August 10, 2022

BOARD OF REGENTS EXECUTIVE AND GOVERNANCE COMMITTEE
NOTICE OF SPECIAL MEETING

The Washington State University Board of Regents Executive and Governance Committee will hold a special meeting on August 18, 2022 beginning at 2:00 p.m. The purpose of the meeting is to review the final 2023-2025 State Operating Budget Request submission and the 2023-2025 State Capital Budget Request submission.

This meeting will be in the Lighty Student Services Building, Room 403 on the WSU Pullman Campus.

Members of the public are invited to attend in person or join via telephone using the following number:

+1-253-215-8782 (United States)
Meeting ID: 978 2135 5873 Passcode:  378599

Meeting Agenda

I. Call to Order
II. Information Item 1: 2023-2025 State Operating Budget Request
III. Information Item 2: 2023-2025 State Capital Budget Request
IV. Public Comment Period
V. Adjourn

This notice is being sent by direction of the Chair of the Board of Regents pursuant to the requirements of the Open Public Meetings Act, RCW Chapter 42.30.

Questions about this special meeting may be directed to Desiree Jacobsen at 509-335-4200.

cc: WSU News Service
Office of the Attorney General, WSU Division
INFORMATION ITEM #1
2023-2025 Biennial Operating Budget Request
(Elizabeth Chilton/Stacy Pearson/Colleen Kerr)

TO THE EXECUTIVE AND GOVERNANCE COMMITTEE OF THE BOARD OF REGENTS

SUBJECT: 2023-2025 Biennial Operating Budget Request

SUBMITTED BY: Elizabeth Chilton, Provost and Executive Vice President
Stacy Pearson, Vice President, Finance and Administration/CFO
Colleen Kerr, Vice President External Affairs & Government Relations

BACKGROUND INFORMATION: At the May 2022 meeting, the Board of Regents approved the budget priorities for the 2023-25 Biennial Operating Budget Request and delegated authority to the President or designee to approve the final request contingent upon the following: That the President or designee (1) meet with the Executive and Governance Committee in August 2022 to discuss the final operating budget request prior to submission, and (2) the final request as submitted to OFM is presented to the full Board of Regents as an information item at the September 2022 meeting.

The proposed request for the 2023-2025 State Biennial Operating Budget Request is described below:

1. Compensation:
   a. WSU will request at least a 3 percent compensation increase for both years of the biennium for faculty and staff commensurate with previous years’ requests. The actual percentage will be determined just prior to the mid-September submission so that it reflects the most current information.
   b. WSU is also requesting improvements to the state appropriation-plus-tuition funding formula to make compensation enhancements at any prescribed level achievable. This change would reduce prescribed reliance on tuition revenues unlikely to materialize over the next two years.
   c. WSU will also request an enhancement for civil service employees commensurate with what is awarded to such workers throughout state government.

   Request amount: $28.2 million to $47.1 million biennially.
2. Nursing Accreditation:
Funding is needed to provide ongoing resources to support university-directed salary increases bringing College of Nursing salaries from 25th percentile to 50th percentile among nurses with similar credentials in support of the College of Nursing’s reaccreditation campaign. About $475,000 of this request will fund ongoing equipment enhancements.
Request amount: $4.4 million biennially.

3. Social work:
Funding is requested to establish a new bachelor’s degree and master’s degree in social work at WSU Tri-Cities to meet escalating workforce needs for behavioral and mental health that have been identified through state assessments and WSU’s ongoing engagement with community partners and stakeholders. Once established and accredited, this program is replicable at other campus locations in the system.
Request amount: $2.5 million biennially.

4. Public Health:
The COVID-19 pandemic revealed a lack of trained individuals needed to protect public health and respond to emergent health crises, especially in rural, remote, and underserved counties. To address this skills gap, WSU is requesting support to establish a two-track Bachelor of Public Health degree that will be made unique in the state by the delivery of a major in Infectious Disease at the Pullman campus and a major in Behavioral Health delivered at the Spokane and Vancouver campuses. This program will provide special focus on meeting the needs of rural, remote, and underserved communities.
Request amount: $2.5 million biennially.

5. Ruckelshaus Center:
Funding is requested to enhance core support and fiscal stability for the center, which operates almost entirely on variable contracts and donor funds.
Request amount: $1.0 million biennially.

6. Collective Bargaining:
WSU will seek funding for economic impacts of collective bargaining agreements (contracts), ratified before the state deadline of October 1st, for classified staff represented by the following Unions:
   International Union of Operating Engineers
Teamsters
Washington Federation of State Employees
WSU Police Guild

Bargaining is currently underway and Contracts are not yet final, so the costs cannot be estimated at this time.

7. Maintenance and Operations of New Buildings:
Funds are requested as is commonplace to provide support for the Life Sciences Building currently under construction at WSU Vancouver and a new water reservoir in Pullman.

Request amount: $0.9 million biennially.
INFORMATION ITEM #2
2023-2025 Capital Budget Request
(Stacy Pearson/Olivia Yang/Colleen Kerr)

TO THE EXECUTIVE AND GOVERNANCE COMMITTEE OF THE BOARD OF REGENTS

SUBJECT: 2023-2025 State Capital Budget Request

SUBMITTED BY: Stacy Pearson Vice President for Finance & Administration/CFO

BACKGROUND INFORMATION:
At the May 2022 meeting, the Board of Regents approved the 2023-25 State Capital Budget Request and delegated authority to the President or designee to approve the final request contingent upon the following: That the President or designee (1) meet with the Executive and Governance Committee in August 2022 to discuss the final operating budget request prior to submission, and (2) the final request as submitted to OFM is presented to the full Board of Regents as an information item at the September 2022 meeting.

The 2023-2025 State Capital Budget request was developed within the overall context of identifying and prioritizing projects that balance continued stewardship and renewal of existing facilities and infrastructure within a framework for responsible growth. The 2023-2025 request can be viewed in the context of the broader ten-year plan included as Attachment A.

Detailed information regarding the process, budget notes, and next steps are provided in Attachment B and are also found at https://facilities.wsu.edu/facilities-services-capital/state-capital-budget/.

The 2023-2025 request can be thought of as three groupings of projects:

<table>
<thead>
<tr>
<th>Priority</th>
<th>Project</th>
<th>Stage</th>
<th>Prior $</th>
<th>Next 2023-25</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Minor Capital Preservation (MCP)</td>
<td>pool</td>
<td>-</td>
<td>$40,000,000</td>
</tr>
<tr>
<td>2</td>
<td>Minor MCL Program (MGI) &amp; ORMIS Equip.</td>
<td>pool</td>
<td>-</td>
<td>$13,000,000</td>
</tr>
<tr>
<td>3</td>
<td>Volland College of Engineering &amp; Architecture New Engineering Facility &amp; Infrastructure</td>
<td>D/C</td>
<td>$500,000</td>
<td>$22,000,000</td>
</tr>
<tr>
<td>4</td>
<td>Pullman Science Building</td>
<td>D/C</td>
<td>$20,000,000</td>
<td>$7,000,000</td>
</tr>
<tr>
<td>5</td>
<td>Spokane Biomedical and Health Science Building Phii (SIM)</td>
<td>D/C</td>
<td>$20,000,000</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>6</td>
<td>Kitt's Daily Revolution</td>
<td>D/C</td>
<td>$8,000,000</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Busch Renovation (SIM for Vet Teaching Anatomy)</td>
<td>D/C</td>
<td>$8,000,000</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Space Optimization (Remote Collection Storage)</td>
<td>D/C</td>
<td>$9,000,000</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Clean Building Standards Energy Efficiency Improvements</td>
<td>D/C</td>
<td>$9,000,000</td>
<td></td>
</tr>
</tbody>
</table>

The 2023-2025 request can be thought of as three groupings of projects:
1. **Minor Works**: a group of projects (under $2 million) for building preservation and renewal (MCR) and for program renewal (MCI).

2. **Sustained Investment**: a series of related projects that span several biennia to create surge space and eventual demolition and renovation of less-than-optimal buildings.

Examples of Sustained Investment in this request include:
- The Eastlick and Abelson projects create a surge for occupants of Heald Hall, which is slated for demolition in 2025-27 to make way for the new Science Building in 2027-29.
- A design and site prep request for Spokane, which follows the 2019-21 predesign and the currently-funded $15 million renovation of the Phase 1 Building vacated by Eastern Washington University. This request provides for the design of a $60 million clinical education building and the demolition of two smaller buildings on the Spokane campus. We anticipate a future request for construction. There is also discussion around an operating partnership for clinical education, which may provide private capital support.

3. **Standalone**: projects which can be either thematic (i.e., system-wide pedagogical or research initiatives) or scoped to meet program and/or deferred maintenance needs. Standalone projects may have the potential to enable future phases but are not critical to future phases. Examples include:
- The VCEA student success project is a standalone request and will be augmented by $40 million of philanthropic funds. This project will allow the demolition of Dana Hall in a future request.
- The Bustad project takes advantage of space vacated when WADDL moved to Global Animal Phase 2 and offers an opportunity to expand the CVM simulation education program. This project also assists as a surge for Heald by vacating space in Eastlick and Abelson.
- The Knott Dairy is standalone but may offer options for private funding through philanthropy or industry support.
- The clean building standard request is intended to meet the state requirements related to energy performance and efficiency for all buildings greater than 50,000 square feet. While this request will provide compliance for one building, we expect a need for ongoing investment to bring all buildings system-wide into compliance. Lack of compliance may result in fines assessed by the State.
• In support of the Pullman Strategic Plan, the space optimization request is intended to provide remote storage for library collections, research, and archeological artifacts to free up space in existing buildings for new programmatic initiatives. We anticipate future requests for the expansion of remote storage or consolidation and display of various academic collections.

ATTACHMENTS: Attachment A – 2023-2025 Capital Budget – 10 Year Plan
Attachment B – Memo to University Leadership
## Washington State University
### 2023-25 State Capital Budget Funding Request and Associated 10 Year Plan

<table>
<thead>
<tr>
<th>Priority</th>
<th>Project</th>
<th>2023-25</th>
<th>2025-27</th>
<th>2027-29</th>
<th>2029-31</th>
<th>2031-33</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Minor Capital Preservation (MCR) pool</td>
<td>$40,000,000</td>
<td>$40,000,000</td>
<td>$40,000,000</td>
<td>$40,000,000</td>
<td>$40,000,000</td>
</tr>
<tr>
<td>2</td>
<td>Minor Capital Program (MCI &amp; Omnibus Equip.) pool</td>
<td>$13,000,000</td>
<td>$15,000,000</td>
<td>$15,000,000</td>
<td>$15,000,000</td>
<td>$15,000,000</td>
</tr>
<tr>
<td>3</td>
<td>Voiland College of Engineering &amp; Architecture- New Engineering Facility &amp; Infrastructure D/C</td>
<td>$40,000,000</td>
<td>$10,000,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>4</td>
<td>Pullman Sciences Building D/C</td>
<td>$50,000,000</td>
<td>$20,000,000</td>
<td>$50,000,000</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>5</td>
<td>Spokane Biomedical and Health Sc Building PhII (SIM) D</td>
<td>$20,000,000</td>
<td>$7,000,000</td>
<td>$30,000,000</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>6</td>
<td>Knott Dairy Renovation D/C</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>7</td>
<td>Bustad Renovation (SIM for Vet Teaching Anatomy) D/C</td>
<td>$8,000,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>8</td>
<td>Space Optimization (Remote Collection Storage) D/C</td>
<td>$10,000,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>9</td>
<td>Clean Building Standard Energy Efficiency Improvements D/C</td>
<td>$5,000,000</td>
<td>$10,000,000</td>
<td>$5,000,000</td>
<td>$5,000,000</td>
<td>$5,000,000</td>
</tr>
</tbody>
</table>

**2023-25 State Capital Budget Request**

| 10 Yr Plan | $155,000,000 |

### Notes on Sustained Projects

#### VCEA New Student Success Facility & Infrastructure
- Construct new facility 23-25 (donor matching)
- Demo Dana Hall

#### Pullman Sciences Building
- Eastlick / Abelson Renovation 23-25
- Heald Demo / Design 25-27
- Construct new facility 27-29

#### Spokane Biomedical and Health Sc Building PhII (SIM)
- Demo Site 23-25
- Construct new facility 25-27

#### Fulmer Complex Renovations
- Renovate Fulmer Synthesis Bldg 25-27
- Renovate Fulmer Synthesis Bldg / Design Fulmer Reno 27-29
- Fulmer Renovation 29-31 / 31-33

#### Voiland College of Engineering & Architecture - New Engineering Lab Facility
- Design 27-29
- Construct new facility 29-31

#### Spokane Clinical Education Building
- Demo Site 27-29
- Design 29-31
- Construct new facility 31-33
MEMORANDUM

To: Vice Presidents, Chancellors, Deans, Faculty Senate Executive Committee, and APAC Leadership

From: Elizabeth S. Chilton, Provost and Executive Vice President
Stacy Pearson, Vice President for Finance and Administration and Chief Financial Officer
Colleen Kerr, Vice President for External Affairs and Governmental Relations

Subject: 2023-2025 State Capital Budget Request

Date: April 7, 2022

We are pleased to share the attached 2023-25 State Capital Budget request for Washington State University (WSU). For your convenience, information regarding the process, budget notes, and next steps are provided below. This information can also be found at https://facilities.wsu.edu/facilities-services-capital/state-capital-budget/.

Process

1. Initiated “Call for Needs” in September 2021. (The larger capital needs and MCI/Omnibus equipment needs were collected separately in December 2021 via Qualtrics.)


3. The prioritization committee met regularly to review each submitted need and developed scoring for each of the primary categories. Scores ranged from 0 (not meeting any criteria) to 10 (meeting all criteria) based on committee consensus. An overall programmatic score was based on equal weighting from the three primary categories (learning, research, and service). Similarly, an overall operational efficiency score was based on equal weighting from the three primary categories (risk mitigation, space optimization, and deferred maintenance/infrastructure investment). Additional scoring was assigned based on the “College/Dean Ranking.”
4. Submitted needs were grouped into themes to aid discussion, comparison, and tracking. Those themes were both Programmatic and Operational. During the discussion, consideration was given to the size of the student community served by the project, the impact felt throughout WSU and the community at large, domino planning (renovations/relocations necessary to enable future opportunities), and projects that combined learning and research space.

5. We met with Facilities Services to review recommendations from the prioritization process. The scoring results informed the capital budget planning decisions, but did not dictate them. Other factors, such as donor commitments and state priorities, were also considered. The final decision was made by the President in consultation with the Provost and Executive Vice President, the Vice President for Finance and Administration, and the Vice President for External Affairs and Governmental Relations.

6. To ensure transparency, meetings with university leadership groups (System Leadership Council, Deans’ Council, Faculty Senate Executive Leadership, APAC leadership, etc.) are being scheduled over the next month by Facilities Services to discuss the 2023-2025 capital budget request and the process we use to assemble that request. Your feedback is critical to help us refine and enhance future capital budget development.

**Budget Notes:**

This 2023 state capital budget request is the second iteration of our continuing efforts to refine the alignment of capital investment with capital asset needs. This process includes refining internal processes and regular check-in with State stakeholders.

Some of the guiding principles from the 2021-23 request that carried forward from the previous effort include:

1. Align the total request with the likely total funded by the State to preserve our ability to manage our priorities.
2. Place equal emphasis on support of high priority programmatic needs with the need to address facility conditions.
3. Fully explore opportunities in OFM guidelines for funding categories beyond the traditional major and minor capital categories. In 2021-23 we began requesting infrastructure projects and “mini-majors” (projects between $2-10M).

The 2023-25 request also includes:

1. A first attempt at leveraging non-state funds, which is philanthropic funds for this request.
2. In order to meet as many needs as possible, while staying within the total request amount, an increased number of Standalone or “mini-major” projects.

3. A "no net new" approach to space optimization as a way to reduce the deferred maintenance backlog. Facilities Services is starting a sequence of interrelated and phased moves to renovate existing buildings which will also act as a surge for occupants of buildings planned for demolition or renovation.

4. The combination of the mini-majors that are interrelated and sequenced projects creates a general category of "sustained investment" group of projects.

The 2023-25 request, therefore can be thought of as three groupings of projects:

1. Minor Works: a group of projects (under $2 million) for building preservation and renewal (MCR) and for program renewal (MCI).

2. Sustained Investment: a series of related projects which span several biennia to create surge space and eventual demolition and renovation of less than optimal buildings. Examples in the 2023-25 request include:
   - The Eastlick and Abelson projects, which create a surge for occupants of Heald Hall, slated for demolition in 2025-27 to make way for the new Science Building in 2027-29.
   - A design and site prep request for Spokane, which follows the 2019-21 predesign and the currently-funded $15 million renovation of the Phase 1 Building vacated by Eastern Washington University. This request will provide for the design of a $60 million clinical education building and the demolition of two smaller buildings on the Spokane campus. A future request for construction is anticipated. There is also discussion around an operating partnership for clinical education, which may provide private capital support.

3. Standalone: projects which can be either thematic (i.e., system-wide pedagogical or research initiatives) or scoped to meet program and/or deferred maintenance needs. Standalone projects may have the potential to enable future phases but are not critical to future phases. Examples include:
   - The VCEA student success project is a standalone request and will be augmented by $40 million of philanthropic funds. This project will allow the demolition of Dana Hall in a future request.
   - The Bustad project takes advantage of space vacated when WADDL moved to Global Animal Phase 2 and offers an opportunity to expand the CVM simulation education program. This project also assists as a surge for Heald by vacating space in Eastlick and Abelson.
• The Knott Dairy is standalone but may offer options for private funding through philanthropy or industry support.
• The clean building standard request is intended to meet the state requirements for all buildings greater than 50,000 square feet in terms of energy performance and efficiency. While this request will provide compliance for one building, we expect that ongoing investment will be needed to bring all buildings system-wide into compliance. Lack of compliance may mean that fines will be assessed by the State.
• In support of the Pullman strategic plan, the space optimization request is intended to provide remote collections storage facility for library collections, research, and archeological artifacts currently located in Pullman core campus to free up space in existing buildings for new programmatic initiatives. We anticipate that while this request will design and construct or renovate a facility, we expect that there will be future requests for the expansion of remote storage or consolidation and display of various academic collections.

As part of any capital budget request, the State asks for a ten-year plan. This ten-year plan identifies those Sustained Investment stream of projects and future Standalone projects. The focus is not just on the specific projects identified (given that capital priorities will evolve over the next ten years) but also on the critical linkages across several biennia among the Sustained Investment projects and the opportunity for thematic Standalone projects across the system (i.e. projects in support of student success, teaching, or research).

Next Steps
1. Presentations to various leadership groups system-wide and then to the WSU System President for approval.
2. Present to the Board of Regents during the May 2022 meeting for consideration and final approval during the June 2022 meeting
3. Submittal to Office of Financial Management in August 2022 for scoring
4. Submittal to the Office of Financial Management in September 2022 as part of WSU’s operating and capital budget request