

October 4, 2002

The Honorable Gary Locke
Governor of the State of Washington
PO Box 40002
Olympia, WA 98504-0002

Dear Governor Locke:

The recent and devastating fire in Parks Hall on the university campus compels Western to submit a 2002-03 supplemental operating budget request to cover unanticipated operating expenses resulting from the fire. The University engaged in a race against the clock this summer to repair and rebuild this facility by September 25, the first day of classes for the fall quarter.

On July 3, 2002, an alert student noticed heavy smoke coming out of Parks Hall. He immediately activated a fire alarm and the Bellingham Fire Department responded within minutes. The fire had originated in the computer server room on the third floor of the College of Business and Economics. Unfortunately, although the fire was contained in that room, heavy smoke damage throughout the building necessitated a major restoration effort. Because of the extremely tight utilization of space on Western's campus, it was critical that Parks Hall be restored and available for Fall Quarter. With that in mind, the University administration established re-opening of the building by September 25 as a primary goal and contracted with an expert in damaged-building restoration under an emergency declaration.

Office of Financial Management staff and Legislative staff had an opportunity this summer to view the damage caused by the fire. Parks Hall houses both classrooms and faculty/staff offices. More than 100 faculty and staff were displaced for several months as were several hundred students attending summer school courses. During the academic year (fall, winter and spring quarters), Parks Hall serves approximately 1,600 students in the College of Business and Economics and other programs.

The 2002-03 supplemental operating budget requests \$850,000 to cover expenditures that will not be covered by insurance reimbursements. Since insurance coverage is minimal for state of Washington facilities, it is currently

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anticipated that approximately \$300,000 will be covered, resulting in total operating budget emergency expenditures of \$1,150,000.

The attached request document includes a full justification narrative, as required by the Office of Financial Management. Please be advised that minor changes to the final request amount may occur as insurance reimbursements are finalized over the next few months. A companion supplemental capital request has also been prepared and will be submitted under separate cover.

We will continue providing details to your staff as insurance reimbursements are finalized and as classes progress. Thank you for your continuing and strong commitment to public education and your dedication in supporting Western Washington University. We stand ready to answer your questions and to help you however possible.

Sincerely,

Karen W. Morse
President

KWM/pr
Enclosures

DECISION PACKAGE TITLE: Parks Hall Fire: Resume university operations following the summer of 2002 fire.

**Parks Hall Fire – 2002-03 Supplemental Operating Budget Request
\$850,000***

*** NOTE: A companion supplemental capital budget request is also submitted, under separate cover.**

Agency Recommendation Summary Request

The recent and devastating fire in Parks Hall on the university campus compels Western to submit a 2001-2003 supplemental operating budget request to cover unanticipated operating expenses resulting from the fire.

Office of Financial Management staff and Legislative staff had an opportunity this summer to view the destruction of the devastating Parks Hall fire. Parks Hall houses both classrooms and faculty/staff offices. More than 100 faculty and staff were displaced for several months as were several hundred students attending summer school courses. During the academic year (fall, winter and spring quarters), Parks Hall serves approximately 1,600 students in the College of Business and Economics and other programs. The University engaged in a race against the clock this summer to repair and rebuild this facility by September 25, the first day of classes for the fall quarter.

The supplemental operating budget request represents approximately \$850,000 in expenditures that will not be covered by insurance reimbursements. While insurance coverage is minimal and final decisions on coverage will not be available until this winter, it is currently anticipated that approximately \$300,000 will be covered.

In order to restore Parks Hall for the fall semester, the University temporarily reallocated funds from various other operating budgets and reserve funds these past few weeks in order to cover emergency costs related to operations. OFM and legislative staffs will be notified when final numbers have been determined.

Fiscal Detail

	2001-02	2002-03	2001-03
RESOURCES			
Fund 001, General Fund – State		\$850,000	\$850,000
Insurance Reimbursement-OFM		\$300,000	\$300,000
Total Resources		\$1,150,000	\$1,150,000
USES (EXPENDITURES)			
Faculty		\$0	\$0
Exempt		\$0	\$0
Classified		\$0	\$0
Hourly		\$0	\$0
Salaries and Wages		\$0	\$0
Employee Benefits		\$0	\$0
Goods and Services		\$842,000	\$842,000
Equipment		\$308,000	\$308,000
Total Expenditures		\$1,150,000	\$1,150,000

STAFFING FTE (B6)

Faculty	0.00	0.00
Exempt	0.00	0.00
Classified	0.00	0.00
Hourly	0.00	0.00
Total FTE	0.00	0.00

Description

Details

Operating expenditures are varied under this type of emergency. University staff and contractors worked diligently this summer to replace and/or clean computers, servers, printers, office supplies, and furnishings of all types (including but not limited to scanners, computer related hardware such as racks and stands, keyboards, mice, speakers, copiers, phones). Overtime expenses and contract expenses related to all phases of the emergency response were incurred, as were moving expenses and hazardous waste disposal. The cleaning and handling contract with Belfor constituted the bulk of these expenses and related debris clean-up and decontamination of EDP equipment. Expenditures related to accommodating some faculty and staff in temporary offices while repairs ensued, also are included.

Administrative expenses, restoration of lost data on computer systems, extra expenses in order to conduct business as usual (acquiring temporary classroom space and offices and lab space; the rental of a trailer to provide needed space), the cleaning of office supplies, books and faculty artifacts related to teaching (diplomas, graduation gowns),

transportation costs, and overtime needed to expedite repairs. The Western Budget office will provide a detailed list of related expenditures upon request.

How the Supplemental contributes to the University's Strategic Plan.

The primary goals of Western's Strategic Plan are quality, diversity and community service. This supplemental request ensures that funds temporarily diverted may be restored to their original purposes to ensure uninterrupted continuation of projects and programs.

Measurement of Objectives and Performance Measures.

Before and after photographs are included in the supplemental capital budget request.

The Reason for the Supplemental.

Emergency response to July 4th weekend fire in Parks Hall.

The Impact on Students and Services.

Approximately 1,500 students currently enrolled in Western's College of Business and Economics will be able to attend classes on the opening day of fall semester. Faculty will be able to serve students from faculty offices.

The Impact on Other State Programs or Other Units of Government.

None.

The relationship, if any, to the state's capital budget.

A companion supplemental capital request is submitted under separate cover.

Revisions required in an existing statute, Washington Administrative Code (WAC), contract, or state plan in order to implement the change.

None.

Alternatives Explored by the University.

Western sought the maximum reimbursement possible from the insurer.

Budget Impacts in Future Biennia.

This is one-time emergency funding.

A distinction Between One-Time and Ongoing Functions and Costs.

All components of this decision package item are non-recurring.

Effects of Non-Funding.

A one-time, non-recurring reallocation from 2002-03 operating budgets would be required to cover these costs.