

Agency: 360 University of Washington
Decision Package Code/Title: AF Support for the UW Attorney Gen Div

Budget Period: 2013-15

Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

The division of the Attorney General's Office (AGO) at the University of Washington (UW) has been underfunded for many biennia as general fund support for the division diminished during budget cuts, even as the complexity and volume of work has continued to grow. The current funding structure is unsustainable; the UW seeks state support to provide adequate funding for the UW AGO division in the current biennium. We estimate the current shortfall in biennial funding to be \$512,000 even before any new investments in staffing or compensation are contemplated. New investments, however, are critical to the quality of legal services provided to the University. For instance, other peer public universities have legal departments with at least ten more attorneys than the UW division currently has. This influx of funds would fill a current funding gap in the division that will otherwise be paid for with UW funds.

Agency Total

Fiscal Detail

Operating Expenditures	<u>FY 2014</u>	<u>FY 2015</u>	<u>Total</u>
001-1 -General Fund - Basic Account-State	0	512,000	512,000

Staffing

FTEs

Program 080-Institutional Support

Operating Expenditures	<u>FY 2014</u>	<u>FY 2015</u>	<u>Total</u>
001-1 -General Fund - Basic Account-State	0	512,000	512,000

Package Description:

Funding is requested to provide adequate support for the current complement of attorneys at the current billing rate for the UW AGO division. The attorneys in our division are trusted partners in confronting personnel and academic disputes; student issues and questions regarding fee setting; the swiftly changing landscape in intellectual property law; our growing healthcare system; real estate, capital and other strategic long-term infrastructure issues; and gifts, trusts, and endowment matters, among others. When the agency does not have adequate funding for the UW AGO division and the attorneys are already at or above capacity, UW's operating units contract with outside counsel for legal matters. This expensive alternative is sometimes necessary and efficient, but some of this activity may be mitigated by first funding the current FTE level in the UW AGO division, and in the future, compensating our attorneys at market rates while hiring additional attorneys.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

We expect that the UW AGO division would no longer require local UW funds to maintain operations, outside of UW's support for non-attorney legal staff. These local funds could be repurposed to other critical areas, such as delivery of the instructional, research and service missions of the UW. We also believe that by adding an additional attorney, Assistant Attorney General's will be more available to provide advice and reduce the legal risks brought on by the growing number of business and policy decisions that must be made in the highly competitive higher education environment. Timely and experienced legal support is crucial to managing risks faced by higher education and health care institutions trying to navigate the vast number of state and federal regulations that have been adopted and will likely be adopted in the future. The services provided to the University by the UW AGO Division are incredibly dynamic. On one day the issue might be responding to a federal subpoena for records related to alleged Title IX complaints on campus, the next day the task might be compliance with the Dodd-Frank Act in the context of investing endowment funds in emerging markets, and the next day the issue might involve compliance with the Affordable Care Act. The Division needs adequate funding to support experienced, high quality attorneys who can navigate these ever changing legal issues.

Performance Measure Detail

Activity

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

The UW continues to expand its breadth and reach; as such, its employees, faculty, and staff face ever more complicated legal and policy matters. Fully funding and adding to the current division staffing level is necessary. The attorneys are critical partners in tackling issues that arise in core areas, such as health care, student support, academic and personnel issues, intellectual property and capital and other strategic growth opportunities. Understanding risk and contemplating opportunities in these and other areas is hindered without adequate support for the UW AGO division.

Does this decision package provide essential support to one of the Governor's priorities?

If the UW is to execute the Governor's postsecondary education goals, while expanding its research function and spinning out new start-ups, its legal issues will continue to grow in terms of complexity and volume. Investing in the UW AGO division is an essential component of supporting the UW's role in making progress on the Governor's priorities.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

What are the other important connections or impacts related to this proposal?

The UW is using other funding sources to backfill its AGO division, funding sources that could be deployed to support areas of critical need. It is estimated that the University and all of its auxiliary units (including the UW Medicine Health System) spends between \$10 and \$12 million on outside legal counsel. Though this practice is imperative to delivering timely, targeted, and expert counsel, hiring additional attorneys for the division would contribute mightily to the UW Division's breadth and depth. We support the Office of the Attorney General's request for three additional attorney FTEs in the UW division for the 2015-17 biennium.

What alternatives were explored by the agency, and why was this alternative chosen?

After a year of conversations with leadership in the AGO, both the UW and the AGO believe that requesting additional funding from the Governor to bring the FTE's and funding for the UW AGO division back in line with current needs is the best approach to stabilize funding for the UW AGO division over time.

What are the consequences of not funding this package?

The UW AGO division would continue to be underfunded and the UW would use other funds to backfill the office's operating budget.

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

The University has entered into an Interagency Agreement with the Office of the Attorney General to backfill the current shortfall in budget authority that the University has to pay invoices from the AGO. This amount is \$512,000 for FY15.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing and should be considered permanent.

Object Detail

Total

Total Objects