



October 4, 2013

David Schumacher, Director
Office of Financial Management
State of Washington
300 Insurance Building
Box 43113
Olympia, Washington 98054-3113

SUBJECT: 2014 University of Washington Supplemental Operating and Capital Budgets

Dear David,

As requested, attached are seven copies of the University of Washington's Operating and Capital Budget Requests for the Office of Financial Management to distribute as needed.

The UW is submitting two operating budget request at the performance level. The first is a high-priority request to support the recently formed Institute of Protein Design (IPD) to transition the UW's pioneering protein design research into a platform for translational medicine. This request bridges several of Governor Inslee's Results Washington goals, promising to increase both the quality and affordability of health care in our state. The second is a significant step forward in delivering high quality coordinated medical care through an Interprofessional Education Initiative, which will endeavor to provide next-generation health care professionals from all six healthcare academic programs with advanced skills in team-based, patient-focused health care.

The University is submitting three requests for capital funding. The highest priority request among these is for full state bonding authority of Denny Hall, which received \$30.59 million in state bonding last legislative session. The remaining \$20 million was debt authorization by the legislature from the UW Building Account. However, our building account funds need to be reserved for ongoing preservation and maintenance projects to address our growing deferred maintenance backlog. We are also submitting funding requests for pre-design and design phases of a center for Health Sciences Education, a shared instructional facility to support the continued success of all six healthcare-related academic programs. The final request is for pre-design and design funding of an interdisciplinary engineering building to support the growth in demand for engineering graduates from students, industry, and the state.

Please contact me should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul Jenny'.

Paul Jenny
Vice Provost, Planning & Budgeting

CC: Michael Young, President
Ana Mari Cauce, Provost

State of Washington
Recommendation Summary

Agency: **360 University of Washington**

11:58:29AM

10/1/2013

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
--	--------------------------------	-------------------------------	--------------------	--------------------

2011-13 Current Biennium Total

Total Carry Forward Level

Percent Change from Current Biennium

Carry Forward plus Workload Changes

Percent Change from Current Biennium

Total Maintenance Level

Percent Change from Current Biennium

PL	CA Institute for Protein Design	4.5	1,500	1,500
PL	CB Interprofessional Education Initiative	1.9	688	688
				2,188
Subtotal - Performance Level Changes		6.4	2,188	
2013-15 Total Proposed Budget		6.4	2,188	2,188
Percent Change from Current Biennium				

PL CA Institute for Protein Design

A total of \$1.5 million in state funding is requested for fiscal year 2015 in the 2013-15 biennium to support the recently formed Institute of Protein Design (IPD) to transition the UW's pioneering protein design research into a platform for translational medicine. The Institute of Protein Design is focused on designing proteins to serve as vaccines and therapeutic and diagnostic tools with the goal to spin out Washington companies that will further develop and commercialize these tools developed at the IPD. Dr. David Baker, an internationally recognized leader of protein design, leads the IPD. Designed proteins have the potential to reduce significantly the time and cost it takes to improve medical care by providing earlier and more accurate diagnoses and targeted treatments. The requested funds will support the commercialization of translational projects by allowing the University to recruit and fund faculty and staff and build a protein design core.

PL CB Interprofessional Education Initiative

The University of Washington (UW) seeks \$688,000 in funding to support a significant transformation of health care professional training through the Interprofessional Education (IPE) Initiative. The goal of this initiative is to provide next-generation health care professionals with advanced skills in team-based, patient-focused health care. To achieve this goal, graduate education for the six health care-related disciplines (Dentistry, Medicine, Nursing, Pharmacy, Public Health, and Social Work) will be coordinated through an Interprofessional Education (IPE) Initiative designed to provide superior competency in team-based healthcare delivery. This proposal seeks support for interprofessional programmatic activities and administration (\$470,000), and equipment expenses (\$218,000) for an IPE, active learning facility. Interprofessional, team-based health care delivery is widely considered to be an essential skillset for next-generation healthcare providers responsible for achieving the "triple aim" of health care: improved health care for individual patients, improved health of the general population, and reduced per capita health care costs.

Through the IPE Initiative, the UW seeks to establish a national leadership position in progressive healthcare education, thereby placing both the University and the State of Washington at the forefront of advanced, cost-effective health care.

Agency: 360 University of Washington
Decision Package Code/Title: CA Institute for Protein Design
Budget Period: 2013-15
Budget Level: PL - Performance Level

Recommendation Summary Text:

A total of \$1.5 million in state funding is requested for fiscal year 2015 in the 2013-15 biennium to support the recently formed Institute of Protein Design (IPD) to transition the UW's pioneering protein design research into a platform for translational medicine. The Institute of Protein Design is focused on designing proteins to serve as vaccines and therapeutic and diagnostic tools with the goal to spin out Washington companies that will further develop and commercialize these tools developed at the IPD. Dr. David Baker, an internationally recognized leader of protein design, leads the IPD. Designed proteins have the potential to reduce significantly the time and cost it takes to improve medical care by providing earlier and more accurate diagnoses and targeted treatments. The requested funds will support the commercialization of translational projects by allowing the University to recruit and fund faculty and staff and build a protein design core.

Agency Total**Fiscal Detail**

Operating Expenditures	<u>FY 2014</u>	<u>FY 2015</u>	<u>Total</u>
001-1 -General Fund - Basic Account-State		1,500,000	1,500,000
Staffing	<u>FY 2014</u>	<u>FY 2015</u>	<u>Annual Average</u>
FTEs	0.0	9.0	4.5

Program 020-Research

Operating Expenditures	<u>FY 2014</u>	<u>FY 2015</u>	<u>Total</u>
001-1 -General Fund - Basic Account-State		1,500,000	1,500,000
Staffing	<u>FY 2014</u>	<u>FY 2015</u>	<u>Annual Average</u>
FTEs	0.0	9.0	4.5

Package Description:

Americans spend more than \$8,000 per person per year on healthcare - substantially more than any other country in the world. Yet, in terms of outcome measures such as child mortality, adult mortality, and life expectancy the U.S. ranks no higher than 36th in the world. The key to improving U.S. health status while achieving more value for healthcare expenditures lies in enhancing the delivery of high-quality and cost-effective care and prevention.

The University of Washington is requesting state support of \$1.5 million a year, beginning in fiscal year 2015 to transition the UW's pioneering protein design research into a platform for translational medicine, while reducing the time and cost to improve overall medical care. The UW has attracted major federal research funding over the past eight years to develop the

world's leading computational and synthetic biology methods for protein design. Federal research funding and private companies, however, do not fund the work related to translating the early protein design into a product with demonstrated commercial utility, animal efficacy and safety. Thus there is a funding gap to support the translation of IPD protein designs into new therapeutics, vaccines or diagnostics that are positioned for commercialization success.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The IPD expects to convert novel designer proteins into commercially viable new therapeutics, vaccines and diagnostics that address current unmet medical challenges ranging from cancer to brain disease. Commercialization of these designer proteins will improve medical care with better targeted therapies (e.g. targeted drug delivery) potentially reducing healthcare costs through earlier and more accurate diagnoses (e.g. detection of toxins or vitamin deficiency). The IPD will build expertise in this pioneering area of protein design through the training and recruitment of a multidisciplinary group of faculty, trainees and students.

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

Yes, the proposal supports the University's goal to attract and retain an outstanding and diverse faculty, trainees, staff and students; it fosters collaboration across disciplines and between public and private sectors; and the cutting edge innovation provides a rich learning and interactive environment between faculty, trainees, staff and students.

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

This proposal bridges three Results Washington goals. The Governor's "healthy people" goal topic is described as, "...providing access to good medical care to improve people's lives," but will ultimately be measured by our state's ability to constrain the cost of state-purchased healthcare. The IPD lab intends to spin out protein designs that could be offered as vaccines or other diagnostics, which will contribute to increasing the quality of care and hopefully, reducing its expense over time. The Governor's "success" goal topic is described as "...provide innovative, high-quality opportunities and tools for every student to attain 21st century skills..." and will be measured by an increase in the number of STEM degrees. The IPD will train students in protein design that is at the very forefront of the 21st century. The Governor's "business vitality" and "thriving Washingtonians" goal topics will be measured by an increase in the state GDP and gross business income. However, the University of Washington can contribute to a vital state economy as it endeavors to spin out new business ventures that will build Washington's economy by generating new Washington jobs in the public and private sectors. We believe the IPD provides the Governor with a unique opportunity to bridge three central goals of his administration and that funding the gap to spin out these technologies will be an exciting investment.

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

It will have a positive economic return to the state as every state dollar invested in the UW returns \$22 to the state economy (University of Washington analysis). In addition, the IPD would be generating new Washington jobs in the public and private sectors as one of its major goals is to spin out Washington companies (with the executive founders being former UW Translational Investigators) that will further develop and commercialize vaccines, diagnostics and therapeutics developed at the IPD.

Training and recruiting additional faculty and researchers to create expertise in this area will improve the value of postsecondary learning for students. It will provide more research opportunities for students interested in the IPD, potentially providing graduate-level research projects that can help foster on-going interest and investment in state healthcare issues. It will also provide a hub of research work on U.S.-focused health issues that eventually could lead to the attraction of other prominent researchers to the University of Washington.

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

This work will allow the University to be well-positioned to apply for and leverage other funding opportunities from federal agencies, such as the National Institutes of Health (NIH) and potentially private donors with a specific interest in healthcare.

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

The University will aggressively pursue federal grant and/or private donor funds but these would end up being complementary to state support.

What are the consequences of not funding this package?

Without state support, the IPD, UW and Washington State will not fully benefit from IPD's protein designs as UW would continue to out-license protein designs early for little money and potentially to out-of-state entities. In addition, the potential to leverage significant federal and private financial support which would provide additional employment opportunities in the local region would be lost.

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

See attached for detailed expenditure estimates and FTE calculations. The budget includes three types of faculty recruitments critical to the IPD, junior faculty with complementary expertise, independent fellows who will be trained in protein design, and translational investigators who will focus on commercialization. The professional staff will include software engineers and a research scientist to support production of designed proteins. The faculty start-up supports the recruitment of faculty and the on-going project support will fund the work related to translating the early protein design into a product with demonstrated commercial utility, animal efficacy and safety.

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

On-going costs will be approximately \$1.5 million per year to support faculty, staff and protein design project work.

In fiscal year 2015 and fiscal year 2016, there is a total of \$750,000 one-time costs associated with faculty recruitment. In fiscal year 2017 the budget is at steady state with \$1.5 million in on-going costs.

<u>Object Detail</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Total</u>
A Salaries And Wages	0	656,000	656,000
B Employee Benefits	0	172,000	172,000
E Goods\Other Services	0	672,000	672,000
Total Objects	0	1,500,000	1,500,000

	% State	Salary	State Portion of Salary	FTE	2015	FTE	2016	FTE	2017
Personnel - Total					\$ 656,000		\$ 752,000		\$ 918,000
Faculty	80%	\$ 120,000	\$ 96,000	1.0	\$ 96,000	2.0	\$ 192,000	3.0	\$ 288,000
Faculty/Independent Fellow	100%	\$ 70,000	\$ 70,000	3.0	\$ 210,000	3.0	\$ 210,000	3.0	\$ 210,000
Faculty/Translational Investigator	100%	\$ 70,000	\$ 70,000	3.0	\$ 210,000	3.0	\$ 210,000	3.0	\$ 210,000
Professional Staff	100%	\$ 70,000	\$ 70,000	2.0	\$ 140,000	2.0	\$ 140,000	3.0	\$ 210,000
Benefits				9.0	\$ 172,260	10.0	\$ 196,260	12.0	\$ 241,890
Faculty			25.0%		\$ 129,000		\$ 153,000		\$ 177,000
Professional Staff			30.9%		\$ 43,260		\$ 43,260		\$ 64,890
Other					\$ 671,740		\$ 551,740		\$ 340,110
Faculty Start-up					\$ 450,000		\$ 300,000		\$ -
Protein Design Project Support					\$ 221,740		\$ 251,740		\$ 340,110
TOTAL - STATE REQUEST					\$ 1,500,000		\$ 1,500,000		\$ 1,500,000

Agency: 360 University of Washington
Decision Package Code/Title: CB Interprofessional Education Initiative
Budget Period: 2013-15
Budget Level: PL - Performance Level

Recommendation Summary Text

The University of Washington (UW) seeks \$688,000 in funding to support a significant transformation of health care professional training through the Interprofessional Education (IPE) Initiative. The goal of this initiative is to provide next-generation health care professionals with advanced skills in team-based, patient-focused health care. To achieve this goal, graduate education for the six health care-related disciplines (Dentistry, Medicine, Nursing, Pharmacy, Public Health, and Social Work) will be coordinated through an Interprofessional Education (IPE) Initiative designed to provide superior competency in team-based healthcare delivery. This proposal seeks support for interprofessional programmatic activities and administration (\$470,000), and equipment expenses (\$218,000) for an IPE, active learning facility. Interprofessional, team-based health care delivery is widely considered to be an essential skillset for next-generation healthcare providers responsible for achieving the "triple aim" of health care: improved health care for individual patients, improved health of the general population, and reduced per capita health care costs. Through the IPE Initiative, the UW seeks to establish a national leadership position in progressive healthcare education, thereby placing both the University and the State of Washington at the forefront of advanced, cost-effective health care.

Agency Total

Fiscal Detail

Operating Expenditures	<u>FY 2014</u>	<u>FY 2015</u>	<u>Total</u>
001-1 -General Fund - Basic Account-State		688,000	688,000
Staffing	<u>FY 2014</u>	<u>FY 2015</u>	<u>Annual Average</u>
FTEs	0.0	3.8	1.9

Program 010-Instruction

Operating Expenditures	<u>FY 2014</u>	<u>FY 2015</u>	<u>Total</u>
001-1 -General Fund - Basic Account-State		516,000	516,000
Staffing	<u>FY 2014</u>	<u>FY 2015</u>	<u>Annual Average</u>
FTEs	0.0	2.9	1.5

Program 030-Community and Public Service

Operating Expenditures	<u>FY 2014</u>	<u>FY 2015</u>	<u>Total</u>
001-1 -General Fund - Basic Account-State		172,000	172,000
Staffing	<u>FY 2014</u>	<u>FY 2015</u>	<u>Annual Average</u>
FTEs	0.0	0.9	0.5

Package Description:

The University seeks support for essential elements of the IPE Initiative related to programmatic administration. Funding is requested for the position of IPE Director (0.5 FTE) with responsibility to provide overall programmatic leadership and direction. The position will be filled by a national search with the candidate expected to be a nationally-recognized leader in the field of interprofessional education.

Funding is also requested to support an administrative support staff position (IPE Administrator, 1.0 FTE) required to coordinate programmatic administration across all six schools, a Curriculum Coordinator (0.75 FTE) to coordinate curriculum across all schools, a Service Learning Coordinator (1.0 FTE) to coordinate the complex service learning program, and an additional financial support (Fiscal Specialist, 0.5 FTE) position with responsibility for financial transactions and reporting. Support for costs related to specific training activities (\$76,000) will support training for faculty trainers, facilities costs, and service learning costs for the 600+ health care professional students.

An associated request is made to upgrade multiple elements in an existing classroom to support of an IPE-specific learning space capable of meeting the educational needs of the IPE initiative. The nature of interprofessional training requires high levels of personal interactions between health care professionals in an active learning environment. The University currently does not have such a facility readily available for IPE, therefore funds (\$218,000) are requested to support communication and equipment upgrades as well as furnishings to provide an effective active learning environment.

Interprofessional education is widely considered to be a critical element for achieving future advances in health care outcomes while avoiding continued, substantial increases in health care costs. The conceptual foundation for this initiative is that coordinated, real-time focus by health care professionals from multiple disciplines is a more efficient, cost-effective model for health care delivery. This model avoids multiple return visits to individual specialists, coordinates elements of often complicated medical treatment programs, and provides effective transitions from primary care to specialty care and structured return of the patient to their home and community. This need has been recognized by many health education accreditation bodies and requirements for IPE now feature as new requirements in most accreditation standards.

Current health care education paradigms emphasize traditional delineations between medical specialties. While this model has been in place for many decades, current pressures related to increased health care demands and the economic impact of health care costs indicate a transformation of the health care system is both necessary and required. This transformation will require health care professionals to work within a new, more integrated model, requiring different skills and training. This recognition is integrated into most health care school accreditation requirements. The IPE Initiative seeks to provide this training for future health care professionals, thereby placing both the University and State of Washington in a favored position to achieve the parallel goals of better health care at reduced costs.

An important element of IPE training is interactive, clinic-based application of IPE principles to attain advanced skills in patient-focused, team health care. The UW IPE Initiative will utilize a broad array of "service learning" opportunities to provide advanced, real world skill development. These service learning sites are typically clinics located within underserved communities or adjacent to underserved populations whose goal is to extend access to critical health care to these communities. While the University already has a significant commitment in this area, the IPE will substantially expand these activities providing both benefit to the community and advanced training in IPE.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The University expects this initiative to transform health science professional education to provide UW graduates with advanced, team-health care training necessary for successful careers in the future health care environment.

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

The commitment to provide high quality, progressive education is central to both the mission and strategic plans of the UW. In addition, the University is committed to training graduates capable of supporting critical, state-wide initiatives, in this case relating to both improved health care for Washingtonians and decreased economic impact to the state's business community. The University recognizes its commitment to the community and elements of IPE, particularly service learning, will improve access to quality health care for underserved populations.

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

This initiative provides essential support for Governor's "Results Washington" priorities related to:

1. World Class Education: This initiative supports the World Class Education priority through providing 21st century skills to for students to succeed in school, their jobs, and in their communities (2.3).
2. Healthy Communities (Goal 4): This initiative supports this goal by providing improved health care, while constraining health care costs (1.3.a). The service learning elements also provide greater access to health care for underserved communities (1.2).
3. Prosperous Economy (Goal 2): This initiative supports the goal of decreased health care costs to the business community (1.2.c).

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

Improving the health of the State's residents and decreasing the burden of health care costs are high priorities for the future health and economic success of Washington. The UW IPE Initiative will help provide health care professionals with critical, next generation skills to meet these goals. The model for health care delivery is changing rapidly and education of health care professionals must evolve simultaneously to ensure the State remains at the forefront of supporting both the health and economic success of its residents.

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

Broad consensus suggests the health care delivery model must change in order to continue advancing its quality while avoiding continued, unsustainable cost increases. This proposal will provide the next generation of health care professionals with essential skills necessary to modify the delivery of health care to achieve the dual goals of improved health with decreased costs. In addition, the active learning components of IPE will allow increased outreach to underserved populations, providing direct outreach and benefit to the community while supporting advanced IPE skill development.

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

The IPE Initiative resulted from a critical review of health care professional education across UW's six health science schools. This initiative was selected because it provides the highest likelihood of success in health care professional education while addressing recent accreditation requirements for health care professional licensure.

What are the consequences of not funding this package?

Not funding this package will result in a lost opportunity to transform health professional education, and will have several negative results. Accreditation of all six UW schools will be placed at risk, and graduating health care professionals will be less prepared to meet the challenges of the future health care environment. Our University would not be able to work towards meeting our states' goals of improved health care and reduced costs to the same degree. Also, opportunities to provide greater health care outreach to underserved populations through the service learning IPE activities will be missed.

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

For FY 2015, funding for IPE will support several critical elements of training-related activities and program administration. Funding for training activities (\$76,000) will support training for faculty trainers, facilities costs, and service learning costs for the 600+ health care professional students.

Administrative support includes 0.5 FTE (\$113,800) for the IPE Director who will be selected from a national search process to recruit a leader in IPE education and training. The remainder of the Director's support will be provided by the Health Science Schools and grant funding. Support is also requested for 1.0 FTE (\$111,200) IPE Administrator to coordinate IPE activities across each of the six Health Sciences Schools with 600+ students and activity sites extending across the Western United States (WWAMI). Support is requested for 0.75 FTE (\$83,400) for a Curriculum Coordinator to coordinate curriculum development and implementation between the curriculum committees for each of the six Health Science Schools. Support for 1.0 FTE (\$56,000) Service Learning Coordinator is requested to coordinate the large and complex service learning program which will place students in community-based, service learning sites for advanced IPE training. Support is also requested for 0.5 FTE (\$29,600) Fiscal Specialist position with responsibility for managing the wide array of financial transactions and reporting required for the IPE program.

Additionally, \$218,000 is requested for replacement of equipment and furnishings in an existing classroom to support the active learning environment required for IPE. This site will allow both small and large group, active learning education for the health care profession students, a critical element of IPE. This will include a variety of interactive communication elements and devices, reconfiguration of seating elements, and centralization of communication control to support the intensely interactive nature of IPE.

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

Support related to equipping and configuring an active learning space (\$218,000) is a one-time expenditure. Costs associated with programmatic and administrative support are ongoing (\$470,000).

<u>Object Detail</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Total</u>
A Salaries And Wages	0	306,000	306,000
B Employee Benefits	0	89,000	89,000
E Goods\Other Services	0	293,000	293,000
Total Objects	0	688,000	688,000

**360 - University of Washington
Capital Project Request**

2013-15 Biennium

*

Version: 2 FY2014 Supplemental Capital Request

Report Number: CBS002

Date Run: 10/3/2013 4:43PM

Project Number: 20081002
Project Title: Denny Hall Renovation

Description

Starting Fiscal Year: 2014
Project Class: Preservation
Agency Priority: 1

Project Summary

The University of Washington requests an adjustment to state funding to complete the design and construction phases of the Denny Hall Renovation. In addition to the \$30.59 M in State Building Construction Account funds previously appropriated for this project, the UW requests an additional \$20 M from the State Building Construction Account instead of \$20 M bond authority to be financed from UW building fee and trust land revenues. Denny Hall is a landmark building in significant need of major structural and system improvements. While this remains a priority project, the funding mechanism to fund its renovation needs to be changed. The University of Washington is increasingly reliant on UW building fees to support minor capital repairs, building preservation, and infrastructure improvements. Additional debt obligation of these funds cannot be sustained, and will have a detrimental impact on the University of Washington's ability to address its growing backlog of deferred maintenance and to support the increasing cost to maintain and repair facilities in the future.

Project Description

Completed in 1895, Denny Hall is the oldest building on the current University of Washington Seattle campus. The building has been placed on the Washington State Heritage Register. Today Denny Hall, with 89,745 gross square feet, provides a critical role at the University by providing significant instructional space – 22 general assignment classrooms with a capacity of 765 seats. Denny Hall also is home to key academic departments within the UW College of Arts & Sciences which serves over 27,000 undergraduate and graduate students each year.

The last significant structural and interior renovation of Denny Hall occurred in 1956. This project will upgrade building systems including: structural, life safety, and information technology infrastructure, and outdated electrical distribution, plumbing, and mechanical systems. In 2011 approximately \$725,000 was expended in operations and maintenance to support Denny Hall – a level of maintenance and operations costs relatively consistent over many years. This project will reduce the deferred maintenance backlog associated with this building as well as restore the building to "superior" condition within the OFM Facilities Inventory System.

Not funding the remaining \$20 M through State Building Construction Account funds will require the University to issue \$20 M in debt supported by UW building fee and trust land revenues at the cost of \$2.6 M per biennium for the next 30 years. This will reduce funds available to fund Minor Capital Repair and Preservation projects such as roofing replacements, building system repairs and replacements, and preventative facility maintenance. In the current and prior biennia, the UW Building Account (064) has been the primary funds source for these kinds of improvements.

With an existing debt burden of nearly \$14 M per biennium, this additional debt, combined with a diminishing reserve balance, increasing maintenance and repair costs, a growing backlog of deferred maintenance, matched with limits in tuition and enrollment growth, will further strain the ability of UW Building Account to meet its funding requirements. Funding Denny Hall with debt supported by the UW building fee will also decrease the overall debt capacity of the UW needed for other high-priority projects.

Location

City: Seattle

County: King

Legislative District: 043

Project Type

Remodel/Renovate/Modernize (Major Projects)

Growth Management impacts

The Growth Strategies legislation requires state agencies to comply with local land use regulations adopted pursuant to the Growth Management Act, which the University of Washington acknowledges through the development of the 2001 Seattle Campus Master Plan which was approved by the Seattle City Council in December of 2002 and by the UW Board of Regents in January 2003. The proposed project is consistent with the Seattle Campus Master Plan which serves a general regulatory guide to UW campus land use development.

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2013-15 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropr	New Appropr

360 - University of Washington
 Capital Project Request

2013-15 Biennium

*

Version: 2 FY2014 Supplemental Capital Request

Report Number: CBS002

Date Run: 10/3/2013 4:43PM

Project Number: 20081002
 Project Title: Denny Hall Renovation

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2013-15 Fiscal Period	
			Prior Biennium	Current Biennium	Reapprops	New Approps
057-1	State Bldg Constr-State	19,999,610	(390)			20,000,000
COP-P	Certificate of Part-Paid Building Fees	(20,000,000)				(20,000,000)
Total		(390)	(390)	0	0	0
Future Fiscal Periods						
		<u>2015-17</u>	<u>2017-19</u>	<u>2019-21</u>	<u>2021-23</u>	
057-1	State Bldg Constr-State					
COP-P	Certificate of Part-Paid Building Fees					
Total		0	0	0	0	

Schedule and Statistics

	Start Date	End Date
Pre-design	02/01/2007	12/01/2007
Design	4/1/2008	11/1/2009
Construction	12/1/2009	7/1/2011
Total		
Gross Square Feet:	87,549	
Usable Square Feet:	46,672	
Efficiency:	53.3%	
Escalated MACC Cost per Sq. Ft.:	364	
Construction Type:	College Classroom Facilities	
Is this a remodel?	Yes	
A/E Fee Class:	B	
A/E Fee Percentage:	0.00%	

Cost Summary

	Escalated Cost	% of Project
Acquisition Costs Total	0	0.0%
Consultant Services		
Pre-Schematic Design Services	275,000	0.5%
Construction Documents	1,785,043	3.1%
Extra Services	1,640,679	2.9%
Other Services	1,322,614	2.3%
Design Services Contingency	729,019	1.3%
Consultant Services Total	5,752,355	10.1%

360 - University of Washington
 Capital Project Request

2013-15 Biennium

*

Version: 2 FY2014 Supplemental Capital Request

Report Number: CBS002

Date Run: 10/3/2013 4:43PM

Project Number: 20081002
 Project Title: Denny Hall Renovation

Cost Summary

		<u>Escalated Cost</u>	<u>% of Project</u>
Maximum Allowable Construction Cost(MACC)	31,892,381		
Site work		0	0.0%
Related Project Costs		0	0.0%
Facility Construction		31,892,381	56.0%
GCCM Risk Contingency		788,623	1.4%
GCCM or Design Build Costs		3,978,046	7.0%
Construction Contingencies		4,783,858	8.4%
Non Taxable Items		0	0.0%
Sales Tax		3,729,861	6.6%
Construction Contracts Total		45,172,769	79.4%
Equipment			
Equipment		1,990,230	3.5%
Non Taxable Items		0	0.0%
Sales Tax		179,121	0.3%
Equipment Total		2,169,351	3.8%
Art Work Total		159,462	0.3%
Other Costs Total		704,631	1.2%
Project Management Total		2,956,432	5.2%
Grand Total Escalated Costs		56,915,000	
Rounded Grand Total Escalated Costs		56,915,000	

Operating Impacts

No Operating Impact

Capital Project Request

2013-15 Biennium

*

<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2013-15	2013-15
Agency	360	360
Version	2 -A	2-A
Project Classification	*	All Project Classifications
Capital Project Number	20081002	20081002
Sort Order	Project Priority	Priority
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

Cost Estimate Summary

2013-15 Biennium

*

Cost Estimate Number: 111
 Cost Estimate Title: HS Education I - T-Wing Renovation/Addition
 Version: 2 FY2014 Supplemental Capital Request
 Project Number: 30000486
 Project Title: Health Sciences Education Phase I - T-Wing Renovation/Addition
 Project Phase Title:

Report Number: CBS003
 Date Run: 10/3/2013 4:46PM

Agency Preferred: Yes

Contact Info Contact Name: Kirk Pawlowski Contact Number: 206.543.3262

Statistics

Gross Sq. Ft.: 120,000
 Usable Sq. Ft.: 68,400
 Space Efficiency: 57%
 MACC Cost per Sq. Ft.: 412
 Escalated MACC Cost per Sq. Ft.: 462
 Remodel? No
 Construction Type: College Classroom Facilities
 A/E Fee Class: B
 A/E Fee Percentage: 5.99%

Schedule

	<u>Start Date</u>	<u>End Date</u>
Predesign:	07-2013	10-2013
Design:	10-2013	06-2015
Construction:	07-2015	07-2017
Duration of Construction (Months):	24	

Cost Summary Escalated

Acquisition Costs Total		0
Pre-Schematic Design Services		621,060
Construction Documents		2,168,287
Extra Services		1,819,444
Other Services		1,516,472
Design Services Contingency		320,506
Consultant Services Total		6,445,769
Site work		1,651,350
Related Project Costs		545,000
Facility Construction		53,255,275
Construction Contingencies		5,551,752
Non Taxable Items		0
Sales Tax		6,187,282
Construction Contracts Total		71,316,582
Maximum Allowable Construction Cost(MACC)	55,451,625	
Equipment		11,227,000
Non Taxable Items		0
Sales Tax		1,066,565
Equipment Total		12,293,565
Art Work Total		277,258
Other Costs Total		2,142,940
Project Management Total		1,877,388
Grand Total Escalated Costs		94,353,502
Rounded Grand Total Escalated Costs		94,354,000

Additional Details

Alternative Public Works Project: Yes

Cost Estimate Summary

2013-15 Biennium

*

Cost Estimate Number: 111
Cost Estimate Title: HS Education I - T-Wing Renovation/Addition
Version: 2 FY2014 Supplemental Capital Request
Project Number: 30000486
Project Title: Health Sciences Education Phase I - T-Wing Renovation/Addition
Project Phase Title:

Report Number: CBS003
Date Run: 10/3/2013 4:46PM

Agency Preferred: Yes

Contact Info **Contact Name:** Kirk Pawlowski **Contact Number:** 206.543.3262

Additional Details

State Construction Inflation Rate: 3.00%
Base Month and Year: 08-2012
Project Administration By: AGY
Project Admin Impact to DES that is NOT Included in Project Total: \$0

Cost Estimate Detail

2013-15 Biennium

*

Cost Estimate Number: 111 **Analysis Date:** July 18, 2012
Cost Estimate Title: HS Education I - T-Wing Renovation/Addition
Detail Title: HS Education Sciences I - T-Wing Renovation/Additi
Project Number: 30000486
Project Title: Health Sciences Education Phase I - T-Wing Renovation/Addition
Project Phase Title:
Location: Seattle, King County
Contact Info **Contact Name:** Kirk Pawlowski **Contact Number:** 206.543.3262

Statistics

Gross Sq. Ft.: 120,000
 Usable Sq. Ft.: 68,400
 Rentable Sq. Ft.: 0
 Space Efficiency: 57%
 Escalated MACC Cost per Sq. Ft.: 462
 Escalated Cost per S. F. Explanation

Construction Type: College Classroom Facilities
 Remodel? No
 A/E Fee Class: B
 A/E Fee Percentage: 5.99%
 Contingency Rate: 5.00%
 Contingency Explanation

Projected Life of Asset (Years): 50
 Location Used for Tax Rate: Seattle, King Count
 Tax Rate: 9.50%
 Art Requirement Applies: Yes
 Project Administration by: AGY
 Higher Education Institution?: Yes
 Alternative Public Works?: Yes

Project Schedule Start Date End Date

Pre-design: 07-2013 10-2013
 Design: 10-2013 06-2015
 Construction: 07-2015 07-2017
 Duration of Construction (Months): 24
 State Construction Inflation Rate: 3.00%
 Base Month and Year: 8-2012

Project Cost Summary

MACC: \$ 49,450,000
 MACC (Escalated): \$ 55,451,625
 Current Project Total: \$ 84,652,330
 Rounded Current Project Total: \$ 84,652,000
 Escalated Project Total: \$ 94,353,502
 Rounded Escalated Project Total: \$ 94,354,000

<u>ITEM</u>	<u>Base Amount</u>	<u>Sub Total</u>	<u>Escalation Factor</u>	<u>Escalated Cost</u>
CONSULTANT SERVICES				
<u>Pre-Schematic Design Services</u>				
Programming/Site Analysis	425,000			
Pre-design Study	175,000			
SubTotal: Pre-Schematic Design Services		600,000	1.0351	621,060
<u>Construction Documents</u>				
A/E Basic Design Services				2,043,818
SubTotal: Construction Documents				2,168,287
<u>Extra Services</u>				
Civil Design (Above Basic Services)	40,000			
Geotechnical Investigation	75,000			
Commissioning (Systems Check)	150,000			
Site Survey	10,000			
Testing	125,000			
Leadership Energy & Environment Design List(LEED)	15,000			
Voice/Data Consultant	50,000			
Constructability Review Participation	15,000			
Environmental Mitigation Services (EIS)	10,000			
Landscape Consultant	75,000			
Mechanical and Electrical Consultants	125,000			
Audio-Visual Consultants	350,000			
Structural Consultants	50,000			
Hazardous Materials Consultants	15,000			
Interior Design Consultants	125,000			
Speciality Consultants	300,000			
Design Reimbursables	85,000			
Construction Phasing/Early Bid Packages	100,000			
SubTotal: Extra Services		1,715,000	1.0609	1,819,444
<u>Other Services</u>				
Bid/Construction/Closeout				918,237
HVAC Balancing	80,000			
Staffing	352,500			
SubTotal: Other Services		1,350,737	1.1227	1,516,472
<u>Design Services Contingency</u>				
Design Services Contingency	285,478			
SubTotal: Design Services Contingency		285,478	1.1227	320,506
Total: Consultant Services		5,995,033	1.0752	6,445,769
CONSTRUCTION CONTRACTS				
<u>Site work</u>				
G10 - Site Preparation	840,000			
G20 - Site Improvements	75,000			
G30 - Site Mechanical Utilities	125,000			
G40 - Site Electrical Utilities	175,000			
G60 - Other Site Construction	300,000			
SubTotal: Site work		1,515,000	1.0900	1,651,350
<u>Related Project Costs</u>				
Offsite Improvements	500,000			
SubTotal: Related Project Costs				545,000

<u>ITEM</u>	<u>Base Amount</u>	<u>Sub Total</u>	<u>Escalation Factor</u>	<u>Escalated Cost</u>
CONSTRUCTION CONTRACTS				
<u>Facility Construction</u>				
A10 - Foundations	960,000			
A20 - Basement Construction	1,560,000			
B10 - Superstructure	3,500,000			
B20 - Exterior Closure	10,950,000			
B30 - Roofing	800,000			
C10 - Interior Construction	4,570,000			
C20 - Stairs	1,200,000			
C30 - Interior Finishes	2,760,000			
D10 - Conveying	720,000			
D20 - Plumbing Systems	1,080,000			
D30 - HVAC Systems	5,400,000			
D40 - Fire Protection Systems	600,000			
D50 - Electrical Systems	3,600,000			
F10 - Special Construction	1,800,000			
General Conditions	3,835,000			
Estimating Contingency	4,100,000			
SubTotal: Facility Construction		47,435,000	1.1227	53,255,275
Maximum Allowable Construction Cost (MACC)		49,450,000	1.1200	55,451,625
<u>GCCM Risk Contingency</u>				
GCCM Risk Contingency	1,525,000			
SubTotal: GCCM Risk Contingency		1,525,000	1.1227	1,712,118
<u>GCCM or Design Build Costs</u>				
GCCM Fee	1,265,000			
GCCM Preconstruction Services	250,000			
Negotiated Support	125,000			
Other	510,000			
SubTotal: GCCM or Design Build Costs		2,150,000	1.1227	2,413,805
<u>Construction Contingencies</u>				
Allowance for Change Orders	2,472,500			
Management Reserve	2,472,500			
SubTotal: Construction Contingencies		4,945,000	1.1227	5,551,752
Sales Tax		5,516,651	1.1216	6,187,282
Total: Construction Contracts		63,586,651	1.1216	71,316,582
EQUIPMENT				
E10 - Equipment	4,000,000			
E20 - Furnishings	3,000,000			
Movable Equipment	3,000,000			
SubTotal:		10,000,000	1.1227	11,227,000
Sales Tax		950,000	1.1227	1,066,565
Total: Equipment		10,950,000	1.1227	12,293,565
ART WORK				

<u>ITEM</u>	<u>Base Amount</u>	<u>Sub Total</u>	<u>Escalation Factor</u>	<u>Escalated Cost</u>
ART WORK				
Total: Art Work		<u>277,258</u>	1.0000	<u><u>277,258</u></u>
OTHER COSTS				
Mitigation Costs	20,000			
Metro Connection Fees	120,000			
In-Plant Services	75,000			
Utilities/Temporary Facilities	130,000			
Permits	532,000			
Performance and Payment Bond	730,000			
Builders Risk	208,000			
Connectivity	25,000			
Other Costs	126,000			
Total: Other Costs		<u>1,966,000</u>	1.0900	<u><u>2,142,940</u></u>
PROJECT MANAGEMENT				
Agency Project Management	1,877,388			
Total: Project Management		<u>1,877,388</u>	1.0000	<u><u>1,877,388</u></u>

Cost Estimate Summary and Detail

2013-15 Biennium

*

Cost Estimate Number: 111

Report Number: CBS003

Cost Estimate Title: HS Education I - T-Wing Renovation/Addition

Date Run: 10/3/2013 4:46PM

<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Associated or Unassociated	Associated	Associated
Biennium	2013-15	2013-15
Agency	360	360
Version	2 -A	2-A
Project Classification	*	All Project Classifications
Capital Project Number	30000486	30000486
Cost Estimate Number	111	111
Sort Order	Cost Estimate Title	Title
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

360 - University of Washington Capital Project Request

2013-15 Biennium

*

Version: 2 FY2014 Supplemental Capital Request

Report Number: CBS002

Date Run: 10/4/2013 9:45AM

Project Number: 30000599

Project Title: Engineering and Computer Science Collaboration and Education

Description

Starting Fiscal Year: 2015
Project Class: Program
Agency Priority: 3

Project Summary

Recent investments by the Washington State Legislature in Engineering and Computer Science programs at UW reflect the critical role that these programs play in creating the ideas and people that power our economy. To ensure that our technology sector continues to thrive, the University of Washington requests \$6.6 M for pre-design and design phases for the construction of a new academic building in proximity to the existing Paul G. Allen Center for Computer Science & Engineering. This building will create expansion space for education and research in the highly successful and growing Computer Science & Engineering program, space for interdisciplinary collaboration in data-driven discovery for students seeking this knowledge, and for activities aimed at applying computing to global challenges, such as education, energy, and health. The new 120,000 gross square foot building has emerged as a top priority for the University of Washington in response to high demand for enrollment in Computer Science and other Engineering fields.

Project Description

The new building – to be constructed on a site close to the existing Paul G. Allen Center for Computer Science & Engineering and other engineering buildings on the UW Seattle campus – will create approximately 120,000 gross square feet of new academic space. It will meet the expansion needs of the Department of Computer Science & Engineering and create space for interdisciplinary innovation and collaboration in areas such as data-driven discovery in science and engineering, and technology to support K-12 education. It will also provide new space for educating students at the boundary of computing and other fields of science and engineering.

This building will support the changing nature of computing, which is increasingly experimental, interdisciplinary, and large scale. New research initiatives both enable and require broad collaboration with other disciplines at UW and local industry. Examples include the Center for Sensorimotor Neural Engineering, which seeks to engineer next-generation prosthetic devices, and the Center for Game Science, which created technology for the Washington State Algebra Challenge in which our state's K-12 students solved 400,000 algebraic equations in a five-day period.

A 2011 HEC Board study identified five fields with significant gaps between employer demand and student supply at the Baccalaureate level in our state; Computer Science ranked first. Job growth and high demand in clean and health-based technologies, as well as in engineering to support aerospace and aging infrastructure, is also projected. As a result, a strong research base in Engineering and Computer Science is crucial to the state's economy. Clearly there is a need to both educate more Computer Science majors and improve interdisciplinary computing education to support learning in all fields of Engineering.

This project has emerged as a top priority for the University of Washington as a result of extraordinary student and employer demand. Funding for the design of this facility will send a clear signal to local industry, investors, and donors that there is high level of commitment to the growth of Computer Science and Engineering, supporting the industry of our state.

Location

City: Seattle

County: King

Legislative District: 043

Project Type

New Facilities/Additions (Major Projects)

**360 - University of Washington
Capital Project Request**

2013-15 Biennium

*

Version: 2 FY2014 Supplemental Capital Request

Report Number: CBS002

Date Run: 10/4/2013 9:45AM

Project Number: 30000599

Project Title: Engineering and Computer Science Collaboration and Education

Description

Growth Management impacts

The Growth Strategies legislation requires state agencies to comply with local land use regulations adopted pursuant to the Growth Management Act, which the University of Washington acknowledges through the development of the 2001 Seattle Campus Master Plan which was approved by the Seattle City Council in December of 2002 and by the UW Board of Regents in January 2003. The proposed project is consistent with the Seattle Campus Master Plan which serves a general regulatory guide to UW campus land use development.

New Facility: Yes

How does this fit in master plan

The 2001 Seattle Campus Master Plan was approved by the Seattle City Council in December of 2002 and by the UW Board of Regents in January 2003. The proposed project is consistent with the Seattle Campus Master Plan which serves a general regulatory guide to UW campus land use development.

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2013-15 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropr
057-1	State Bldg Constr-State	89,500,000				6,600,000
	Total	89,500,000	0	0	0	6,600,000
Future Fiscal Periods						
		<u>2015-17</u>	<u>2017-19</u>	<u>2019-21</u>	<u>2021-23</u>	
057-1	State Bldg Constr-State	82,900,000				
	Total	82,900,000	0	0	0	

Schedule and Statistics

	<u>Start Date</u>	<u>End Date</u>
Pre-design	07/01/2014	10/01/2014
Design	11/1/2014	5/1/2016
Construction	6/1/2016	12/1/2017
	Total	
Gross Square Feet:	120,000	
Usable Square Feet:	80,000	
Efficiency:	66.7%	
Escalated MACC Cost per Sq. Ft.:	447	
Construction Type:	College Classroom Facilities	
Is this a remodel?	No	
A/E Fee Class:	B	
A/E Fee Percentage:	5.90%	

Cost Summary

360 - University of Washington
 Capital Project Request

2013-15 Biennium

*

Version: 2 FY2014 Supplemental Capital Request

Report Number: CBS002

Date Run: 10/4/2013 9:45AM

Project Number: 30000599

Project Title: Engineering and Computer Science Collaboration and Education

Cost Summary

	<u>Escalated Cost</u>	<u>% of Project</u>
Acquisition Costs Total	0	0.0%
Consultant Services		
Pre-Schematic Design Services	607,604	0.7%
Construction Documents	2,182,463	2.4%
Extra Services	2,010,770	2.3%
Other Services	1,512,847	1.7%
Design Services Contingency	329,040	0.4%
Consultant Services Total	6,642,724	7.4%
Maximum Allowable Construction Cost(MACC)	53,609,990	
Construction Contracts		
Site work	2,928,690	3.3%
Related Project Costs	0	0.0%
Facility Construction	46,023,500	51.4%
GCCM Risk Contingency	1,441,700	1.6%
GCCM or Design Build Costs	6,432,200	7.2%
Construction Contingencies	7,585,560	8.5%
Non Taxable Items	0	0.0%
Sales Tax	6,119,108	6.8%
Construction Contracts Total	70,530,758	78.8%
Equipment		
Equipment	6,654,000	7.4%
Non Taxable Items	0	0.0%
Sales Tax	632,130	0.7%
Equipment Total	7,286,130	8.1%
Art Work Total	268,050	0.3%
Other Costs Total	2,245,329	2.5%
Project Management Total	2,516,412	2.8%
Grand Total Escalated Costs	89,489,403	
Rounded Grand Total Escalated Costs	89,489,000	

Operating Impacts

Total one time start up and ongoing operating costs

Acct Code	Account Title	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
-----------	---------------	---------	---------	---------	---------	---------

360 - University of Washington
 Capital Project Request

2013-15 Biennium

*

Version: 2 FY2014 Supplemental Capital Request

Report Number: CBS002

Date Run: 10/4/2013 9:45AM

Project Number: 30000599

Project Title: Engineering and Computer Science Collaboration and Education

Operating Impacts

Acct Code	Account Title	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
FTE	Full Time Employee	7.5	6.0	6.0	6.0	6.0
001-1	General Fund-State	618,500	495,000	495,000	495,000	495,000
	Total	618,500	495,000	495,000	495,000	495,000

Narrative

Start-up funds will be dedicated for staff instruction and training in the newly occupied building.

Capital Project Request

2013-15 Biennium

*

<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2013-15	2013-15
Agency	360	360
Version	2 -A	2-A
Project Classification	*	All Project Classifications
Capital Project Number	30000599	30000599
Sort Order	Project Priority	Priority
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids