

Date: April 8, 2015

Subject: 2015-17 Senate Capital Budget for 2015-17 and Engrossed Senate and House Operating Budgets

Senate Capital Budget - Overview

The proposed Senate capital budget would appropriate \$102 million in new funding from the State Building Construction Account. This is significantly more than the House budget appropriation of \$41 million, with more funding for the Computer Science & Engineering Expansion (\$32.5 million total) and the UW Tacoma Urban Solutions Center (\$16 million total). The Senate budget would also fund the total requested \$46.2 million for the Burke Museum.

Like the House budget, the Senate budget supports Health Sciences Education: MHSC T-wing Renovation predesign (\$623,000), Nursing Simulation Learning Lab (\$4 million), and the Interprofessional Education (IPE) Classroom (\$2.7 million). It also appropriates \$1 million to fund ongoing UW Tacoma Soil Remediation.

However, unlike the House budget, which included an appropriation for UW Bothell - Phase 4 - Academic STEM (\$500,000), the Senate budget does not.

All capital budget proposals, thus far, would appropriate at least \$69 million from the UW Building Account, \$43.2 million of which would fund Minor Capital Repair - Preservation. Projects in this category include infrastructure upgrades, building repairs, utilities and site work repair, life safety, and classroom improvements across all three campuses. The other \$25.8 million would shift resources from the capital budget to provide operating resources for Preventative Facility Maintenance and Building System Repairs on the UW Seattle campus.

The Senate budget also maintains a provision of funding from the UW Building Account to support the development of OFM's Higher Ed Preservation Information System, which aims to equalize the facility condition assessment by higher education institutions.

Table 1: The Proposed Senate 2015-17 Capital Budget Compared to UW Requests, Governor's and House Budget (in \$1,000s)

UW Priority	Requested Projects	2015-17 Request		Governor's Budget 12/18/2014			House Budget Proposal 3/27/2015			Senate Budget Proposal 4/8/2015		
		State Funds	UW Building Account	State Funds	UW Building Account	State Toxics Control Account	State Funds	UW Building Account	State Toxics Control Account	State Funds	UW Building Account	State Toxics Control Account
		1	Minor Capital Repair - Preservation	57,800	69,000	-	43,175	-	-	43,175	-	-
2	Health Sciences Education Phase I - T Wing Renovation/Addition	8,000		623	-	-	623	-	-	623	-	-
3	CoE - Computer Science & Engineering Expansion	40,000		40,000	-	-	6,033	-	-	32,500	-	-
4	CAS - Life Sciences Building I	40,000		-	-	-	-	-	-	-	-	-
5	UW Tacoma - Urban Solutions Center - Classroom Building Renovation	18,000		-	-	-	-	-	-	16,000	-	-
6	SON - Nursing Simulation Learning Lab	4,000		4,000	-	-	4,000	-	-	4,000	-	-
7	Health Sciences Interprofessional Education Classroom Phase I	3,000		3,000	-	-	3,000	-	-	2,710	-	-
8	UW Tacoma Campus Development and Soil Remediation	5,000		-	-	1,000	1,000	-	-	-	-	1,000
9	CAS - Lewis Hall Renovation	16,000		16,000	-	-	-	-	-	-	-	-
10	UW Bothell - Phase 4 - Academic STEM	500		-	-	-	500	-	-	-	-	-
-	Burke Museum	46,200	-	16,000	-	-	26,000	-	-	46,200	-	-
21	CoE - Center for Advanced Materials and Clean Energy Technologies	-	-	6,578	-	-	-	-	-	-	-	-
	Subtotal:	238,500	69,000	86,201	43,175	1,000	41,156	43,175	-	102,033	43,175	1,000
	Other New Appropriations											
	Preventative Facility Maintenance and Building System Repairs	-	-	-	25,825	-	-	25,825	-	-	25,825	-
	Higher Education Preservation Information	-	-	-	-	-	-	116	-	-	116	-
	Clean Energy Research Test Beds	-	-	12,000	-	-	-	-	-	-	-	-
	Subtotal:	-	-	12,000	25,825	-	-	25,941	-	-	25,941	-
	New 2015-17 Appropriations Total	238,500	69,000	98,201	69,000	1,000	41,156	69,116	-	102,033	69,116	1,000
	Reappropriations											
	Denny Hall Renovation	27,590	-	27,590	-	-	27,300	-	-	27,300	-	-
	Minor Capital Repair - Preservation	-	4,200	-	-	-	-	4,200	-	-	4,200	-
	Higher Education Preservation Information	-	-	-	-	-	-	116	-	-	-	-
	UW Tacoma - Urban Solutions Center - Classroom Building Renovation	500	-	500	-	-	500	-	-	500	-	-
	CAS - Lewis Hall Renovation	200	-	200	-	-	150	-	-	150	-	-
	Burke Museum	650	-	650	-	-	650	-	-	650	-	-
	Subtotal:	28,940	4,200	28,940	-	-	28,600	4,316	-	28,600	4,200	-
	Grand Total:	267,440	73,200	127,141	69,000	1,000	69,756	73,432	-	130,633	73,316	1,000

Engrossed House and Senate Operating Budgets

On Monday, April 6, the Senate voted its operating budget, Engrossed Substitute Senate Bill [5077](#) off the floor, adopting only five floor amendments, making virtually no changes to the higher education budget presented in our prior budget brief, available [here](#). However, one of these five adopted amendments would redirect state marijuana-related revenues to the general fund, in lieu of allocating those funds to the state’s research universities (per citizen’s Initiative 502). Note that this loss of revenue would not be displayed in any table below, as dedicated marijuana account funds would not be considered general operating funds for the UW’s operations. Though research institutes at both the UW and WSU were expecting to receive these funds, no appropriation had been provided in prior biennia.

Engrossed Substitute House Bill [1106](#) passed off the House floor on April 2 and contained a few changes of note since we last provided information (via our prior budget brief, available [here](#)) about the House operating budget. These changes were made in the House Appropriations committee and are relatively minor. The engrossed budget contains the following changes:

- New general fund appropriations of \$150,000 per year for a Latino Health Center;
- A \$3.75 million biennial reduction in the Education Legacy Trust appropriation for computer science enrollment and degree growth (instead of \$8 million in FY17, the bill now provides \$1.25 million in FY16 and \$3 million in FY17); and,
- A \$1.9 million increase in the FY16 Education Legacy Trust appropriation for medical residencies – changing the total appropriation from \$3 million to \$4.9 million.

Each budget’s original assumptions regarding resident undergraduate tuition rates, tuition backfill funding, and compensation funding (for both wages and employee benefits) remain unaltered and, therefore, continue to differ vastly from one another. These topics will be considered during the next few weeks in conference budget negotiations.

Table 2 below shows annual and biennial appropriations for the UW presented thus far. Note that the 2015 legislative session is scheduled to adjourn on Friday, April 24. Please stay tuned as we work through the next few weeks towards compromise operating and capital budgets.

Table 2: UW State Funding - Comparisons of Budget Proposals (in \$1000s)

General Fund State + Ed Legacy Fund

Budget	FY1	FY2	Total
<i>2013-15 Funding Level</i>	\$254,062	\$246,471	\$500,533
Carry Forward Level	\$259,960	\$259,002	\$518,962
Governor's Budget	\$270,947	\$274,109	\$545,056
House Chair Budget Proposal*	\$285,720	\$309,884	\$595,604
Senate Chair Budget Proposal	\$308,767	\$365,630	\$674,397
House Floor Budget Proposal*	\$286,970	\$306,784	\$579,478
Senate Floor Budget Proposal	\$308,767	\$365,630	\$674,397

*Note that these figures include additional allocations from Sec 942, 943 and 928 of the original House budget.