

# ACTION ITEM #1

## 2014 Supplemental Operating and Capital Budget Requests (Joan King)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: 2014 Supplemental Operating and Capital Budget Requests

PROPOSED: That the Washington State University Board of Regents approve the 2014 Supplemental Operating and Capital Budget requests and that the Board delegate authority to the President to approve any changes or adjustments that may need to be made before the submission is finalized for presentation to the Office of Financial management to meet the October 4, 2013 submission deadline.

SUBMITTED BY: Joan King, Associate Vice President and Chief University Budget Officer

SUPPORTING INFORMATION: These operating and capital budget request items will allow the University to address its most critical funding needs and to move forward with important educational and research efforts.

These request items are, with one exception, the first year impact of items requested in our biennial budgets, which were not funded. The exception is the first item on the operating list, which is a request for matching funding for the Center for Aviation/Biofuels. While there is funding in the biennial budget through the Department of Commerce, for grant match funds, it is not yet known if that funding would be available for the WSU center.

### Operating Request

Matching Funds for the FAA Center of Excellence designation for aviation biofuels	\$0.5 M
University Center of North Puget Sound, programmatic expansion	\$1.0 M
Maintenance & Operations Funding	\$3.6 M

### Capital Request

WADDRF (Global Animal Health Phase II) design	\$5.3 M
Minor Capital Improvements	\$5.0 M

WASHINGTON STATE UNIVERSITY  
2014 Supplemental Operating and Capital Budget Requests  
Proposed Items

**OPERATING REQUEST**

**Matching Funds- Aviation Biofuels FAA Center of Excellence Designation      \$0.5 M**

WSU has submitted an application to the FAA to be designated a Center of Excellence for Aviation Jet Fuel and Environment. In support of that application and of the designation, we request \$0.5 million per year in support of WSU's leadership of the Center of Excellence. The FAA requires 100% matching of its funds, which are anticipated to be \$4 million per year. While the bulk of the federal funds will be used for research, for which industrial collaborators will contribute matching funds, some of the research topics and all of the Center's leadership activities will require matching funds beyond those that industry will provide. We therefore require funds to pay for a portion of the Center's administrative costs, including graduate research assistants.

This Center will be awarded for five years, renewable for an additional five years, and recognizes WSU's leadership in research for the development and deployment of the aviation biofuel industry. WSU will lead the Center with co-leadership from the Massachusetts Institute of Technology and the Pacific Northwest National Laboratory. Overall sixteen universities, including the University of Washington, will provide faculty for the Center. 46 industrial, federal laboratory and private sector organizations will serve as collaborators in the research and as stakeholders on the advisory board. Among these are Boeing and others from Washington state.

The FAA has indicated that it will make a decision regarding the Center for Excellence sometime this fall, prior to the start of the 2014 legislative session.

**University Center of North Puget Sound Programmatic Expansion      \$1.0 M**

This request will add two additional programs to the University Center and are projected to begin in January, 2015. This request would fund the first cohort of 20 students in each of the programs.

**Maintenance & Operations Funding      \$3.6 M**

The request is for \$1.7M in FY14. There will be additional costs in FY 15 of \$1.9M for a total of \$3.6M in the current biennium. This funding will address the shortfall for maintenance and operations of the newly constructed Vancouver Applied Technology/Classroom building, the Veterinary Medical Research building and the Riverpoint-Biomedical Health Sciences building.

## **CAPITAL REQUEST**

### **WADDRF (Global Animal Health Phase II) Design**

**\$5.3 M**

This request will fund design of this facility which will be physically connected to the Phase I Global Animal Health building (Allen Center). The disease surveillance and translational research conducted in the new facility will be part of the combined Global Animal Health complex. WSU's Washington Animal Disease & Diagnostic Laboratory (WADDL) program is the only veterinary diagnostic laboratory in Washington accredited to provide comprehensive animal, food, and environmental surveillance for an array of diseases such as West Nile Virus, Avian and Swine Influenza, Foot and Mouth Disease, and Mad Cow Disease. As such, WADDL is a critical resource for other state and federal agencies including the Washington departments of Agriculture and Health. As one of 12 founding members of the National Animal Health Laboratory Network and one of only nine veterinary diagnostic laboratories in the Laboratory Response Network for Bioterrorism, WADDL has a critical role in Homeland Security and national defense against biological threat agents.

### **Minor Capital Improvements**

**\$5.0 M**

Minor works program funding provides the resources to make significant programmatic and modernization improvements to aging or outmoded university facilities. The modifications accommodate program growth, access for the disabled, classroom and lab improvements, faculty teaching and research needs and general campus facility and infrastructure improvements. Also included in the request is omnibus equipment funding to upgrade or replace essential instructional equipment and research apparatus and equipment for university support areas.

Many equipment items used in research are obtained through competitive proposals to federal agencies typically requiring an institutional match of as much as half the cost. Thus, these funds are multiplied when we can compete for federal funds. The research equipment required for a faculty member in biological sciences, for example, may exceed \$250,000 or could exceed \$500,000 in engineering fields. Other critical equipment needs include the replacement of farm and field equipment to fulfill our land-grant mission.

# BOARD OF REGENTS

## 2014 Supplemental Operating and Capital Budget Requests

### Resolution #130906-457

WHEREAS, the Board of Regents of Washington State University by virtue of RCW 28B.10.528 has authority to delegate by resolution to the President of the University, or designee, powers and duties vested in or imposed upon the Board by law and to enable the President, or designee to act on behalf of the Board of Regents in matters relating to the administration and governance of the University.

RESOLVED: That the Washington State University Board of Regents approve creating decision packages to be submitted as the 2014 Supplemental Operating and Capital Budget Requests as outlined in the list below; and delegate authority to the President to approve the final detailed decision packages for this request, including any changes to the packages, which will address critical funding issues for the University.

#### Operating Request

- Matching Funds for the FAA Center of Excellence designation for aviation biofuels \$0.5 M
- University Center of North Puget Sound programmatic expansion \$1.0 M
- Maintenance & Operations Funding \$3.6 M

#### Capital Request

- WADDRF (Global Animal Health Phase II) design \$5.3 M
- Minor Capital Improvements \$5.0 M

DATED this 6<sup>th</sup> day of September, 2013.

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Chair, Board of Regents

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Secretary, Board of Regents