Office of Financial Management  
State of Washington  
300 Insurance Building  
Box 43113  
Olympia, Washington 98054-3113

**SUBJECT: 2011-13 University of Washington Biennial Operating Budget Request**

Dear Marty,

As requested, attached are eight copies of the 2011-13 UW Biennial Operating Budget Request for the Office of Financial Management to distribute as needed. We understand that copies of this budget will be distributed to the Council of Presidents, the Higher Education Coordinating Board, and relevant committees in both bodies of the Legislature.

The UW is submitting one operating budget request at the maintenance level and five operating budget requests at the performance level. The University anticipated and responded to the continued revenue shortfall experienced by our state and did not seek proposals for new funding from campus units. Instead, the UW respectfully submits a carefully selected suite of its most urgent operating budget requests.

The requests herein must be considered in the context of anticipated revenue shortfalls in the current fiscal year, as well as planned cuts in the coming biennium. We know that Washington will face a nearly \$3 billion revenue shortfall for FY 2012 and FY 2013, and we are currently following OFM instructions to create and submit an additional decision package for a 10 percent reduction in general funds at the UW. In tandem, we are working with our colleagues across all baccalaureate institutions to formulate a new financing model, which we hope will aid progress toward a more stable and predictable level of funding for higher education in the future.

We are grateful that Governor Gregoire has devoted resources toward reconsidering higher education funding in forming the Higher Education Funding Task Force. This group, alongside others, has recognized that higher education will serve as the primary vehicle for transforming our workforce during the economic downturn, in preparation for a robust rebound in the future. We look forward to the results of this important work, and to collaborating with the Task Force and others, as we continue to search for new ways to weather the challenging economic climate we continue to face.

Sincerely,



Paul Jenny  
Vice Provost, Planning & Budgeting

CC: Phyllis Wise, Interim President  
Mary Lidstrom, Interim Provost  
Margaret Shepherd, Director of State Relations



## **University of Washington 2011-13 Operating Budget Request Overview**

### ***1. Compensation Adjustments for Faculty, Professional Staff, and Librarians (\$25.5 million).***

Funding is requested to provide an average salary increase of two percent for all faculty, professional staff, and librarians in both FY 2012 and FY 2013. While we are aware that our state's likely \$2.8 billion revenue shortfall will require significant additional cuts across state agencies, it is important to recognize that the caliber of faculty and staff at the UW has been instrumental in creating a high-quality academic environment and allowing the University to successfully compete for federal research funding throughout the economic crisis. Compensation must be set at a competitive level for the UW to recruit and retain high-quality faculty, staff, and students.

### ***2. Restoration of Support for Enrollments in Areas of Critical State Need (\$6.3 million).***

A total of \$6.3 million in state funding is requested in the upcoming biennium to increase state supported enrollment at the Seattle, Bothell, and Tacoma campuses. At the Seattle campus, 100 undergraduate FY 2012 and FY 2013 will be in disciplines identified as areas of critical state need, often referred to as "high demand." The University is also requesting support for 20 undergraduate enrollments each year for the Bothell campus and 30 for the Tacoma campus. The restoration of support for these enrollments would be in support the state's desire to produce more degrees, at a higher level of support, in areas of critical state need.

### ***3. Support for General Medical Enrollments (\$1.2 million).***

The UW is requesting \$1.2 million of funding for the 2011-13 biennium to develop and expand graduate medical education (GME) for physician training in Spokane and eastern Washington and to expand the Washington/Wyoming/Alaska/Montana/Idaho (WWAMI) medical student education program in Spokane and eastern Washington. This proposal is a joint effort between the University of Washington (UW) and Washington State University (WSU) to address the current and growing shortage of physicians in Spokane and the surrounding rural counties.

### ***4. Operations and Maintenance – Molecular Engineering Building***

A total of \$2.1 million in state funding is requested for the biennium for operations and maintenance (O&M) costs for the Molecular Engineering Building, which will be occupied beginning April 2011. The Molecular Engineering Building will accommodate the growth occurring in this emerging field and contribute mightily to our state's needs in high demand fields. The project includes research lab space as well as ultra-sensitive ground contact lab space, each with support space.

### ***5. Restore Operations and Maintenance Fund Shift (\$25.8 million).***

A total of \$25.8 million in UW operating funds for routine maintenance and preventive inspections, mechanical adjustments, and minor work to replace or repair building systems, surfaces, or materials was shifted from the operating budget to the capital budget in the 2003-05, 2005-07 and 2007-09 biennial budgets. Funds are requested in the 2011-13 biennium to restore this funding to the operating budget.

*In addition to the policy requests above, the University is also requesting funding to the base, maintenance budget that will provide operations and maintenance of renovated buildings which will be opening to students, faculty, and staff in the 2011-13 biennium.*

***Operations and Maintenance – Tacoma Phase 3 (\$1.2 million).***

A total of \$1.2 million is requested to provide a modest level of state support for operations and maintenance (O&M) costs at the state-supported Tacoma Phase 3 site. New funding will support a level of operations and maintenance funding for these buildings that is targeted to Tacoma Phase 3, but based on actual O&M costs for Balmer Hall on the Seattle campus. Tacoma Phase 3 is a combined project comprising two buildings and will be completed in two phases during the next biennium.



**Agency:** 360 University of Washington

**Decision Package Code/Title:** AB Tacoma Phase III O&M

**Budget Period:** 2011-13

**Budget Level:** M1 - Mandatory Caseload and Enrollment Changes

### Recommendation Summary Text:

A total of \$1.2 million in state support is requested in the 2011-2013 biennium for operations and maintenance (O&M) costs for Tacoma Phase 3, calculated according to occupancy date. Tacoma Phase 3, a combined project comprising two buildings, will be completed in two phases over the next biennium. The project was funded through a combination of state funds, student building fee funds, donor funds and UW supported bonds. The UW acquires beneficial use of the Jefferson Building in February 2012 and the Joy Building in February 2011.

### Fiscal Detail

| Operating Expenditures                   | <u>FY 2012</u> | <u>FY 2013</u> | <u>Total</u>     |
|--|----------------|----------------|------------------|
| 001-1 General Fund - Basic Account-State | 527,945        | 746,192        | 1,274,137        |
| <b>Total Cost</b>                        | <b>527,945</b> | <b>746,192</b> | <b>1,274,137</b> |

### Package Description:

This project will provide additional academic space to support new and expanded degree programs at the Tacoma campus during the 2011-13 biennium. Completion of this project will provide capacity to accommodate at least 600 additional full-time equivalent (FTE) students and assist the Tacoma campus in its transition to a comprehensive four-year institution.

The project scope for Tacoma Phase 3 consists of the following elements:

#### Phase 3a

The renovation/restoration of the three-story Russell T. Joy Building (46,238 gross square feet) will house general purpose classrooms and seminar rooms for the Interdisciplinary Arts and Sciences Program, and informal study space.

#### Phase 3b

Construction of a new four-story Jefferson building (47,036 gross square feet) on Jefferson Avenue will provide library expansion, classrooms, faculty/flexible offices, and other academic program and support space.

A total of \$1,274,137 in state support is requested in the 2011-13 operating budget for operations and maintenance costs for Tacoma Phase 3 beginning in Fiscal Year 2012. O&M costs include physical plant operations and routine maintenance expenses. O&M also typically includes the costs of utilities, maintenance, custodial services, environmental health and safety, transportation services, campus security, and facilities management associated with organized research. Operations and maintenance costs of \$8 per gross square foot have been assumed for Tacoma Phase 3, a projection based upon O&M funding identified for the Paccar Hall building recently occupied on the UW Seattle campus.

## **Narrative Justification and Impact Statement**

### ***What specific performance outcomes does the agency expect?***

Adequately funding operations and maintenance for new and renovated space will assist in reduction of a Total UW Preservation Backlog, currently identified by the Office of Financial Management's Comparable Framework Study Update, totaling approximately \$795 million, not including campus site infrastructure systems.

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

Yes, the proposal is essential to meet the University's goals to ensure the highest level of integrity, compliance, and stewardship. In addition, goals included in the UW's resource plan include: 1) achieving 100 percent of the operations and maintenance funding standard for new and renovated space in 2011-13; and 2) achieving 80 percent of the benchmark funding standard overall by 2017.

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

Yes, this proposal will improve the value of postsecondary learning.

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

Yes, this proposal will improve the value of postsecondary learning, while simultaneously protecting the investment the state has made in facilities on the Tacoma campus. In addition, the proposal supports one of the Higher Education Coordinating Board's fiscal priorities related to implementation of the 2008 Strategic Master Plan for Higher Education -- to provide funding levels to ensure superior quality in Washington's higher education enterprise.

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

As the state and higher education institutions moved away from funding O&M based on a formula, the long-term effect was an accumulation of deferred maintenance projects. Funding O&M at adequate levels helps keep buildings in good working condition and helps mitigate the need for more expensive capital projects resulting from failing systems in the future. While the \$8 rate is based on O&M rates for a new building on the Seattle campus, and may not be the full amount of O&M funding needed for UW Tacoma Phase 3, it is a realistic figure and one that would ensure the state's investment at Tacoma is protected in the future.

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

The alternative is to continue the status quo. The result of this approach will be a continued accumulation of deferred maintenance projects, which will lead to more expensive future projects.

### ***What are the consequences of not funding this package?***

When O&M is not funded and performed in accordance with recommended schedules, systems begin to fail and create the need for more expensive capital projects.

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

UW Tacoma Phase 3 received state support in the past.

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

None.

***Expenditure and revenue calculations and assumptions***

An O&M rate of \$8 per gross square foot was calculated for the recently completed PACCAR Hall on the Seattle campus. While a higher O&M rate could be justified, we feel the \$8 rate is sufficient funding for O&M costs in Tacoma, and would be sufficient to preserve the investment already made by UW students and the state of Washington.

Refer to Attachment C in Tab E for specific calculations and cost estimates.

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

Funding is on-going and would continue in future biennia.

## University of Washington

Total gross square feet of campus facilities supported by State Funds:

Total net assignable square feet supported by State Funds:

| Project Name    | Capital Budget<br>Project Code | Total<br>Project Gross<br>Square Feet* | Gross Square Feet      |                         | Projected<br>Occupancy<br>Date | Projected Percentage of Year<br>Occupied |       | Proposed State-Supported Cost<br>Per Square Foot** |        | Requested State Support |                  |                    |
|-----------------|--------------------------------|--|------------------------|-------------------------|--------------------------------|--|-------|--|--------|-------------------------|------------------|--------------------|
|                 |                                |  | Replaced<br>by Project | Renovated<br>in Project |                                | FY 12                                    | FY 13 | FY 12  | FY 13  | FY 12                   | FY 13            | TOTAL              |
| Tacoma Phase 3a | 20082005                       | 46,238                                 |                        |                         | 2/1/2011                       | 100%                                     | 100%  | \$8.00   | \$8.00 | \$369,904               | \$369,904        | \$739,808          |
| Tacoma Phase 3b | 20082005                       | 47,036                                 |                        |                         | 2/1/2012                       | 42%                                      | 100%  | \$8.00   | \$8.00 | \$158,041               | \$376,288        | \$534,329          |
|                 |                                |  |                        |                         |                                |  |       |  |        |                         |                  |                    |
|                 |                                |  |                        |                         |                                |  |       |  |        |                         |                  |                    |
|                 |                                |  |                        |                         |                                |  |       |  |        |                         |                  |                    |
|                 |                                |  |                        |                         |                                |  |       |  |        |                         |                  |                    |
|                 |                                |  |                        |                         |                                |  |       |  |        |                         |                  |                    |
|                 |                                |  |                        |                         |                                |  |       |  |        |                         |                  |                    |
|                 |                                |  |                        |                         |                                |  |       |  |        |                         |                  |                    |
|                 |                                |  |                        |                         |                                |  |       |  |        |                         |                  |                    |
| <b>TOTAL</b>    |                                |  |                        |                         |                                |  |       |  |        | <b>\$527,945</b>        | <b>\$746,192</b> | <b>\$1,274,137</b> |

**Agency Budget Request Decision Package Summary****(Lists only the agency Performance Level budget decision packages, in priority order)****Agency: 360 University of Washington**9/7/2010  
4:13:52PM**Budget Period: 2011-13****Decision Package**

| <u>Code</u> | <u>Decision Package Title</u>       |
|-------------|-------------------------------------|
| PL-AC       | Compensation Adjustments            |
| PL-AD       | Restoration of Support - Enrollment |
| PL-AE       | WWAMI Expansion                     |
| PL-AG       | O&M for Molecular Engineering       |
| PL-AH       | Restore O&M Fund Shift              |

**Agency:** 360 University of Washington

**Decision Package Code/Title:** AC Compensation Adjustments

**Budget Period:** 2011-13

**Budget Level:** PL - Performance Level

### Recommendation Summary Text:

\$25.26 million in funding is requested for the 2011-2013 biennium to provide an average salary increase of 2 percent for all UW faculty, professional staff and librarians in both FY 2012 and FY 2013. The caliber of faculty and staff at the UW has been instrumental in creating a high-quality academic environment and allowing the University to successfully secure 538 American Recovery and Reinvestment Act (ARRA) awards totaling \$238 million. Compensation must be set at a competitive level for the UW to recruit and retain high-quality faculty, staff, and students. Note that separate decision packages will be submitted for those classified staff, teaching assistants and research assistants who are subject to collective bargaining agreements; therefore salary increase costs associated with these staff are not reflected in this request.

### Fiscal Detail

| Operating Expenditures                   | <u>FY 2012</u>   | <u>FY 2013</u>    | <u>Total</u>      |
|--|------------------|-------------------|-------------------|
| 001-1 General Fund - Basic Account-State | 8,430,555        | 17,029,721        | 25,460,276        |
| <b>Total Cost</b>                        | <b>8,430,555</b> | <b>17,029,721</b> | <b>25,460,276</b> |

### Package Description:

Faculty salaries are one of the largest components of operating costs for higher education institutions. The caliber of faculty members at the UW has been instrumental in creating a high-quality academic environment and allowing the University to successfully compete for federal research funding. Over the years, the UW has seen erosion in the level of compensation provided to faculty relative to peer institutions. As a result, some of the University's brightest faculty members are increasingly accepting competitive offers from other universities and industry.

While salaries have stagnated across all state agencies, UW faculty salaries across all faculty types would have to grow 6.7 percent on average to achieve the 60th percentile of Global Challenge State (GCS) peers goal that was set by the Legislature. Even with the proposed pay increases provided in FY 2012 and FY 2013, the UW expects a significant salary gap to continue to exist. Bringing faculty salaries closer to those of our peer institutions is a high-priority goal of the UW administration.

Building upon the work of Washington Learns, the UW has identified a set of peer institutions within the GCS by which to evaluate the relative performance of the UW to its peers on compensation. Table 1 compares faculty salaries to peer institutions and the GCS average for all levels of faculty. The UW ranks 9th of eleven on salaries for full professors, 9th of 11 for associate professors and 5th of 11 for assistant professors.

| Average Faculty Salary By Rank (9 and 12 month Service Period Salaries Combined and Reported on 9 Month Basis) |              |                |                     |               |                     |               |               |                |
|--|--------------|----------------|---------------------|---------------|---------------------|---------------|---------------|----------------|
| Institution  | Professor    |                | Associate Professor |               | Assistant Professor |               | All Ranks     |                |
|  | #            | Salary         | #                   | Salary        | #                   | Salary        |               | Salary         |
| U of Calif-Los Angeles   | 1,156        | 148,000        | 333                 | 95,200        | 370                 | 81,700        | 1,859         | 125,346        |
| Rutgers U  | 999          | 140,342        | 610                 | 94,710        | 412                 | 79,617        | 2,021         | 114,190        |
| U of Calif-San Diego   | 503          | 135,400        | 194                 | 88,200        | 178                 | 79,600        | 875           | 113,584        |
| University of Maryland-Balt. & College Park  | 776          | 135,681        | 506                 | 95,687        | 464                 | 82,204        | 1,746         | 109,879        |
| University of Virginia   | 533          | 134,700        | 328                 | 92,700        | 269                 | 75,200        | 1,130         | 108,345        |
| U of Calif-Irvine  | 529          | 132,700        | 234                 | 85,700        | 247                 | 75,600        | 1,010         | 107,847        |
| U of Calif-Davis   | 866          | 123,400        | 266                 | 83,900        | 318                 | 77,000        | 1,450         | 105,978        |
| U of Connecticut   | 437          | 133,000        | 397                 | 91,800        | 336                 | 73,900        | 1,170         | 102,048        |
| U of Massachusetts-Amherst   | 445          | 117,100        | 280                 | 89,700        | 269                 | 68,200        | 994           | 96,148         |
| U of Colorado-Boulder & Denver   | 579          | 119,934        | 541                 | 88,245        | 467                 | 73,924        | 1,587         | 95,592         |
| <b>Total/Average</b>   | <b>6,823</b> | <b>133,843</b> | <b>3,689</b>        | <b>91,375</b> | <b>3,330</b>        | <b>77,006</b> | <b>13,842</b> | <b>108,852</b> |
| <b>60th Percentile</b>   |              | <b>134,700</b> |                     | <b>91,800</b> |                     | <b>77,000</b> |               | <b>108,345</b> |
| <b>Average Weight to UW Rank Mix</b>   |              | <b>133,843</b> |                     | <b>91,375</b> |                     | <b>77,006</b> |               | <b>108,663</b> |
| University of Washington - All Campuses  | 923          | 120,800        | 568                 | 87,590        | 424                 | 78,348        | 1,915         | 101,550        |
| <b>% Increase (Decrease) To Equal Group:</b>   |              |                |                     |               |                     |               |               |                |
| <b>60th % Rank</b>   |              | <b>11.5%</b>   |                     | <b>4.8%</b>   |                     | <b>-1.7%</b>  |               | <b>6.7%</b>    |
| <b>Average Weight to UW Rank Mix</b>   |              | <b>10.8%</b>   |                     | <b>4.3%</b>   |                     | <b>-1.7%</b>  |               | <b>7.0%</b>    |

**Notes:**

1. Data Source: AAUP data for 2009-10, including 9 and 12 month faculty with 12 month adjusted to 9 month service period basis. Data reported in the March-April, 2010 Academic Bulletin of the American Association of [http://www.aaup.org/research/University\\_Professors](http://www.aaup.org/research/University_Professors). See:

<http://www.aaup.org/AAUP/comm/rep/Z/estatreport09-10/>

The compensation gaps are particularly acute at the associate and full professor ranks. As a result, the UW has developed a national reputation as prime recruiting territory for competing institutions searching for the most promising and productive faculty members who are at the early stages of career development. This makes the UW highly vulnerable to losing our best faculty members as they become eligible for the associate and full professor ranks. If the issue of compensation is not addressed, faculty will continue to leave the UW for competing institutions -- often outside of the State of Washington -- and students and programs will follow.

In addition to comparing faculty salaries to salaries at peer institutions, the UW regularly compares the salaries of teaching assistants and librarians to salaries at the same institutions. Additionally, market surveys for similar positions in the local job market are completed regularly for both professional staff and classified staff. Compensation for classified staff, teaching assistants, professional staff, and librarians lags behind peer institution and local market compensation for similar positions. Note that separate decision packages will be submitted for those classified staff, teaching assistants and research assistants who are subject to collective bargaining agreements; therefore salary increase costs associated with these staff are not reflected in this request.

## **Narrative Justification and Impact Statement**

### ***What specific performance outcomes does the agency expect?***

The UW goal is for average faculty salaries to reach the 60th percentile of Global Challenge States Peer Institution salaries, as well as to maintain competitive staff and librarian salaries so as to recruit and maintain qualified and excellent employees in all positions.

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

Yes, this proposal is integral to the University's efforts to:

- Attract and retain an outstanding and diverse faculty and staff to enhance educational quality, research strength, and prominent leadership.
- Attract a diverse and excellent student body and provide a rich learning experience.
- Strengthen interdisciplinary research and scholarship to tackle "grand challenge" problems that will benefit society and stimulate economic development.

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

Yes, this proposal is necessary to move Washington's education system forward and provide educational opportunities that enable the state to compete economically.

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

Yes, this proposal is crucial in order to improve the value of postsecondary learning, by ensuring access to high-quality post-secondary programs and to high-quality research opportunities.

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

This proposal is critical to the HECB priority of providing funding levels to ensure superior quality in Washington's higher education enterprise and, as a result, to raise the level of educational attainment and promote economic growth and innovation.

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

It is a high-priority goal of the administration to bring faculty, librarian, and staff salaries closer to those of our peer institutions. The

University's FY 2010 and FY 2011 budgets committed significant local resources to maintain the operating budgets of academic units as well as provide local resources to counter competitive compensation offers from the other institutions for faculty, but the ability to continue to hold academic units harmless are limited without additional state support.

***What are the consequences of not funding this package?***

A noncompetitive salary position is not sustainable for a higher education institution. The University estimates that nearly 46 percent of our faculty base could exercise the option to retire within the next ten years. Replacing these faculty with equally talented, accomplished, younger peers will require compensation packages that are competitive with our peer institutions.

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

None.

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

None.

***Expenditure and revenue calculations and assumptions***

See attached spreadsheet titled "Competitive Compensation.xls" for detailed calculations.

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

All costs are on-going, so costs associated with this proposal will continue in future biennia.



## ALL GENERAL OPERATING FUND -- UW Seattle + UW Bothell + UW Tacoma

| Category                   | Salary Base<br>08/03/2010 | Increase<br>% in FY<br>2012 | Increase \$      | FY10 New Salary<br>Base | Marginal<br>Benefit % | Total<br>Marginal<br>Benefit \$ | Annual Incremental<br>Funding (Increase +<br>Benefits) for FY 2012 | Increase<br>% in FY<br>2012 | Increase \$      | FY10 New<br>Salary Base | Marginal<br>Benefit % | Total Marginal<br>Benefit \$ | Annual<br>Incremental<br>Funding (Increase<br>+ Benefits) for FY |
|----------------------------|---------------------------|-----------------------------|------------------|-------------------------|-----------------------|---------------------------------|--|-----------------------------|------------------|-------------------------|-----------------------|------------------------------|--|
| Faculty                    | 239,892,825               | 2.00%                       | 4,797,857        | 244,690,682             | 13.60%                | 652,508                         | 5,450,365  | 2.00%                       | 4,893,814        | 10,344,179              | 13.60%                | 665,559                      | 11,009,737   |
| Auxiliary Faculty          | 2,221,090                 | 2.00%                       | 44,422           | 2,265,512               | 8.90%                 | 3,954                           | 48,375   | 2.00%                       | 45,310           | 98,686                  | 8.90%                 | 4,093                        | 97,718   |
| Medical Residents          | 4,437,284                 | 2.00%                       | 88,746           | 4,526,030               | 8.90%                 | 7,898                           | 96,644   | 2.00%                       | 90,521           | 187,165                 | 8.90%                 | 8,056                        | 195,221  |
|                            | <u>246,551,199</u>        |                             | <u>4,931,024</u> | <u>251,482,223</u>      |                       | <u>664,360</u>                  | <u>5,595,384</u>   |                             | <u>5,029,644</u> | <u>10,625,029</u>       |                       | <u>677,648</u>               | <u>11,302,676</u>  |
| Professional               | 105,243,234               | 2.00%                       | 2,104,865        | 107,348,099             | 13.50%                | 284,157                         | 2,389,021  | 2.00%                       | 2,146,962        | 4,535,983               | 13.50%                | 289,840                      | 4,825,823  |
| Professional UWMC          | 265,872                   | 2.00%                       | 5,317            | 271,189                 | 13.50%                | 718                             | 6,035  | 2.00%                       | 5,424            | 11,459                  | 13.50%                | 732                          | 12,191   |
| Professional HMC           | 567,968                   | 2.00%                       | 11,359           | 579,327                 | 13.50%                | 1,594                           | 12,893   | 2.00%                       | 11,587           | 24,479                  | 13.50%                | 1,564                        | 26,044   |
|                            | <u>106,077,074</u>        |                             | <u>2,121,541</u> | <u>108,198,615</u>      |                       | <u>286,468</u>                  | <u>2,407,950</u>   |                             | <u>2,163,972</u> | <u>4,571,922</u>        |                       | <u>292,136</u>               | <u>4,864,058</u>   |
| Academic Student Employees | 21,339,711                | 2.00%                       | 426,794          | 21,766,505              | 0.10%                 | 427                             | 427,221  | 2.00%                       | 435,330          | 862,551                 | 0.10%                 | 495                          | 862,986  |
|                            | <u>373,967,984</u>        |                             | <u>7,479,360</u> | <u>381,447,344</u>      |                       | <u>951,195</u>                  | <u>8,430,555</u>   |                             |                  |                         |                       |                              | <u>17,029,721</u>  |

Year One: 8,430,555  
 Year Two: 17,029,721  
 Total: 25,460,276

**Agency:** 360 University of Washington

**Decision Package Code/Title:** AD Restoration of Support for Enrollment in Areas of Critical State Need

**Budget Period:** 2011-13

**Budget Level:** PL - Performance Level

### Recommendation Summary Text:

A total of \$7.2 million in state funding is requested in the 2011-13 biennium to increase state supported enrollment at the Seattle, Bothell, and Tacoma campuses by a total of 150 full time equivalent students (FTE) in FY 2012 and 150 FTE in FY 2013. At the Seattle campus, this funding will support 100 undergraduate enrollments in both FY 2012 and FY 2013. The funding will also support 20 undergraduate enrollments at UW Bothell and 30 enrollments at UW Tacoma in each fiscal year. All 150 enrollments across the three campuses will be in areas of critical state need (high demand).

### Fiscal Detail

| <b>Operating Expenditures</b>            | <b><u>FY 2012</u></b> | <b><u>FY 2013</u></b> | <b><u>Total</u></b> |
|--|-----------------------|-----------------------|---------------------|
| 001-1 General Fund - Basic Account-State | 2,079,000             | 4,221,000             | 6,300,000           |
| <b>Total Cost</b>                        | <b>2,079,000</b>      | <b>4,221,000</b>      | <b>6,300,000</b>    |

### Package Description:

Access to higher education has personal benefits, as well as broad economic and social benefits for citizens, industry, and government. Washington's system of higher education faces a number of future challenges including:

- Increasing the number of bachelor's degrees produced per 1,000 citizens - Washington ranks in the bottom third of all states.
- Increasing the number of graduate and professional degrees produced per 1,000 citizens - Washington ranks 39th in the nation.
- Increasing capacity - For Autumn quarter 2010, the UW received almost 23,000 applications, of which only 13,000 applicants could be offered admission.
- Increasing access for two-year transfers and graduate and professional students.

Instruction of students is the paramount duty for public higher education institutions in the state. As Washington State's Master Plan for Higher Education indicates, and Governor Gregoire has recently confirmed, there is a need to produce 30 percent more baccalaureate degrees over the next decade to meet the workforce needs of the state. In addition, a Georgetown University Center on Education and Workforce report from June 2010 predicts that by 2018, 2/3rds of available jobs will require some college education, and that 72 percent of these jobs will require at least a bachelor's degree. In Washington State specifically, it is predicted that 67 percent of all jobs will require some postsecondary training beyond high school by 2018. This is 6th highest postsecondary education need in the nation.

Postsecondary instruction for Washington's citizens is central to the health of society and the state economy, and the UW relies heavily on state funding for instruction related activity. The only likely substitutable source of funding is increased tuition revenue. In Fiscal Year 2011, after state budget cuts and tuition increases, the core education budget for the UW was comprised of tuition revenue (49 percent), designated operating funds (local revenue from some administration on grants and contracts, summer quarter and other revenue sources of 8 percent) and state operating funds (43 percent). The core education

budget, which was primarily supported by state operating funds in the past, is most heavily reliant on tuition revenue. Tuition revenue has slowly supplanted state general funds as the primary revenue source for instruction.

This decision package is designed to slow the increasing rate at which tuition dollars are replacing state support in funding the UW's instructional mission. In doing so, this package proposes state investment in instructional spending in areas of critical state need, which are:

- Computer and Information Sciences and Support Services;
- Engineering;
- Education Degrees in Special Education, Mathematics, or Science;
- Engineering Technologies;
- Physical Sciences;
- Biological and Biomedical Sciences;
- Mathematics and Statistics; and,
- Health Professions and Related Clinical Sciences.

## **Narrative Justification and Impact Statement**

### ***What specific performance outcomes does the agency expect?***

The University of Washington anticipates that the state support proposed here will mitigate some of the need to raise tuition revenue to maintain the core education budget at the level necessary to preserve both student access and institutional excellence. Additionally, this funding would enable the University to help protect the budgets of academic units producing degrees in areas of critical state need, where cuts to these budgets would force lower enrollments due to reduced staffing levels and operating funds.

In addition to mitigating budget cuts and enrollment reductions, this funding will help the UW and the state achieve the goal of growing both enrollment and degree production in areas of critical state need. Without this funding, such enrollment cannot grow, and might in fact decline due to the expense of producing these degrees.

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

Expanded state support for enrollment in areas of critical state need is integral to every part of the vision and values that reflect the strategic priorities of the University of Washington, including integrity, diversity, excellence, collaboration, innovation and respect. In addition, the state's Master Plan for Higher Education in Washington dictates that all baccalaureate institutions produce 30 percent more degrees, with an emphasis on producing additional degrees in areas of critical state need. This decision package is a direct response to that policy directive.

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

Yes, the proposal is designed to improve access to higher education and, by increasing enrollments in areas of critical state need, to work towards the goal of economic prosperity.

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

Yes, this proposal is designed to improve the value of postsecondary learning by addressing issues of access and quality. In addition, the funding would ensure that students enrolled in areas of critical state need are accessing quality programs in preparation for 21st century jobs.

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

This proposal ties closely with the Governor's Higher Education Task Force strategies to provide access to a greater number of students, provide access to high-quality research opportunities, and support career preparation beyond high school.

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

Supporting enrollment in areas of critical state need is of critical importance to the state of Washington. These degrees are the most expensive for the University to support and existing programs are overenrolled compared to budgeted FTE levels. We believe that targeted funding for enrollments in areas of critical state need is a good investment for the state, and an important area of need for the UW. The only alternatives include reducing enrollments in these areas, remaining overenrolled and underfunded causing the quality of UW programs to decline, or further increasing tuition.

***What are the consequences of not funding this package?***

In order to increase the number of students accessing higher education and completing degrees in areas of critical state need, additional enrollment support is needed at the UW. If baccalaureate institutions continue to experience cuts to their core education budgets, tuition must be raised to maintain quality, however, continued double digit tuition increases are not sustainable for our students and their families.

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

None.

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

None.

***Expenditure and revenue calculations and assumptions***

The UW is requesting \$14,000 in state support for each requested undergraduate FTE enrolled in an area of critical state need. The expenditure calculations in this proposal were determined by using the 2005-06 Higher Education Board Cost Study figures for the cost of instruction for students in areas of critical state need by campus, inflating them to 2011-12 (assuming a 3 percent per year cost increase), multiplying these figures by the number of FTE student enrollments requested, and subtracting projected tuition revenue offsets. We did not further inflate the estimated costs beyond 2011-12 due to the recession and low inflation. These costs reflect an average among each different area of critical state need listed above.

See below:

| <b>Supporting Enrollment in Areas of Critical State Need*</b> |                      |                    |                    |                    |
|---|----------------------|--------------------|--------------------|--------------------|
|   | Support per<br>FTE** | 2011-12            | 2012-13            | Total Request      |
| Seattle   | \$14,000/FTE         | \$1,400,000        | \$2,800,000        | <b>\$4,200,000</b> |
| Bothell   | \$14,000/FTE         | \$280,000          | \$560,000          | <b>\$840,000</b>   |
| Tacoma  | \$14,000/FTE         | \$420,000          | \$840,000          | <b>\$1,260,000</b> |
| <b>Total Request</b>  |                      | <b>\$2,100,000</b> | <b>\$4,200,000</b> | <b>\$6,300,000</b> |

\*7 percent per year tuition increase assumed as well as a return to aid percentage

\*\*As calculated by the Higher Education Coordinating Board, inflated at 3% annually,  
net of tuition and statutorily allowable waivers, weighted average of three campuses.

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

The planned support for enrollment in areas of critical state need is ongoing, as are the costs associated with this support.

**Agency:** 360 University of Washington

**Decision Package Code/Title:** AE WWAMI Expansion

**Budget Period:** 2011-13

**Budget Level:** PL - Performance Level

### Recommendation Summary Text:

The UW is requesting \$1.2 million of funding for the 2011-13 biennium to develop and expand graduate medical education (GME) for physician training (clerkships and residencies) in Spokane and eastern Washington and to expand the Washington/Wyoming/Alaska/Montana/Idaho (WWAMI) medical student education program in Spokane and eastern Washington. This proposal is a joint effort between the University of Washington (UW) and Washington State University (WSU) to address the current and growing shortage of physicians in Spokane and the surrounding rural counties.

In FY 2012, funding for GME will support the development of new primary care graduate medical education (residency) programs in Spokane and eastern Washington as well as a residency in the Psychiatry graduate medical education program in Spokane. In FY 2013 and beyond, the funding will support three residencies on an annual basis in eastern Washington and Spokane.

Funding requested by the UW for medical student education will support the development or expansion of third and fourth year clinical clerkships (ten additional clerkships at six sites) in Spokane and eastern Washington where currently there are limited or no sites. WSU is separately requesting support for the basic science curriculum for the first two years of medical student education in Spokane and eastern Washington.

Studies clearly indicate that physicians typically choose to practice in the same region where they go to medical school or receive their graduate medical education training as a medical resident. Increasing the clinical clerkships in Spokane and eastern Washington allows a greater number of medical students to train in Spokane and eastern Washington, which will increase the number of graduates who will stay and practice in the area.

### Fiscal Detail

| <b>Operating Expenditures</b>            | <b><u>FY 2012</u></b> | <b><u>FY 2013</u></b> | <b><u>Total</u></b>          |
|--|-----------------------|-----------------------|------------------------------|
| 001-1 General Fund - Basic Account-State | 527,000               | 676,000               | 1,203,000                    |
| <b>Total Cost</b>                        | <b>527,000</b>        | <b>676,000</b>        | <b>1,203,000</b>             |
| <b>Staffing</b>                          | <b><u>FY 2012</u></b> | <b><u>FY 2013</u></b> | <b><u>Annual Average</u></b> |
| FTEs                                     | 3.5                   | 4.0                   | 3.8                          |

### Package Description:

There is national consensus that the United States is facing a significant physician shortage. This national shortage is caused by population growth that has not been matched by medical education growth over the last 30 years, an aging population with increased demands for health care, new medical technologies, and changes in the working patterns of physicians. Compared to the US average of 20.2 physicians per 10,000 population, eastern Washington has 17.7 physicians per 10,000 population according to a 2005 workforce study. The ratio of medical residents per 100,000 population is even worse. There are roughly 100 resident positions east of the Pacific Crest Trail and 1.5 million people living in this area, for a ratio of 6.7 per 100,000.

The US national average is 36 residents per 100,000 population. In addition, because much of eastern Washington is rural in nature, the physicians who serve it are predominately from primary care specialties. The percentage of US physicians choosing to practice primary care medicine is decreasing sharply and exacerbates eastern Washington's problem in recruiting the physician workforce it needs.

The significant physician workforce shortage in eastern Washington is worsening and is especially acute in rural areas in the primary care specialties. Studies clearly indicate that by receiving medical school and residency training in an area provides the greatest likelihood for a physician to practice in an area. As residency is the final stage of physician education, increasing residency positions in the region will have the most immediate impact in mitigating the primary care physician workforce shortages. Thus, there is a critical need to expand graduate medical education (GME) for physician training in Spokane and eastern Washington to address this region's primary care physician workforce shortages.

With the funding provided in FY 2011, UW and WSU are developing business plans for expanded residency positions. Permanent funds, beginning in Fiscal Year 2012, are requested to implement the business plan by expanding current residency programs and developing new residency programs, with priority given to primary care specialties, including psychiatry. Outcomes will include preparation of applications for new residency programs, and expansion of the number of positions in existing programs. On-going funding will support three residents on an annual basis in Spokane and eastern Washington.

Both the WWAMI Pullman campus and the WWAMI Spokane campus, established in fall 2008, have medical student cohorts of twenty. WSU provides the basic science curriculum for the students at these campuses, and in their 3rd and 4th years of study, these students start the clinical part of their medical training, including participation in clinical clerkships. The funding provided with the establishment of WWAMI Spokane will support clinical clerkships in Spokane, eastern Washington and throughout the WWAMI region for twenty medical students. However, the number of required and elective clinical clerkships will need to expand further accommodate WWAMI students from both campuses who wish to complete their medical education in the region. Therefore, permanent funds beginning in Fiscal Year 2012 are requested to continue the development and expansion of clinical clerkships for students completing their required and elective clerkships in Spokane and eastern Washington. Initially the funding for medical student education will support the development or expansion of third and fourth year clerkships (ten additional clerkships at six sites) in Spokane and eastern Washington where currently there are limited or no sites.

Increasing the clinical clerkships in Spokane and eastern Washington allows a greater number of medical students to train in Spokane and eastern Washington. As the number of medical students who train in Spokane or eastern Washington increase, the yield of graduates who will stay and practice in the area can be expected to increase.

## **Narrative Justification and Impact Statement**

### ***What specific performance outcomes does the agency expect?***

Increase the number of physicians trained in Spokane and eastern Washington, thereby increasing the physician workforce in the state, particularly eastern Washington and Spokane.

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

Expanded state support for enrollment in areas of critical state need is integral to every part of the vision and values that reflect the strategic priorities of the University of Washington, including integrity, diversity, excellence, collaboration, innovation and respect.

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

1. **Student Achievement:** Provide convenient & efficient post secondary education. Medical students can continue their 3rd and 4th year clerkships and graduate medical education in Spokane and eastern Washington.
2. **Health:** Provide access to appropriate health care. Increase the number of practicing physicians in Spokane and

eastern Washington.

3. **Economic Development:** Promote economic development by increasing the number of physicians in the workforce in Spokane and eastern Washington

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

The significant physician workforce shortage in eastern Washington is worsening and is especially acute in rural areas in the primary care specialties. Studies clearly indicate that receiving medical school and residency training in an area provides the greatest likelihood for a physician to practice in an area. The funding requested in this proposal will allow more WWAMI medical students to complete their training in Spokane and eastern Washington.

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

It will produce additional physicians, including primary care physicians, to serve clients in rural and underserved areas in eastern Washington.

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

An alternative explored a few years ago was the creation a new medical school in eastern Washington, but the costs were prohibitive. For example, Florida State University in Tallahassee spent about \$155 million in start-up costs when it developed a four-year medical school in 2000. The alternative proposed here is much more cost-efficient and will produce the expected outcome of additional physicians practicing in Spokane and eastern Washington.

***What are the consequences of not funding this package?***

Spokane and eastern Washington currently have a significant physician shortage, and projections indicate that this situation will worsen dramatically in the next ten to twenty years. Without additional graduate medical education and medical student clerkships in Spokane and eastern Washington, these shortages will intensify.

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

None.

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

None.

***Expenditure and revenue calculations and assumptions***

In FY 2012, funding for GME will support the development of new primary care graduate medical education programs in Spokane and eastern Washington by temporarily supporting a half-time Program Director and an administrative assistant at a cost of \$213,000. Additionally, funding for GME in FY 2012 will support a Psychiatry resident in Spokane, including operational and travel costs, at a cost of \$118,000.

In FY 2013 and beyond, permanent funding of \$283,000 will support three residents on an annual basis in eastern Washington and Spokane plus operational and travel costs. The Program Director and Administrative Assistant will be funded by the hospitals in FY 2013 and beyond.

In FY 2012, funding for medical student education will support the development or expansion of third and fourth year clerkships in Spokane and eastern Washington (where currently there are limited or no sites) by permanently supporting 25% each of a clinical assistant dean in Spokane and in eastern Washington, a half-time administrative assistant, and associated operational and travel expenses for a total of \$184,000. Half of the travel and operational expenses, \$12,000 in the first year, are one-time expenses.

In future biennia, \$393,000 will support ten students annually at six sites, 25 percent each of a clinical assistant dean in Spokane and in eastern Washington, a half-time administrative assistant, and associated operational and travel expenses.

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

In future biennia, the UW will need \$283,000 per year to support 3 residencies, and \$393,000 per year to support 10 clerkships.



**Agency:** 360 University of Washington

**Decision Package Code/Title:** AG Molecular Engineering O&M

**Budget Period:** 2011-13

**Budget Level:** PL - Performance Level

### Recommendation Summary Text:

A total of \$1.2 million in state support is requested in the 2011-13 biennium for operations and maintenance (O&M) costs for the Molecular Engineering Building, for which the UW will acquire beneficial use beginning in December 2011. The Molecular Engineering Building will accommodate the growth occurring in this emerging field. The project includes research lab space as well as ultra-sensitive ground contact lab space, each with support space. Phase 1 of this project includes the completion of approximately 90,300 gross square feet (GSF).

### Fiscal Detail

| Operating Expenditures                   | <u>FY 2012</u> | <u>FY 2013</u>   | <u>Total</u>     |
|--|----------------|------------------|------------------|
| 001-1 General Fund - Basic Account-State | 628,488        | 1,083,600        | 1,712,088        |
| <b>Total Cost</b>                        | <b>628,488</b> | <b>1,083,600</b> | <b>1,712,088</b> |

### Package Description:

The initial design phase for the Molecular Engineering building provides ground contact and basement levels to suit instrumentation labs with ultra-low vibration and electromagnetic interference requirements, as well as above-ground chemistry, biochemistry, and microbiology laboratories. With an emphasis on interdisciplinary research, the new building facilitates interaction between students, faculty, and staff across many disciplines. A primary goal for the building is to create technologically rich support spaces that provide a high degree of operational flexibility to allow fast and inexpensive changes to accommodate rapidly evolving research needs into the future. The project is located on the Johnson Hall Annex site referenced in the Campus Master plan as the 25C site. The Johnson Hall Annex building was demolished, and Cunningham Hall has been relocated to a site near Parrington Hall.

### Narrative Justification and Impact Statement

#### *What specific performance outcomes does the agency expect?*

Adequately funding operations and maintenance for new and renovated space will assist in reduction of a Total UW Preservation Backlog, currently identified by the Office of Financial Management's Comparable Framework Study 2010 Update totaling approximately \$795 million, not including campus site infrastructure systems.

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

Yes, the proposal is essential to meet the University's goals to ensure the highest level of integrity, compliance, and stewardship. In addition, goals included in the UW's resource plan include: 1) achieving 100 percent of the operations and maintenance funding standard for new and renovated space in 2011-13; and 2) achieving 80 percent of the benchmark funding standard overall by 2017.

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

Yes, this proposal will improve the value of postsecondary learning as well as support enrollments and research in areas of critical state need.

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

Yes, this proposal will improve the value of postsecondary learning and provide access to high-quality research opportunities.

In addition, the proposal supports one of the Higher Education Coordinating Board's fiscal priorities related to implementation of the 2008 Strategic Master Plan for Higher Education -- to provide funding levels to ensure superior quality in Washington's higher education enterprise.

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

As the state and higher education institutions moved away from funding O&M based on a formula, the long-term effect was an accumulation of deferred maintenance projects. Funding O&M at adequate levels helps keep buildings in good working condition and helps mitigate the need for more expensive capital projects resulting from failing systems in the future. The \$12 per square foot rate proposed in this decision package is a conservative estimate of the true costs to operate and maintain a building of this level of sophistication. Please see the UW response to the OFM prompt, "Expenditure and revenue calculations and assumptions."

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

The alternative is to continue the status quo. The result of this approach will be a continued accumulation of deferred maintenance projects, leading to prohibitively expensive future projects over time as the building deteriorates.

***What are the consequences of not funding this package?***

When O&M is not performed adequately and in accordance with recommended schedules, systems begin to fail and create the need for more expensive capital projects. O&M funding for this building is particularly critical, given the building's intended flexible nature. Research in this field evolves at a tremendous rate and maintaining the building while allowing for inexpensive changes will accommodate a wider range of research in this lab for a longer period of time, ensuring that the building is a truly efficient and wise use of state and UW resources.

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

The Molecular Engineering Building is funded through bonds, which are financed by UW building fee and trust land revenues from the UW's bond retirement account.

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

None.

***Expenditure and revenue calculations and assumptions***

An O&M rate of \$12 per gross square foot was assumed for this proposal. While a higher O&M rate could be justified, we feel the \$12 rate is sufficient funding at this time given limited resources. Rates for highly technical research buildings are particularly driven by elevated utility costs, and the proposed \$12 rate would partially compensate for anticipated high utility use in Molecular Engineering.

Refer to Attachment C1 in Tab E for specific calculations and cost estimates.

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

Funding is on-going and would continue in future biennia.



**Agency:** 360 University of Washington

**Decision Package Code/Title:** AH Restore O&M Fund Shift

**Budget Period:** 2011-13

**Budget Level:** PL - Performance Level

### Recommendation Summary Text:

The UW is requesting \$25.8 million in the 2011-13 biennium to restore operations and maintenance (O&M) funding that was shifted from the operating budget to the capital budget. A total of \$25.8 million in UW operating funds for routine maintenance and preventive inspections, mechanical adjustments, and minor work to replace or repair building systems, surfaces, or materials was shifted from the operating budget to the capital budget in the 2003-05, 2005-07 and 2007-09 biennial budgets.

### Fiscal Detail

| Operating Expenditures                   | <u>FY 2012</u>    | <u>FY 2013</u>    | <u>Total</u>      |
|--|-------------------|-------------------|-------------------|
| 001-1 General Fund - Basic Account-State | 12,900,000        | 12,900,000        | 25,800,000        |
| <b>Total Cost</b>                        | <b>12,900,000</b> | <b>12,900,000</b> | <b>25,800,000</b> |

### Package Description:

A total of \$20,108,000 was shifted from the operating budget to the capital budget in the 2003-05 enacted biennial budget. An additional \$5,717,000 was shifted from the operating budget to the capital budget in the 2005-07 enacted biennial budget. In total, \$25,825,000 of building operations and maintenance was funded from the enacted capital budget in 2005-07. This shift continued through the 2007-09 and 2009-11 biennial budgets. While the 2010 Supplemental Budget shifted \$5,084,000 out of the capital budget and into the operating budget to meet Federal Maintenance of Effort Requirements, we anticipate that this was a one-time action and will not carry forward. The UW is requesting that the state restore these funds to the operating budget in the 2011-13 biennium.

### Narrative Justification and Impact Statement

#### *What specific performance outcomes does the agency expect?*

As long as this critical building O&M funding is provided in either the a state operating budget or in the State capital budget the current level of service will be maintained and there will be no impact on performance. However, using state bonds to fund expenses that have historically been included in the state operating budget, fewer resources are available to address the capital funding needs of higher education institutions.

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

Yes, the proposal is essential to meet the University's goals to ensure the highest level of integrity, compliance, and stewardship.

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

Yes, this proposal will improve the value of postsecondary learning.

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

Yes, this proposal will improve the value of postsecondary learning. In addition, the proposal supports one of the Higher Education Coordinating Board's fiscal priorities related to implementation of the 2008 Strategic Master Plan for Higher Education -- to provide funding levels to ensure superior quality in Washington's higher education enterprise.

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

By using state bonds to fund what have historically been viewed as operating budget responsibilities, fewer resources are available to address the capital funding needs of higher education institutions. The UW, like many institutions of higher education around the country, faces significant challenges in obtaining sufficient capital resources to restore core facilities and infrastructure while planning for institutional and program growth. This shortfall in capital funding leaves substantial UW facility needs unmet and affects the University's ability to deliver core campus functions in teaching, research, and public service.

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

N/A

***What are the consequences of not funding this package?***

As long as this critical O&M funding is provided in either the State Operating Budget or in the State Capital Budget the current level of service will be maintained and there will be no impact on performance.

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

By funding operations and maintenance from the operating budget, Education Construction Account funds will no longer be needed for this purpose in the 20011-1 biennium.

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

None.

***Expenditure and revenue calculations and assumptions***

A total of \$20,108,000 was shifted from the operating budget to the capital budget in the 2003-05 enacted biennial budget. An additional \$5,717,000 was shifted from the operating budget to the capital budget in the 2005-07 enacted biennial budget. In total, \$25,825,000 of building O&M was funded from the enacted capital budgets in 2005-07, 2007-09, and 2009-11. While the 2010 Supplemental Budget shifted \$5,084,000 out of the capital budget and into the operating budget to meet Federal Maintenance of Effort Requirements, we anticipate that this was a one-time action and will not carry forward.

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

Funding is on-going and would continue in future biennia.



# TAB D

1. **Agency Summarized Revenues**
2. **Non-Budgeted Local Fund Summaries (Pending: To be submitted at a later date)**





# State of Washington

## Summarized Revenue by Account and Source

Budget Period: 2011-13

Dollars in thousands

360 - University of Washington

Agency Level

01 - 2011-13 Budget Request

Supporting Text Included

9/7/2010  
4:55PM

### 064 - UW Building Account

AF - B9 (Revenues)

Total - 0409 - Lcl Inv/Intr Incm - S

880

AF - B9 (Revenues)

Total - 0424 - Tuition and Fees - S

18,227

AF - B9 (Revenues)

Total - 0621 - Operating Trans In - S

10,000

### 064 - UW Building Account - State

29,107

### Total - 064 - UW Building Account

29,107

### 145 - H E - Grants/Contrct

AF - B9 (Revenues)

Total - 0303 - Institute of Museum - F

1,194

AF - B9 (Revenues)

Total - 0306 - National Endow Human - F

130

AF - B9 (Revenues)

Total - 0310 - Dept of Agriculture - F

10,580

AF - B9 (Revenues)

Total - 0311 - Dept of Commerce - F

35,267

|  | Maintenance Level |        | Performance Level |        | Biennium Totals |        | Total  |
|--|-------------------|--------|-------------------|--------|-----------------|--------|--------|
|  | FY2012            | FY2013 | FY2012            | FY2013 | FY2012          | FY2013 |        |
|  | 440               | 440    |                   |        |                 |        |        |
|  | 440               | 440    |                   |        | 440             | 440    | 440    |
|  | 8,824             | 9,403  |                   |        |                 |        |        |
|  | 8,824             | 9,403  |                   |        | 8,824           | 9,403  | 9,403  |
|  | 5,000             | 5,000  |                   |        |                 |        |        |
|  | 5,000             | 5,000  |                   |        | 5,000           | 5,000  | 5,000  |
|  | 14,264            | 14,843 |                   |        | 14,264          | 14,843 | 14,843 |
|  | 14,264            | 14,843 |                   |        | 14,264          | 14,843 | 14,843 |
|  | 588               | 606    |                   |        |                 |        |        |
|  | 588               | 606    |                   |        | 588             | 606    | 606    |
|  | 64                | 66     |                   |        |                 |        |        |
|  | 64                | 66     |                   |        | 64              | 66     | 66     |
|  | 5,212             | 5,368  |                   |        |                 |        |        |
|  | 5,212             | 5,368  |                   |        | 5,212           | 5,368  | 5,368  |
|  | 17,373            | 17,894 |                   |        |                 |        |        |
|  | 17,373            | 17,894 |                   |        | 17,373          | 17,894 | 17,894 |

51

|   |         |         |        |        |
|---|---------|---------|--------|--------|
| AF - B9 (Revenues)                      | 45,050  | 46,402  |        |        |
| Total - 0312 - Dept of Defense - F      | 45,050  | 46,402  | 45,050 | 46,402 |
| 91,452                                  |         |         |        |        |
| AF - B9 (Revenues)                      | 2,980   | 3,069   |        |        |
| Total - 0315 - Dept of Interior - F     | 2,980   | 3,069   | 2,980  | 3,069  |
| 6,049                                   |         |         |        |        |
| AF - B9 (Revenues)                      | 2,572   | 2,649   |        |        |
| Total - 0319 - Dept of State - F        | 2,572   | 2,649   | 2,572  | 2,649  |
| 5,221                                   |         |         |        |        |
| AF - B9 (Revenues)                      | 2,477   | 2,551   |        |        |
|   |         |         |        |        |
| <b>145 - H E - Grants/Contract</b>      |         |         |        |        |
| Total - 0320 - Dept of Transportatn - F | 2,477   | 2,551   | 2,477  | 2,551  |
| 5,028                                   |         |         |        |        |
| AF - B9 (Revenues)                      | 95      | 98      |        |        |
| Total - 0321 - Dept of Treasury - F     | 95      | 98      | 95     | 98     |
| 193                                     |         |         |        |        |
| AF - B9 (Revenues)                      | 7,888   | 8,125   |        |        |
| Total - 0343 - Nat Aero & Sp Admini - F | 7,888   | 8,125   | 7,888  | 8,125  |
| 16,013                                  |         |         |        |        |
| AF - B9 (Revenues)                      | 97      | 100     |        |        |
| Total - 0345 - Nat Fnd On Art & Hum - F | 97      | 100     | 97     | 100    |
| 197                                     |         |         |        |        |
| AF - B9 (Revenues)                      | 79,757  | 82,150  |        |        |
| Total - 0347 - Nat Science Foundati - F | 79,757  | 82,150  | 79,757 | 82,150 |
| 161,907                                 |         |         |        |        |
| AF - B9 (Revenues)                      | 6,389   | 6,581   |        |        |
| Total - 0364 - Veterans Administrat - F | 6,389   | 6,581   | 6,389  | 6,581  |
| 12,970                                  |         |         |        |        |
| AF - B9 (Revenues)                      | 3,501   | 3,606   |        |        |
| Total - 0366 - Environ Protection A - F | 3,501   | 3,606   | 3,501  | 3,606  |
| 7,107                                   |         |         |        |        |
| AF - B9 (Revenues)                      | 18,080  | 18,622  |        |        |
| Total - 0381 - Dept of Energy - F       | 18,080  | 18,622  | 18,080 | 18,622 |
| 36,702                                  |         |         |        |        |
| AF - B9 (Revenues)                      | 22,748  | 23,430  |        |        |
| Total - 0384 - Dept of Education - F    | 22,748  | 23,430  | 22,748 | 23,430 |
| 46,178                                  |         |         |        |        |
| AF - B9 (Revenues)                      | 465,916 | 479,893 |        |        |

|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
| Total - 0393 - Health & Human Svc - F<br>945,809       | 465,916   | 479,893   | 465,916   | 479,893   |
| AF - B9 (Revenues)                                     |           |           |           |           |
| Total - 0399 - Miscellaneous Fedrl - F<br>711          | 350       | 361       | 350       | 361       |
| AF - B9 (Revenues)                                     |           |           |           |           |
| Total - 0409 - Lcl Inv/Intr Incm - S<br>114,066        | 56,190    | 57,876    | 56,190    | 57,876    |
| AF - B9 (Revenues)                                     |           |           |           |           |
| Total - 0420 - Charges for Services - S<br>221,512     | 109,119   | 112,393   | 109,119   | 112,393   |
| AF - B9 (Revenues)                                     |           |           |           |           |
| Total - 0499 - Other Revenue - S<br>82,865             | 40,820    | 42,045    | 40,820    | 42,045    |
| AF - B9 (Revenues)                                     |           |           |           |           |
| Total - 0541 - Contributions Grants - P/L<br>409,337   | 201,644   | 207,693   | 201,644   | 207,693   |
| AF - B9 (Revenues)                                     |           |           |           |           |
| Total - 0546 - Federal Revenue - P/L<br>229,550        | 113,079   | 116,471   | 113,079   | 116,471   |
| AF - B9 (Revenues)                                     |           |           |           |           |
| Total - 0621 - Operating Trans In - S<br>311,889       | 153,640   | 158,249   | 153,640   | 158,249   |
| AF - B9 (Revenues)                                     |           |           |           |           |
| Total - 0622 - Operating Trans Out - S                 | (147,312) | (151,731) | (147,312) | (151,731) |
| 145 - H E - Grants/Contract - State<br>431,289         | 212,457   | 218,832   | 212,457   | 218,832   |
| 145 - H E - Grants/Contract - Federal<br>1,382,708     | 681,137   | 701,571   | 681,137   | 701,571   |
| 145 - H E - Grants/Contract - Private/Local<br>638,887 | 314,723   | 324,164   | 314,723   | 324,164   |
| Total - 145 - H E - Grants/Contract<br>2,452,884       | 1,208,317 | 1,244,567 | 1,208,317 | 1,244,567 |
| 148 - HE - Dedicated Locl                              |           |           |           |           |
| AF - B9 (Revenues)                                     |           |           |           |           |
| Total - 0303 - Institute of Museum - F<br>274          | 135       | 139       | 135       | 139       |
|  |           |           |           | 53        |

|   |        |        |        |        |
|---|--------|--------|--------|--------|
| AF - B9 (Revenues)                      | 36     | 37     | 37     | 37     |
| Total - 0306 - National Endow Human - F | 36     | 37     | 36     | 37     |
| 73                                      |        |        |        |        |
| AF - B9 (Revenues)                      | 288    | 297    | 288    | 297    |
| Total - 0310 - Dept of Agriculture - F  | 288    | 297    | 288    | 297    |
| 585                                     |        |        |        |        |
| AF - B9 (Revenues)                      | 4,692  | 4,833  | 4,692  | 4,833  |
| Total - 0311 - Dept of Commerce - F     | 4,692  | 4,833  | 4,692  | 4,833  |
| 9,525                                   |        |        |        |        |
| AF - B9 (Revenues)                      | 8,932  | 9,200  | 8,932  | 9,200  |
| Total - 0312 - Dept of Defense - F      | 8,932  | 9,200  | 8,932  | 9,200  |
| 18,132                                  |        |        |        |        |
| AF - B9 (Revenues)                      | 767    | 790    | 767    | 790    |
| Total - 0315 - Dept of Interior - F     | 767    | 790    | 767    | 790    |
| 1,557                                   |        |        |        |        |
| AF - B9 (Revenues)                      | 460    | 474    | 460    | 474    |
| Total - 0319 - Dept of State - F        | 460    | 474    | 460    | 474    |
| 934                                     |        |        |        |        |
| AF - B9 (Revenues)                      | 994    | 1,024  | 994    | 1,024  |
| Total - 0320 - Dept of Transportatn - F | 994    | 1,024  | 994    | 1,024  |
| 2,018                                   |        |        |        |        |
| AF - B9 (Revenues)                      | 2,382  | 2,453  | 2,382  | 2,453  |
| Total - 0343 - Nat Aero & Sp Admini - F | 2,382  | 2,453  | 2,382  | 2,453  |
| 4,835                                   |        |        |        |        |
| AF - B9 (Revenues)                      | 20,979 | 21,608 | 20,979 | 21,608 |
| Total - 0347 - Nat Science Foundati - F | 20,979 | 21,608 | 20,979 | 21,608 |
| 42,587                                  |        |        |        |        |
| AF - B9 (Revenues)                      | 127    | 131    | 127    | 131    |
| Total - 0364 - Veterans Administrat - F | 127    | 131    | 127    | 131    |
| 258                                     |        |        |        |        |
| AF - B9 (Revenues)                      | 1,086  | 1,119  | 1,086  | 1,119  |
| Total - 0366 - Environ Protection A - F | 1,086  | 1,119  | 1,086  | 1,119  |
| 2,205                                   |        |        |        |        |
| AF - B9 (Revenues)                      | 6,086  | 6,269  | 6,086  | 6,269  |
| Total - 0381 - Dept of Energy - F       | 6,086  | 6,269  | 6,086  | 6,269  |
| 12,355                                  |        |        |        |        |
| AF - B9 (Revenues)                      | 2,164  | 2,229  | 2,164  | 2,229  |
| Total - 0384 - Dept of Education - F    | 2,164  | 2,229  | 2,164  | 2,229  |
| 4,393                                   |        |        |        |        |

|   |         |         |  |         |         |
|---|---------|---------|--|---------|---------|
| AF - B9 (Revenues)                        |         |         |  |         |         |
| Total - 0393 - Health & Human Svc - F     | 140,524 | 144,740 |  | 140,524 | 144,740 |
| 285,264                                   | 140,524 | 144,740 |  |         |         |
| <b>148 - HE - Dedicated Locl</b>          |         |         |  |         |         |
| AF - B9 (Revenues)                        | 100     | 103     |  |         |         |
| Total - 0399 - Miscellaneous Fedrl - F    | 100     | 103     |  | 100     | 103     |
| 203                                       |         |         |  |         |         |
| AF - B9 (Revenues)                        | 2,176   | 2,241   |  |         |         |
| Total - 0402 - Income From Property - S   | 2,176   | 2,241   |  | 2,176   | 2,241   |
| 4,417                                     |         |         |  |         |         |
| AF - B9 (Revenues)                        | 1,727   | 1,780   |  |         |         |
| Total - 0405 - Fines, Forfeits - S        | 1,727   | 1,780   |  | 1,727   | 1,780   |
| 3,507                                     |         |         |  |         |         |
| AF - B9 (Revenues)                        | 11,731  | 12,083  |  |         |         |
| Total - 0409 - Lcl Inv/Intr Incm - S      | 11,731  | 12,083  |  | 11,731  | 12,083  |
| 23,814                                    |         |         |  |         |         |
| AF - B9 (Revenues)                        | 4,280   | 4,408   |  |         |         |
| Total - 0413 - CAPITAL GAINS - S          | 4,280   | 4,408   |  | 4,280   | 4,408   |
| 8,688                                     |         |         |  |         |         |
| AF - B9 (Revenues)                        | (26)    | (27)    |  |         |         |
| Total - 0414 - CAPITAL GAINS - S          | (26)    | (27)    |  | (26)    | (53)    |
|   |         |         |  |         |         |
| AF - B9 (Revenues)                        | 139,863 | 144,059 |  |         |         |
| Total - 0420 - Charges for Services - S   | 139,863 | 144,059 |  | 139,863 | 144,059 |
| 283,922                                   |         |         |  |         |         |
| AF - B9 (Revenues)                        | 67      | 69      |  |         |         |
| Total - 0424 - Tuition and Fees - S       | 67      | 69      |  | 67      | 69      |
| 136                                       |         |         |  |         |         |
| AF - B9 (Revenues)                        | 158,384 | 163,136 |  |         |         |
| Total - 0430 - Dedicated Stu Fees - S     | 158,384 | 163,136 |  | 158,384 | 163,136 |
| 321,520                                   |         |         |  |         |         |
| AF - B9 (Revenues)                        | (287)   | (296)   |  |         |         |
| Total - 0499 - Other Revenue - S          | (287)   | (296)   |  | (287)   | (583)   |
|   |         |         |  |         |         |
| AF - B9 (Revenues)                        | 17,784  | 18,317  |  |         |         |
| Total - 0541 - Contributions Grants - P/L | 17,784  | 18,317  |  | 17,784  | 18,317  |
| 36,101                                    |         |         |  |         |         |
| AF - B9 (Revenues)                        | 32,912  | 33,899  |  |         |         |
| Total - 0546 - Federal Revenue - P/L      | 32,912  | 33,899  |  | 32,912  | 33,899  |
| 66,811                                    |         |         |  |         |         |

|   |          |          |          |          |
|---|----------|----------|----------|----------|
| AF - B9 (Revenues)                        | (16,223) | (16,709) | (16,223) | (16,709) |
| Total - 0621 - Operating Trans In - S     | (16,223) | (16,709) | (16,223) | (32,932) |
| AF - B9 (Revenues)                        | (29,414) | (30,296) | (29,414) | (59,710) |
| Total - 0622 - Operating Trans Out - S    | (29,414) | (30,296) | (29,414) | (59,710) |
| AF - B9 (Revenues)                        | 115      | 118      | 115      | 118      |
| Total - 0902 - Recovery Current Exp - U   | 115      | 118      | 115      | 118      |
| 233                                       |          |          |          |          |
| AF - B9 (Revenues)                        | (7)      | (7)      | (7)      | (14)     |
| Total - 0920 - Items PI in Suspense - U   | (7)      | (7)      | (7)      | (14)     |
| 148 - HE - Dedicated Locl - State         | 272,278  | 280,448  | 272,278  | 280,448  |
| 552,726                                   |          |          |          |          |
| 148 - HE - Dedicated Locl - Federal       | 189,752  | 195,446  | 189,752  | 195,446  |
| 385,198                                   |          |          |          |          |
| 148 - HE - Dedicated Locl - Private/Local | 50,696   | 52,216   | 50,696   | 52,216   |
| 102,912                                   |          |          |          |          |
| 148 - HE - Dedicated Locl - Unknown       | 108      | 111      | 108      | 111      |
| 219                                       |          |          |          |          |
| Total - 148 - HE - Dedicated Locl         | 512,834  | 528,221  | 512,834  | 528,221  |
| 1,041,055                                 |          |          |          |          |
| 149 - Inst of HI ED-Operat                |          |          |          |          |
| AF - B9 (Revenues)                        | 43       | 44       | 43       | 44       |
| Total - 0402 - Income From Property - S   | 43       | 44       | 43       | 44       |
| 87  |          |          |          |          |
| AF - B9 (Revenues)                        | 5,130    | 5,284    | 5,130    | 5,284    |
| Total - 0420 - Charges for Services - S   | 5,130    | 5,284    | 5,130    | 5,284    |
| 10,414                                    |          |          |          |          |
| AF - B9 (Revenues)                        | 378,083  | 389,425  | 378,083  | 389,425  |
| Total - 0424 - Tuition and Fees - S       | 378,083  | 389,425  | 378,083  | 389,425  |
| 767,508                                   |          |          |          |          |
| AF - B9 (Revenues)                        | 5        | 5        | 5        | 5        |
| Total - 0430 - Dedicated Stu Fees - S     | 5        | 5        | 5        | 5        |
| 10  |          |          |          |          |
| AF - B9 (Revenues)                        | (2,647)  | (2,726)  | (2,647)  | (5,373)  |
| Total - 0499 - Other Revenue - S          | (2,647)  | (2,726)  | (2,647)  | (5,373)  |
| AF - B9 (Revenues)                        | 2        | 2        | 2        | 2        |
| Total - 0541 - Contributions Grants - P/L | 2        | 2        | 2        | 2        |
| 25  |          |          |          |          |
| 26  |          |          |          |          |



|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
| 348 - U of W Retirement Bd - State<br>25,027         | 12,224    | 12,803    | 12,224    | 12,803    |
| Total - 348 - U of W Retirement Bd<br>25,027         | 12,224    | 12,803    | 12,224    | 12,803    |
| 505 - U of W Hospital                                |           |           |           |           |
| AF - B9 (Revenues)                                   | 3,537     | 3,643     |           |           |
| Total - 0402 - Income From Property - S<br>7,180     | 3,537     | 3,643     | 3,537     | 3,643     |
| AF - B9 (Revenues)                                   | 5,020     | 5,171     |           |           |
| Total - 0409 - Lcl Inv/Intr Incm - S<br>10,191       | 5,020     | 5,171     | 5,020     | 5,171     |
| AF - B9 (Revenues)                                   | 896,701   | 923,600   |           |           |
| Total - 0420 - Charges for Services - S<br>1,820,301 | 896,701   | 923,600   | 896,701   | 923,600   |
| AF - B9 (Revenues)                                   | 20        | 21        |           |           |
| Total - 0430 - Dedicated Stu Fees - S<br>41          | 20        | 21        | 20        | 21        |
| AF - B9 (Revenues)                                   | 798       | 822       |           |           |
| Total - 0450 - Sales/Goods & Supply - S<br>1,620     | 798       | 822       | 798       | 822       |
| AF - B9 (Revenues)                                   | (1)       | (1)       |           |           |
| Total - 0499 - Other Revenue - S                     | (1)       | (1)       | (1)       | (2)       |
| AF - B9 (Revenues)                                   | 104,380   | 107,511   |           |           |
| Total - 0621 - Operating Trans In - S<br>211,891     | 104,380   | 107,511   | 104,380   | 107,511   |
| AF - B9 (Revenues)                                   | (114,350) | (117,781) |           |           |
| Total - 0622 - Operating Trans Out - S               | (114,350) | (117,781) | (114,350) | (232,131) |
| AF - B9 (Revenues)                                   | 32        | 33        |           |           |
| Total - 0902 - Recovery Current Exp - U<br>65        | 32        | 33        | 32        | 33        |
| 505 - U of W Hospital - State<br>1,819,091           | 896,105   | 922,986   | 896,105   | 922,986   |
| 505 - U of W Hospital - Unknown<br>65                | 32        | 33        | 32        | 33        |
| Total - 505 - U of W Hospital<br>1,819,156           | 896,137   | 923,019   | 896,137   | 923,019   |
| 360 - University of Washington - State               | 1,794,789 | 1,847,157 | 1,794,789 | 1,847,157 |



|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
| 3,641,946                                      |           |           |           |           |
| 360 - University of Washington - Federal       | 870,889   | 897,017   | 870,889   | 897,017   |
| 1,767,906                                      |           |           |           |           |
| 360 - University of Washington - Private/Local | 365,421   | 376,382   | 365,421   | 376,382   |
| 741,803  |           |           |           |           |
| 360 - University of Washington - Unknown       | (4,316)   | (4,446)   | (4,316)   | (8,762)   |
| Total - 360 - University of Washington         | 3,026,783 | 3,116,110 | 3,026,783 | 3,116,110 |
| 6,142,893                                      |           |           |           |           |



# **TAB E**

- 1. Collective Bargaining Agreements (to be submitted in October)**
- 2. Attachment A – Locally Authorized Salary Increases**
- 3. Attachment B-1 – Tuition Waivers**
- 4. Attachment B-2 – Tuition Waivers by Purpose**
- 5. Attachment B-3 – Financial Aid from Non-State Sources**
- 6. Attachment B-4 – Cumulative Undergraduate Student Debt at Graduation**
- 7. Attachment C – Maintenance & Operations Costs for New Facilities  
Projected to Come On-Line in 2011-13 – Maintenance Level**
- 8. Attachment C1 - Maintenance & Operations Costs for New Facilities  
Projected to Come On-Line in 2011-13 – Performance Level**
- 9. Attachment D - I-960 Submission**



**Attachment A-1  
Locally-Authorized Salary Increases**

**Estimated 2008 Cumulative Value  
Of Locally-Authorized Salary Increases  
Initially Reported As GF-S or Operating Fee Expenditures on CIM  
(Dollars in Thousands)**

**Institution:**

|              | Non-Represented<br>Employees | Represented (Collectively-Bargained) Employees<br>(Specify Bargaining Unit) |       |
|--------------|------------------------------|---|-------|
|              |                              | SEIU 925  | UAW   |
| 1997-99      | \$6,027                      |   |       |
| 1999-01      | \$4,315                      |   |       |
| 2001-03      | \$1,252                      | \$223   |       |
| 2003-05      | \$14,636                     |   |       |
| FY 06        | \$0                          |   |       |
| FY 07        | \$6,043                      |   |       |
| FY 08        | \$6,537                      |   |       |
| FY 09        | \$11,508                     |   | \$115 |
| FY 10        | \$0                          |   | \$106 |
| <b>TOTAL</b> | <b>\$50,318</b>              |   |       |

**\* Please report only the estimated cumulative value of (a) the locally-authorized amounts in excess of the standard state-funded salary increases in the biennial budget; that (b) were reported as a GF-S or 149-6 cost on your institution's initial 2008 CIM submission. See the Special Budget Instructions narrative for the amounts estimated on your institution's 2007 "Attachment A" report.**

**Attachment B-1**  
**Tuition Waivers -- Operating Fee (Fund 149-6) Portion Only**

Institution: University of Washington

| RCW                       | Waiver Type                         | FY 2009   |              | FY 2010   |              | FY 2011   |              |
|---------------------------|-------------------------------------|-----------|--------------|-----------|--------------|-----------|--------------|
|                           |                                     | Headcount | \$ (actuals) | Headcount | \$ (actuals) | Headcount | \$ (Est)     |
| STATE SUPPORT WAIVERS     |                                     |           |              |           |              |           |              |
| 28B.15.615                | TA/RA Res Op Fee                    | 2,583     | \$17,360,682 | 2,358     | \$16,489,543 | 2,360     | \$17,658,776 |
| 28B.15.014                | TA/RA Nonresident                   | 2,939     | \$32,242,828 | 2,904     | \$33,835,957 | 2,900     | \$34,803,032 |
| 28B.15.740                | ICA Gender Equity                   | 159       | \$1,843,732  | 149       | \$2,006,551  | 150       | \$2,161,419  |
| 28B.15.915                | Graduate/Professional NR            | 278       | \$2,849,822  | 344       | \$3,792,393  | 320       | \$3,633,641  |
| 28B.15.740                | Washington Achievement Award        | 5         | \$10,834     | 7         | \$20,000     | 5         | \$15,286     |
| 28B.15.225                | WWAMI                               | 206       | \$4,925,832  | 144       | \$2,734,692  | 175       | \$3,423,113  |
| 28B.70.050                | WICHE                               | 9         | \$133,115    | 8         | \$160,088    | 9         | \$185,502    |
| 28B.15.100                | Over 18 Hour Exemption              | 244       | \$627,831    | 228       | \$530,828    | 235       | \$585,424    |
| 28B.15.558                | International Exchange              | 186       | \$1,893,314  | 122       | \$1,716,100  | 150       | \$2,173,257  |
| 28B.15.014                | University Staff (Nonresident)      | 15        | \$116,272    | 7         | \$49,165     | 9         | \$65,108     |
| 28B.15.014                | Child/Spouse of Fac/Staff NR        | 6         | \$41,609     | 7         | \$67,405     | 7         | \$69,427     |
| 28B.15.380                | Child of Deceased Police/Fire       | 6         | \$28,135     | 4         | \$14,315     | 5         | \$19,146     |
| 28B.15.621                | Veterans,WNG, Dependents or spouses | 461       | \$1,389,227  | 410       | \$1,167,665  | 420       | \$1,279,875  |
| 28B.15.621                | Veterans/Child/Spouses              | 73        | \$366,108    | 90        | \$524,042    | 100       | \$623,028    |
| 28B.15.740                | 1% Merit                            | 800       | \$3,017,684  | 783       | \$3,176,404  | 800       | \$3,472,544  |
| 28B.15.740                | 3% Need                             | 3,065     | \$8,463,088  | 2,917     | \$9,268,862  | 3,000     | \$10,199,879 |
|                           | Subtotal State-Support              | 11,035    | \$75,310,114 | 10,482    | \$75,554,009 | 10,645    | \$80,368,457 |
| NON-STATE SUPPORT WAIVERS |                                     |           |              |           |              |           |              |
| 28B.15.558                | University and WA Employees         | 8         | \$18,106     | 9         | \$14,648     | 9         | \$15,674     |
| 28B.15.540                | Seniors                             | 1         | \$2,115      | 8         | \$9,108      | 8         | \$9,746      |
|                           | Subtotal Non-State-Support          | 9         | \$20,220     | 17        | \$23,757     | 17        | \$25,420     |
|                           | TOTAL ALL WAIVERS                   | 11,044    | \$75,330,334 | 10,499    | \$75,577,766 | 10,662    | \$80,393,877 |

**Attachment B-2  
State-Supported Tuition Waivers by Purpose**

**Institution: University of Washington**

| Purpose for Granting Waivers  | FY 2009     |                     |               |                     | FY 2010     |                     |               |                     |
|-------------------------------|-------------|---------------------|---------------|---------------------|-------------|---------------------|---------------|---------------------|
|                               | Residents   |                     | Non-Residents |                     | Residents   |                     | Non-Residents |                     |
|                               | Headcount   | \$ (actuals)        | Headcount     | \$ (actuals)        | Headcount   | \$ (actuals)        | Headcount     | \$ (actuals)        |
| <b>UNDERGRADUATE STUDENTS</b> |             |                     |               |                     |             |                     |               |                     |
| Veteran                       | 456         | \$1,409,660         | 12            | \$21,838            | 419         | \$1,333,981         | 10            | \$18,063            |
| Gender Equity                 | 61          | \$310,145           | 98            | \$1,686,591         | 58          | \$386,003           | 91            | \$1,786,512         |
| Merit                         | 424         | \$1,119,432         | 25            | \$214,582           | 401         | \$1,252,153         | 26            | \$270,000           |
| Need                          | 2341        | \$6,811,039         | 3             | \$2,786             | 2141        | \$7,480,752         | 1             | \$1,818             |
| Reciprocity                   | 1           | \$2,226             | 73            | \$790,093           | 0           |                     | 51            | \$564,859           |
| Other                         | 8           | \$15,372            | 86            | \$329,431           | 6           | \$15,773            | 67            | \$336,355           |
| <b>Subtotal State-Support</b> | <b>3291</b> | <b>\$9,667,874</b>  | <b>297</b>    | <b>\$3,045,321</b>  | <b>3025</b> | <b>\$10,468,663</b> | <b>246</b>    | <b>\$2,977,606</b>  |
| <b>GRADUATE STUDENTS</b>      |             |                     |               |                     |             |                     |               |                     |
| Veteran                       | 73          | \$507,936           | 7             | \$32,346            | 83          | \$468,484           | 11            | \$69,860            |
| Over 18                       | 204         | \$391,962           | 76            | \$235,869           | 193         | \$307,571           | 74            | \$223,257           |
| Merit                         | 216         | \$751,698           | 187           | \$1,228,411         | 183         | \$761,810           | 185           | \$1,210,138         |
| Need                          | 588         | \$2,715,051         | 8             | \$8,944             | 679         | \$2,941,809         | 5             | \$9,666             |
| Reciprocity                   |             |                     | 106           | \$1,208,400         | 1           | \$7,070             | 78            | \$1,246,036         |
| Grad Student Asst             | 1016        | \$6,661,830         | 2827          | \$44,465,532        | 903         | \$6,251,810         | 2795          | \$46,145,068        |
| WWAMI                         |             |                     | 282           | \$5,005,471         |             |                     | 303           | \$6,055,937         |
| WICHE                         |             |                     | 5             | \$135,953           |             |                     | 6             | \$163,065           |
| Grad                          |             |                     | 218           | \$2,926,923         |             |                     | 277           | \$4,191,927         |
| Other                         |             |                     | 40            | \$319,727           |             |                     | 39            | \$393,178           |
| <b>Subtotal State-Support</b> | <b>2097</b> | <b>\$11,028,478</b> | <b>3756</b>   | <b>\$55,567,575</b> | <b>2042</b> | <b>\$10,738,554</b> | <b>3773</b>   | <b>\$59,708,132</b> |
| <b>TOTAL STATE SUPPORT</b>    | <b>5388</b> | <b>\$20,696,352</b> | <b>4053</b>   | <b>\$58,612,896</b> | <b>5067</b> | <b>\$21,207,216</b> | <b>4019</b>   | <b>\$62,685,738</b> |

**NOTE:** Please enter unduplicated headcounts and revenues waived in the cells above. In instances in which a student qualifies for multiple waivers (e.g. a veteran enrolled in excess of 18 credits), please count the student and include all operating fees waived on their behalf on the first row applicable to their situation.

## Attachment B-3 Financial Aid from Non-State Sources

### Institution: University of Washington

Unsubsidized Stafford Loans  
Subsidized Stafford Loans  
Perkins Loans  
Federal Health Loans  
PLUS Loans  
Total Federal Loans\*  
Federal Grants<sup>1</sup>  
Private Grants\*  
Private Loans  
Total

| FY 2008   |               | FY 2009   |               | FY 2010   |               |
|-----------|---------------|-----------|---------------|-----------|---------------|
| Headcount | \$ (actuals)  | Headcount | \$ (actuals)  | Headcount | \$ (actuals)  |
| 8,846     | \$59,204,654  | 12,220    | \$78,141,147  | 13,923    | \$88,385,432  |
| 12,563    | \$60,512,023  | 13,739    | \$67,440,949  | 15,677    | \$77,526,560  |
| 2,494     | \$7,157,373   | 2,975     | \$6,282,585   | 3,983     | \$5,735,112   |
| 258       | \$1,799,100   | 246       | \$1,600,882   | 195       | \$1,775,178   |
| 3,407     | \$35,159,089  | 3,492     | \$36,827,160  | 4,132     | \$44,181,934  |
| 15,780    | \$163,832,239 | 17,119    | \$190,292,723 | 19,053    | \$217,604,216 |
| 6,897     | \$21,451,672  | 7,259     | \$25,207,671  | 8,813     | \$36,956,551  |
| 2,503     | \$11,484,655  | 2,705     | \$13,612,659  | 2,188     | \$10,341,666  |
| 4,353     | \$21,409,527  | 4,692     | \$23,588,609  | 4,524     | \$21,716,735  |
|           | \$218,178,093 |           | \$252,701,662 |           | \$286,619,167 |

Three and One Half Percent Set Aside\*\*

|       |              |       |              |       |              |
|-------|--------------|-------|--------------|-------|--------------|
| 3,474 | \$10,727,267 | 3,715 | \$11,051,396 | 3,607 | \$13,687,666 |
|-------|--------------|-------|--------------|-------|--------------|

RCW 28B.15.067(10) Revenues for Institutional Financial Aid\*\*\*<sup>2</sup>

|  |  |  |  |  |             |
|--|--|--|--|--|-------------|
|  |  |  |  |  | \$2,306,439 |
|--|--|--|--|--|-------------|

RCW 28B.15.067(9) Set Aside (Graduate Students)\*\*\*\*

|   |  |  |  |  |  |
|---|--|--|--|--|--|
| (Please see attached worksheet "Attachment B-3 Supplement") |  |  |  |  |  |
|---|--|--|--|--|--|

\* Private Grants: Grants or loans funded with contributions, endowment funds, foundation resources, or other private sources under the institution's control excluding funds from RCW 28B.15.067(1), (9) and (10).

\*\* RCW 28B.15.820(1) requires that each institution of higher education shall deposit a minimum of three and one-half percent of revenues collected from tuition and services and activities fees in an institutional financial aid fund

\*\*\* RCW 28B.15.067(10) requires that any tuition increases above seven percent shall fund costs of instruction, library and student services, utilities and maintenance, other costs related to instruction as well as institutional financial aid. On this line, report ONLY funds from these revenues used for financial aid.

\*\*\*\* RCW 28B.15.067(9) requires that for academic years 2003-04 through 2012-13, institutions of higher education shall use an amount equivalent to 10 percent of all revenues received as a result of graduate academic school tuition increases to assist needy low and middle-income resident graduate academic students.

<sup>1</sup>The headcount for each type of federal loan is a duplicated headcount; the headcount for "Total Federal Loans" is an unduplicated headcount.

<sup>2</sup>It is assumed here that this refers to tuition increases for resident undergraduates. Beginning in 2009-10, an additional \$1.3 million was set aside for financial aid from this increase. Additionally, funds are automatically used for 3% need and 1% merit waivers, (\$543,723), and a portion of the 3.5% set aside for aid can be attributed to the increase over seven percent (\$462,716)



## Attachment B-3 - Supplement

Institution: (360) University of Washington

RCW 28B.15.067 set aside (Graduate Students) \*

### Graduate Tier I,II,III

| Fiscal Year | Net Operating Fee<br>Revenue | Incremental Net<br>Revenue | Aid Required to Ensure<br>An Amount Equal to 10%<br>of Increment is Used for<br>Aid | Financial Aid for Students Demonstrating<br>Need |              |
|-------------|------------------------------|----------------------------|---|--|--------------|
|             |                              |                            |   | Headcount  | Aid          |
| 2006-07     | \$85,559,440                 | \$4,956,826                | \$495,683   | 2,083  | \$15,722,730 |
| 2007-08     | \$90,969,575                 | \$5,410,135                | \$541,013   | 1,853  | \$15,654,827 |
| 2008-09     | \$99,496,760                 | \$8,527,185                | \$852,718   | 2,415  | \$19,004,596 |
| 2009-10     | \$103,151,703                | \$3,654,943                | \$365,494   | 2,230  | \$18,767,065 |

Source: Aid numbers are from query, "RCW Check Grad Stdts" in I:\groups\opb\OFFICE\OIS\Financial Aid\Financial Aid Basics.mdb

**Attachment B-4****Cumulative Undergraduate Student  
Loan Debt at Graduation****Institution:** University of Washington

| Academic Year    | Total Students Receiving Bachelor's Degree | Number Receiving Bachelor's Degree with Loan Debt* | Percentage of those receiving Bachelor's Degrees Who Have Loan Debt* | Mean Loan Debt* at Graduation | Median Loan Debt* at Graduation | Total Loan Debt* for All Students |
|------------------|--|--|--|-------------------------------|---------------------------------|-----------------------------------|
| <b>2008-09</b>   | 7,906                                      | 3,726  | 47%  | \$17,808                      | \$14,750                        | \$66,354,166                      |
| <b>2009-10**</b> |  |  |  |                               |                                 |                                   |

\*Loan debt from Federal, State or Private loans received while attending this institution.

\*\*Information from last academic year will not be available until October or November of 2010. We will be happy to submit additional information at that time.





## 2011-13 Biennium

| Comments  |
|---|
| <p><sup>1</sup>The Services and Activities Fee increases dramatically over these two years as a result of fees students voted for to cover debt service for renovation of student facilities (the Health Center and Union Building). \$1.7 million of the increase in 2012 results from the addition of \$51 per year to the Services &amp; Activities Fee, and \$5.5 million of the increase in 2013 result from an additional increase of \$219 per year to cover these expenses.</p> <p><sup>2</sup>Represents replacement of a student imposed voluntary fee with a student imposed mandatory fee in order to stabilize program funding and soften the impact of future transit fare increases on the student transportation fee. The mandatory fee would be significantly smaller than the voluntary fee with a target of revenue neutrality. <sup>3</sup>Transcript fee might be raised from \$9 to \$10 to align more closely with peer fees for transcripts. <sup>4</sup>The one-day urgent service transcript fee might be introduced to reduce administrative overhead associated with providing urgent transcript requests; this sort of fee is very common among peer institutions. UW is the only public baccalaureate in WA that does not have a graduate application fee at the undergraduate level.</p> <p>Fees currently range from \$25 to \$41 among the state baccalaureates; we are contemplating \$45 for the UW. <sup>5</sup>Application fees for domestic freshman and transfers might be \$70 (a \$10 increase) and application fees for international students might be \$90 (a \$15 increase). <sup>6</sup>The current, estimated average fee increase is in the 4-7% range with significant variation from that possible in some programs for three main reasons: 1) those having fees restructured in response to updated cost analyses indicating less than full cost recovery, 2) programs being restructured to cover additional program elements, and 3) fees that are passthroughs from commercial vendors (e.g., international student health insurance). The largest increase expected is in the grant-supported, Osher Life-long Learning Institute where course fees will increase 75% with a corresponding decrease of 32% in the annual membership fee. Gross revenue for the fee-based program category is expected to increase from 10-20% over the next biennium, exceeding rate increases because of growth in the number of fee-based programs. If fees can't increase to cover costs of these self-sustaining offerings programs will be eliminated. <sup>7</sup>Significant uncertainty exists in contract pricing based largely on the scope of each contract. The current estimated average fee increase is in the 20% range with significant variation from that in some programs. Underlying factors for fee changes fall into three main categories: 1) those having fees restructured in response to cost analyses indicating less than full cost recovery, 2) programs restructuring to cover additional program elements and enrollments, and 3) fees that are passthroughs from commercial vendors (e.g., international student health insurance). Gross revenue for this fee-based program category is expected to increase over 20% over the next biennium largely due to growth in enrollments in these programs. If fees can't increase to cover costs, these programs will be constrained resulting in decreased new revenue into the state from many international clients.</p> |