

2020
Supplemental
Operating Budget
Request



Active Minds Changing Lives





Sabah Randhawa, President

516 High Street, Old Main 450
Bellingham, Washington 98225-9000
(360) 650-3480
www.wwu.edu

September 20, 2019

The Honorable Jay Inslee
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002

Dear Governor Inslee:

I am pleased to submit Western Washington University's 2020 Supplemental Operating budget for the 2019-21 biennium.

Western's supplemental budget priority focuses on improving affordability and increasing student success at Western on the Peninsulas—WWU's locations on the Olympic and Kitsap Peninsulas in Poulsbo, Port Angeles and Bremerton. The primary goal of this budget proposal is to reduce tuition rates for current and future students enrolled in the Western on the Peninsulas degree programs. If funded, this proposal would enable WWU to reduce tuition rates for a student attending Western on the Peninsulas by more than \$12,000 over a two-year period by transitioning all Western on the Peninsulas degree programs from tuition-funded to state-supported. WWU is also requesting a small amount of state funding to improve four-year degree pathways for the residents of the Kitsap and Olympic Peninsulas through targeted recruitment and student support strategies.

As you are likely aware, Washington's Olympic and Kitsap Peninsulas are some of the most underserved areas of the state when it comes to access to four-year postsecondary educational opportunities. This was confirmed by an independent study funded by the Legislature last year on assessing educational needs on the Peninsulas. I firmly believe that as a public university, Western has a duty to help address the educational needs of the State of Washington, particularly in the western region of the state. For several years, WWU has partnered with Olympic and Peninsula colleges to offer 2+2 degree programs in the areas of environmental science and policy, business administration, education, and, most recently, cybersecurity. While these degree programs have been successful in addressing some of the educational and workforce needs in the region, it is clear that barriers to access and significant higher education needs still exist on the Olympic and Kitsap Peninsulas. Accordingly, one of WWU's top strategic priorities over the next decade is to expand access and reduce barriers to postsecondary education opportunities for residents of Kitsap, Clallam, Mason and Jefferson Counties. WWU's supplemental budget request represents the first step in making progress towards this goal.

Thank you for your consideration of this request. Please do not hesitate to contact me should you or your team have any questions or require additional information.

Sincerely,

September 20, 2019
Page 2

A handwritten signature in black ink that reads "Sabah Randhawa". The signature is written in a cursive style with a large, prominent initial 'S'.

Sabah Randhawa
President

CC: Brent Carbajal, Provost/Vice President for Academic Affairs
Becca Kenna-Schenk, Executive Director, Government Relations
Ted Castro, Interim Director, Budget Office

Recommendation Summary

Agency: 380 Western Washington University

Version: WWUREQ20 2020 Supplemental Budget Request

Dollars in Thousands

	Average Annual FTEs	General Fund State	Other Funds	Total Funds
CB T0PL Current Biennium Base	1,822.3	160,172	265,189	425,361
2019-21 Current Biennium Total	1,822.3	160,172	265,189	425,361
Total Carry Forward Level	1,822.3	160,172	265,189	425,361
Percent Change from Current Biennium	.0%	.0%	.0%	.0%
Maintenance – Other Changes				
ML 9W Operating Costs/Proposed Cap Proj	0.0	672	0	672
Maintenance – Other Total	0.0	672	0	672
Maintenance – Comp Changes				
ML 9X Anticipated Impact from Rule Change	0.0	538	0	538
Maintenance – Comp Total	0.0	538	0	538
Total Maintenance Level	1,822.3	161,382	265,189	426,571
Percent Change from Current Biennium	.0%	.8%	.0%	.3%
Policy – Other Changes				
PL 0P WWU on the Peninsulas	13.2	1,968	577	2,545
Policy – Other Total	13.2	1,968	577	2,545
Subtotal - Policy Level Changes	13.2	1,968	577	2,545
2019-21 Total Policy Level	1,835.4	163,350	265,766	429,116
Percent Change from Current Biennium	.7%	2.0%	.2%	.9%

Recommendation Summary**Agency: 380 Western Washington University****Version: WWUREQ20 2020 Supplemental Budget Request****ML 9W Operating Costs/Proposed Cap Proj**

The IT professional structure implemented by the State effective for fiscal year 2020 reclassified positions and changed salaries for 78 Classified employees at Western Washington University (WWU). In addition to these employees, WWU employs 52 Professional/Exempt IT employees whose compensation is based on a market-rate range of comparable positions, and additional resources are required to align their salaries with those reclassified by the State. To ensure salary alignment and equity between all IT staff at WWU, and to assist in retention and recruitment of these employees, WWU must make additional salary adjustments and is requesting additional state support to fund these adjustments.

ML 9X Anticipated Impact from Rule Change

The Washington State Department of Labor and Industries (L&I) has filed a proposed rule that would update the state's overtime regulations and render significantly more employees eligible for overtime benefits. Western Washington University (WWU) currently employs 435 professional/exempt staff, many of whom are in positions with seasonal fluctuations in work level and other factors requiring overtime. If this rule change is implemented as currently proposed, WWU would incur prohibitive costs in overtime pay that cannot be absorbed within existing budget and requests funding from the state to ensure the rule can be implemented without significant fiscal impacts to the University.

PL 0P WWU on the Peninsulas

Western Washington University (WWU) requests \$1,969,000 in the 2020 supplemental operating budget to increase access and improve the success of current and future students attending Western on the Peninsulas (WotP) — WWU's locations on the Kitsap and Olympic Peninsulas. Under this proposal, WWU would transition all WotP degree programs from tuition-funded, also known as self-supported, to state-funded to reduce the tuition rate for a student attending WotP by more than \$12,000 over two years. This request would also enable WWU to improve four-year degree pathways for the residents of the Kitsap and Olympic Peninsulas through targeted recruitment and student support strategies.



2020 Supplemental Budget Decision Package

Agency: 380 - Western Washington University
Decision Package Code-Title: 9W - Operating Costs/Proposed Cap Proj
Budget Session: 2020 Supp
Budget Level: Maintenance Level
Contact Info: Ted Castro
(360) 650-4694
castrot3@wwu.edu

Agency Recommendation Summary

The IT professional structure implemented by the State effective for fiscal year 2020 reclassified positions and changed salaries for 78 Classified employees at Western Washington University (WWU). In addition to these employees, WWU employs 52 Professional/Exempt IT employees whose compensation is based on a market-rate range of comparable positions, and additional resources are required to align their salaries with those reclassified by the State. To ensure salary alignment and equity between all IT staff at WWU, and to assist in retention and recruitment of these employees, WWU must make additional salary adjustments and is requesting additional state support to fund these adjustments.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$336	\$336	\$336	\$336
Total Expenditures	\$336	\$336	\$336	\$336
Biennial Totals		\$672		\$672

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	\$280	\$280	\$280	\$280
Obj. B	\$56	\$56	\$56	\$56

Package Description

The IT Professional Structure was implemented by the State effective July 1, 2019 with the stated goals:

- Ensure enterprise and organizational alignment and equity
- Improve opportunities for career growth
- Keep pace with the rate of information technology industry change
- Improve the state's ability to benchmark work internally and externally

Informed by the 2018 collective bargaining process, WWU included anticipated salary increase costs for classified IT staff in its 2019-21 biennial budget request, and received a level of funding in its biennial budget to support salary increases directly resulting from position reclassifications under the IT Professional Structure implementation. WWU also employs 52 Professional (exempt) IT employees who did not receive salary increases directly resulting from the IT Professional Structure, and salary equity issues have resulted that must be addressed.

WWU is required by RCW 41.06.070 to exempt certain positions from civil service coverage; currently WWU employs 52 IT positions that are exempt from civil service. WWU's compensation program for Professional staff is based on a market range; each position's market range is determined by the position's duties and responsibilities, market data, and internal alignment. A component of the market data used to determine appropriate salary ranges is the State of Washington's salary schedules. A result of the IT Professional Structure implementation is that market ranges for Professional IT staff at WWU have increased and warrant salary increases that have not been funded by the state. After undergoing an internal equity review, WWU has identified many existing Professional staff positions that have comparable matches in the new IT Professional Structure, but currently have compensation at levels lower than the identified matches. In order to maintain equity across our IT workforce, these positions should have compensation adjustments to remain competitive and equitable with similar IT positions.

To perform the equity analysis and assessment, WWU staff reviewed each Professional IT employee's title and job function, and mapped it to the comparable State IT classification. We then developed an updated market range for the position using the new state classification midpoint salary as one of our data points. Finally, we compared each employee's current salary and position within the market range to the equivalent salary within the new market range to determine the required salary adjustment. This analysis was performed within the guidelines of the Professional staff program objectives, which is to provide compensation that is market-based, equitable, transparent, adaptable, and incorporates market, internal alignment, and experience.

WWU faces significant challenges with its IT network and aging infrastructure due to deferred replacement. Despite several funding requests to the state to address these challenges (most recently in the 2019-21 Operating Budget request), WWU has not received the funding necessary to begin investing in much-needed replacement of infrastructure that has aged past its life-cycle. Demonstrably, WWU is not positioned to absorb these salary increases within its existing IT budget and likewise, cannot risk losing existing IT staff as it seeks to overcome these challenges. It is imperative that state funding is provided to fund the required salary adjustments. In order to ensure WWU's Professional IT staff salaries are aligned and equitable with the state's newly implemented IT Professional Structure, WWU requests \$336,401 in annual funding for increases to compensation for Professional IT staff positions.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This proposal does not expand or alter a current program or service.

Detailed assumptions and calculations:

Calculations for Professional/Exempt IT staff compensation increases were created by:

- Identifying the comparable job classification within the state's new Professional IT Structure for each position,
- Incorporating the salary information for the comparable position as a data point into each Professional/Exempt position's market range to calculate the updated market range for the Professional/Exempt IT staff position, and
- Calculating the adjustment to each Professional/Exempt IT employee's salary necessary based on the updated market range and their current standing within the market range.

Workforce Assumptions:

The proposal does not request additional FTE.

Strategic and Performance Outcomes

Strategic framework:

The state Professional IT classification and compensation structure was created in response to the state's need to have a flexible and adaptable structure to keep pace with the rate of change in the technology industry. While the positions for which WWU requests increased funding are not within the Professional IT structure for Classified staff, they are still impacted by the same market forces that apply to IT positions reclassified by the state. This proposal aligns with the state's objective of implementing the Professional IT classification by maintaining competitive and equitable salaries for its IT employees.

Goals included in WWU's strategic plan are to "Foster a caring and supportive environment where all members are respected and treated fairly," and to "Pursue justice and equity in its policies, practices, and impacts." This package is developed within the framework of WWU's strategic plan, as these goals extend to WWU's compensation practices among its employees.

Performance outcomes:

If salary adjustments are not made to ensure equity among Western's IT workforce, Western is at risk of:

- An undermined compensation program for Professional staff, leading to a decreased ability to recruit qualified staff
- Losing existing IT staff to other employers offering more competitive compensation
- Losing irreplaceable knowledge required to maintain aging infrastructure, impacting IT systems necessary for Western to fulfill its academic mission and support critical administrative functions; and
- Decreased employee morale

Other Collateral Connections

Intergovernmental:

None identified.

Stakeholder response:

None identified.

Legal or administrative mandates:

None identified.

Changes from current law:

None identified.

State workforce impacts:

This proposal results from WWU's compensation program for Professional/Exempt employees, by addressing impacts to market range data created by the state's Professional IT Structure. The resulting cost increase is comprised of salary and benefit costs.

State facilities impacts:

None anticipated.

Puget Sound recovery:

No connections identified.

Reference Documents

- IT Addendum Fiscal Estimates Workbook.xlsx
- ITaddendum2020supplemental.docx
- Professional IT Salary Adjustment Cost Estimate - 9-10-2019.xlsx

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

Yes

ITaddendum2020supplemental.docx



2020 Supplemental Budget Decision Package

Agency: 380 - Western Washington University
Decision Package Code-Title: 9X - Anticipated Impact from Rule Change
Budget Session: 2020 Supp
Budget Level: Maintenance Level
Contact Info: Ted Castro
(360) 650-4694
castrot3@wwu.edu

Agency Recommendation Summary

The Washington State Department of Labor and Industries (L&I) has filed a proposed rule that would update the state's overtime regulations and render significantly more employees eligible for overtime benefits. Western Washington University (WWU) currently employs 435 professional/exempt staff, many of whom are in positions with seasonal fluctuations in work level and other factors requiring overtime. If this rule change is implemented as currently proposed, WWU would incur prohibitive costs in overtime pay that cannot be absorbed within existing budget and requests funding from the state to ensure the rule can be implemented without significant fiscal impacts to the University.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$191	\$347	\$437	\$437
Total Expenditures	\$191	\$347	\$437	\$437
Biennial Totals		\$538		\$874

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	\$159	\$289	\$364	\$364
Obj. B	\$32	\$58	\$73	\$73

Package Description

L&I has proposed changes to state employment rules that determine which workers in Washington are required by law to be paid at least minimum wage, earn overtime pay, and receive paid sick leave. These changes will affect executive, administrative, and professional employees. Under the proposed changes, the minimum pay a salaried worker must receive to be considered exempt from overtime would increase incrementally to 2.5 times minimum wage by 2026. For WWU, the first increase would take effect July 1, 2020, when the minimum required salary level for exempt employees would increase from the current \$455 a week to \$945 a week.

WWU currently employs 435 Professional/Exempt staff who fall under the categories of executive, administrative or professional employees. Due to the significant proposed increase of the overtime-eligibility threshold, a large number of WWU employees would be impacted by the rule change. Of these, WWU estimates at least 61 employees will become eligible for overtime beginning July 1, 2020 under the proposed rule change, with the number growing to over 200 eligible employees by 2026. While it may be possible for some positions to be managed within 40 hours per week, other positions, particularly in management, health care, student services, and research, routinely work more than 40 hours per week due to the nature of their work. The nature of this work will not change, and WWU will be forced to choose between providing necessary services exceeding budget, or cutting services to meet available funding. As the proposed salary thresholds would increase effective July 1, 2020, WWU is requesting additional funding for fiscal year 2021, with additional demonstrated need in future biennia as the salary threshold increases.

The table below illustrates the estimated cost impact to WWU (state-funded salaries only) over the six-year phase-in period of the proposed rule change.

Fiscal Year	L&I Proposed Salary Threshold*	Salaried Employees Under Threshold (Projection)	Estimated Cost Increase
2021	\$57,356	61	\$191,235
2022	\$65,936	106	\$346,899
2023	\$67,392	156	\$437,039
2024	\$68,848	158	\$432,923
2025	\$78,156	159	\$518,951
2026	\$79,872	206	\$609,094

*By end of fiscal year

In addition, positions at WWU that require work in research labs or other types of research often necessitate irregular schedules that exceed 40 hours per week. Most of these positions require an advanced degree and performance of work that meets the federal “learned professional” exemption from FLSA prescribed overtime. However, the federal grants that fund their salaries will not increase as a result of the state’s rule change, and in the short-term this could result in WWU's operating budget absorbing salary costs exceeding grant funding capacity. While WWU is not requesting funding for non-state supported salaries, it illustrates the additional financial constraints the rule change would place on WWU if made effective.

Alternatives to incurring overtime costs include the hiring of additional staff to absorb workload and maintaining service levels, raising salaries to ensure all professional/exempt staff are salaried above the minimum overtime-eligible threshold, or reducing service levels. The first option is a significantly more costly alternative that would also exacerbate space constraints at WWU's facilities. The second option would also be more costly, not only from raising salaries annually for an entire range of staff, but also from the compression and equity adjustments that would need to be implemented for other staff at or slightly above the threshold. This option also undermines the premise of WWU's Professional staff compensation program, which uses market ranges for comparable salaries to determine compensation levels for staff. The last option, reducing service levels, is not considered a viable alternative, as it risks diminishing student experience, wellness, and performance, compliance with regulations, among other consequences.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This proposal ensures that current programs and services can be sustained if the proposed rule change is made effective.

Detailed assumptions and calculations:

To calculate the anticipated impact, WWU identified all Professional/Exempt employees that would be under the overtime threshold for each year of the phase-in period. Using modest assumptions on the level of overtime that could be reasonably anticipated, we calculated the fiscal impact of this subset of employees receiving compensation for the overtime worked.

Workforce Assumptions:

As illustrated in the table provided, the proposed rule change is estimated to affect 61 employees at WWU in fiscal year 2021, with an increase each year thereafter due to the increased annual salary threshold during the phase-in period.

Strategic and Performance Outcomes

Strategic framework:

WWU's Strategic Plan sets a mission for advancing inclusive success, increasing Washington Impact, and enhancing academic excellence; and specifically, closing achievement gaps for underrepresented students of color and Pell Grant eligible students. To achieve the desired outcomes, it is essential that WWU receives funding for increased operational costs due to new state requirements in order to maintain its level of service and support to its students.

Performance outcomes:

As previously stated, reducing service levels to absorb increased costs from the proposed rule change is not considered a viable alternative due to decreased ability to provide services and operational support to WWU's students, faculty, and staff. This funding change will allow WWU to accommodate increased operating costs for its existing levels of service and support.

Other Collateral Connections

Intergovernmental:

None identified.

Stakeholder response:

None identified.

Legal or administrative mandates:

This request is in response to a proposed change in state law by Department of Labor and Industries that would increase the salary threshold for overtime eligibility in Exempt staff.

Changes from current law:

This request is in response to a proposed change in state law, but no additional changes are proposed as a result of this funding request.

State workforce impacts:

The proposed rule change will result in overtime compensation for Exempt employees with salary under the annual income threshold set by Department of Labor and Industries. Incremental benefit costs will also be incurred on the overtime expense.

State facilities impacts:

None identified.

Puget Sound recovery:

No connection identified.

Reference Documents

- LNI Overtime Threshold Financial Impact.xls

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No



2020 Supplemental Budget Decision Package

Agency: 380 - Western Washington University
Decision Package Code-Title: OP - WWU on the Peninsulas
Budget Session: 2020 Supp
Budget Level: Policy Level
Contact Info: Ted Castro
(360) 650-4694
castrot3@wwu.edu

Agency Recommendation Summary

Western Washington University (WWU) requests \$1,969,000 in the 2020 supplemental operating budget to increase access and improve the success of current and future students attending Western on the Peninsulas (WOTP) — WWU's locations on the Kitsap and Olympic Peninsulas. Under this proposal, WWU would transition all WOTP degree programs from tuition-funded, also known as self-supported, to state-funded to reduce the tuition rate for a student attending WOTP by more than \$12,000 over two years. This request would also enable WWU to improve four-year degree pathways for the residents of the Kitsap and Olympic Peninsulas through targeted recruitment and student support strategies.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$0	\$1,968	\$1,879	\$1,879
Fund 149 - 6	\$0	\$577	\$577	\$577
Total Expenditures	\$0	\$2,545	\$2,456	\$2,456
Biennial Totals		\$2,545		\$4,912
Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	0.0	26.3	26.3	26.3
Average Annual		13.2		26.3
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	\$0	\$1,782	\$1,782	\$1,782
Obj. B	\$0	\$564	\$564	\$564
Obj. C	\$0	\$26	\$27	\$27
Obj. E	\$0	\$116	\$40	\$40

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. G	\$0	\$57	\$43	\$43
Revenue	FY 2020	FY 2021	FY 2022	FY 2023
149 - 0424	\$0	\$577	\$577	\$577
Total	\$0	\$577	\$577	\$577
Biennial Totals		\$577		\$1,154

Package Description

WWU offers a number of baccalaureate degree and certificate programs on the Kitsap and Olympic Peninsulas in Poulsbo, Bremerton and Port Angeles in partnership with Olympic and Peninsula Colleges. Collectively referred to as “Western on the Peninsulas,” these “2+2” degree programs require students to attend a community college for their first two years then transfer to WWU for their third and fourth years to complete their baccalaureate degree.

The 2018 supplemental budget tasked WWU with evaluating the educational and workforce needs of the residents of the Kitsap and Olympic Peninsulas and examining the feasibility of WWU offering additional degree programs to meet those needs. As part of the study, WWU found that the Kitsap and Olympic Peninsulas region is one of the most underserved regions of the state when it comes to access to baccalaureate and masters-level post-secondary degree programs. Furthermore, many school districts in the region have fairly strong high-school graduation rates but poor college-going rates, and the percentage of residents of the four-county region that encompass the Kitsap and Olympic Peninsulas with a four-year degree or higher is well below the state average. An analysis by Washington STEM found that by 2026 there will be 3,615 family-wage job openings in the region that require a four-year postsecondary degree, but in 2018 only 1,254 high school students in the region were projected to go on to earn a four-year degree or higher.

Given the clear need in the region for increased access to baccalaureate and graduate degree programs, WWU’s excellent reputation for graduating students who are ready to contribute to Washington’s workforce, and WWU’s existing partnerships with Olympic and Peninsula colleges, expansion of WOtP is a key strategic priority for WWU over the next decade and beyond. Over the next ten years, WWU’s goal is to increase WOtP enrollments from 200 to at least 1,000 students through in-person, remote video classroom technology, and on-line delivery methods.

This decision package is the initial phase in expanding and improving access to WOtP. As demand and needs emerge, subsequent decision packages over the next ten years will include proposals for additional degree programs and capital infrastructure.

This proposal includes a two-fold strategy for increasing access and improving the success of current and future students attending WOtP:

1. Transition all tuition-funded degree programs to state funding; and
2. Enhance advising, recruitment and core administrative services.

Transition tuition-funded degree programs to state funding

Western on the Peninsulas degree and certificate programs include:

- Business Administration (B.A.)
- Cybersecurity (B.A., Minor, Certificate)
- Early Childhood Education (B.A.E)
- Elementary and Special Education (B.A.E., Certificate)
- Educational Administration (M.Ed., Certificate)
- Environmental Policy (B.A.)
- Environmental Science (B.S.)
- Human Services (B.A.)
- Multidisciplinary Studies (B.A.)

Of these degree programs, only Cybersecurity and Early Childhood Education are state-funded (the B.A. in Cybersecurity was funded in the 2015-17 biennial budget, and the B.A.E. in Early Childhood Education was funded in the 2018 supplemental budget). The remaining programs are tuition-funded, also known as self-supported, meaning costs of the program are entirely covered by tuition revenue. Although tuition-funded degree programs address certain educational and workforce needs, they are significantly more expensive for students than state-funded programs, which are funded through a combination of state funding and tuition revenue. The chart below illustrates the cost difference between tuition rates for a state-funded program versus a tuition-funded program.

	State-funded baccalaureate degree	Tuition/self-funded baccalaureate degree	Cost difference
Tuition & fees/quarter 2019-20	\$2,781 (10-18 credits)	\$4,785 (15 credits)	(\$2,004)
Total tuition & fees over 2 years (6 quarters)	\$16,686	\$28,710	(\$12,024)

The cost difference between state-funded and tuition-funded degree programs creates significant inequities between students attending state-funded degree programs on WWU's Bellingham campus and the majority of students enrolled in WOtP degree programs. For low-income students, the cost difference is even more of a barrier, as income-based financial aid programs like the Washington College Grant only cover tuition costs of state-funded degree programs. This fact forces low-income students attending tuition-funded programs to take

out more student loans to cover the cost of their degree. State-funded programs also enable the university to hire more permanent faculty and staff, which in turn improves the stability and quality of the programs for current and future students.

Transitioning all programs from tuition-funded to state-funded cannot be accomplished through increased tuition revenues and reallocation of University resources. Lowering tuition costs through state support will make Western's programs more affordable for place-bound students in the Peninsulas, which will support increased enrollment in current programs. This increase will in turn enhance Western's presence and visibility on the peninsulas, leading to increased interest in Western as the university of choice for such students. However, the increased enrollment and the accompanying tuition revenue must be supplemented by state allocations, as with all state-funded programs, to allow Western to hire the necessary additional faculty and staff to make the programs viable at the level of quality Western and its students expect.

The cost to transition all six programs on the peninsulas in a sustainable and robust way is estimated at \$2,546,000 for FY21. This estimate includes salary and benefits for 7 tenure-track faculty, approximately 7.5 FTE non-tenure track faculty, and 14 FTE exempt and classified staff (most of whom are currently employed at Western and are funded on tuition-funded sources). It also includes budget for goods and services, travel, and building expenses, including one time costs for hiring new positions. Current enrollment in Western's self-sustaining programs on the peninsulas is approximately 120 students, generating approximately \$577,000 in tuition revenue. Therefore, the total amount Western recommends to request is \$1,969,000 in state funding.

Enhance advising, recruitment and core administrative services

Despite WWU's proven track record when it comes to student success, lack of funding has prevented the university from allocating sufficient resources for academic advising and financial aid counseling for students attending WOtP, as well as for the marketing and recruitment efforts needed to attract prospective students to WOtP. The lack of resources for academic advising and financial aid counseling has resulted in inadequate and fragmented support services for current and prospective WOtP students that is typically limited to the degree program in which the student is enrolled or is planning to enroll rather than helping students explore all available degree program pathways. The limited support services currently offered at WOtP are funded entirely through the tuition revenue from WOtP programs, which is one reason current tuition rates for tuition-funded programs are so much higher than state-funded programs. Current marketing and recruitment efforts for WOtP are also limited in scope due to insufficient funding and the decentralized, program-specific organizational structure that supports tuition-funded programs. Similarly, WOtP also currently lacks a cohesive, state-funded administrative structure that is integrated with WWU's academic leadership in Bellingham.

This proposal requests funding for WWU to hire 4 new FTE staff positions in order to expand academic advising, financial aid counseling, and recruitment and marketing efforts at WOtP. The staff in these positions will support all current and prospective WOtP students in all WOtP locations rather than the current structure, in which the limited staff resources are largely devoted to specific degree programs. The proposal also requests funding for 3 FTE to provide core administrative oversight for WOtP that is physically located on the Peninsulas, including an academic administrator. This newly established leader will play a key role in improving and expanding WOtP's existing partnerships with Olympic and Peninsula colleges, local school districts, tribal governments in the region, employers and industry partners, local governments, and other key stakeholders.

Alternatives/Consequences of not funding this proposal

The only viable alternative to this proposal is for WWU to maintain the status quo with regard to the tuition, support services and administrative frameworks needed to operate WOtP. The consequences of not funding this proposal and maintaining the status quo of WOtP, as well as the lack of adequate academic advising and financial aid counseling, are that tuition costs will continue to be a significant barrier to access for many students. Failure to fund the basic elements needed for a public four-year university will result in many potential future WOtP students not learning about WOtP degree program opportunities or not having access to adequate information about how to access and enroll in the programs.

Assumptions and Calculations

Expansion or alteration of a current program or service:

Programs on the Peninsulas currently staff approximately 13 FTE, comprised of approximately 2.3 tenure/tenure track (TN/TT) faculty, 6 FTE non-tenure track (NTT) faculty, and 6 staff FTE for Director of Operations, program coordination, student services, administrative operations, and media. Current faculty and staff costs are approximately \$1,000,000 annually, with another \$104,000 for goods and services, equipment, facilities, and travel.

Detailed assumptions and calculations:

The table below summarizes all expenditures included within this proposal. One time costs are associated with the hiring of ten new positions, including start-up costs for three new tenure/tenure-track faculty positions.

Expenditure Category	Employee FTE	One Time Costs	Recurring Costs	Total Costs
Faculty Salaries	13.4		\$1,020,214	\$1,020,214
Professional Salaries	8.0		\$571,015	\$571,015
Classified Salaries	4.9		\$190,763	\$190,763
Benefits			\$564,292	\$564,292
Total Salaries & Benefits	26.3	\$0	\$2,346,284	\$2,346,284
Supplies and Materials		\$49,000	\$1,330	\$47,330
Professional Service Contracts			\$26,576	\$26,576
Equipment and Personal Technology		\$20,000	\$29,699	\$43,699
Other Goods and Services		\$6,500	\$9,194	\$14,194
Total Goods and Services		\$75,500	\$66,799	\$131,799
Lodging		\$5,000	\$8,223	\$11,723
Air Travel		\$5,000	\$469	\$3,969
Ground Transportation		\$2,000	\$28,097	\$29,497
Other travel costs		\$2,000	\$6,450	\$7,850
Total Travel		\$14,000	\$43,239	\$53,039
Total Expenditures	26.3	\$89,500	\$2,456,322	\$2,545,822

The table below summarizes the estimated tuition revenue generated for FY21, based on assumptions around enrollment, credit load, and cost per credit for FY21.

Student Enrollment	Assumed Headcount	FY21 Cost Per Credit*	Gross Annual Tuition Revenue	Net Annual Tuition Revenue**
Part Time (Avg 8 Credits)	60	\$212	\$305,820	\$256,595
Full Time (10-18 Credits)	60	\$212	\$382,275	\$320,744
Total	120		\$688,094	\$577,339

*Estimated

**Less Capital Building Fee, Financial Aid & Waivers

As previously stated, if this proposal is fully-funded, WWU anticipates an increase of 100 WotP students per year. Increased tuition revenue from these enrollments will allow WotP to increase positions to meet program growth before requiring additional funding from the state. For example, it is anticipated that a Program Coordinator dedicated to each program will be needed, which is not currently included in this proposal.

Workforce Assumptions:

The table below details the positions included within this proposal:

Position	FTE	2020-21
TN/TT Faculty - Environmental Sciences	1.34	\$156,501
TN/TT Faculty - Environmental Studies	0.67	\$92,341
TN/TT Faculty - College of Business & Economics	1.00	\$152,531
TN/TT Faculty - College of Business & Economics	1.00	\$158,663
TN/TT Faculty - Education	1.00	\$103,476
TN/TT Faculty - Education	1.00	\$103,476
NTT Faculty - College of Business & Economics	0.67	\$79,243
NTT Faculty - Huxley College of the Environment	0.75	\$50,075
NTT Faculty - Woodring College of Education	3.44	\$229,676
NTT Faculty - General	2.00	\$133,533
University Intern Coordinators (Education Programs)	0.56	\$27,500
Academic Administrator	1.00	\$195,454
Director of Operations, Peninsulas Programs	1.00	\$109,623
Program Coordinator	2.68	\$190,496
Recruitment/Student Support	4.00	\$305,984
Student Success Specialist	1.00	\$73,396
Learning Technologist	1.00	\$80,872
Program Assistant - Temporary	1.00	\$31,120
Office Assistant 2	0.09	\$3,317
Office Assistant 3	1.00	\$62,882
Senior Media Technician	0.13	\$6,128

Total

26.33

\$2,346,284

Strategic and Performance Outcomes

Strategic framework:

This proposal is closely aligned with the Governor's Results Washington goal areas and statewide priorities, as well as WWU's 2018-2025 Strategic Plan.

Funding this proposal will help make progress towards the Results Washington goals of increasing access to living wage jobs, increasing the economic security of Washingtonians, and increasing enrollment or employment after high school. The primary result of funding this proposal will be decreased tuition costs and improved student support services for students attending WOtP, which in turn will increase access to baccalaureate-level degrees and higher for Washingtonians. Individuals with a baccalaureate-level degree will have significantly more access to living wage jobs and on average earn approximately \$900,000 more in median lifetime earnings than high school graduates.

Expansion of WOtP is fully aligned with the University's 2018-2025 Strategic Plan, which commits to three core themes: advancing inclusive success, increasing Washington impact and enhancing academic excellence. WWU's Strategic Plan also highlights the need and the University's commitment to offering degree programs and credentials to place-bound and non-traditional students as a key strategy in addressing current and future educational and workforce demands in Washington and the region.

Performance outcomes:

WWU anticipates the following outcomes if this proposal is fully funded:

- Decreased tuition costs: If this proposal is fully-funded, current and prospective students enrolled or planning to enroll in one of the seven WOtP degree programs currently tuition-funded would see a decrease in tuition costs of approximately \$6,000 per year beginning in the fall of 2020.
- Increased enrollment: If this proposal is fully-funded, WWU anticipates an increase of 100 WOtP students per year. The expected enrollment increase would be the result of decreased tuition costs and increased recruitment and advising.
- Meeting workforce needs: By increasing the number of graduates of WOtP degree programs through the strategies proposed in this decision package, many regional workforce needs on the Kitsap and Olympic peninsulas will be addressed, particularly in the high-workforce demand fields of education, business and environmental science/policy.
- Increased regional presence: Funding this proposal will strengthen and solidify WWU's presence in the Kitsap and Olympic peninsula region by enabling the university to hire more permanent faculty who will be located in the region and by establishing a new administrative leadership role based in the region.

Performance metrics include:

- Enrollment and graduation rates for WOtP;
- Educational attainment rates for residents of the Kitsap and Olympic peninsulas; and
- Measures related to regional workforce skills gap and job openings.

Other Collateral Connections

Intergovernmental:

Enrollments at Olympic and Peninsula Colleges will likely increase as WOP enrollments increase.

Stakeholder response:

The 2018 WOtP Feasibility Study involved interviews and focus group sessions with various stakeholders across the Kitsap and Olympic peninsulas region. Stakeholder groups contacted included educational leaders from public K-12 and post-secondary sector, employers, industry representatives, representatives of Naval Base Kitsap and the Puget Sound Naval Shipyard, Workforce and Economic Development Councils, Regional STEM Network Representatives, Community leaders in Bremerton, Poulsbo, Port Townsend, Port Angeles, and Shelton, Representatives of local Native American tribes, and representatives from Peninsula and Olympic Colleges. The result of the stakeholder interviews and focus groups was strong interest and support for an expanded WWU presence on the Peninsulas.

Legal or administrative mandates:

None identified.

Changes from current law:

None identified.

State workforce impacts:

None identified.

State facilities impacts:

Funding this proposal will not result in immediate impacts to state facilities nor will it require capital construction in the near term. There is currently space available at all three WOtP locations. As WOtP enrollments increase, WWU may request capital funding for an additional academic building as well as maintenance and operations funding for existing facilities.

Puget Sound recovery:

No connection identified.

Reference Documents

- IT Addendum Fiscal Estimates Workbook - Peninsulas.xlsx
- ITaddendum2020supplemental - WOtP.docx
- Peninsulas Expansion Template.xlsx

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

Yes

ITaddendum2020supplemental - WOtP.docx