Washington State University

2020 Supplemental Operating Budget Request
Table of Contents

Transmittal Letter ................................................................................................................ 1
Recommendation Summary at Agency Level ................................................................. 2
Decision Packages (Maintenance Level)
  Compensation for Information Technology (IT) Reclassification .......................... 3
Decision Packages (Policy Level)
  Soil Health Initiative ................................................................................................. 5
September 18, 2019

Governor Jay Inslee
Office of Financial Management
300 Insurance Building
3rd Floor – North
PO Box 43113
Olympia, WA 98504-3113

Dear Governor Inslee,

Enclosed you will find Washington State University’s supplemental operating and capital budget requests for the 2020 legislative session. Both requests are for priorities that were fully funded in your budget proposals submitted to the Legislature last December.

The operating budget request would complete funding for a statewide soil health research initiative for which partial funding was approved in the 2019 session.

That capital budget request would fund the design of the WSU Vancouver Life Sciences Building, the university’s only design request in the 2019-21 biennium, which would make it the university’s only construction request for the 2021-23 biennium.

The supporting documentation for these operating and capital budget requests are enclosed. We appreciate your thoughtful consideration, stand ready to answer any questions and provide additional information as requested.

Sincerely,

Kirk Schulz, President

Enclosures

cc: Mitzi M. Montoya, Provost and Executive Vice President
Colleen Kerr, Vice President for External Affairs and Government Relations
Stacy Pearson, Vice President for Finance and Administration
## Recommendation Summary

**Agency:** 365 Washington State University  
**Version:** 20_SPLR 2020 Supplemental Request

### Dollars in Thousands

<table>
<thead>
<tr>
<th></th>
<th>Average Annual FTEs</th>
<th>General Fund State</th>
<th>Other Funds</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>CB T0PL Current Biennium Base</td>
<td>6,624.2</td>
<td>452,908</td>
<td>1,344,653</td>
<td>1,797,561</td>
</tr>
</tbody>
</table>

### 2019-21 Current Biennium Total

|                      | 6,624.2             | 452,908            | 1,344,653   | 1,797,561   |

### Total Carry Forward Level

| Percent Change from Current Biennium | .0% | .0% | .0% | .0% |

### Maintenance – Comp Changes

| Compensation for IT Reclass | 0.0 | 1,133 | 0 | 1,133 |

| Maintenance – Comp Total   | 0.0 | 1,133 | 0 | 1,133 |

### Total Maintenance Level

| Percent Change from Current Biennium | .0% | .3% | .0% | .1% |

### Policy – Other Changes

| Soil Health Initiative | 3.0 | 788 | 0 | 788 |

| Policy – Other Total    | 3.0 | 788 | 0 | 788 |

### Subtotal - Policy Level Changes

| 3.0 | 788 | 0 | 788 |

### 2019-21 Total Policy Level

| Percent Change from Current Biennium | .0% | .4% | .0% | .1% |

## ML CP Compensation for IT Reclass

Washington State University (WSU) was appropriated funds in the FY 2019-21 biennium to cover costs resulting from new salary schedules for non-represented IT professionals. After the changes took effect on July 1, 2020, WSU calculated actual costs that exceeded state funding by $595,000 in FY 2020 and $538,000 in FY 2021. WSU is requesting these amounts so that the fiscal impact of the IT position reclassifications is fully funded.

## PL SL Soil Health Initiative

Washington State University (WSU) requests funding to continue development of a new soil health research and extension initiative to evaluate and incentivize best management practices across the diverse agricultural systems in Washington to increase implementation of such practices, thereby improving agricultural yields with measurable environmental benefits. This will result in healthier soil to improve profitability for farmers, preserve farmland, improve production of nutritious food and improve water quality. This decision package is being submitted in concert with a separate decision package being submitted by the Washington State Department of Agriculture (WSDA).
Agency Recommendation Summary

Washington State University (WSU) was appropriated funds in the FY 2019-21 biennium to cover costs resulting from new salary schedules for non-represented IT professionals. After the changes took effect on July 1, 2020, WSU calculated actual costs that exceeded state funding by $595,000 in FY 2020 and $538,000 in FY 2021. WSU is requesting these amounts so that the fiscal impact of the IT position reclassifications is fully funded.

Program Recommendation Summary

Fiscal Summary

Dollars in Thousands

<table>
<thead>
<tr>
<th>Operating Expenditures</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund 001 - 1</td>
<td>$595</td>
<td>$538</td>
<td>$538</td>
<td>$538</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$595</td>
<td>$538</td>
<td>$538</td>
<td>$538</td>
</tr>
</tbody>
</table>

| Biennial Totals         | $1,133  |         |         | $1,076  |

<table>
<thead>
<tr>
<th>Object of Expenditure</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obj. A</td>
<td>$472</td>
<td>$427</td>
<td>$427</td>
<td>$427</td>
</tr>
<tr>
<td>Obj. B</td>
<td>$123</td>
<td>$111</td>
<td>$111</td>
<td>$111</td>
</tr>
</tbody>
</table>

Package Description

Revised salary schedules for IT professionals took effect on July 1, 2019 and resulted in salary adjustments for non-represented civil service IT positions. In anticipation of these changes, the Washington Legislature appropriated funding in the 2019-21 operating budget to cover costs to state agencies. WSU received state funding of $141,000 in FY 2020 and $198,000 in FY 2021. After the salary changes took effect on July 1, 2019, WSU calculated the actual annual costs to be approximately $736,000 annually. WSU is requesting funding of $595,000 in FY 2020 and $538,000 in FY 2021 to cover the actual cost of the IT reclassifications.
Assumptions and Calculations

**Expansion or alteration of a current program or service:**
This request does not expand or alter a current program or service.

**Detailed assumptions and calculations:**
WSU identified a population of 111 non-represented IT Professional positions whose base salaries increased as a result of the IT reclassification that was effective July 1, 2019. The total increase in state-funded salaries due to these changes was approximately $610,000. Annual benefit costs are estimated at $126,000, which includes employer contributions for retirement, OASI, Medicare, unemployment insurance, and the Paid Family Medical Leave program. The total estimated cost of salaries and benefits is $736,000. Reducing this amount by existing state funding of $141,000 in FY 2020 and $198,000 in FY 2021 results in an additional funding request of $595,000 in FY 2020 and $538,000 in FY 2021.

**Workforce Assumptions:**
This request will not result in any FTE changes.

Strategic and Performance Outcomes

**Strategic framework:**
N/A

**Performance outcomes:**
N/A

Other Collateral Connections

**Intergovernmental:**
N/A

**Stakeholder response:**
N/A

**Legal or administrative mandates:**
N/A

**Changes from current law:**
N/A

**State workforce impacts:**
N/A

**State facilities impacts:**
N/A

**Puget Sound recovery:**
N/A

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
Agency Recommendation Summary
Washington State University (WSU) requests funding to continue development of a new soil health research and extension initiative to evaluate and incentivize best management practices across the diverse agricultural systems in Washington to increase implementation of such practices, thereby improving agricultural yields with measurable environmental benefits. This will result in healthier soil to improve profitability for farmers, preserve farmland, improve production of nutritious food and improve water quality. This decision package is being submitted in concert with a separate decision package being submitted by the Washington State Department of Agriculture (WSDA).

Program Recommendation Summary

Fiscal Summary

Dollars in Thousands

<table>
<thead>
<tr>
<th>Operating Expenditures</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund 001 - 1</td>
<td>$0</td>
<td>$788</td>
<td>$788</td>
<td>$788</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$0</strong></td>
<td><strong>$788</strong></td>
<td><strong>$788</strong></td>
<td><strong>$788</strong></td>
</tr>
<tr>
<td><strong>Biennial Totals</strong></td>
<td>$788</td>
<td></td>
<td></td>
<td>$1,576</td>
</tr>
</tbody>
</table>

### Staffing

<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTEs</td>
<td>0</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>Average Annual</strong></td>
<td>3.0</td>
<td></td>
<td></td>
<td>6.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Object of Expenditure</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obj. A</td>
<td>$0</td>
<td>$343</td>
<td>$343</td>
<td>$343</td>
</tr>
<tr>
<td>Obj. B</td>
<td>$0</td>
<td>$125</td>
<td>$125</td>
<td>$125</td>
</tr>
<tr>
<td>Obj. E</td>
<td>$0</td>
<td>$320</td>
<td>$320</td>
<td>$320</td>
</tr>
</tbody>
</table>
Package Description

The state has a storied history of public-private leadership in soil health, including early research defining soil health indices[1]substantial early investment in soil conservation[2]. In recent years, there has been a growing focus on the need and opportunity to advance the next generation of soil health understanding and implementation in the state.

This package focuses on broadening the impact of the state’s public sector investments in soil health across all of the primary crop production systems and regions in the state. While improving soil health provides a direct benefit for farmers, it also provides a wealth of public benefits in the form of improved ecosystem services from agricultural lands. This initiative contributes to environmental goals of reducing atmospheric carbon and improving water quality that are critical for salmon recovery.

A Washington Soil Health Summit in 2018 identified a set of priorities including i) developing and refining a soil health roadmap to guide public and private investments in the state; ii) using long-term research to improve the utility of soil health diagnostic tools; iii) increasing understanding of soil ecology and biology to increase knowledge of the relationship between soil and plant health; and iv) improving the translation of knowledge into education and implementation by farmers.

The Legislature in 2019 began addressing these priorities by providing initial funding for the 2019-21 biennium that is being used to produce a report chronicling the status of the state’s soil health as well as a road map to direct future research investment strategies for improving the state’s agricultural soil resources. It also will establish the first of three new long-term agroecosystem research and extension sites at WSU’s Northwestern Washington Research and Extension Center in Mount Vernon, complimenting one pre-existing site in Whitman County. Further, initial soil health management outreach materials will be developed based on existing information and early knowledge gained from this effort.

This request will continue to build the initiative by:

- Establishing two additional long-term agroecosystem research and extension sites (LTARE) in Wenatchee and Othello
- Developing a set of complimentary on-farm demonstration sites tied to each LTARE
- Bolstering research and extension capacity to expand knowledge and deliver enhanced soil management practices to producers

In future years additional publications, outreach materials and improved diagnostic tools to support continued implementation and adoption of improved soil health management practices would be created as new innovations are developed. Additional LTARE sites will also be established. Other agencies associated with the initiative have roles in tracking and demonstrating progress (WSDA) and providing technical support and incentivizing adoption of management practices to improve soil health through implementation of cost-share programs from the USDA and other federal agencies.

The soil health movement has been rapidly picking up momentum in both national and international conversation and policy discussions. Without better research, one can expect continued soil depletion, consequential environmental impacts, erosion of the productive capacity of agricultural soils, impacts to the profitability of farms and viability of rural communities. Published research and diagnostic tools
that are specific to localized production systems will support Washington producers becoming eligible for possible federal funds to support the implementation of best management practices while enhancing competitiveness with other states and regions.


Assumptions and Calculations

**Expansion or alteration of a current program or service:**
This request builds upon partial funding appropriated by the Legislature in the 2019-21 biennial operating budget.

**Detailed assumptions and calculations:**
This proposal consists of recurring staff and operating costs for FY21 onward -- no one-time costs are assumed in the budget request. Staffing plans include technical personnel (civil service) for LTARE sites, an agroecosystem modeler (faculty), an LTARE data manager (exempt), and project management (faculty). Goods and services costs will cover necessary supplies for LTARE sites, materials for reporting and outreach, and the development of diagnostic tools.

**Workforce Assumptions:**
Salaries include the following FTE by job classification. Benefit costs are estimated based on the WSU average for each classification.

<table>
<thead>
<tr>
<th>Salaries and Benefits by Job Class</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE</td>
<td>Salaries</td>
</tr>
<tr>
<td>-----</td>
<td>----------</td>
</tr>
<tr>
<td>Faculty</td>
<td>2.0</td>
</tr>
<tr>
<td>Exempt</td>
<td>1.0</td>
</tr>
<tr>
<td>Classified</td>
<td>3.0</td>
</tr>
<tr>
<td>Hourly</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6.0</td>
</tr>
</tbody>
</table>

**Strategic and Performance Outcomes**

**Strategic framework:**
The March 2017 Results Washington report on the Farmland Preservation goals expressed significant interest in soil health as a means to preserve Washington's farmlands and achieve key environmental goals such as reducing soil erosion and increasing carbon sequestration. The report connected the preservation of soils, farmers and farmland. While there is good information to support improved soil management practices in some Washington cropping systems, there are significant gaps where additional information and decision-support for best management practices is missing or incomplete. This package proposes a plan to fill those knowledge gaps by extending the existing state of the science using a Long-Term Agroecology Research and Extension network to examine important cropping systems in Central and Western Washington where farmland is most under pressure for conversion away from agriculture.

**Performance outcomes:**
The statewide soil health assessment will establish soil health baselines to identify priority areas for improvement, informing research priorities for geographically diverse production systems and the development of effective metrics to measure the most meaningful trends and outcomes. New WSU Extension capacity would connect new discoveries with farmers statewide through the dissemination, and aid in implementation, of best management practices and report out instructive case studies.

Other Collateral Connections

**Intergovernmental:**
This initiative is a coordinated proposal led by Washington State University in partnership with the Washington State Department of Agriculture. If funding is secured, WSU will establish a Scientific Advisory Committee comprised of experts from other research institutions in the state to provide input and guidance over the course of the initiative. This will include, but is not limited to, representatives from the University of Washington, Western Washington University, the Pacific Northwest National Laboratory, USDA Agricultural Research Service, USDA Natural Resource Conservation Service, the Washington Soil Health Committee, the Washington Academy of Sciences, and the Washington Department of Natural Resources.

**Stakeholder response:**
Soil health management practices that lead to agronomic and financial advantages for farmers are nearly always mutually beneficial for critical environmental goals such as reducing erosion and greenhouse gas emissions and improving water quality.

Commodity agriculture in Washington has expressed a keen interest in soil health as a way to improve productivity by reducing the incidence of yield-limiting plant diseases and thereby shortening crop rotation times that lead to increased profitability.

With support from the Bullitt Foundation, Washington environmental organizations focused on land management and atmospheric carbon pollution formed a think-tank called the Northwest Biocarbon Initiative (NBI, 2013-2015) to explore strategies and opportunities to advance efforts in terrestrial carbon sequestration in the state's farms and forests. NBI’s goal was to elevate the essential role that natural systems play in reducing carbon dioxide (CO2) in the atmosphere. The purpose of the NBI was to galvanize the region's emerging biocarbon community to develop strategies that increase natural carbon capture and build a vibrant restoration economy that would position the Northwest as the nation's leading incubator for biocarbon solutions. Through case studies, NBI identified a number of agricultural and forestry 'biocarbon innovators' and potential carbon solutions to promote.

Building on this momentum, in 2019 Sightline Institute launched its new Farms and Forests program focused on policy implementation for sustainable farms and forests. This program will initially focus on soil health, examining the climate impacts of our agricultural system, and the potential for carbon sequestration in the region’s farms and forests. The program's driving question: “Can soil stewardship strengthen rural livelihoods, restore healthy soils and ecosystems, and contribute to global climate stability?” is aligned with the Washington Soil Health Initiative proposed in this decision package.

**Legal or administrative mandates:**
N/A

**Changes from current law:**
N/A
State workforce impacts:
N/A

State facilities impacts:
N/A

Puget Sound recovery:
N/A

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