A Turning Point

A recap of the 2012 legislative session

In the face of daunting financial circumstances, the Washington State Legislature in 2012 made the strongest commitment to higher education and Washington State University seen in years. Not only did the Legislature stop the bleeding on the budget front, it recognized the competitive environments within which the university operates by approving a number of reforms that will help it operate more efficiently. And it further recognized WSU’s credentials by enlisting the university’s help in bolstering the state’s aerospace industry.

A remarkable commitment to higher education

• Despite facing still another dramatic budget shortfall, the Legislature held higher education harmless for the first time since 2008, a remarkable achievement that recognized higher education’s role in fueling an economic resurgence. By session’s end, all four legislative caucuses produced budget proposals that did not include a general reduction to higher education.

Building an economic recovery

• By approving WSU’s budget request to complete the Biomedical and Health Sciences Building in Spokane, the Legislature recognized the vast economic potential at the Riverpoint campus and WSU’s role in advancing medical education throughout the state.
• The Legislature also made a notable contribution to the Wine Science Center in Richland, a project with immense community support that will appropriately reflect the university’s historic role in building what has become a $3 billion wine industry in Washington.

Answering the call to aerospace

• In recognition of WSU’s strong reputation for educating increasing numbers of engineering students, the Governor and the Legislature turned to WSU to boost those numbers even more, to support the state’s surging aerospace industry. As a result, WSU will be increasing engineering enrollments this fall in Pullman, Vancouver, Everett, and Bremerton. In doing so, the state’s land grant research university will continue its mission to unite residents with opportunities for education and jobs.
• The Legislature called upon WSU to help lead the state’s new Aerospace Innovation Center to promote research that will drive the next generation of advancements in the aerospace industry.
• With clean energy research composing one of the university’s stepples of excellence, WSU has been called upon by the Legislature to develop meaningful reforms to complement federal efforts to spur the commercialization of aviation biofuels. Legislation that was developed by WSU to move forward on permitting and financing biorefineries was approved with broad bipartisan majorities and signed by the Governor.

Promoting efficiency

• At the urging of the university, its regents, its students, and leaders in the business community, the Legislature approved a regulatory relief package that relieves WSU of an array of burdens in areas such as procurement, reporting requirements, travel, and direct deposit. These reforms will help the university operate more like a business.
• In addition, large bipartisan majorities in the Legislature voted to place a constitutional amendment on the November ballot which would allow the university more flexibility to invest certain operating funds to generate higher returns.
Direct impact to WSU:

- No general reductions to higher education
- $3.8M proviso for expansion of engineering enrollment, including computer science
- $75K proviso for the extension energy program to conduct a study of densified biomass as a renewable fuel used for heating homes, businesses, and other facilities
- Appropriated amounts are deemed sufficient to implement ESSB 6486 – collective bargaining for post-doctoral researchers
- Prohibits the use of state appropriations to support intercollegiate athletics
- Transfers $90K of funding for the Ruckelshaus Center from UW to WSU
- In FY13, reduces the monthly employer funding rate for insurance benefits from $850 to $800
- Allows the payment of cash awards to employees if funded through private donations

Other actions in the compromise budget:

- Within appropriated funds all four-year institutions and community colleges are to conduct a comprehensive review of tuition waiver policies and report on tuition waiver uses and costs (forgone revenue) and outcomes and make recommendations for changes to waiver policy
- Prohibits differential resident undergraduate tuition rates for the remainder of the 2011-13 biennium. A legislative advisory committee will conduct a study of the impact of differential rates on the Washington advanced college tuition (GET) program
- No cuts to state financial aid programs. The Washington State Institute for Public Policy at The Evergreen State College will conduct a longitudinal study of the State Need Grant program to determine to what extent this program has increased access and degree attainment for low-income students. A report of the findings and recommendations are to be submitted to the Governor and the Legislature no later than December 1, 2012
- No reductions to the STARS program
- Includes a $4M appropriation to the Life Sciences Discovery Fund which is used for the promotion of life sciences research conducted in the state
- 1.5M in funding is provided to UW for the Aerospace Innovation Center – a joint venture of UW and WSU to produce research on new technologies and innovations in aviation, aerospace, and defense

Efficiency Measures Granted (3SHB 2585), Effective 6/7/2012

(Implementation steps are currently being developed in Business and Finance)

Procurement, Payroll, and Travel:

- Higher education may make payments in advance for equipment maintenance services to be performed for up to 60 months (instead of 12 months).
- Higher education may make direct purchases of up to $10,000 (instead of $5,000); higher education is exempt from formal sealed bids for goods and services of $100,000 or less; however purchases between $10,000 and $100,000 have certain requirements with regard to inviting quotations and documenting records of competition.
- Higher education may require payment of wages by direct deposit for employees with accounts in financial institutions, and by other methods for employees who don’t have such accounts, allows payment by alternative methods.
- Higher education may use all appropriate means to make travel arrangements, including electronic booking and reservations, advance payments for tours, lodging, and other necessary related expenses. Such arrangements must be made in the most cost-effective and efficient manner possible, regardless of source of funds.

FOR MORE INFORMATION

Government Relations: governmentrelations.wsu.edu
Budget Office: budget.wsu.edu