

Date: April 26, 2023 **[UPDATED May 18, 2023]**

Subject: Final Compromise 2023-25 Biennial Operating and Capital Budgets

The state legislature reached a compromise on the state's 2023-25 biennial [operating](#) and [capital](#) budgets, as well as a second supplemental 2023 operating budget (embedded within the biennial budget) on the last day of the legislative session. As a result, the legislature ended their work on time, on Sunday, April 23. In May, the Governor [vetoed](#) a directive pertaining to office space reductions that was mentioned in this brief. We have updated the previous version of this brief, which is [highlighted](#) in the "Other Notable Changes" section. Previous legislative proposals are described on the [OPB Briefs page](#) of our website.

The outcomes of the state operating budget will be incorporated into the UW's Fiscal Year 2024 (FY24) operating budget, which will be presented to the Board of Regents as an information item in May and as an action item in June. The legislature will have an opportunity to amend this two-year budget during the next legislative session, set to begin in January 2024.

For more information regarding the UW's requests for state funding, please see our 2023-25 operating and capital submissions on [OPB's State Budget Information page](#). All budget proposals and supplemental documents can be found on the state's [Fiscal Information website](#).

OPERATING BUDGETS

At the end of the 2022 legislative session, the economic outlook in Washington state was forecasted to be positive. Overall revenue projections released by the Economic and Revenue Forecast Council (ERFC) were greater than anticipated by approximately \$1 billion in the 2021-23 biennium. Because of this, lawmakers approved a 2022 supplemental budget that appropriated significant funding to the UW, including compensation and hospital safety-net support. However, beginning with the [June 2022 Revenue Forecast](#), the ERFC's overall outlook shifted to caution that economic growth, while still positive, was slowing. This cautionary trend has progressed, and the [March 2023 forecast](#) revised revenue projections down compared to the November 2022 forecast.

Based on the March 2023 forecast, the legislature's operating budget proposals are somewhat aligned with what was proposed by the Governor, and all proposals reflected increases over the previous biennium. Many of the UW academy requests are funded in the compromise budget, and UW Medicine will receive one-time appropriations of \$50 million in FY23 and \$100 million in FY24 to support our hospitals from a mix of federal and state funds.

Direct Impacts to the UW

Overall, the final compromise biennial operating budget proposal reflects a significant increase over the carry-forward level (cost of continuing the 2021-23 budget into 2023-25), which is largely attributed to significant one-time restricted funding for UW Medicine. Table 1, on the next page, shows:

- **2021-23 Biennium:** current funding provided over the 2021-23 biennium (FY22 and FY23), **proposed 2023 supplemental budgets** from the Governor, House, and the Senate, and the **final compromise** (affecting FY23 only).
- **2023-25 Biennium:** assumed base funding (the cost of continuing appropriations from the previous biennium into the upcoming biennium), **proposed 2023-25 biennial operating budgets** from the Governor, House, and the Senate, and the **final compromise** (affecting FY24 and FY25).

**Table 1: UW State Funding - 2023 Supplemental and 2023-25 Biennial Operating Budget Proposals
Near General Fund State (in \$1,000s)**

Budget	FY1	FY2	Total
Current Biennium (affecting FY23)			
2021-23 Base Funding (Biennial Budget + 2022 Supplemental)	434,927	469,852	904,779
Governor's 2023 Supplemental Budget	434,927	572,209	1,007,136
Senate 2023 Supplemental Budget	434,927	490,209	925,136
House 2023 Supplemental Budget	434,927	572,209	1,007,136
Final Compromise 2023 Supplemental Budget	434,927	472,209	907,136
Upcoming Biennium (FY24 and FY25)			
2023-25 Base Funding (2021-23 Base + Carryforward Level)	446,549	445,282	891,831
Governor's 2023-25 Biennial Operating Budget	504,635	527,234	1,031,869
Senate 2023-25 Biennial Operating Budget	523,371	528,587	1,051,958
House 2023-25 Biennial Operating Budget	489,146	509,418	998,564
Final Compromise 2023-25 Biennial Operating Budget	583,064	520,505	1,103,569

Table 2, below, shows a line-by-line breakdown of the funding levels and policy changes proposed in the 2023 supplemental operating budgets, amending the current budget for the final months of 2023. Table 3, on the next page, details the 2023-25 biennial operating budget. While we frequently see other state agencies receive funding that stipulates that funds must be contracted with the University, this list of provisos includes only appropriations directly to the University. Line items are described in more detail on the following pages.

**Table 2: 2023 Supplemental Operating
Budget Proposals
Near General Fund State (in \$1,000s)**

	Governor	Senate	House	Legislative Compromise		
	2021-23 Total	2021-23 Total	2021-23 Total	FY22	FY23	2021-23 Total
2021-23 Base Funding (2021-23 + 2022 Supplemental)	904,779	904,779	904,779	434,927	469,852	904,779
Maintenance & Policy Level Changes	102,357	20,357	102,357	-	2,357	2,357
Tuition Backfill Inflation Adjustment	2,357	2,357	2,357	-	2,357	2,357
UW Medicine Safety Net*	100,000	18,000	100,000	-		-
Total Funding	1,007,136	925,136	1,007,136	434,927	472,209	907,136

*Amounts in previous proposals differed regarding the funding account, between the General Fund - State (GF-S) and the State Coronavirus Fiscal Recovery Fund (CFRF). The Governor and House budgets would have provided \$100 million from GF-S. The Senate proposed \$50 million (\$18 million GF-S and \$32 million CFRF). The compromise budget provides the **\$50 million** from CFRF and is not reflected in the table.

Table 3: 2023-25 Operating Budget Proposals
Near General Fund State (in \$1,000s)

		Governor	Senate	House	Legislative Compromise		
		23-25 Total	23-25 Total	23-25 Total	FY24	FY25	23-25 Total
2023-25 Base Funding (2021-23 + CFL)*		891,831	891,831	891,831	446,549	445,282	891,831
Maintenance Level Changes		51,107	49,181	17,748	9,870	13,485	23,355
Maintenance & Operations (ML+PL)		10,339	8,525	2,918	3,006	5,519	8,525
Tuition Backfill Inflation Adjustment		8,670	8,670	8,670	3,793	4,877	8,670
Maintenance Level Central Service Adjustments		541	1,120	1,120	552	568	1,120
Worker's Compensation		2,357	1,666	1,666	832	834	1,666
Ramp-up Funding		3,374	3,374	3,374	1,687	1,687	3,374
Preventative Maintenance Fund Shift		25,826	25,826	-	-	-	-
Policy Level Changes		88,931	110,946	88,985	126,645	61,738	188,383
Policy Level Central Service Adjustments		6,410	3,168	3,751	1,673	1,565	3,238
Compensation	SEIU 925	3,341	3,424	3,424	1,538	1,886	3,424
	WFSE1488&3488	2,684	2,752	2,752	1,241	1,511	2,752
	Teamster117Police	235	241	241	75	166	241
	WFSE Police Management	141	144	144	47	97	144
	Non-Rep General Wage Increases	29,630	30,357	30,357	10,950	19,407	30,357
	Compensation/Fund Split Support	20,490	22,793	17,324	6,532	11,108	17,640
	Termination of Plan 1 UAAL Rate	-	(1,766)	-	(732)	(1,034)	(1,766)
	Total Employee Benefits Changes	4,206	1,946	1,139	531	1,421	1,952
UW Medicine Safety Net*		-	18,000	-	80,000	-	80,000
Tri-Campus High Demand Enrollments		10,578	10,578	8,838	3,841	6,987	10,828
RIDE Program Expansion		4,326	-	4,326	-	-	-
BHTF Physician & Facility Support		6,558	6,558	4,895	8,212	4,183	12,395
Student Support Services (Tacoma)		-	-	1,397	698	699	1,397
Buy Clean, Buy Fair		332	-	332	-	-	-
5048 College in High School Fees		-	3,288	-	1,644	1,644	3,288
5094 Water System Plans/Climate		-	174	-	-	-	-
5388/1745 Diversity in Clinical Trials		-	1,355	728	686	669	1,355
5189 Behavioral Health Support		-	157	-	96	61	157
Burke Museum Tribal Relations		-	500	800	400	400	800
Center for Indigenous Health		-	1,000	-	500	500	1,000
Difficult to Discharge Pilot		-	205	205	205	-	205
Family Medicine Residency Program		-	2,000	-	1,000	1,000	2,000
International Trade/Forest Products		-	350	-	175	175	350
Labor Archives of WA		-	100	-	50	50	100
Latino Center for Health		-	500	300	250	250	500
WA MESA		-	700	946	350	350	700
Nanocellulose Pilot Facility and Research		-	600	400	350	650	1,000
Kelp Conservation & Recovery		-	484	-	242	242	484
Telehealth Collaborative		-	100	100	50	50	100
WA Population Data Repository		-	1,238	-	523	715	1,238
Oral Health Workforce		-	-	100	100	-	100
Applied Child and Adolescent Psych		-	-	2,224	713	1,511	2,224
Addictions, Drug & Alcohol Institute		-	-	500	250	250	500
Culturally Responsive Mental Health		-	-	800	400	400	800
Review Recorded Covenants		-	-	426	225	201	426
Inequities Research Framework		-	-	200	200	-	200
Long-Term Care Nursing		-	-	300	150	150	300
Planning Program Stipends		-	-	200	100	100	200
Post Prison Pathways		-	-	800	400	400	800
1559 Postsecondary Student Needs		-	-	586	220	220	440
Public Service Grad. Aid		-	-	450	225	225	450
1715 Center for DV Research		-	-	-	500	1,500	2,000
Harry Bridges Center for Labor Studies		-	-	-	150	150	300
Math Improvement Pilot		-	-	-	50	50	100
5263 Psilocybin Pilot Program		-	-	-	735	729	1,464
5440 Trueblood Competency Evaluations		-	-	-	1,100	1,100	2,200
Total Funding		1,031,869	1,051,958	998,564	583,064	520,505	1,103,569

*The final compromise and the Senate proposal both include \$100 million in FY24 that is funded through GF-S and CFRF. Only the GF-S amounts are included in the table.

Tuition Policy

The final budget continues current tuition policy (enacted by [2ESSB 5954](#), 2015), which has allowed resident undergraduate tuition increases of approximately 2.2-2.8 percent each year. Part of that policy requires an inflationary adjustment to tuition backfill amounts provided in previous budgets. The backfill adjustments in the House and Senate budget proposals match the Governor's budget and would result in an additional \$2.3 million in the 2023 supplemental budget and \$8.7 million in funding over the new biennium.

Compensation and Benefits

Compensation:

Salary increases for faculty and staff were the University's highest priority requests for the 2023-25 biennial budget.

- For represented staff, 2023-25 collective bargaining agreements (CBAs) submitted by the University would be approved. This includes four new collective bargaining agreements that were determined to need state approval prior to the legislative session. New agreements were approved but did not include any additional state funding, and therefore are not reflected in the table above.
- For non-represented faculty and staff, the final budget authorizes salary increases of 4 percent in FY24 and 3 percent in FY25. The University requested that the state improve the "funding split" between state funding and assumed tuition revenue to 66% state funding, which was proposed by the Governor and Senate. Unfortunately, the final budget would provide a lower, 60% state funding split, which was originally proposed by the House. The difference in state funding is about \$5 million, which will need to be diverted from other priorities in order to implement the salary increases assumed by the state.
 - It is also important to note that compensation funding provided by the state only covers a portion of what is needed to cover the cost of salary increases. These salary increases are paid for by the combination of state funding and tuition revenue (our General Operating Fund) only and account for a small fraction of our employee base. Salary increases for all other employees need to be funded from other sources of revenue.
- Like previous proposals, the final budget will not provide one-time lump sum payments to employees in higher education that are given to other state employees (retention payments and COVID-19 booster incentives).

Benefits:

Monthly employer contribution caps for employee benefits would be updated from \$1,130 in FY23 to \$1,145 in FY24 and \$1,191 in FY25. This is the same as Senate proposed, which is in between proposals from the House (proposed maintaining \$1,130 for FY24 then increasing to \$1,184 in FY25) and Governor (\$1,160 in FY24 and \$1,233 in FY25). These benefit assumptions represent significant costs across all UW activities and are passed through to unit cost centers via benefit load rates.

The final budget would also reduce state funding and cost assumptions across several state budgeted funds related to [Senate Bill 5294](#), which would change employer contributions to the unfunded actuarial accrued liability (UAAL) of PERS 1 and TERS 1 retirement plans. The state funding reduction for the UW amounts to more than \$1.7 million over the biennium, but the budget assumes savings across all UW budgeted funds, which would be factored into benefits rates.

Maintenance Level Changes

The UW submitted several budget requests at the maintenance level including maintenance and operations for new buildings, completing planned ramp-ups of funding for items funded in previous budgets, and a maintenance and operations (M&O) fund shift. Budget proposals varied between funding these items at the maintenance and policy levels, but we will summarize budget approaches for maintenance level requests here.

- **Maintenance & Operations:** The University requested \$3.3 million in FY24 and nearly \$7 million in FY25 for maintenance & operations of UW Bothell – STEM4 (Innovation Hall), the Interdisciplinary Engineering Building (IEB) at UW Seattle, and the Behavioral Health Teaching Facility (BHTF) at UW Medical Center – Northwest Campus. All three buildings are state funded and will be completed during the 2023-25 biennium. The final budget follows the approach originally proposed by the Senate: \$3 million in FY24 and \$5.5 million in FY25. IEB was discounted due to replaced (demolished) space and delaying occupancy across FYs, and BHTF was given a lower cost per square foot assumption. Bothell STEM 4 is fully funded.
- **Ramp-Up Funding:** The University requested \$3.4 million beginning in FY24 to continue planned funding ramp-ups of legislation passed during the state’s 2021-23 biennial and 2022 supplemental budgets. These are important investments that were intended to ramp up into the 2023-25 biennium including child psychiatry fellowships, psychiatry residencies, DEI training for UW employees and students, the Suicide Safer Homes Task Force, and cannabis research and education. The final budget ramps up these items as intended, though does so as separate proviso allocations at the policy level. Allocations are largely funded out of the Workforce Education Investment Account (WEIA).
- **Maintenance & Operations Fund Shift:** Since the 2003-05 and 2005-07 budgets, a biennial total of \$25.825 million in UW operating funds to support M&O has been shifted from appropriations in the state operating budget to expenditures from the UW Building Account. The University requested to reverse this shift, which would enable the UW to make urgent investments in renewal and address our deferred maintenance backlog (estimated to total well over \$2 billion). In line with the House proposals, **the final budget does not fulfill this request**, which was proposed to be included by the Governor (ongoing) and Senate (one-time).

Policy Level Changes

The compromise budget includes funding for many UW budget requests at the policy level. These requests, particularly those around student support services and the UW Medicine safety net, would address critical needs across the UW that have been exacerbated by the COVID-19 pandemic. More detail about each is below:

UW Budget Requests:

- **Tri-Campus High Demand Enrollments:** The University requested \$3.7 million in FY24 and \$6.9 million in FY25 to offer additional enrollment slots in computer science and engineering disciplines on each campus. **This request is partially funded** as the final budget does not include funding for some Engineering student support services or to increase enrollments at the Information School on the Seattle Campus. A detailed breakdown of proposed funding levels, which are all funded by the Workforce Education Investment Account, is as follows:
 - The Paul G. Allen School of Computer Science and Engineering would receive \$2 million in FY24 and \$4 million in ongoing funding starting in FY25 (ongoing), plus \$125,000 in each FY24 and FY25 for the Startup program (one-time funding).
 - UW Bothell School of STEM would receive \$862,000 per year to create an equivalent to the STARS program.
 - UW Tacoma School of Engineering and STEM would receive \$854,000 in FY24 and \$2 million in ongoing funding starting in FY25.
- **UW Medicine Safety Net:** The final compromise provides the following allocations in response to the University’s requests for additional hospital support:
 - **FY23 (Second Supplemental Budget):** \$50 million from the State Coronavirus Fiscal Recovery Fund - Federal (CFRF, not included in the tables above due to fund source).
 - **FY24 (Biennial Budget):** \$80 million from General Fund-State and \$20 million from CFRF (GF-S portion is included in budget tables).

- **BHTF Physician & Facility Support:**

- The University requested full cost-based reimbursement for the seventy-five 90/180 day civil commitment beds in the new Behavioral Health Teaching Facility. The final budget provides \$23.8 million, partial federal share reimbursement, following the Senate approach. The House budget would have provided full cost-based reimbursement (\$21.2 million in state funding and \$30.2 million in federal funding). Reimbursement would occur through the Health Care Authority (HCA) so is not reflected in the tables above.
- The University also requested funding to support faculty clinicians providing services in the long-term civil commitment beds of \$6.6 million over the 2023-25 biennium and one-time bridge funding to begin operating the facility. The final budget includes \$4.9 million for the biennium for (matching the House proposal by reducing the assumptions around how long it would take to hire staff in FY24) and also provides an additional \$7.5 million for startup costs in FY24 only, which was not seen in any previous proposals.

- **Student Support Services (Tacoma):** The University requested \$4 million over the biennium for student support services at all three campuses. The final budget matches the House proposal with an allocation of \$698,000 in FY24 and \$699,000 in FY25, at UW Tacoma only. The funding level matches the University's original request for the Tacoma campus, but funding is one-time.

- **UW requests not funded in the final budget:**

- **Dentistry RIDE Expansion:** The University requested \$2 million in FY24 and \$2.3 million in FY25 to expand the capacity and footprint of the Regional Initiatives in Dental Education (RIDE) program in Spokane. Funding was proposed in budgets from the Governor and House, but unfortunately the final budget follows the Senate approach and **does not** include an appropriation.
- **UW Quantum Initiative** (\$6 million over the biennium)
- **Tri-campus High Demand Enrollments – Information School** (\$1.8 million over the biennium)
- **Student Support Services - Bothell & Seattle** (\$2.6 million over the biennium)

Additional Provisos in the Compromise Budget:

- **College in the High School Fees:** \$1.64 million in each FY24 and FY25 for College in the High School courses as provided in [Second Substitute Senate Bill 5048](#). This is expected to be ongoing funding through the Workforce Education Investment Account.
- **Diversity in Clinical Trials:** \$686,000 in FY24 and \$669,000 in FY25 to adopt policies regarding diversity in clinical trials as provided [Second Substitute House Bill 1745](#). This is expected to be ongoing funding.
- **Behavioral Health Support:** \$96,000 in FY24 and \$61,000 in FY25 for the implementation of [Substitute Senate Bill 5189](#) which establishes behavioral health support specialists. This is expected to be one-time funding through the Workforce Education Investment Account.
- **Burke Museum Tribal Relations:** \$400,000 in each FY24 and FY25 is provided for the Burke Museum to engage in tribal relations work, including tribal consultation, expanding Native programming, and digitization of Native collections. This is expected to be one-time funding.
- **Center for Indigenous Health:** \$500,000 in each FY24 and FY25 for the Center for Indigenous Health to increase the number of American Indian and Alaska Native physicians practicing in the state. This is expected to be ongoing funding through the Workforce Education Investment Account.
- **Difficult to Discharge Pilot:** \$205,000 in FY24 to facilitate an initial plan to establish a pilot program to help address hospital inpatient discharge challenges and to organize a task force to make further policy recommendations regarding discharging patients from acute care settings and post-acute care capacity. This is expected to be one-time funding.

- **Family Medicine Residency Program:** \$1 million in each FY24 and FY25 to expand the Family Medicine Residency Program. This proviso was funded from the Education Legacy Trust Account and is expected to be ongoing funding.
- **International Trade/Forest Products:** \$175,000 in each FY24 and FY25 for the UW Center for International Trade in Forest Products. This is expected to be one-time funding through the Workforce Education Investment Account.
- **Labor Archives of WA:** \$50,000 in each FY24 and FY25 to support the Labor Archives of Washington. This is expected to be one-time funding through the Workforce Education Investment Account.
- **Latino Center for Health:** \$250,000 in each FY24 and FY25 to support the Latino Center for Health. This is expected to be one-time funding through the Workforce Education Investment Account.
- **WA MESA:** \$350,000 in each FY24 and FY25 for the Washington Mathematics, Engineering, Science Achievement (WA MESA) Program. Of this amount, \$200,000 is for additional program support and \$500,000 is for WA MESA and Washington State University Everett to plan and implement expansion of MESA activities at the Everett campus. This is expected to be ongoing funding from the Workforce Education Investment Account.
- **Nanocellulose Pilot Facility and Research:** The University received two provisos for nanocellulose production and research. \$150,000 in FY24 and \$450,000 in FY25 is provided for the operation of a pilot plant to produce nanocellulose-based materials for evaluation by potential users. The second provision provides \$200,000 in each FY24 and FY25, from the Workforce Education Investment Account, for nanocellulose based research to produce a replacement for cellophane and clear plastic products with one made with plant materials that is biodegradable. Both items are expected to be one-time funding.
- **Kelp Conservation & Recovery:** \$242,000 in each FY24 and FY25 to perform coordination, monitoring, and research related to Puget Sound kelp conservation and recovery. This is expected to be one-time funding through the Workforce Education Investment Account.
- **Telehealth Collaborative:** \$50,000 in each FY24 and FY25 for the continuation of the Collaborative for the Advancement of Telemedicine hosted by UW's Telehealth Services through June 30, 2025. This is expected to be one-time funding.
- **WA Population Data Repository:** \$523,000 in FY24 and \$715,000 in FY25 to establish WashPop, a statewide integrated data repository for population and policy research. This is expected to be one-time funding through the Workforce Education Investment Account.
- **Oral Health Workforce:** \$100,000 in FY24 for the Center for Health Workforce Studies to continue a program to track dental workforce trends, needs, and enhancements to better serve increasing demand for access to adequate oral health care. This is expected to be one-time funding.
- **Applied Child and Adolescent Psych:** \$713,000 in FY24 and \$1.5 million in FY25 for program support and student scholarships for the expansion of the Master of Arts in Applied Child and Adolescent Psychology. This is expected to be one-time funding through the Workforce Education Investment Account.
- **Addictions, Drug & Alcohol Institute:** \$250,000 in each FY24 and FY25 for the Addictions, Drug, and Alcohol Institute to continue cannabis and public health impact research. This is expected to be one-time funding through the Workforce Education Investment Account.
- **Culturally Responsive Mental Health:** \$400,000 in each FY24 and FY25 for the CoLab for Community and Behavioral Health Policy to work in collaboration with the Latino Center for Health and allies to convene a community coalition and design team to develop recommendations for the expansion of culturally responsible community mental health services focused on children and adolescents in the state. This is expected to be one-time funding through the Workforce Education Investment Account.
- **Review Recorded Covenants:** \$225,000 in FY24 and \$201,000 in FY25 to continue the implementation of [RCW 49.60.525](#). This is expected to be one-time funding through the Workforce Education Investment Account.

- **Inequities Research Framework:** \$200,000 in FY24 to develop a framework for research to help determine inequities in poverty, access to service, language barriers, and access to justice for individuals of Middle Eastern descent. This is expected to be one-time funding through the Workforce Education Investment Account.
- **Long-Term Care Nursing:** \$150,000 in each FY24 and FY25 for web-based long-term care nurse residency program and a social media campaign promoting long-term care nursing. This is expected to be one-time funding through the Workforce Education Investment Account.
- **Planning Program Stipends:** \$100,000 in each FY24 and FY25 for planning program student studios to assist cities and counties with planning projects. This is expected to be one-time funding through the Workforce Education Investment Account.
- **Post Prison Pathways:** \$400,000 in each FY24 and FY25 for the development and implementation of a program to support pathways from prison to UW Tacoma. This proviso is expected to be ongoing funding through the Workforce Education Investment Account.
- **Postsecondary Student Needs:** \$220,000 in each FY24 and FY25 to implement [Second Substitute House Bill 1559](#) and hire 0.75 FTE benefits navigator per campus. This is expected to be ongoing funding through the Workforce Education Investment Account.
- **Public Service Grad Aid:** \$225,000 in each FY24 and FY25 to provide financial assistance to students in public service-oriented graduate and professional degree programs. Prioritization is granted to traditionally underrepresented students expressing interest in physician assistant, community-oriented public health, or social work programs. This is expected to be one-time funding through the Workforce Education Investment Account.
- **Center for Excellence – DV Research:** \$500,000 in FY24 and \$1.5 million in FY25 for the implementation of [Engrossed Second Substitute House Bill 1715](#), which creates the Center for Excellence in Research, Policy, and Practice to Reduce Domestic Violence. This is expected to be one-time funding through the Workforce Education Investment Account.
- **Harry Bridges Center for Labor Studies:** \$150,000 in each FY24 and FY25 to support the Harry Bridges Center for Labor Studies. This is expected to be one-time funding through the Workforce Education Investment Account.
- **Math Improvement Pilot:** \$50,000 in each FY24 and FY25 for the College of Education to partner with Chehalis and Spokane school districts to continue the math improvement pilot program. This is expected to be one-time funding.
- **Psilocybin Pilot Program:** \$735,000 in FY24 and \$729,000 in FY25 for the implementation of [Second Substitute Senate Bill 5263](#). Funding is provided through the Workforce Education Investment Account and appears to match the University's fiscal note estimate, which requires funding through FY26.
- **Trueblood Competency Evaluations:** \$1.1 million in each FY24 and FY25 for a pilot program for short-term transition and stabilization support for individuals incompetent to stand trial due to intellectual or developmental disability as provided in [Engrossed Second Substitute Senate Bill 5440](#). This is expected to be one-time funding.

OTHER NOTABLE CHANGES

- **Transportation Budget:**
 - The compromise transportation budget would provide \$5 million over the biennium for a sidewalk inventory and accessibility mapping project led by faculty in the Paul G. Allen School of Computer Science. This would be funded from the Multimodal Transportation Account and would be used to develop a public dataset under an open license and develop the tools needed to publish that data according to an open data specification.
 - The transportation budget would also authorize the Burke-Gilman Trail Transit Access, Safety & Efficiency Improvements project. The House budget proposed funding the requested amount (\$6 million in the 2023-25 biennium and \$10 million in the 2025-27 biennium) but the final budget matches the Senate proposal to push the project into the next biennium and phase funding in more slowly.

- **Clean Energy Strategy:** The compromise budget also provides \$3 million in FY24 to develop a Clean Energy Strategy that will help define the modernization/recapitalization of the existing energy infrastructure and better align UW's sustainability values for the Seattle campus. Funds would be provided from the Climate Commitment Account, and therefore are not included in the table above.
- **Local Government Climate Planning:** \$75,000 in each FY24 and FY25 for the implementation of [Engrossed Second Substitute House Bill 1181](#) which directs the UW Climate Impacts Group to assist the Department of Health in developing technical assistance tools for community public water systems in incorporating climate resiliency in water system plans. Funding is expected to be one-time and is provided through the Climate Commitment Account.
- **Response to Ocean Acidification:** The compromise budget funds two items for the Washington Ocean Acidification Center (WOAC): \$150,000 per year to maintain existing monitoring levels, and \$260,000 per year to advance high-priority biological experiments. These funds are provided from the Natural Climate Solutions Account - State, and therefore are not included in the table above.
- **Behavioral Health Crisis Response:** The compromise budget would provide \$250,000 in FY24 and \$30,000 in FY25 to support recommendations regarding crisis training needs in [Engrossed Second Substitute House Bill 1134](#). This proviso would be funded from the Statewide 988 Behavioral Health & Suicide Prevention Line Account – State, and therefore is not included in the table above. The bill also extends the Crisis Response Improvement Strategy Committee by one year and directs the Behavioral Health Institute to continue to facilitate that work. That work will be privately funded and is therefore also not included in the table above.
- **New Central Services:** The final budget adds a new central service for “each agency’s share of the state data center.” Billing authority includes appropriation amounts but also requires payment from assumed tuition revenue of \$1.6 million per year. These charges represent a significant cost to the University.
- **Office Space Use Reduction:** The final compromise budget included a section that assumed cost savings from a reduction in leased office space by state agencies but did not attribute any savings to higher education institutions. However, the Governor vetoed this section instead directed the Office of Financial Management, in collaboration with the Department of Enterprise Services, to identify expiring leased office space that can be reduced.

FINANCIAL AID

Table 4 outlines the financial aid provisions for the Washington Student Achievement Council (WSAC) included in the final compromise budget, as well as those originally proposed by the House, Senate, and Governor.

	Governor	Senate	House	Legislative Compromise
Washington Student Loan Program	150,000		130,000	90,000
Good Jobs Challenge Authority	16,000	16,000	16,000	16,000
Washington College Grant (WCG) Maximum Award Adj.			21,051	14,264
WCG Eligibility Extension (SB 5711)		12,800		
Behavioral Health Workforce Loans and Stipends			10,500	10,500
Washington Health Corps			10,000	10,000
Direct College Student Support	5,778	5,778	2,800	5,778
Career and College Pathways Grants	8,000	8,000		4,000
Career Connect Washington Program Grant Funding	3,150			
Office of Career Connect Washington	2,538			
WCG Increase for Private Institutions	2,003			
College Bound Eligibility (HB 1232)			1,156	1,156
Dual Language Educator Scholarships			2,000	1,000
National Guard Grants			2,000	1,000
Students Homelessness Pilot (ESSB 5702)		936		694
Total Funding:	188,216	43,514	195,507	154,392

The final compromise budget includes:

- **\$90 million** to fund the Washington Student Loan Program, which was created in [HB 1736](#) in 2022 to provide low interest loans to students.
- **\$16 million** to fund the Good Jobs Challenge Authority. This program was funded at the same level in the Governor's proposed budget. Funds are available through a U.S. Department of Commerce grant to create equity focused, work-based learning programs.
- **\$14.26 million** to expand access to the Washington College Grant Program by providing students with families making up to 65 percent of the median family income (MFI) the maximum award.
- **\$10.5 million** to provide loan repayment awards and create a stipend payment program for behavioral health workforce students.
- **\$10 million** to provide loan repayment awards within the Washington Health Corps program.
- **\$5.78 million** to support underserved college students in King County through a nonprofit.
- **\$4 million** is provided to expand the Career and College Pathways Grant Program to increase postsecondary enrollment rates and close equity gaps.
- **\$1.16 million** to implement [HB 1232](#), which removes the grade point average requirement for the College Bound Scholarship Program for students attending community and technical colleges.
- **\$1 million** to provide scholarships for dual language education students.
- **\$1 million** to provide grants to student members of the national guard.
- **\$694,000** to fund the Students Experiencing Homelessness Grant Program, which is included in [ESSB 5702](#).

For information about the operating budget, contact [Jed Bradley](#) or [Lauren Hatchett](#). For more information about financial aid, please contact [Michael Lantz](#).

CAPITAL BUDGET

The legislature approved a [final compromise capital budget](#) before the end of session. The final compromise budget appropriates \$138.85 million in new state funding, \$93.825 million from the UW Building Account, and \$2 million from the state's Model Toxics Control Account. Overall, the final budget fully funds multiple UW requests and provides a substantial amount of new funding for key projects that will benefit both the UW and the state.

Below is an overview of allocations provided in the final compromise budget:

- **Magnuson Health Sciences T-Wing – Phase 2:** \$58 million for Phase 2 of the T-Wing Renovation at the Magnuson Health Sciences Center.
- **Anderson Hall Renovation:** \$28.7 million in construction funding for Anderson Hall, a part of the UW's original Restore the Core program to revitalize some of our oldest buildings on campus.
- **wəłəbʔaltxʷ (Intellectual House) – Phase 2:** \$9 million in design and construction funding for the second phase.
- **UWMC NW Campus - Behavioral Health Renovation:** \$13 million for the ongoing building renovation at UWMC Northwest Campus.
- **UW Tacoma – Land Acquisition:** \$7.7 million to purchase additional land around the Tacoma campus.

Items not funded in the final compromise budget:

- **Chemical Sciences Modernization:** \$5 million in design funding was requested for Chemical Sciences Modernization, a multi-phased interdisciplinary project, co-locating research faculty members from Chemistry, Materials Science and Chemical Engineering departments.

The compromise budget also included the UW's requested amount of **\$93.8 million from the UW Building Account** for Asset Preservation, Infrastructure Renewal, and Major Infrastructure (Seismic Improvements) projects. The Governor and Senate proposals would fund the M&O fund shift by providing \$25.8 million in the operating budget, freeing up Building Account funds to fully fund the UW's requests on the capital side. These funds would help address deferred maintenance and support the preservation and renewal of facilities across all three campuses. The final compromise **did not include the requested M&O fund shift**, and instead **provides \$15 million in new Climate Commitment Account funds** towards Infrastructure Renewal, which reduces that line item from a \$35 million request to a \$24.175 million total allocation and maintains the \$25.8 million from the UW Building Account for Preventative Maintenance.

The final compromise also provided **\$7.5 million for the UW Clean Energy Testbeds** as a new state appropriation from the Climate Commitment Account. This was included in the 2022 Supplemental budget as an expenditure authority from assumed federal funds, which has been rectified in this budget. As noted above, \$3 million was also provided in the final compromise operating budget for the development of a Clean Energy Strategy for the Seattle campus.

Please see the table below for a comparison of the UW's capital budget request, the amounts proposed by House and Senate leadership, and the amounts in the final 2023-25 state capital budget. For more information about the capital budget, contact [Charlotte Shannon](#).

Table 5: 2023-25 Capital Budget Proposals (in \$1,000s)

Appropriations (Requested Projects)	Final 2023-25 UW Request			House Budget			Senate Budget			Compromise Budget		
	State Funds	UW Building Account	State Toxics Control	State Funds	UW Building Account	State Toxics Control	State Funds	UW Building Account	State Toxics Control	State Funds	UW Building Account	State Toxics Control
Magnuson Health Sciences – Phase 2	58,000			58,000			58,000			58,000		
Anderson Hall Renovation	28,650			0			28,650			28,650		
Chemical Sciences Modernization	5,000			0			5,000			0		
wəˈtəbʔaltx* (Intellectual House) – Phase 2	9,000			0			9,000			9,000		
UW Tacoma – Land Acquisition	7,700			7,700			7,700			7,700		
UWMC NW Campus - Behavioral Health Renovation	13,000			0			13,000			13,000		
Asset Preservation (Minor Works & Major preservation)		44,525			44,525			44,525			44,525	
Infrastructure Renewal		35,000		13,000	9,175			35,000		15,000	9,175	
Major Infrastructure (Seismic Improvements)		14,300			14,300			14,300			14,300	
UW Tacoma - Soil Remediation			2,000			2,000			2,000			2,000
UW Clean Energy Testbeds				0			7,500			7,500		
Preventative Maintenance					25,825						25,825	
Subtotal:	121,350	93,825	2,000	78,700	93,825	2,000	128,850	93,825	2,000	138,850	93,825	2,000