

PACS Recommendation on the Use of Student Tuition Dollars for Capital Projects

Prior to the institutional implementation of Activity Based Budgeting (ABB), the flow of funds through the University of Washington was less transparent than it is today. The fact that student tuition dollars were indirectly being spent to fund capital projects on campus was not widely known or well understood. Since the implementation of ABB, the trend of using current [and future] student tuition dollars for capital projects has become apparent, and the question has arisen as to whether or not this is justifiable. The implications of approving capital projects whose funding source comes from bonds purchased through the UW Internal Lending Program (ILP) are such that future student tuition dollars are anticipated to continue to pay for capital projects decades after the initial approval of the project.

Given that Washington State places the responsibility on the state legislature of maintaining and funding capital projects on public land such as the University of Washington, it is the strong opinion of PACS that student tuition dollars should not be included as part of the initial financial strategy of funding capital projects on the University of Washington's three campuses. As such, any decrease or lack of investment in capital projects by the state legislature should not create an additional direct or indirect cost burden for students. When academic and administrative units make the budgetary decision to spend tuition dollars on buildings, these projects come at the expense of opportunities for students, including but not limited to Teaching and Research Assistantships, student employment, and paid research positions for undergraduates. Students suffer an opportunity cost in the form of fewer positions for offsetting financial burdens and a growing dearth of essential resources and services.

The University of Washington should exercise extensive lobbying and advocacy efforts to make clear to the Washington State legislature the University's capital needs, and prioritize projects with least potential for alternative sources of funding. In the case that lobbying efforts are unsuccessful in obtaining state funds for capital projects deemed essential by the Board of Regents, private donations should be actively pursued. Advancement efforts of the UW Administration should prioritize such projects with the intention of obtaining full funding through private investments.

The situation may arise where the UW administration feels that the use of student tuition dollars is the only way to finance such projects. In this event, PACS recommends the following procedure be utilized prior to selecting an architect and requesting the project as an information item at the Board of Regents:

- 1) A Dean or Chancellor whose School/College has identified local funds (student tuition dollars) for financing a capital project either in part or in full shall gain approval from their School/College's Student Budget Advisory Council (College Council).
 - a. In the event the School/College does not have an active College Council that advises the Dean or Chancellor on budget and policy principles, the Dean shall work with PACS and the Provost to set up a Student Advisory Council to serve in this advisory role before proceeding.
- 2) College Council leaders and the Dean or Chancellor proposing a capital project shall present to PACS and gain approval from ASUW and GPSS for projects on the Seattle campus, ASUWT for projects on the Tacoma campus, and ASUWB for projects on the Bothell campus.
 - a. This presentation shall include the components described in the Services and Activities Fee (SAF) Committee Policy on Capital Expenditures:
 - i. Explanation of student involvement in the formulation of the request;
 - ii. Explanations of other sources of funding that have or will be sought;
 - iii. A tentative budget outline, including the per student cost; and
 - iv. A tentative timeline of action.

This document is a formal recommendation of the Provost Advisory Committee of Students (PACS), approved in two consecutive administrations in substance and form (2014-15 and 2015-16). It shall be forwarded to the Presidents of the ASUW, GPSS, ASUWT and ASUWB, President Ana Mari Cauce, Provost Jerry Baldasty, Chair of the Faculty Senate Committee on Planning & Budgeting (SCPB) Kate O'Neill, and Regent Vanessa Kritzer.