

Agency 360

## University of Washington Recommendation Summary

| Dollars in Thousands                         | Annual FTEs     | General Fund State | Other Funds      | Total Funds      |
|--|-----------------|--------------------|------------------|------------------|
| <b>2017-19 Original Appropriations</b>       | <b>22,789.5</b> | <b>690,523</b>     | <b>7,163,156</b> | <b>7,853,679</b> |
| <b>Maintenance Other Changes:</b>            |                 |                    |                  |                  |
| 1. Nonappropriated Fund Adjustment           | 0.0             | 0                  | (87,072)         | (87,072)         |
| 2. Capital Project Operating Costs           | 0.0             | 979                | 0                | 979              |
| 3. Adjust CAP Tuition Backfill               | 0.0             | (38)               | 0                | (38)             |
| <b>Maintenance -- Other Total</b>            | <b>0.0</b>      | <b>941</b>         | <b>(87,072)</b>  | <b>(86,131)</b>  |
| <b>Maintenance Comp Changes:</b>             |                 |                    |                  |                  |
| 4. Move Pension Fund Shift to Agencies       | 0.0             | (51,068)           | 51,068           | 0                |
| 5. Fund Split Correction SEIU                | 0.0             | (6,048)            | 6,048            | 0                |
| 6. Fund Split Correction WFSE                | 0.0             | (3,284)            | 3,284            | 0                |
| 7. Updated PEBB Rate                         | 0.0             | (1,350)            | (11,906)         | (13,256)         |
| 8. Wellness \$25 Gift Card                   | 0.0             | 2                  | 28               | 30               |
| 9. Paid Family Leave--Employer Premium       | 0.0             | 127                | 890              | 1,017            |
| <b>Maintenance -- Comp Total</b>             | <b>0.0</b>      | <b>(61,621)</b>    | <b>49,412</b>    | <b>(12,209)</b>  |
| <b>Maintenance Transfer Changes:</b>         |                 |                    |                  |                  |
| 10. WA State Academy of Sciences             | 0.0             | (74)               | 0                | (74)             |
| <b>Maintenance -- Transfer Total</b>         | <b>0.0</b>      | <b>(74)</b>        | <b>0</b>         | <b>(74)</b>      |
| <b>Maintenance Central Services Changes:</b> |                 |                    |                  |                  |
| 11. Archives/Records Management              | 0.0             | (2)                | (2)              | (4)              |
| 12. Audit Services                           | 0.0             | 24                 | 47               | 71               |
| 13. Legal Services                           | 0.0             | (5)                | (10)             | (15)             |
| 14. CTS Central Services                     | 0.0             | (12)               | (23)             | (35)             |
| 15. OFM Central Services                     | 0.0             | 11                 | 23               | 34               |
| 16. Workers' Compensation                    | 0.0             | (390)              | (756)            | (1,146)          |
| 17. DES Rate Compensation Changes            | 0.0             | 0                  | 2                | 2                |
| <b>Maintenance -- Central Svcs Total</b>     | <b>0.0</b>      | <b>(374)</b>       | <b>(719)</b>     | <b>(1,093)</b>   |
| <b>Total Maintenance Changes</b>             | <b>0.0</b>      | <b>(61,128)</b>    | <b>(38,379)</b>  | <b>(99,507)</b>  |
| <b>2017-19 Maintenance Level</b>             | <b>22,789.5</b> | <b>629,395</b>     | <b>7,124,777</b> | <b>7,754,172</b> |

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**University of Washington (cont.)****Recommendation Summary**

| Dollars in Thousands                    | Annual FTEs     | General Fund State | Other Funds      | Total Funds      |
|---|-----------------|--------------------|------------------|------------------|
| <b>Policy Other Changes:</b>            |                 |                    |                  |                  |
| 18. Computer Science Enrollment         | 0.0             | 0                  | 3,000            | 3,000            |
| 19. Shellfish Aquaculture Study         | 0.0             | 0                  | 200              | 200              |
| <b>Policy -- Other Total</b>            | <b>0.0</b>      | <b>0</b>           | <b>3,200</b>     | <b>3,200</b>     |
| <b>Policy Comp Changes:</b>             |                 |                    |                  |                  |
| 20. PERS & TRS Plan 1 Benefit Increase  | 0.0             | 39                 | 504              | 543              |
| 21. Family Leave: Low Wage Employees    | 0.0             | 4                  | 28               | 32               |
| <b>Policy -- Comp Total</b>             | <b>0.0</b>      | <b>43</b>          | <b>532</b>       | <b>575</b>       |
| <b>Policy Central Services Changes:</b> |                 |                    |                  |                  |
| 22. Archives/Records Management         | 0.0             | 1                  | 2                | 3                |
| 23. Audit Services                      | 0.0             | 0                  | 1                | 1                |
| 24. Legal Services                      | 0.0             | 7                  | 15               | 22               |
| 25. CTS Central Services                | 0.0             | 34                 | 66               | 100              |
| 26. OFM Central Services                | 0.0             | 93                 | 180              | 273              |
| 27. CTS Fee for Service Adjustment      | 0.0             | 0                  | 3                | 3                |
| <b>Policy -- Central Svcs Total</b>     | <b>0.0</b>      | <b>135</b>         | <b>267</b>       | <b>402</b>       |
| <b>Total Policy Changes</b>             | <b>0.0</b>      | <b>178</b>         | <b>3,999</b>     | <b>4,177</b>     |
| <b>2017-19 Policy Level</b>             | <b>22,789.5</b> | <b>629,573</b>     | <b>7,128,776</b> | <b>7,758,349</b> |

**POLICY CHANGES****1. Nonappropriated Fund Adjustment**

Nonappropriated tuition revenue is adjusted to reflect actual levels. (Inst of Hi Ed-Operating Fees Account-Non-Appr)

**2. Capital Project Operating Costs**

Funding is provided for operations and maintenance of new facilities that will be partially or fully completed during the 2017-19 biennium. (General Fund-State)

**3. Adjust CAP Tuition Backfill**

The 2015 Legislature created the College Affordability Plan (CAP) in Chapter 36, Laws of 2015. It required the 2015-17 budget to provide funding to backfill the loss of revenue from tuition operating fee reductions. The tuition backfill is adjusted for inflation as specified in statute. (General Fund-State)

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#### 4. Move Pension Fund Shift to Agencies

In the enacted 2017-19 budget, the legislature shifted a portion of General Fund pension costs to the Pension Funding Stabilization Account, and instructed the Office of Financial Management to allocate this change to agency budgets. This item implements that requirement. (General Fund-State; Pension Funding Stabilization Account-State)

#### 5. Fund Split Correction SEIU

A technical correction is made to shift funding provided in the 2017-19 budget to the correct fund sources. (General Fund-State; Inst of Hi Ed Grants and Contracts Account-Non-Appr; Inst of Hi Ed-Dedicated Local Account-Non-Appr; other accounts)

#### 6. Fund Split Correction WFSE

A technical correction is made to shift funding provided in the 2017-19 budget to the correct fund sources. (General Fund-State; Inst of Hi Ed Grants and Contracts Account-Non-Appr; Inst of Hi Ed-Dedicated Local Account-Non-Appr; other accounts)

#### 7. Updated PEBB Rate

The funding rate for the Public Employees' Benefits Board (PEBB) insurance program is adjusted for fiscal year 2019 to reflect updated actuarial projections, administrative costs and payments to third-party administrators. The funding is sufficient for a new virtual diabetes prevention program and a change in the waiting period for dental crown replacements in the Uniform Dental Program (UDP) from seven to five years. The change would bring UDP into alignment with the current waiting period in the managed dental plans. This reduces the fiscal year 2019 funding rate from \$957 per month to \$906. (General Fund-State; Education Legacy Trust Account-State; Economic Development Strategic Reserve Account-State; other accounts)

#### 8. Wellness \$25 Gift Card

Some employees are eligible, under the terms of their collective bargaining agreements, to earn a \$25 gift card after completing a health risk assessment. This item provides funding for agencies to pay the employer's share of Social Security and Medicare taxes on the gift cards. (General Fund-State; Inst of Hi Ed Grants and Contracts Account-Non-Appr; Inst of Hi Ed-Dedicated Local Account-Non-Appr; other accounts)

#### 9. Paid Family Leave--Employer Premium

A paid family and medical leave program was created by Chapter 5, Laws of 2017, 3rd Special Session. Beginning January 1, 2019, the state, as an employer, will be responsible for payment of employer premiums for employees not covered by a collective bargaining agreement. This item provides funding for this obligation. (General Fund-State; Education Legacy Trust Account-State; Inst of Hi Ed Grants and Contracts Account-Non-Appr; other accounts)

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#### 10. WA State Academy of Sciences

Chapter 305, Laws of 2005 established the Washington State Academy of Sciences (WSAS). In the 2007-09 biennium, both Washington State University (WSU) and the University of Washington (UW) received appropriations for operation of the WSAS. Funding is transferred from UW to WSU to increase operational efficiency. WSU will become the sole fiscal agent for the WSAS. (General Fund-State)

#### 11. Archives/Records Management

Agency budgets are adjusted to reflect each agency's allocated share of charges for the state archives and state records center. (General Fund-State; Inst of Hi Ed-Operating Fees Account-Non-Appr)

#### 12. Audit Services

Agency budgets are adjusted to reflect each agency's allocated share of charges for state government audits. (General Fund-State; Inst of Hi Ed-Operating Fees Account-Non-Appr)

#### 13. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (General Fund-State; Inst of Hi Ed-Operating Fees Account-Non-Appr)

#### 14. CTS Central Services

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Consolidated Technology Services Agency (WaTech) for the Office of the Chief Information Officer, Office of Cyber Security, state network, enterprise systems, security gateways and geospatial imaging services. (General Fund-State; Inst of Hi Ed-Operating Fees Account-Non-Appr)

#### 15. OFM Central Services

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Office of Financial Management for the One Washington project. (General Fund-State; Inst of Hi Ed-Operating Fees Account-Non-Appr)

#### 16. Workers' Compensation

Agency budgets are adjusted to reflect each agency's estimated charges from the Department of Labor and Industries for workers' compensation. (General Fund-State; Inst of Hi Ed-Operating Fees Account-Non-Appr)

#### 17. DES Rate Compensation Changes

Funding is provided to cover compensation and central service cost increases that were included in the 2017-19 biennial budget in lines of business at the Department of Enterprise Services that have a fee for service structure. (Inst of Hi Ed-Operating Fees Account-Non-Appr)

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#### 18. Computer Science Enrollment

An additional \$3 million is provided to complete the goal of doubling the number of computer science degrees from 300 to 600 degrees annually. This is estimated to support 10-12 additional faculty and staff at the University of Washington's Paul G. Allen School of Computer Science and Engineering. (Education Legacy Trust Account-State)

#### 19. Shellfish Aquaculture Study

Shellfish farming in Willapa Bay and Grays Harbor is significantly impacted by nonnative eelgrass which affects farming practices and burrowing shrimp, which soften the sediment and cause shellfish near the surface to sink and suffocate. Washington Sea Grant will complete a three-year study to identify agreed-upon best management practices that optimize the value of shellfish farms for shellfish production and as habitat for other species. A report is due to the Office of the Governor and appropriate legislative committees by December 1 each year. (Geoduck Aquaculture Research Account-State)

#### 20. PERS & TRS Plan 1 Benefit Increase

For eligible Public Employees' and Teachers' Retirement System Plan 1 members, this item provides a one-time ongoing increase of 3%, up to a maximum of \$62.50 per month. (General Fund-State; Inst of Hi Ed Grants and Contracts Account-Non-Appr; Inst of Hi Ed-Dedicated Local Account-Non-Appr; other accounts)

#### 21. Family Leave: Low Wage Employees

A paid family and medical leave program was created by Chapter 5, 2017 Laws 3rd Special Session. The law permits employers to pay the employee, as well as the employer, portion of the premiums. This item provides funding to do so for employees earning less than the equivalent of \$34,060 annually, who are not covered by a collective bargaining agreement. The paid leave law does not applied for those in bargaining units until after this biennium. (General Fund-State; Inst of Hi Ed Grants and Contracts Account-Non-Appr; Inst of Hi Ed-Dedicated Local Account-Non-Appr; other accounts)

#### 22. Archives/Records Management

Agency budgets are adjusted to reflect each agency's allocated share of charges for the state archives and state records center. (General Fund-State; Inst of Hi Ed-Operating Fees Account-Non-Appr)

#### 23. Audit Services

Agency budgets are adjusted to reflect each agency's allocated share of charges for state government audits. (Inst of Hi Ed-Operating Fees Account-Non-Appr)

#### 24. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (General Fund-State; Inst of Hi Ed-Operating Fees Account-Non-Appr)

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#### **25. CTS Central Services**

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Consolidated Technology Services Agency (WaTech) for the Office of the Chief Information Officer, Office of Cyber Security, state network, enterprise systems, security gateways and geospatial imaging services. (General Fund-State; Inst of Hi Ed-Operating Fees Account-Non-Appr)

#### **26. OFM Central Services**

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Office of Financial Management for the One Washington project. (General Fund-State; Inst of Hi Ed-Operating Fees Account-Non-Appr)

#### **27. CTS Fee for Service Adjustment**

Rates for wireless, virtual private network, and server infrastructure services are increased effective January 1, 2018 to align revenues with WaTech's cost of providing services. Monthly rates per device or service will increase for wireless to \$50, Centrex services to \$45 and virtual private network to \$285 per tunnel per month with a \$500 setup fee. (Inst of Hi Ed-Operating Fees Account-Non-Appr)