



**June 2, 2011**

**TO:** Members of the Board of Regents  
Ex-officio Representatives to the Board of Regents  
**FROM:** Joan Goldblatt, Secretary of the Board of Regents  
**RE:** Schedule of Meetings

**THURSDAY, JUNE 9, 2011**

<b>8:45 to 10:05 a.m.</b>	<b>142 Gerberding Hall</b>	<b>FINANCE, AUDIT AND FACILITIES COMMITTEE:</b> Regents Smith (Chair), Blake, Brotman, Cole (alternate), Jewell
<b>10:20 to 11:30 a.m.</b>	<b>142 Gerberding Hall</b>	<b>ACADEMIC AND STUDENT AFFAIRS COMMITTEE:</b> Regents Harrell (Chair), Barer, Cole, Gates, Youn
<b>11:45 a.m. to 1:40 p.m.</b>	<b>142 Gerberding Hall</b>	<b>ACADEMIC AND STUDENT AFFAIRS COMMITTEE:</b> Regents Harrell (Chair), Barer, Cole, Gates, Youn  <i>In Joint Session with</i>  <b>FINANCE, AUDIT AND FACILITIES COMMITTEE:</b> Regents Smith (Chair), Blake, Brotman, Cole (alternate), Jewell
<b>2:00 p.m.</b>	<b>Petersen Room</b> Allen Library	<b>REGULAR MEETING OF BOARD OF REGENTS</b>
<b>3:30 p.m.</b>	<b>Meany Hall</b>	<b>UNIVERSITY OF WASHINGTON AWARDS OF EXCELLENCE CEREMONY AND RECEPTION</b>
<b>5:45 p.m.</b>	<b>Walker-Ames Room</b> Kane Hall	<b>UNIVERSITY OF WASHINGTON AWARDS OF EXCELLENCE DINNER</b>

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## AGENDA

**BOARD OF REGENTS**  
**University of Washington**  
**June 9, 2011**  
**2:00 p.m.**  
**Petersen Room, Allen Library**

(Item No.)

**I. CALL TO ORDER**

**II. ROLL CALL: Assistant Secretary Kelly Keith**

**III. CONFIRM AGENDA**

**IV. REPORT OF THE CHAIR OF THE BOARD OF REGENTS: Regent Simon**

Regents Resolution of Appreciation to Frances J. Youn (Action) BP-1

Regents Resolution of Appreciation to Phyllis M. Wise (Action) BP-2

**V. REPORT OF THE UNIVERSITY PRESIDENT: Dr. Wise**

**VI. CONSENT AGENDA**

Approval of Minutes of Meeting of May 12, 2011

Approval of Minutes of Special Meeting of May 2, 2011

Approval of Minutes of Special Meeting of April 25, 2011

Granting of Degrees for 2010-11 A-2

Establish Degree Program: *Master of Fine Arts in Creative Writing and Poetics*, UW Bothell Interdisciplinary Arts and Sciences A-3

Establish Certificate Program: *Graduate Certificate in Software Design and Development*, UW Bothell Computing & Software Systems A-4

Establish Degree Program: *Master of Science in Computational Finance and Risk Management*, Department of Applied Mathematics A-5

Rename Degree Program: From *Master of Science in Computing and Software Systems* to *Master of Computer Science and Systems*, Institute of Technology, UW Tacoma A-6

Services and Activities Fee – University of Washington, Seattle: 2011-12 Operating and Capital Allocations	A-7
Services and Activities Fee – University of Washington, Tacoma: 2011-12 Distribution of Fee and Allocation of Funds	A-8
Consolidation of the Departments of Oral Biology and Dental Public Health Sciences into the Department of Oral Health Sciences	A-9
Services and Activities Fee – University of Washington, Bothell: 2011-12 Distribution of Fee and Allocation of Funds	A-10
Grant and Contract Awards Summary – March, 2011	F-2
Adopt Amendments to Chapter 478-116 WAC, Parking and Traffic Rules of UW Seattle	F-3
UW School of Medicine – Amending Restriction for the Harry G. Schuck Endowment Fund	F-7
UW Tacoma Hood Corridor Development – Select Architect and Delegate Authority to Award a Design Contract	F-8
UW Police Department Facility – Select Architect and Delegate Authority to Award a Design Contract	F-9
UW Bothell – Parking and U-PASS Rate Adjustments	F-10
UW Seattle Parking and U-PASS Rate Revisions	F-11
Proposed Strategic Alliance: UW Medicine and Public Health Hospital District No. 1 dba Valley Medical Center	F-13

**VII. STANDING COMMITTEES****A. Academic and Student Affairs Committee: Regent Harrell – Chair**

Academic and Administrative Appointments (Action) A-1

***Joint Session*****A. Academic and Student Affairs Committee: Regent Harrell – Chair****B. Finance, Audit, and Facilities Committee: Regent Smith – Chair**

Husky Stadium Renovation – Informational Update (Information only) F-14

Tuition Setting Authority – Informational Update (Information only) F-15

**B. Finance, Audit and Facilities Committee: Regent Smith – Chair**

Report of Contributions – April, 2011 (Information only) F-1

Actions Taken Under Delegated Authority (Information only) F-4

Investment Performance Report, Third Quarter Fiscal Year 2011 (Information only) F-5

Metropolitan Tract Quarterly Report: Q1 as of 3/31/11 (Information only) F-6

**VIII. OTHER BUSINESS**

Reports from ex-officio representatives to the Board:

**Faculty Senate Chair – Professor JW Harrington**

**ASUW President – Ms. Madeleine McKenna**

**GPSS President – Ms. Sarah Reyneveld**

**Alumni Association President – Ms. Colleen Fukui-Sketchley**

**IX. DATE FOR NEXT REGULAR MEETING: Thursday, July 21, 2011**

**X. ADJOURNMENT**



UNIVERSITY OF WASHINGTON  
BOARD OF REGENTS

**Finance, Audit and Facilities Committee**  
Regents Smith (Chair), Blake, Brotman, Cole (alternate), Jewell  
**June 9, 2011**  
**8:45 to 10:05 a.m.**  
**142 Gerberding Hall**

1. **Report of Contributions – April, 2011** **INFORMATION** F-1  
Walter G. Dryfoos, Associate Vice President, Advancement Services  
Connie Kravas, Vice President, University Advancement
2. **Grant and Contract Awards Summary – March, 2011** **ACTION** F-2  
Mary Lidstrom, Interim Provost and Executive Vice President
3. **Adopt Amendments to Chapter 478-116 WAC, Parking and Traffic Rules of UW Seattle** **ACTION** F-3  
Josh Kavanagh, Director, Transportation Services
4. **Actions Taken Under Delegated Authority** **INFORMATION** F-4  
Richard Chapman, Associate Vice President, Capital Projects Office
5. **Investment Performance Report, Third Quarter Fiscal Year 2011** **INFORMATION** F-5  
Keith Ferguson, Chief Investment Officer, Treasury Office
6. **Metropolitan Tract Quarterly Report: Q1 as of 3/31/11** **INFORMATION** F-6  
Todd Timberlake, Chief Real Estate Officer  
V’Ella Warren, Senior Vice President and Treasurer, Board of Regents
7. **UW School of Medicine – Amending Restriction for the Harry G. Schuck Endowment Fund** **ACTION** F-7  
Caroline Anderson, Assistant Vice President, UW Medicine Advancement
8. **UW Tacoma Hood Corridor Development – Select Architect and Delegate Authority to Award a Design Contract** **ACTION** F-8  
Rebecca Barnes, University Architect, Office of Planning and Budgeting  
Eric Smith, Director–Major Projects Group, Capital Projects Office  
Patricia Spakes, Chancellor, UW Tacoma

9. **UW Police Department Facility – Select Architect and Delegate Authority to Award a Design Contract** **ACTION** F-9  
Rebecca Barnes  
**John Palewicz**, Director, Strategic Programs, Capital Projects Office  
**John Vinson**, Chief of Police, UW Police Department
10. **UW Bothell – Parking and U-PASS Rate Adjustments** **ACTION** F-10  
**Kenyon Chan**, Chancellor, UW Bothell  
**John Shaheen**, Director, Auxiliary Services, UW Bothell
11. **UW Seattle Parking and U-PASS Rate Revisions** **ACTION** F-11  
**Charles Kennedy**, Associate Vice President, Facilities Services  
Josh Kavanagh
12. **University of Washington Investment Committee (UWINCO) Update** **INFORMATION** F-12  
**ITEM PULLED**  
Keith Ferguson
13. **Other Business**



UNIVERSITY OF WASHINGTON  
BOARD OF REGENTS

Academic and Student Affairs Committee  
Regents Harrell (Chair), Barer, Cole, Gates, Youn  
June 9, 2011  
10:20 to 11:30 a.m.  
142 Gerberding Hall

1. **Academic and Administrative Appointments** ACTION A-1  
Mary Lidstrom, Interim Provost and Executive Vice  
President
2. **Granting of Degrees for 2010-11** ACTION A-2  
Mary Lidstrom
3. **Establish Degree Program: *Master of Fine Arts in Creative Writing and Poetics*, UW Bothell Interdisciplinary Arts and Sciences** ACTION A-3  
Susan Jeffords, Vice Chancellor for Academic Affairs, UW  
Bothell  
Jeanne Heuving, Professor, UW Bothell Interdisciplinary  
Arts and Sciences  
Bruce Burgett, Professor and Director, UW Bothell  
Interdisciplinary Arts and Sciences
4. **Establish Certificate Program: *Graduate Certificate in Software Design and Development*, UW Bothell Computing & Software Systems** ACTION A-4  
Susan Jeffords  
Michael Stiber, Professor and Director, UW Bothell  
Computing & Software Systems
5. **Establish Degree Program: *Master of Science in Computational Finance and Risk Management*, Department of Applied Mathematics** ACTION A-5  
James Antony, Associate Vice Provost and Associate Dean,  
The Graduate School  
Douglas Martin, Professor, Department of Statistics  
Ka-Kit Tung, Professor, Department of Applied  
Mathematics
6. **Rename Degree Program: From *Master of Science in Computing and Software Systems* to *Master of Computer Science and Systems*, Institute of Technology, UW Tacoma** ACTION A-6  
James Antony  
Orlando Baiocchi, Director, UW Tacoma Institute of  
Technology

7. **Services and Activities Fee – University of Washington, Seattle:** **ACTION** A-7  
**2011-12 Operating and Capital Allocations**  
Mallory L. Martin, Graduate Student, Education and  
Museology, SAFC Co-chair  
Conor C. McLean, Senior, Economics and Political Science,  
SAFC Co-chair  
Eric Godfrey, Vice President and Vice Provost, Office of  
Student Life
  
8. **Services and Activities Fee – University of Washington, Tacoma:** **ACTION** A-8  
**2011-12 Distribution of Fee and Allocation of Funds**  
Patricia Spakes, Chancellor, UW Tacoma  
Cedric Howard, Associate Vice Chancellor for Student  
Affairs, UW Tacoma
  
9. **Consolidation of the Departments of Oral Biology and Dental** **ACTION** A-9  
**Public Health Sciences into the Department of Oral Health**  
**Sciences**  
Mary Lidstrom  
Tim DeRouen, Interim Dean Designate, School of Dentistry
  
10. **Other Business**





UNIVERSITY OF WASHINGTON  
BOARD OF REGENTS

**Academic and Student Affairs Committee**  
Regents Harrell (Chair), Barer, Cole, Gates, Youn

*In Joint Session with*

**Finance, Audit and Facilities Committee**  
Regents Smith (Chair), Blake, Brotman, Cole (alternate), Jewell  
**June 9, 2011**  
**11:45 a.m. to 1:50 p.m.**  
**142 Gerberding Hall**

1. **Services and Activities Fee – University of Washington, Bothell:** **ACTION** A-10  
**2011-12 Distribution of Fee and Allocation of Funds**  
Kenyon Chan, Chancellor, UW Bothell  
George Theo, Director, Student and Residential Life  
Aika Perez, Chair SAF Committee
2. **Proposed Strategic Alliance: UW Medicine and Public Hospital** **ACTION** F-13  
**District No. 1 dba Valley Medical Center**  
Paul Ramsey, CEO, UW Medicine, Executive Vice President  
for Medical Affairs, and Dean of the School of Medicine  
Shan Mullin, Chair, UW Medicine Board  
Mike Garvey, Member, UW Medicine Board
3. **Husky Stadium Renovation – Informational Update** **INFORMATION** F-14  
Scott Woodward, Director of Athletics, Intercollegiate  
Athletics
4. **Tuition Setting Authority – Informational Update** **INFORMATION** F-15  
Paul Jenny, Vice Provost, Planning and Budgeting  
Gary Quarfoth, Associate Vice Provost, Office of Planning  
and Budgeting  
Kay Lewis, Assistant Vice President for Student Life and  
Director of Financial Aid and Scholarships
5. **Executive Session**  
(To consider the minimum price at which real estate will be offered for sale or  
lease when public knowledge regarding such consideration would cause the  
likelihood of decreased price.)
6. **Executive Session**  
(To discuss with legal counsel representing the University, litigation or potential  
litigation to which the University is, or is likely to become, a party, when public  
knowledge regarding the discussion is likely to result in an adverse legal or  
financial consequence to the University.)
7. **Other Business**

**MINUTES**

**BOARD OF REGENTS  
University of Washington**

**June 9, 2011**

The Board of Regents held its regular meeting on Thursday, June 9, 2011, beginning at 2:00 p.m. in the Petersen Room of the Allen Library. The notice of the meeting was appropriately provided to the public and the media.

**CALL TO ORDER**

Regent Herb Simon called the meeting to order at 2:00 p.m.

**ROLL CALL**

Assistant Secretary Keith called the roll: Present were Regents Simon (presiding), Blake, Cole, Gates, Harrell, Jewell, Youn; Dr. Wise, Dr. Lidstrom, Ms. Warren, Ms. Goldblatt; ex-officio representatives: Professor Harrington, Ms. McKenna, Ms. Reyneveld, Ms. Fukui-Sketchley.

Absent: Regents Barer, Brotman, and Smith

**CONFIRM AGENDA**

The agenda was confirmed as presented.

**REPORT OF THE CHAIR OF THE BOARD OF REGENTS:** Regent Simon

**Regents Resolution of Appreciation to Frances J. Youn** (Action) (Agenda No. BP-1)

Before he read the resolution of appreciation for Student Regent Frances Youn, Regent Simon invited Regent Youn's parents to sit at the Board table. On behalf of the Board, Regent Simon said he was honored Mr. and Mrs. Youn could attend the meeting. Regent Jewell praised the work of Regent Youn, and said her efforts built on the good work of past student regents. She said Regent Youn was an "equal among equals" and a valued colleague of the Regents. She particularly praised Regent Youn's advocacy efforts on behalf of the University during the legislative session in Olympia.

Regent Simon recalled Regent Youn's comment about herself saying she was "just an ordinary student." Regent Simon said "there's nothing ordinary about Frances Youn," and cited her work representing students and the university on and off campus and her maturity in Olympia with the legislature during a challenging time. Regent Simon said the Regents are extremely proud of her.

Regent Youn replied it was an honor and privilege to serve in any capacity at the University, a place she calls home. The opportunity to serve on the Board with other student leaders has been inspiring. She admires the care, concern, and commitment to UW and higher education shown by Board members, saying they are leaders committed to offering everyone an opportunity to succeed and have a transformative experience.

She thanked her parents for their support.

Mr. Youn said it was an honor to attend the meeting. He said he appreciates the opportunities offered to his daughter by the University. He appreciates the support, encouragement, and guidance Regents and other friends at the UW offered to Regent Youn.

**MOTION:** Upon the recommendation of Regent Simon and the motion made by Regent Jewell, seconded by Regent Blake, the Board voted to approve the Resolution of Appreciation to Frances J. Youn. Regent Youn abstained from the discussion and vote.

See Attachment BP-1.

Regent Simon thanked the student leaders for their support during the last year: Sarah Reyneveld, GPSS President; Madeleine McKenna, ASUW President; Amira Davis, ASUW Bothell President; and Nauman Mumtaz, ASUW Tacoma President.

**Regents Resolution of Appreciation to Phyllis M. Wise** (Action) (Agenda No. BP-2)

Regent Simon read a resolution of appreciation to President Phyllis M. Wise. He commented this was a difficult time to take on the presidency and represent the University during a challenging legislative session. Dr. Wise assumed a leadership role, brought university presidents together, and facilitated difficult issues. Regent Simon said history was made during President Wise's tenure and working with her has been a memorable experience.

Regent Jewell said President Wise's career trajectory has been extraordinary. She faced the challenges of the position and maintained the excellence of the University despite budget cuts.

Regent Gates said Dr. Wise has wonderful instincts, a "lot of class," and has carried out her obligations with absolute distinction. The Regents, he said, are in her debt forever.

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**MOTION:** Upon the recommendation of Regent Simon and the motion made by Regent Jewell, seconded by Regent Harrell, the Board voted to approve the Resolution of Appreciation to Phyllis M. Wise.

President Wise thanked the Regents for having the confidence in her to appoint her President of the University. She said it has been an unforgettable experience, one that allowed her to learn more about the University and what it takes to assure the University will emerge as a strong institution. She thanked the students who worked together over the past year to communicate the University's message. She said the University administration is committed to students and to making sure tuition setting authority is used responsibly. She thanked the faculty for mentoring and advising her and the Regents for having confidence in her and counseling her. She said, "It takes a huge team to do this."

See Attachment BP-2.

**REPORT OF THE UNIVERSITY PRESIDENT:** Dr. Wise

President Wise thanked Regent Youn for her service as a Regent during the past year. She thanked Madeleine McKenna, Sarah Reyneveld, Amira Davis, and Nauman Mumtaz for their service as student representatives, saying their views were especially important this year, they represented students well, and understood the importance of the mission of the university.

Dr. Wise mentioned the long list of awards to be presented at the recognition ceremony following the Board meeting. The awards celebrate and acknowledge the outstanding service of staff, faculty, and students.

President Wise introduced Christy Gullion, UW's Director of Federal Relations, and invited her to present a report.

Ms. Gullion reported on the transition in Congress and the angst associated with determining how to move the country forward in a time of drastically declining revenues.

She recapped the Congressional efforts to finish the federal fiscal year 2011 agenda, saying some items in appropriations bills are expected to move forward. Congress did not complete their work before the November elections, which changed the political landscape in D.C. During the closing of fiscal year 2011 Congress was not able to pursue directed ("earmarked") projects. In January, when the Congress was sworn in, it was decided to curtail funding in many federal research accounts. Due to this decision, the Office of Federal Relations changed its efforts to focus on the University's highest priorities – programs which have the greatest impact on the University in the areas of research, education, and training. An aggressive fiscal year 2012 agenda was created. The office is waiting to see the direction of the new Congress, but expects a likely reduction in funds.

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Ms. Gullion reported on President Wise's visit to D.C. in March, 2011. The message during meetings was focused on Congressional support for major research at the National Institutes of Health, National Science Foundation, Department of Defense Research, Department of Energy, and Health and Human Services. These are agencies from which UW receives the largest share of federal grant dollars. The general focus is a broad perspective to protect funding to agencies the University most relies on for sponsored research. She emphasized a consistent message to the state's Congressional delegation, including the message that reductions in spending may impact the UW, specifically the Department of Education, student financial aid programs, international education, and foreign language programs. The Department of Energy may have drastic reductions in some of their research accounts which potentially fund projects at the UW.

Ms. Gullion said she is now focused on the fiscal year 2012, and is trying to manage expectations in a time of uncertainty. The House is moving forward with appropriations bills and has indicated it is committed to cutting federal spending dramatically. She said to expect drastic cuts from the House, but these are not likely to be approved by the Senate. She expects the Senate to put forward appropriations bills slowly.

Ms. Gullion is optimistic about focusing on priorities which open opportunities for the University. She is working with Senators Murray and Cantwell to include language in appropriations bills that would direct the agencies to focus on certain research areas which are University priorities. She is hopeful new opportunities will arise.

She offered her prediction for the session outcome – the House will continue with the fiscal year 2012 appropriations process, intending to have all twelve appropriations bills out of committee before the August recess period. The Senate will release only a few of their bills – likely defense, energy, homeland security, military and veterans. This will lead up to a critical vote to raise the debt limit, and its corresponding cuts to federal spending. She thinks current federal research spending will remain level for the next year to eighteen months, as the country prepares for the Presidential election in 2012. Her strategy will be to “play defense,” look for opportunities in research, and maintain funding. Ms. Gullion predicts this will be a difficult and challenging time.

Questions and discussion followed.

“The Federal Report, June 2011” is attached.

## **CONSENT AGENDA**

Regent Simon noted there were twenty items for approval on the consent agenda, and called for a motion.

**MOTION:** Upon the recommendation of the Chair of the Board and the motion made by Regent Blake, seconded by Regent Gates, the Board voted to approve the twenty items on the consent agenda as shown below:

**Minutes for the Meeting of May 12, 2011**

**Minutes for the Special Meeting of May 2, 2011**

**Minutes for the Special Meeting of April 25, 2011**

**Granting of Degrees for 2010-11** (Agenda no. A-2)

It was the recommendation of the administration and the Academic and Student Affairs Committee the Board of Regents approve the granting of degrees to those individuals who, in the judgment of the faculty, have satisfied the requirements for their respective degrees during the 2010-11 academic year.

See Attachment A-2.

**Establish Degree Program: *Master of Fine Arts in Creative Writing and Poetics, UW Bothell Interdisciplinary Arts and Sciences*** (Agenda no. A-3)

It was the recommendation of the administration and the Academic and Student Affairs Committee the Board of Regents grant authority to the UW Bothell Interdisciplinary Arts and Sciences Program to offer the Master of Fine Arts (MFA) in Creative Writing and Poetics degree program, effective Autumn Quarter 2011. This is a self-sustaining program offered in coordination with UW Educational Outreach (UWEO). The degree program will have provisional status with a review to be scheduled in the 2016-17 academic year. At such time that continuing status is granted, a ten-year review cycle would begin.

See Attachment A-3.

**Establish Certificate Program: *Graduate Certificate in Software Design and Development, UW Bothell Computing & Software Systems*** (Agenda no. A-4)

It was the recommendation of the administration and the Academic and Student Affairs Committee the Board of Regents grant authority to the UW Bothell Computing and Software Systems Program to offer the Graduate Certificate in Software Design and Development program, effective Autumn Quarter 2011. This is a self-sustaining program offered in coordination with UW Educational Outreach (UWEO). The program will have provisional status with a review to be scheduled in the 2016-17 academic year. At such time that continuing status is granted, a ten-year review cycle would begin.

See Attachment A-4.

**Establish Degree Program: *Master of Science in Computational Finance and Risk Management, Department of Applied Mathematics*** (Agenda no. A-5)

It was the recommendation of the administration and the Academic and Student Affairs Committee the Board of Regents grant authority to the graduate faculty in the Department of Applied Mathematics to offer the Master of Science in Computational Finance and Risk Management degree program, effective immediately. The degree

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program will have provisional status with a review to be conducted by the Graduate School in the 2016-17 academic year.

See Attachment A-5.

**Rename Degree Program: From Master of Science in Computing and Software Systems to Master of Computer Science and Systems, Institute of Technology, UW Tacoma** (Agenda no. A-6)

It was the recommendation of the administration and the Academic and Student Affairs Committee the Board of Regents grant authority to the Institute of Technology to change the name of the Master of Science in Computing and Software Systems to the Master of Computer Science and Systems. The degree title change is effective beginning with students enrolling Autumn Quarter 2011. The degree program is scheduled to be reviewed in the 2011-12 academic year.

See Attachment A-6.

**Services and Activities Fee – University of Washington, Seattle: 2011-12 Operating and Capital Allocations** (Agenda no. A-7)

It was the recommendation of the administration and the Academic and Student Affairs Committee the Board of Regents approve for the Seattle campus:

- 1) Increasing the Service and Activities (S&A) Fee Committee voting membership from seven to nine (four and five of whom, respectively, represent the Graduate and Professional Student Senate and the Associated Students of the University of Washington);
- 2) Raising the S&A Fee level for 2011-12 from \$117 per full-time student per quarter to \$118; and
- 3) Allocating \$13,409,847 for 2011-12 S&A Fee operating and capital funds.

See Attachment A-7.

**Services and Activities Fee – University of Washington, Tacoma: 2011-12 Distribution of Fee and Allocation of Funds** (Agenda no. A-8)

It was the recommendation of the administration and the Academic and Student Affairs Committee the Board of Regents approve the following Services and Activities Fee proposals for the University of Washington Tacoma:

- 1) An increase in the Services and Activities Fee for academic year 2011-12.
- 2) The distribution of Services and Activities Fee for 2011-12.
- 3) The operating budgets and expenditures recommended for 2011-12.

See Attachment A-8.

**Consolidation of the Departments of Oral Biology and Dental Public Health Sciences into the Department of Oral Health Sciences** (Agenda no. A-9)

It was the recommendation of the administration and the Academic and Student Affairs Committee the Department of Oral Biology and the Department of Dental Public Health Sciences be consolidated into a single Department of Oral Health Sciences.

See Attachment A-9.

**Services and Activities Fee – University of Washington, Bothell: 2011-12 Distribution of Fee and Allocation of Funds** (Agenda no. A-10)

It was the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve for the University of Washington Bothell:

- 1) Recommended revisions to Services and Activities Fee Bylaws.
- 2) Recommended Services and Activities Fee Budget for 2011-12.
- 3) The establishment of a Sport Field Fee.

See Attachment A-10.

**Grant and Contract Awards Summary – March, 2011** (Agenda no. F-2)

It was the recommendation of the administration and the Finance, Audit and Facilities Committee the Board of Regents accept Grant and Contract Awards for the month of March, 2011, in the total amount of \$92,069,980.

See Attachment F-2.

**Adopt Amendments to Chapter 478-116 WAC, Parking and Traffic Rules of UW Seattle** (Agenda no. F-3)

It was the recommendation of the administration and the Finance, Audit and Facilities Committee the Board of Regents adopt the proposed amendments to Chapter 478-116 WAC, "Parking and Traffic Rules of the University of Washington, Seattle" included in Attachment A with an effective date of August 8, 2011.

See Attachment F-3.

**UW School of Medicine – Amending Restriction for the Harry G. Schuck Endowment Fund** (Agenda no. F-7)

It was the recommendation of the administration and the Finance, Audit and Facilities Committee the University of Washington petition for release of endowment restrictions with the Superior Court of Washington in and for King County in regard to the Harry G. Schuck Endowment Fund.



See Attachment F-7.

**UW Tacoma Hood Corridor Development – Select Architect and Delegate Authority to Award a Design Contract** (Agenda no. F-8)

It was the recommendation of the administration and the Finance, Audit and Facilities Committee the President be delegated authority to award a design contract for the Hood Corridor Development Project with the firm of Atelier Dreiseitl, subject to successful negotiation of an architectural agreement.

In the event of an unsuccessful negotiation with the selected firm, it was requested authority be delegated to open negotiations with Mithun, the firm recommended as first alternate.

See Attachment F-8.

**UW Police Department Facility – Select Architect and Delegate Authority to Award a Design Contract** (Agenda no. F-9)

It was the recommendation of the administration and the Finance, Audit and Facilities Committee the President be delegated authority to award a design contract for the UW Police Department Facility Project with the firm of Miller Hull Partnership, subject to successful negotiation of an architectural agreement.

In the event of an unsuccessful negotiation with the selected firm, it was requested authority be delegated to open negotiations with SRG Partnership, Inc., the firm recommended as first alternate.

See Attachment F-9.

**UW Bothell – Parking and U-PASS Rate Adjustments** (Agenda no. F-10)

It was the recommendation of the administration and the Finance, Audit and Facilities Committee the Board of Regents approve parking and U-PASS rate adjustments for the University of Washington Bothell campus. The new rates will take effect July 1, 2011.

See Attachment F-10.

**UW Seattle Parking and U-PASS Rate Revisions** (Agenda no. F-11)

It was the recommendation of the administration and the Finance, Audit and Facilities Committee the Board of Regents take the following actions:

1. adopt the “Tax and Fee Inclusive Seattle Campus Parking and U-PASS Fee Schedule” and
2. establish a new Transportation Demand Management Fee (surcharge) on all Seattle Campus parking transactions in the amount of 63.17%, as embedded in the “Tax

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and Fee Inclusive Seattle Campus Parking and U-PASS Fee Schedule,” effective June 20, 2011 for summer quarter products and effective July 1, 2011 for daily, monthly and annual products.

See Attachment F-11.

**Proposed Strategic Alliance: UW Medicine and Public Hospital District No. 1 dba Valley Medical Center** (Agenda no. F-13)

It was the recommendation of the administration, the Academic and Student Affairs Committee, and the Finance, Audit and Facilities Committee the Board of Regents:

- 1) approve the strategic alliance between the University of Washington and Public Hospital District No. 1 dba Valley Medical Center; and
- 2) authorize the President to delegate to the CEO, UW Medicine/Executive Vice President for Medical Affairs, UW/Dean, School of Medicine with the review and advice of the UW Medicine Board and the UW Senior Vice President, authority to execute on behalf of the University the documents necessary to implement the strategic alliance, provided those agreements are consistent with the general terms as stated in the draft Strategic Alliance Agreement (Attachment 1).

See Attachment F-13.

**STANDING COMMITTEES**

**ACADEMIC AND STUDENT AFFAIRS COMMITTEE: Regent Harrell Chair**

Provost Lidstrom reported Martha Somerman, Dean of the Dental School, will leave the University, effective August 28, to serve as the director of the dental branch of the National Institutes of Health. Tim De Rouen will serve as interim Dean. Provost Lidstrom highlighted the inaugural endowment appointment of Terrie Klinger, Associate Professor, Marine and Environmental Affairs, to the Stan and Alta Barer Endowed Professorship in Sustainability Science. Tom Leschine, Professor and Director of the School of Marine and Environmental Affairs, and Stephen Gardiner, Associate Professor of Philosophy, will be the inaugural holders of the Ben Rabinowitz Endowed Fund for the Support and Protection of Our Environment.

**Academic and Administrative Appointments** (Agenda no. A-1)

**MOTION:** Upon the recommendation of the administration and the motion made by Regent Jewell, seconded by Regent Harrell, the Board voted to approve the personnel appointments. Regent Youn abstained from the discussion and vote.

See Attachment A-1.

Regent Harrell reported the committee meeting was filled with action items which were approved by the Regents in their consent agenda vote. Among these were the granting of

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over 14,000 degrees, and the renaming or establishing various degree programs and services and activities fees for UW Seattle, Bothell, and Tacoma. Regents also approved the consolidation of the departments of Oral Biology and Dental Public Health Sciences into the Department of Oral Health Sciences.

*Joint Session*

**Academic and Student Affairs Committee: Regent Harrell – Chair**

**Finance, Audit and Facilities Committee: Regent Jewell – Vice Chair**

In Regent Smith's absence, Regent Jewell chaired the Finance, Audit and Facilities Committee. She highlighted significant items approved by the Board.

The Board approved the strategic alliance between UW Medicine and Valley Medical Center. This is a significant action involving money, people, and other resources. The alliance fills a gap in UW's medical service structure. With changes from health care reform this will be an important alliance allowing the University hospitals (Harborview and UW Medical Center) to provide care in complicated medical situations where they have expertise while more basic care can be handled at Northwest and Valley Medical Center. This will enable UW Medicine to compete in the changing world of health care.

**Husky Stadium Renovation – Informational Update** (Agenda no. F-14) (Information only)

Regents received an update on the stadium renovation, which, Regent Jewell said is moving forward in a positive direction.

See Attachment F-14.

**Tuition Setting Authority – Informational Update** (Agenda no. F-15) (Information only)

The Regents discussed the tuition setting authority recently approved by the legislature. They heard from students, Vice Provost Jenny, President Wise, and Provost Lidstrom about the potential impact to the University of different tuition and financial aid scenarios.

Regent Jewell said Board Chair Herb Simon served the University well during the legislative session by pulling together a group of higher education institutions to develop a common platform. She said higher education is now on the radar as a united group and an important constituency. Regent Jewell said President Wise received praise from Governor Gregoire on her role. Regent Jewell quoted the Governor as saying, "President Wise had poise, confidence, and an ability to communicate with legislators." Regent Jewell said the President was supported by Randy Hodgins, Margaret Shepherd, Provost Lidstrom, students and faculty. It was, she said, precedent setting for the University to receive tuition setting authority. Regents intend to undertake this responsibility with great respect, care, and with appreciation for the various constituents involved and the quality of the institution.

See Attachment F-15.

**FINANCE, AUDIT AND FACILITIES COMMITTEE: Regent Jewell, Vice Chair**

**Report of Contributions – April, 2011** (Agenda no. F-1) (Information only)

The total gifts received in April, 2011, was \$14,105,613, the total for the year-to-date is \$260,913,506.

See Attachment F-1.

**Actions Taken Under Delegated Authority** (Agenda no. F-4) (Information only)

See Attachment F-4.

**Investment Performance Report, Third Quarter Fiscal Year 2011** (Agenda no. F-5)  
(Information only)

See Attachment F-5.

**Metropolitan Tract Quarterly Report: Q1 as of 3/31/11** (Agenda no. F-6)  
(Information only)

See Attachment F-6.

**University of Washington Investment Committee (UWINCO) Update** (Agenda no. F-12) (Information only)

Item F-12 was pulled from the agenda.

**REPORTS FROM EX OFFICIO REPRESENTATIVES TO THE BOARD OF REGENTS**

Updates from student leaders at Bothell and Tacoma were provided to Regents and are attached.

**Faculty Senate Chair:** Professor JW Harrington

Professor Harrington's report to the Board is attached.

**ASUW President:** Ms. Madeleine McKenna

Regent Simon announced this was Ms. McKenna's last meeting as ASUW President and praised her for the terrific job she did representing the University and its students.

Ms. McKenna said it had been an honor to represent students this year. She offered a list of accomplishments:

- Expanded legislative organizing – ASUW conducted a voter registration drive, organized a “bark against budget cuts” campaign to send thousands of student letters and scores of students to Olympia during the legislative session.
- Transportation – working with GPSS, ASUW leaders overhauled the student transportation program. Regents approved a universal UPASS program.
- Athletics – in partnership with GPSS, students negotiated with Athletics to mitigate the impact of relocating the student seating section during the Husky Stadium Renovation. They developed a memorandum of understanding to offer students lower ticket prices and create a “Dawg Pack” scholarship program.
- Shared governance was strengthened by the creation of the Provost’s advisory committee for students. The committee will provide critical student input to tuition and financial aid policy and budgeting decisions.
- Increased student engagement by offering concerts and programs to enrich the student experience. ASUW officers believe engaging students in campus life likely resulted in the highest voter turnout for ASUW elections in at least a decade.

Ms. McKenna offered reflections on the past year, saying it has been rewarding and challenging. The University is struggling to adapt to the changing terrain of public higher education in the United States and is trying to make UW responsive to market forces for higher education and maintain competitiveness and integrity as a public university with a mission to serve the public interest of the citizens of Washington state. She sees students as important stakeholders and named four important pillars: quality of education; access and affordability; predictability in tuition increases; and shared governance in the process of making university decisions. With these core values in mind, she looks forward to the future.

Ms. McKenna thanked President Wise for her leadership. She thanked Provost Lidstrom and Regent Simon for their accessibility and willingness to meet and work with students. She thanked Regent Harrell for inviting student leaders to be part of the Academic and Student Affairs Committee meetings.

**GPSS President:** Ms. Sarah Reyneveld

Regent Simon praised Ms. Reyneveld for her leadership and thanked her for dealing with challenging issues with grace.

Ms. Reyneveld expressed gratitude, excitement, and sadness. She shared good news for graduate and professional students, saying the legislature decided to reinstate \$75,000 for a childcare matching grants program, a small but important program which provides access to childcare for low income students. She looks forward to working with Vice Provost and Vice President for Student Life, Eric Godfrey next year on a newly formed Student-Parent Task Force.

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Ms. Reyneveld expressed her gratitude for the opportunity to represent graduate and professional students this past year. She thanked the Regents for their dedication, vision, and interest in ensuring graduate education is high quality and world class.

The University has faced significant challenges, including budget cuts. It responded to the challenges by becoming stronger and better through innovation, creativity, and key efficiencies. Students and administrators held tough conversations about tackling these issues which resulted in positive outcomes.

Ms. Reyneveld believes the future of graduate education is bright. Having served on the Presidential Search Committee, she is excited about the University's new leadership. She urged the importance of access for Washington residents when grappling with tuition setting authority, saying the University of Washington offers an excellent and affordable education.

Ms. Reyneveld thanked the following people: Herb Simon for his leadership and willingness to be accessible and meet with students meeting any time, day or night; Regent Harrell for bringing students to the table during key discussions; President Wise for her dedicated and committed leadership; and Provost Lidstrom for her vision in creating mechanisms to ensure students are at the forefront of critical conversations.

Regent Harrell addressed Ms. McKenna, Ms. Reyneveld, and Regent Youn, on behalf of the Academic and Student Affairs Committee. She said they have engaged effectively and well with the committee. All three women have thanked the Regents, but Regent Harrell said the reality is the three of them have given much to the Regents and the University. She values their commitment to the University and their willingness to share their perspective. As they move to the next phase of their lives, she said, what they have done in the past year makes a difference. They worked together collectively and effectively, their perspective has shaped policy, and Regent Harrell said they have made a difference, are greatly appreciated; and will be remembered.

Regent Blake recognized Ms. McKenna and Ms. Reyneveld for their work and contribution to the Presidential Search Committee. She said they went "above and beyond" with meetings and travel. Their input in the process was "incredibly helpful" and she enjoyed getting to know them both.

Regent Gates asked to learn more about the commitment by Boeing and Microsoft to fund student scholarships in partnership with the state, and the impact on UW's decision-making about tuition policy. The fundraising goal for this scholarship endowment fund is one billion dollars to support Washington state undergraduate students with tuition assistance at in-state public higher education institutions. Donor funds will be matched by the state over the next ten years. A discussion of the program followed.

Regent Simon recognized Amira Davis and Nauman Mumtaz for their work over the past year as ASUW Bothell and Tacoma Presidents.

**Alumni Association President:** Ms. Colleen Fukui-Sketchley

June 9, 2011

Ms. Fukui-Sketchley reported on the recent annual salmon barbeque in New York, an event held at the home of Lex and Diane Gamble. This provided an opportunity to engage with alumni living in the region, who, she said, are committed to making an impact in the state of Washington although they live on the east coast.

Upon her return from New York, Ms. Fukui-Sketchley attended the signing ceremony of House Bill 1795, an exciting day and a turning point between UW and the state of Washington. UWImpact supporters attended and felt involved in the process.

UWImpact is organizing community conversations and coordinating district-to-district advocacy work. They are creating “district Dawg packs” to lead advocacy efforts across the state.

Ms. Fukui-Sketchley announced the UW Alumni Association will again sponsor the first year fee for UW license plates for graduating seniors. Proceeds from the plates supports scholarships. They are also offering these license plates to incoming freshman or their parents.

UW Alumni Association trustees and volunteers will again serve as guardians of the gonfalon at commencement. This activity provides them with the opportunity to engage with students.

Regent Simon thanked Ms. Fukui-Sketchley for her hard work in Olympia and for working with other alumni groups.

Regent Simon thanked Mary Lidstrom for her outstanding work as Interim Provost.

Regent Blake shared a personal reflection saying June 10 marks the seventeenth anniversary of her mother’s passing (Mary Maxwell Gates, a former UW Regent). Regent Blake said the University of Washington was second only to Mrs. Gates’ family in terms of her passion and her mother would have been pleased and proud to see the strength of this institution. Regent Simon thanked Regent Blake for commemorating her mother’s legacy.

## **DATE FOR NEXT MEETING**

The next regular meeting of the Board of Regents will be held on Thursday, July 21, 2011, at the UW Tower. There will be a dinner meeting for Regents and other guests at Hill-Crest on Wednesday, July 20. Regents, the public, and the media will soon receive official notice of special meetings to be held on Thursday, June 30, at 9:00 a.m. to approve the budget.

Regent Simon said he looks forward to the University of Washington’s three upcoming commencement ceremonies.

**ADJOURNMENT**

The regular meeting was adjourned at 3:23 p.m.



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Joan Goldblatt  
Secretary of the Board of Regents

*Approved at the meeting of the Board on July 21, 2011.*



**University of Washington  
Board of Regents  
Resolution of Appreciation to  
Frances J. Youn**

WHEREAS, in accordance with Washington state law, Governor Chris Gregoire appointed second-year M.B.A. student Frances J. Youn to serve the prescribed one-year term, from July 1, 2010 to June 30, 2011, as the student member of the University of Washington Board of Regents; and

WHEREAS, as a 2002 alumna of the University of Washington, double majoring in Sociology and in Societies and Justice, she brought to her Regental responsibilities a deep appreciation and affection for her alma mater; and

WHEREAS, through her active involvement in student life, serving as director of the Associated Students of the University of Washington Asian Student Commission, as a member of the Graduate and Professional Student Senate, and as an editorialist for the Daily, she has demonstrated exceptional leadership skills and contributed significantly to the enhancement of student life at the University; and

WHEREAS, she has served the Board with great distinction and devotion, skillfully representing the students of the University and bringing to her work on the Board the perspective of a deeply thoughtful, highly informed and exceptionally well-prepared student, utterly committed to the pursuit of excellence in all aspects of the University; and

WHEREAS, her abiding commitment to the values of diversity and opportunity and to the importance of ensuring that students from all backgrounds have access to the University in a welcome and supportive environment has contributed significantly to the Board's support for diversity; and

WHEREAS, her broad understanding, sharp intelligence, keen analytical skills, deep insight, and her enthusiasm for service have contributed profoundly to the work of the Board and made her an exemplary student Regent, an equal among equals in all respects, and a true colleague and friend; and

WHEREAS, her elegant sophistication and delightful humor have added immeasurably to the Board's esprit;

NOW, THEREFORE, BE IT RESOLVED: That the members of the Board of Regents express to Frances Youn their gratitude on behalf of the entire University community, especially the student body, and their own personal thanks for her exceptional service, dedication, and hard work, that we wish her continued success and happiness in all her future endeavors, and that this resolution be spread upon the minutes of the Board as a permanent record of the Board's sincere and heartfelt appreciation.

**University of Washington  
Board of Regents  
Resolution of Appreciation to  
Phyllis M. Wise**

WHEREAS, Phyllis M. Wise has served with great distinction as interim president of the University of Washington from October 2010 to June 2011, a time when critical decisions were being made affecting the University's long-term future; and

WHEREAS, these decisions required the most skillful and outstanding leadership to guide the University and public policy makers through one of the most difficult and challenging times in Washington State history; and

WHEREAS, her commitment to the core missions of the University in teaching, research and service, including her deep devotion to undergraduate and graduate and professional education, enabled her to represent the University with great eloquence and persuasion in advocating on its behalf; and

WHEREAS, her determination to keep the University moving forward to engage the challenges it faces in a positive and upbeat manner and to emerge from the current economic difficulties well-positioned as a national and international leader in higher education and research, drove her to be an exemplar of creative leadership and to communicate these values broadly and often; and

WHEREAS, her passion, genuineness, sincerity, and devotion to excellence inspired everything she did during her time as interim president; and

WHEREAS, she blazed a trail as the first Asian-American woman to lead a major American research university;

NOW, THEREFORE, BE IT RESOLVED: That the members of the Board of Regents express to Phyllis M. Wise their sincere gratitude on behalf of the citizens of the State and the entire University community and their own personal thanks for her excellent leadership and selfless dedication to this most challenging and critical task, that we wish her continued success as she returns to her position as Provost of the University of Washington, that we especially appreciate her role this past year, and that this resolution be spread upon the minutes of the Board as a permanent record of the Board's sincere appreciation.

### FY12 Appropriations

The FY12 appropriations process is in full gear in the House with many predicting that work will drag on until December, a few months after the October 1<sup>st</sup> start of the new federal fiscal year. The White House-led talks seeking an agreement on raising the debt ceiling are expected to yield an agreement by August between House Republicans and Senate Democrats that will also determine how much spending Congress will cut in FY12 per the House Republican's demands. Between now and August, there will be contentious debate regarding the level of spending and cuts necessary to reduce the federal deficit in both the short and long term. During this same time, House leaders intend to vote nine of the twelve FY12 appropriations bills to the floor for votes before the scheduled August recess, even though they may ultimately need to modify those spending amounts based on the final debt limit negotiations.

The House brought their first FY12 appropriations bill to the floor last week, and more spending bills were marked up in committee. The Homeland Security bill was the first to come to the floor, passing favorably with a vote of 231-188. Agriculture and Military Construction-VA were also reported favorably out of committee and will be brought to the floor when the House returns from recess next week. Also last week, the House Appropriations Committee released their FY12 Energy and Water Appropriations bill, which was subsequently approved in the Energy and Water Subcommittee. The legislation provides the annual funding for the various agencies and programs under the Department of Energy, including the Office of Science, Energy Efficiency and Renewable Energy, National Nuclear Security Administration, as well as the Army Corps of Engineers, the Bureau of Reclamation, the Nuclear Regulatory Commission, and various regional water and power authorities. The bill totals \$30.6 billion – a cut of \$5.9



*Congressman Norm Dicks didn't mince words in his reaction to the House proposed Energy appropriations bill, calling the plan 'penny-wise and pound-foolish.' AP Photo*

billion below the President's FY12 request and \$1 billion below FY11 enacted levels – which brings the total cost of the bill to nearly the FY06 funding level. The **Energy Efficiency and Renewable Energy (EERE) program** – one which traditionally provides a number of competitive grants – provides \$1.3 billion total, \$491 million below the FY11 enacted level and \$1.9 billion below the President's request. Of note:

- Solar Energy:** The bill provides \$166 million total, \$97 million below the FY11 enacted level and \$291 million below the President's request.
- Fuel Efficient Vehicle Technologies:** The bill provides \$254 million total, \$46 million below the FY11 enacted level and \$334 million below the President's request. These funds are used to improve fuel efficiency with better engines, better batteries and engines that burn clean, domestic fuel. The bill also reduces Vehicle Technology Deployment by more

than \$200 million, a program which expands electric transportation initiatives.

- Building Technologies:** The bill provides \$150 million total, \$61 million below the FY11 enacted level and \$321 million below the President's request. These funds are used to research energy-efficient technologies in buildings which account for roughly 40% of all US energy use. The bill also provides no funds for the Race to the Green competitive grant program which incentivizes streamlined energy efficiency regulations, codes and performance standards through a competitive grant process.
- Biomass and Bio-Refinery Research and Development:** The bill provides \$150 million total, \$33 million below the FY11 enacted level and \$191 billion below the President's request.
- Weatherization Assistance:** The bill provides \$33 million total, \$141 million below the FY11 enacted level and \$287 million below the President's request.

The Office of Federal Relations will continue to report on the FY12 appropriations measures as they are released, in addition to maintaining direct communication with our congressional delegation to express our priorities for funding.

### Debt Ceiling Negotiations Continue

Through a largely symbolic vote, the House voted last week – and rejected – an increase in the debt limit. The vote was intended to demonstrate that the House isn't able to muster the votes to raise the debt limit unless Democrats and the White House agree to major cuts in federal spending. Republicans have constantly demanded that an increase in the debt limit be coupled with major spending cuts. Although Democrats initially called for a "clean" debt limit hike without any conditions, they now acknowledge that spending cuts must occur and are now negotiating a debt reduction package with their Republican counterparts. Negotiators are working against an August 2<sup>nd</sup> deadline, which is when the Treasury Secretary says the debt limit must be raised in order for the US to avoid defaulting on some of its loan obligations. There is a significant push, however to reach an agreement earlier, around late June or early July. Analysts have argued that allowing negotiations to continue too close to the August deadline could cause a loss of confidence in US markets and result in a deeper worldwide economic crisis. An agreement has been difficult to reach thus far, with Republicans arguing for deep cuts and refusing to raise taxes, and Democrats fighting for an increase in revenue sources to accompany any budget reductions.

### SBIR Extension Signed by the President

The President signed a bill late last month that will extend the Small Business Innovation Research (SBIR) program until September 30, 2011. The short-term extension retains the current small business set-aside at 2.5% for research agencies with R&D budgets greater than \$100 million. The extension passed as part of a larger Small Business Administration (SBA) measure and a reauthorization of the Patriot Act. The SBIR program is a set-aside program which requires federal agencies with extramural research and development budgets over \$100 million to administer SBIR programs using an annual set-aside of 2.5% for small com-

panies to conduct innovative research or R&D that has potential for commercialization and public benefit. One of the provisions proposed in the original bill was a gradual increase in the set-aside from 2.5% to 3.5%. The UW joined the broader university research community to support reauthorization of the SBIR program, but expressed opposition to any increase in the set-aside without a corresponding increase in the overall funding levels for the research agencies. We will continue to reiterate this stance in the fall when congress will again debate a longer-term reauthorization of the program.

### **Relevant Legislation**

There are several pieces of legislation that have been introduced in the House and Senate in recent months that our office is monitoring and weighing in on with our delegation as these bills begin to move, including:

#### ***Marine and Hydrokinetic Renewable Energy Promotion Act***

The Marine and Hydrokinetic Renewable Energy Promotion Act of 2011 (S 630) was introduced in May, and authorizes \$70 million in FY12 and \$75 million in FY13 and FY14 for programs related to renewable energy research. The act has also since been expanded to include ravine research, and is no longer limited to oceanic parameters. If approved, this measure could help to fund our efforts to develop tidal energy in Puget Sound.

#### ***Natural Hazards Risk Reduction & National Volcano Early Warning and Monitoring Program Acts***

The Natural Hazards Risk Reduction Act of 2011 (HR 1379, S 646) seeks to reauthorize the National Earthquake Hazards Reduction Program and National Windstorm Impact Reduction Program through FY15 in addition to amending current departmental and inter-agency responsibilities. If passed, NIST would lead all R&D, FEMA would improve hazards consistency, USGS would provide real-time earthquake data, and NSF would fund basic research. Both House and Senate bills are currently awaiting consideration in committee.

Similar hazards program authorization is also found in the National Volcano Early Warning and Monitoring Program Act (S 566), that looks to expand USGS volcano watch, research, and data centers across the nation. We have communicated with the Washington delegation the importance of this legislation and its potential positive impact on research carried out at UW.

#### ***Clementi & Campus SaVE Act***

The Tyler Clementi Higher Education Anti-Harassment Act of 2011 (HR 1048, S 540) was introduced in both chambers in early March. Senator Murray has already signed on as a cosponsor and we have asked the rest of our delegation to join in support of this bill as well. The bill essentially requires institutions of higher education to implement and follow strict policies with respect to harassment on campus and requires those policies to include harassment activities initiated through digital and technological means. The UW already complies with the provisions set forth in this legislation and would like to see other institutions take the same measures to protect the safety and well being of its students.

Similarly, the Campus SaVE Act (HR 2016, S 834) was introduced in late May which is aimed at preventing and providing education on sexual violence, domestic violence, and stalking. The legislation calls for the availability of related educational and

support programs on college campuses and sets forth reporting requirements. The UW complies with the provision of this bill and we are taking the opportunity to highlight the many programs we have on campus (SARIS, UWPD, and ASUW CORE) that are designed to educate and support students on the topic of sexual and domestic violence. Senator Murray supports this bill and we are asking the rest of our delegation to do the same.

#### ***Transportation Research***

In late March, the Surface Transportation Extension Act of 2011 was signed into law which gave the Department of Transportation (DOT) the discretion to redistribute funds allocated to specified research projects and programs, including University transportation Centers (UTCs). One of the changes announced just last week was a drastic modification to the UTC program. Currently there are 60 UTC's across the country, including TransNow on the UW campus. Under the new program, FY11 funds will be awarded on a competitive basis to eligible nonprofit institutions of higher learning to establish and operate up to 20 UTC consortia at \$4 million each, which effectively eliminates at least 40 UTC slots at universities around the country. This is newly released information and we expect more details to be announced in the near future. The Office of Federal Relations is working to get a letter of support from our congressional delegation for our grant proposal.

### **Pell Grants Remain A Hot Political Issue**

Pell continues to be an issue that our office is monitoring very closely. As the program is currently facing an \$11 billion shortfall and congress looks to dramatically cut spending, changes to the Pell program have become a topic of discussion in the debate to raise the debt ceiling and FY12 appropriations. While no solution has been formally put forth by the administration and congress, there have been several proposals that have been placed on the table. Among them are; implementing a minimum graduation or loan default rate requirement which would largely target for-profit schools, changing the income eligibility, and moving the Pell program from a mandatory/discretionary program to a 100% discretionary program. Another proposal that has recently been discussed in debt limit talks is eliminating the in-school interest subsidy for graduate students. This idea had previously been talked about in regards to FY12 as an effort that would close \$8 billion of the \$11 billion shortfall. However, if it is used as a budget reduction when congress decides to raise the debt ceiling, it will be a straight cut to the program and not helpful to filling the Pell shortfall.

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#### **Christy Gullion, Director**

Jessica Thompson, State/Federal Funding Analyst  
Bri Fields, Assistant to the Director

### **ASUWB elections**

We had a debate where students could get to know our candidates followed by a BBQ. Candidates campaigned throughout the month of May and were announced last Thursday night.

### **Memorial Day Events**

ASUWB partnered with the UW Bothell Student Veterans Association to present a panel of female veterans.

### **Student Leadership Awards**

The Office of Student Life held the end of the year student leadership awards ceremony where they honored student leaders from across campus for their dedication and involvement in all areas of student life.

### **Awards and Recognition**

Every year, we give out a Staff of the Year and Faculty of the Year award. The awards are nominated and chosen by students. This year's award winners are:

John Shaheen, Auxiliary Services Manager

Bryan White, Science and Technology Professor

These two individuals are an amazing reflection of what it means to be at UW Bothell.

Their passion and drive for students is seconded by none. We are so thankful for them and proud to honor them in this way.

### **Cram Night**

ASUWB partners with Chancellor Chan to extend the campus library hours from 8pm to 1am. ASUWB and UW Bothell alumni serve free coffee and tea to students throughout the night while they study. We also serve pizza so that students do not have to leave campus to get dinner.

**Amira Davis**  
**President | ASUWB**  
**April 2011**



## ASUWT Report

June 3, 2011

- **Open Public Forum (OPF)**
  - Theme: *Let us Serve You*
  - Discussion Items
    - HB 1795
    - Localized Tuition Setting Authority
- **Student Technology Fee Committee (STFC) Annual Allocation Process Complete**
  - Allocated student technology fees to for various technology needs for students
    - e.g. print stations and maintenance, computers, student technology employee wages.
- **Resolution Regarding Tuition Increases**
  - Introduced by Legislative Affairs Committee (LAC) at Senate Meeting
    - Passed
      - ASUWT will work towards minimizing and mitigating tuition increases instead of simply taking a no tuition increase stance
- **Community Conversation on Higher Education and Tuition**
  - UWT Chancellor, College Presidents, and Student Body Presidents on Panel
  - ~50 students attended
  - First time event was put on
  - Plan to make annual event
- **Book Selling Board**
  - a vehicle for students to buy/sell textbooks
  - alternative to UWT Bookstore
- **Water Bottle Filling Stations**
  - 5 stations will be located on campus, starting Fall 2011
  - 2 stations will have filters on them
- **Exam Cram**
  - Library was open for 2 additional hours (until midnight) for students
  - First time event was held 2 weeks before finals week
  - Over 85 students attended
- **Transition in Advising Forum**
  - Beth Rushing (Vice Chancellor of Academic Affairs) and ASUWT met with students
  - Forum Topics
    - Discussed changes in advising that are forthcoming (more centralized)
    - How it affects students

By: Rai Nauman Mumtaz (2010-11 ASUWT President)

**University of Washington Board of Regents**  
**Report of the Senate Chair**  
**Thursday 9 June 2011**

Herb Simon represented you well at the May meeting of the Faculty Senate, where he answered questions about the Regents, the state, the budget, and the faculty. Thank you, Herb.

Also at the May meeting, the Senate passed by acclamation a resolution honoring President Wise for her leadership this academic year. Being president sounds wonderful – here, be the public face for a great university, with a house, a nearly seven-figure salary, and just for 9-12 months. But wait a minute – no house, a substantially lower salary than your predecessor, and in those 9-12 months the institution has to totally switch its financial model, except that the institution doesn't control its financial model, so you'll have to change that control. By the way, there are some new people in key positions in the Legislature – oh, and we're also absorbing two more hospitals into the university's system. Thanks for stepping up and leading all of this so smartly, Phyllis.

Let me tell you about three eye-opening events I've attended recently.

Undergraduate Research Symposium (May 20<sup>th</sup>)

Several hundred students presented their original research findings in fields from bioengineering to nursing to political science. Mary Gates Hall was filled with posters, presenters, and observers in the atrium, and oral presentations in the classrooms. The students had followed their passions, to understand the role that new proteins could play in medical treatment, to plumb the failures of policies combating homelessness, to understand how development affects Muslim identity in north African countries. This year, the symposium included the annual presentations by McNair scholars from UW and area colleges. The McNair program encourages underrepresented minority students to engage in research and prepare for graduate school – part of the “pipeline” to a more diverse faculty in the future.

All of the research was overseen by faculty members or doctoral students; some was co-authored with faculty researchers. These are not your typical student assignments, but students actually trying to solve intellectual and practical problems, using the resources of a research university.

Undergraduate Academic Affairs held a brunch for award winners and donors to the awards. As you all know, the best form of donor stewardship is to allow people to see and touch the scholarship that results from their funding and student-faculty collaboration.

#### Geography Undergraduate Research Symposium (June 3<sup>rd</sup>)

Some departments hold their own undergraduate symposia. I spent all of last Friday judging Geography presentations. Some of them resulted from our spring-quarter workshop course in Geographic Information Systems, for which the faculty member in charge invites community organizations to work with student teams to define a project that they need. Our honors students have a similar arrangement. One on-going collaboration is with the organization 4Culture, which asks our students to investigate the history, sociology, and economy of districts along the route of the new SWIFT bus lines. The students' work will be provided to artists who will create art installations for the stations, tailored to the districts served.

#### Undergraduate Library Research Awards (June 7<sup>th</sup>)

On Tuesday, I attended an award ceremony for undergraduates who engaged in year-long research projects that relied heavily on UW Libraries' resources. Nine students won \$1000 awards for projects that relied on archival materials, extensive bibliographic searches, map collections, and the other services that the libraries provide. The UW Alumni Association was one of the sponsors of these awards.

Fifteen faculty members and librarians judged 67 entries – in two weeks. What makes these awards special is that the research process is assessed as well as the research originality and findings. In their brief remarks, the award winners emphasized the twists and turns that their studies took. When you read an academic article, you see a research question, a single methodology, and the findings. These students have come to understand that this is not the way research works. You have a question, sift through hundreds of documents or conduct scores of experiments, recognize that your original question can't currently be answered or isn't the most important question, sift through more documents or conduct more experiments, and come up with a relationship that neither you nor anyone else had considered. How do you find the documents? How do you design the experiments? How can you express the results? This is the research process. It takes a lot of time, and a lot of resources.

These events illustrate the academic discoveries that we feel are the core of the undergraduate experience. They require earnestness on the part of the students, dedication on the part of the faculty and graduate instructors, and resources that we



provide at the university. You can learn a great deal from life; you can learn a great deal from lectures, in person or online. But discovering new knowledge is a long and in-your-face process.

*--James W. ("JW") Harrington, Jr.*

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Academic and Administrative Appointments

RECOMMENDED ACTION:

It is the recommendation of the administration and the Academic and Student Affairs Committee the Board of Regents approve the appointments to the University faculty and administration as presented on the attached list.

*Attachment*  
Personnel Recommendations

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## ADMINISTRATIVE APPOINTMENTS

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### College of Arts and Sciences

#### **Department of Astronomy**

**Anderson, Scott Frederic**

**Chair, Astronomy, effective 7/1/2011**

Continuing Appointment:

- Professor, Astronomy

Degrees:

- PhD, 1985, University of Washington
- MA, 1980, University of California (Los Angeles)
- BS, 1979, University of New Mexico

#### **Department of Philosophy**

**Rosenthal, Michael**

**Chair, Philosophy, effective 7/1/2011**

Continuing Appointment:

- Associate Professor, Philosophy

Degrees:

- MA, 1996, University of Chicago
- PhD, 1996, University of Chicago
- BA, 1986, Stanford University

### School of Dentistry

#### **School of Dentistry**

**De Rouen, Timothy Allen**

**Acting Dean, Dentistry, effective 8/1/2011**

Continuing Appointments:

- Professor, Dental Public Health Sciences
- Professor, Biostatistics

Degrees:

- PhD, 1971, Virginia Polytechnic Institute and State University
- MS, 1969, Virginia Polytechnic Institute and State University
- BS, 1967, McNeese State University

### School of Medicine

#### **Department of Medical Education and Biomedical Informatics**

**Tarczy-Hornoch, Peter**

**Acting Chair, Medical Education and Biomedical Informatics, effective 6/1/2011**

Continuing Appointments:

- Professor without Tenure, Pediatrics
- Professor without Tenure, Medical Education and Biomedical Informatics
- Adjunct Professor, Computer Science and Engineering

Degrees:

- MD, 1989, Stanford University
- BS, 1985, Stanford University

**School of Nursing**

**School of Nursing**

**Whitney, Joanne Davis**

**Associate Dean, Nursing , effective 2/1/2011**

Continuing Appointment:

- Professor, Biobehavioral Nursing and Health Systems

Degrees:

- PhD, 1991, University of California (San Francisco)
- MS, 1979, University of Michigan
- BSN, 1975, Duke University

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**ENDOWED APPOINTMENTS**

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**College of Arts and Sciences**

**Department of Chemistry**

**Chiu, Daniel Teyun**

**Endowed Professorship In Analytical Chemistry, effective 9/16/2011**

Continuing Appointment:

- Professor, Chemistry

Degrees:

- PhD, 1998, Stanford University
- BA, 1993, University of California (Berkeley)
- BS, 1993, University of California (Berkeley)

**Department of Philosophy**

**Gardiner, Stephen M.**

**Ben Rabinowitz Endowed Fund for the Support and Protection of Our Environment, effective 6/10/2011**

Continuing Appointment:

- Associate Professor, Philosophy

Degrees:

- PhD, 1999, Cornell University
- MA, 1993, University of Colorado (Boulder)
- BA, 1990, University of Oxford (UK)

## **College of the Environment**

### **School of Marine and Environmental Affairs**

**Klinger, Terrie L.**

**Stan and Alta Barer Endowed Professorship in Sustainability Science in honor of Edward L. Miles, effective 7/1/2011**

Continuing Appointment:

- Associate Professor, School of Marine and Environmental Affairs

Degrees:

- PhD, 1988, University of California (San Diego)
- MSC, 1984, University of British Columbia (Canada)
- BA, 1979, University of California (Berkeley)

**Leschine, Thomas Michael**

**Ben Rabinowitz Endowed Fund for the Support and Protection of Our Environment, effective 7/1/2011**

Continuing Appointments:

- Professor, School of Marine and Environmental Affairs
- Director/Chair, School of Marine and Environmental Affairs

Degrees:

- PhD, 1975, University of Pittsburgh
- MA, 1970, University of Pittsburgh
- BS, 1967, University of Pittsburgh

## **School of Nursing**

### **Department of Family and Child Nursing**

**Brandt, Patricia Ann**

**University of Washington Medical Center Endowed Professorship in Nursing Leadership, effective 7/1/2011**

Continuing Appointments:

- Professor, Family and Child Nursing
- Chair, Family and Child Nursing

Degrees:

- PhD, 1981, University of Washington
- MS, 1968, University of Colorado (Boulder)
- BS, 1966, Marquette University

### **Department of Psychosocial and Community Health**

**Magyary, Diane Louise**

**Kathryn Barnard Endowed Professorship for Infant Mental Health, effective 7/1/2011**

Continuing Appointment:

- Professor, Psychosocial and Community Health

Degrees:

- PhD, 1981, University of Washington
- MN, 1977, University of Washington
- BS, 1971, Ohio State University

## **School of Public Health**

### **Department of Biostatistics**

#### **Shojaie, Ali**

**Genentech Endowed Professorship in Biostatistics, effective 7/1/2011**

Continuing Appointment:

- Assistant Professor, Biostatistics

Degrees:

- MS, 2010, University of Michigan
- PhD, 2010, University of Michigan
- MS, 2005, Michigan State University
- MSC, 2001, Amir Kabir University of Tech (Iran)
- BSC, 1998, Iran University of Science and Technology

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## **NEW APPOINTMENTS**

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## **College of Arts and Sciences**

### **Department of Anthropology**

#### **Perez, Michael Vincente**

**Lecturer, Full-time, Anthropology, effective 9/16/2011**

Degrees:

- PhD, 2011, Michigan State University
- MA, 2006, Michigan State University
- BA, 2000, University of Florida

### **Department of Chemistry**

#### **Bush, Matthew**

**Assistant Professor, Chemistry, effective 7/1/2011**

Degrees:

- PhD, 2008, University of California (Berkeley)
- BA, 2003, Carleton College

#### **Maibaum, Lutz**

**Assistant Professor, Chemistry, effective 9/1/2011**

Degrees:

- PhD, 2005, University of California (Berkeley)
- Diploma, 2001, University of Dusseldorf (Germany)

#### **Stoll, Stefan**

**Assistant Professor, Chemistry, effective 8/1/2011**

Degrees:

- PhD, 2003, Eidgenosse Technische Hochschule (Switzerland)
- MA, 2001, University of Music and Performing Arts Graz (Austria)
- MEng, 1998, Graz University of Technology (Austria)

## **Department of Geography**

**Bergmann, Luke Robert**

**Acting Assistant Professor, pending Ph.D., Geography, effective 9/16/2011**

Degrees:

- PhD - Expected, 2011, University of Minnesota
- MA, 2006, University of Minnesota
- BS, 2002, Duke University

## **School of Art**

**Drpic, Ivan**

**Acting Assistant Professor, pending Ph.D., Art, effective 9/16/2011**

Degrees:

- PhD - Expected, 2011, Harvard University
- MA, 2005, Harvard University
- BA, 2002, University of Belgrade (Serbia)

## **Business School**

### **Department of Finance and Business Economics**

**Brogaard, Jonathan A.**

**Acting Assistant Professor, pending Ph.D., Finance and Business Economics, effective 6/16/2011**

Degrees:

- PhD - Expected, 2012, Northwestern University
- BA, 2006, Occidental College

## **College of Education**

### **College of Education**

**Bang, Megan**

**Assistant Professor, Education, effective 9/16/2011**

Prior Non-UW Appointment:

Senior Scientist, Educational Research Collaborative,  
Technical Education Research Centers

Degrees:

- PhD, 2009, Northwestern University
- BA, 1997, Williams College

**Sanders, Elizabeth**

**Assistant Professor, Education, effective 9/16/2011**

Prior UW Appointment:

Teaching Associate, Education

Degrees:

- PhD, 2011, University of Washington
- MED, 2004, University of Washington
- BS, 1999, University of Washington

## School of Law

### School of Law

#### **Knudsen, Sanne**

**Assistant Professor, Law, effective 9/16/2011**

Prior Non-UW Appointment:

Visiting Assistant Professor, Law, University of Utah

Degrees:

- JD, 2002, University of Michigan (Ann Arbor)
- MS, 2002, University of Michigan (Ann Arbor)
- BS, 1998, Northwestern University

## School of Medicine

### Department of Medicine

#### **Zraika, Sakeneh**

**Research Assistant Professor, Medicine, effective 5/1/2011**

Prior UW Appointment:

Acting Instructor, Medicine

Degrees:

- PhD, 2004, University of Melbourne (Australia)
- BS, 2000, University of Melbourne (Australia)

### Department of Neurology

#### **Oakley, John Christopher**

**Assistant Professor without Tenure, Neurology, effective 5/1/2011**

Prior UW Appointment:

Acting Assistant Professor, temporary, Neurology

Degrees:

- MD, 2001, University of Washington
- PhD, 1999, University of Washington
- BS, 1994, Pacific Lutheran University

### Department of Orthopaedics and Sports Medicine

#### **Brage, Michael Erik**

**Associate Professor without Tenure, Orthopaedics and Sports Medicine, effective 5/1/2011**

Degrees:

- MD, 1986, University of Illinois
- BS, 1982, University of Illinois

### Department of Radiology

#### **Appel, Jason**

**Assistant Professor without Tenure, Radiology, effective 6/1/2011**

Degrees:

- MD, 2003, George Washington University
- BA, 2000, George Washington University



**Daniel J. Evans School of Public Affairs**

**Daniel J. Evans School of Public Affairs**

**McCann, Pamela Jo Clouser**

**Assistant Professor, Public Affairs, effective 9/16/2011**

Degrees:

- PhD, 2011, University of Michigan
- MS, 1997, Northwestern University
- BS, 1994, Ball State University

**Smith, Steven Rathgeb**

**Professor, Public Affairs, effective 8/1/2011**

Prior Non-UW Appointment:

Professor, Georgetown Public Policy Institute,  
Georgetown University

Degrees:

- PhD, 1988, Massachusetts Institute of Technology
- Master Of Social Work, 1978, Washington University
- AB, 1973, Brown University

**University of Washington, Bothell**

**Interdisciplinary Arts and Sciences Program, Bothell**

**Walsh, Camille Lorraine**

**Lecturer, Full-time, Interdisciplinary Arts and Sciences,  
Bothell, effective 9/16/2011**

Degrees:

- PhD, 2010, University of Oregon
- MA, 2006, University of Oregon
- JD, 2004, Harvard University
- BA, 2000, New York University

**University of Washington, Tacoma**

**Interdisciplinary Arts and Sciences Program, Tacoma**

**Sun, Huatong**

**Assistant Professor, Interdisciplinary Arts and Sciences,  
Tacoma, effective 9/1/2011**

Prior Non-UW Appointment:

Assistant Professor, Technical Communication &  
Interactive Media Studies, Miami University

Degrees:

- PhD, 2004, Rensselaer Polytechnic Institute
- MS, 2000, Michigan Technological University
- BA, 1997, Fudan University (China)

**Nursing Program, Tacoma**

**Adamson, Katie**

**Assistant Professor, Nursing, Tacoma, effective 9/16/2011**

Degrees:

- PhD, 2011, Washington State University
- MN, 2008, University of Washington
- BSN, 2003, University of Washington

## VII. STANDING COMMITTEES

## A. Academic and Student Affairs Committee

Granting of Degrees for 2010-11

## RECOMMENDED ACTION:

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve the granting of degrees to those individuals who, in the judgment of the faculty, have satisfied the requirements for their respective degrees during the 2010-11 academic year.

BACKGROUND

The statutes of the State of Washington require that the Board of Regents approve the granting of degrees to those individuals who have satisfied the requirements for their respective degrees. Similar action is taken each year by the Board of Regents.

Approximately 14,155 degrees will be awarded this academic year. For work completed at the University of Washington, Seattle, students will receive an estimated 12,155 degrees, specifically: 8,000 bachelor's degrees, 2,930 master's degrees, 525 professional degrees and 700 doctoral degrees. For work completed at the University of Washington, Bothell, students will receive about 915 degrees, including 760 bachelor's degrees and 155 master's degrees. For work completed at the University of Washington, Tacoma, students will receive about 1,085 degrees, including 890 bachelor's degrees and 195 master's degrees.

Last year a total of 13,784 degrees was awarded: At Seattle, 7,762 bachelor's degrees, 2,923 master's degrees, 523 professional degrees (Law, 176, Medicine, 169, Dentistry, 56, Pharmacy, 122), and 703 doctoral degrees; at Bothell, 660 bachelor's degrees and 146 master's degrees; and at Tacoma, 867 bachelor's degrees and 200 master's degrees.

## VII. STANDING COMMITTEES

## A. Academic and Student Affairs Committee

Establish Degree Program: *Master of Fine Arts in Creative Writing and Poetics*,  
UW Bothell Interdisciplinary Arts and Sciences

## RECOMMENDED ACTION:

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents grant authority to the UW Bothell Interdisciplinary Arts and Sciences Program to offer the Master of Fine Arts (MFA) in Creative Writing and Poetics degree program, effective Autumn Quarter 2011. This is a self-sustaining program offered in coordination with UW Educational Outreach (UWEO). The degree program will have provisional status with a review to be scheduled in the 2016-2017 academic year. At such time that continuing status is granted, a ten-year review cycle would begin.

BACKGROUND

In February 2010, the Graduate School received a Planning Notification of Intent (PNOI) from the graduate faculty in the Interdisciplinary Arts and Sciences Program at UW Bothell requesting authority to develop the MFA in Creative Writing and Poetics degree program. The PNOI was circulated to stakeholders across campus, then submitted to the Higher Education Coordinating Board which granted permission to develop in June 2010. The full degree proposal was submitted to the Graduate School in December 2010. Implementation is planned for Autumn Quarter 2011, with the program anticipating 21 degrees granted per year at maturity.

The UWB MFA program will be distinguished from other MFA programs in the region through its uniquely defined emphases on creative writing and poetics - *why we write how we write*. This 60 credit program asks students to consider the cultural, social and technological aspects of writing—addressing how their writing relates to shifting global and transnational contexts; changing gender, race, ethnicity, and class relations; and transforming media. The program is also distinguished by its hybrid delivery system: establishing a residency program for its first year and introducing non-residency options in its second year. The UWB MFA is based on an understanding that writers engage multiple fields of knowledge in producing their work, and that most writers, including those most committed to their art forms, make a living in diverse areas of the economy, drawing on their writing talent. By making these real-life conditions part of the program itself, the UWB MFA aims not only to enhance writers' written art but also to provide them with a greater set of options in pursuing related careers.

In December 2010, the Graduate School appointed two reviewers to evaluate the MFA proposal. The reviewers both supported approval of the degree program.

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

#### Establish Degree Program: *Master of Fine Arts in Creative Writing and Poetics*, UW Bothell Interdisciplinary Arts and Sciences (continued p. 2)

Each reviewer made specific recommendations on the program, to which the program provided detailed responses.

The Graduate School Council met on January 20, 2011, to discuss the MFA degree proposal. The Council recommended unanimously that the proposal be forwarded to the Higher Education Coordinating Board for review and approval. The Vice Provost and Dean of the Graduate School concurred with this recommendation.

On April 26, 2011, the Higher Education Coordinating Board Education Committee discussed the full MFA proposal, which was then considered by the full Higher Education Coordinating Board on May 19, 2011. The Board approved the proposal by Interdisciplinary Arts and Sciences at the University of Washington Bothell to offer the Master of Fine Arts in Creative Writing and Poetics.

The Vice Provost and Dean of the Graduate School, the Chancellor at UW Bothell, and the Provost have reviewed and approved the recommendation. The Higher Education Coordinating Board will be informed of the Board of Regents' action on the Master of Fine Arts in Creative Writing and Poetics.

## VII. STANDING COMMITTEES

## A. Academic and Student Affairs Committee

Establish Certificate Program: *Graduate Certificate in Software Design and Development*, UW Bothell Computing & Software Systems

## RECOMMENDED ACTION:

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents grant authority to the UW Bothell Computing and Software Systems Program to offer the Graduate Certificate in Software Design and Development program, effective Autumn Quarter 2011. This is a self-sustaining program offered in coordination with UW Educational Outreach (UWEO). The program will have provisional status with a review to be scheduled in the 2016-2017 academic year. At such time that continuing status is granted, a ten-year review cycle would begin.

BACKGROUND

In March 2011, the Graduate School received a proposal from the graduate faculty of the Computing and Software Systems Program at UW Bothell requesting authority to offer the self-sustaining Graduate Certificate in Software Design and Development program. The proposal was circulated to stakeholders across campus for open comment; no comments were submitted. Implementation is planned for Autumn Quarter 2011, with the program anticipating 30 students enrolled in any given quarter.

The graduate certificate program is designed to 1) be a formal recognition of advanced academic achievement that will assist with a student's employment goals; 2) serve as a stepping stone to prepare students to compete for admission into a full master's degree program; and 3) serve as an opportunity for graduate non-matriculated (GNM) students to strengthen their computing knowledge within a high quality, graduate environment. This certificate represents the completion of six courses -- three programming/systems courses and three software design courses -- culminating in a series of linked assignments and a final project with presentation. Industry demand for advanced computer science graduates is very strong, and the graduate certificate program is designed to attract students from diverse disciplines such as business, humanities, and arts & sciences, as well as from other engineering disciplines. The program will provide a meaningful and important graduate experience, either as a way to further students' career goals, or alternately as a stepping stone towards admission to a master's degree program.

The Graduate School Council met on May 5, 2011, to discuss the graduate certificate proposal. The Council recommended unanimously that the proposal be

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Establish Certificate Program: *Graduate Certificate in Software Design and Development*, UW Bothell Computing & Software Systems (continued p. 2)

forwarded to the Regents for review and approval after slight clarifications regarding its relationship to the existing Computing & Software Systems master's degree program. The Vice Provost and Dean of the Graduate School concurred with this recommendation.

The Vice Provost and Dean of the Graduate School, the Chancellor at UW Bothell, and the Provost have reviewed and approved the recommendation.

## VII. STANDING COMMITTEES

## A. Academic and Student Affairs Committee

Establish Degree Program: *Master of Science in Computational Finance and Risk Management*, Department of Applied Mathematics

## RECOMMENDED ACTION:

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents grant authority to the graduate faculty in the Department of Applied Mathematics to offer the Master of Science in Computational Finance and Risk Management degree program, effective immediately. The degree program will have provisional status with a review to be conducted by the Graduate School in the 2016-2017 academic year.

BACKGROUND

In December 10, 2010, the Higher Education Coordinating Board approved the Planning Notification of Intent (PNOI) from the Department of Applied Mathematics to develop a proposal to offer a new fee-based Master of Science in Computational Finance and Risk Management degree program.

In Spring Quarter 2010, the Graduate School conducted a review of the Computational Finance Graduate Certificate Program (CGFCP). The program has been successful in attracting strong students and has a strong record of placement upon students' completion of their PhD programs. The committee recommended that the program be continued with the proviso that the curriculum be enhanced to provide students broader breadth in computational finance. The committee also recommended the development of a "parallel fee-based professional master's degree program." The master's degree program could generate revenue that would sustain the graduate certificate program and support the development of new courses to broaden it academically. Both programs could "co-exist and be synergistic."

On February 11, 2011, the Graduate School received the proposal from the Department of Applied Mathematics to offer the Master of Science in Computational Finance and Risk Management with delivery of the degree program to be both on campus and online. Projected enrollment will be 21 FTE in the first year with 48 FTE by 2013. The proposal was evaluated by faculty with expertise in the field from the College of Humanities and Social Sciences at Carnegie Mellon University and the International Computer Science Institute, University of California at Berkeley. Both faculty recommended that the degree program be approved noting it is timely, should generate sufficient financial resources for new faculty hires when critical enrollment level is reached, it is

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

#### Establish Degree Program: *Master of Science in Computational Finance and Risk Management*, Department of Applied Mathematics (continued p. 2)

innovative, has a balanced and solid curriculum, and it meets regional needs while enabling the University of Washington to project a national presence.

On February 17, 2011, the Graduate School Council considered the Master of Science in Computational Finance and Risk Management and recommended unanimously that the proposal be forwarded to the Higher Education Coordinating Board for review and approval.

The Higher Education Coordinating Board on May 19, 2011 approved the Master of Science in Computational Finance and Risk Management degree program to be offered by the Department of Applied Mathematics at the University of Washington. It supports the Strategic Master Plan for Higher Education and the University's mission; it responds to student, employer, and community demand without duplicating existing programs and it will be offered at a reasonable cost.

The Vice Provost and Dean of the Graduate School, the Dean of the College of Arts and Sciences, and the Provost have reviewed and approved this recommendation. The Higher Education Coordinating Board will be informed of the Board of Regents approval of the Master of Science in Computational Finance and Risk Management degree program.



## VII. STANDING COMMITTEES

## A. Academic and Student Affairs Committee

Rename Degree Program: From *Master of Science in Computing and Software Systems* to *Master of Computer Science and Systems*, Institute of Technology, UW Tacoma

## RECOMMENDED ACTION:

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents grant authority to the Institute of Technology to change the name of the Master of Science in Computing and Software Systems to the Master of Computer Science and Systems. The degree title change is effective beginning with students enrolling Autumn Quarter 2011. The degree program is scheduled to be reviewed in the 2011-2012 academic year.

BACKGROUND

On March 31, 2011, the Graduate School received a request from the graduate faculty in the Institute of Technology at UW Tacoma to change the title of the Master of Science in Computing and Software Systems to the Master of Computer Science and Systems. Since there are no proposed changes to the curriculum, a transition plan is not needed for students currently in the program

The Master of Science in Computing and Software Systems (CSS) was approved by the Board of Regents in August, 2002. The degree program was designed originally to serve two populations of professionals—those with a baccalaureate degree in computer science and those with a baccalaureate in a related field and some education and experience in computing. Since its inception, the program varied from the traditional computer science programs in that the focus was on distributed computing and web applications.

In 2003, significant curriculum changes were made with emphasis placed on discrete mathematics, algorithms, and object-oriented design and development. These changes brought the program more in line with a traditional computer science program as taught at various institutions nationally. These topics are also consistent with the Computing Accreditation Commission's view of computer science.

The CSS program name has been problematic, resulting in the need to explain to prospective students and employers alike what "Computing and Software Systems" means. The Industrial Advisory Committee (IAC) for the Institute of Technology has also questioned why the program name is not more easily recognized by those in the computing industry and community at large. In its last meeting, the IAC voted unanimously to support a degree title change that would

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

Rename Degree Program: From *Master of Science in Computing and Software Systems* to *Master of Computer Science and Systems*, Institute of Technology, UW Tacoma (continued p. 2)

contain at least the words “Computer Science.” Additionally, in the 2008 program review conducted by the Graduate School, the review committee recommended a change in the degree program title to Computer Science and Systems. The new degree program title will differentiate it from the program offered by the Department of Computer Science and Engineering in Seattle. Finally, the degree title change is in line with the change approved for the Institute of Technology’s Bachelor Science in Computing and Software Systems which is now the Bachelor of Science in Computer Science and Systems.

The Vice Provost and Dean of the Graduate School, the Chancellor and the Vice Chancellor for Academic Affairs of the UW Tacoma, and the Provost have reviewed and approved this recommendation. The Higher Education Coordinating Board will be informed of the degree program title change if the Board of Regents grants approval.

## VII. STANDING COMMITTEES

## A. Academic and Student Affairs Committee

Services and Activities Fee — University of Washington, Seattle: 2011-12 Operating and Capital Allocations

## RECOMMENDED ACTION:

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve for the Seattle campus:

- 1) Increasing the Service and Activities (S&A) Fee Committee voting membership from seven to nine (four and five of whom, respectively, represent the Graduate and Professional Student Senate and the Associated Students of the University of Washington);
- 2) Raising the S&A Fee level for 2011-12 from \$117 per full-time student per quarter to \$118; and
- 3) Allocating \$13,409,847 for 2011-12 S&A Fee operating and capital funds.

BACKGROUND

Each year, on the basis of recommendations by the administration and the S&A Fee Committee\*, the Board of Regents approves annual S&A Fee allocations for the Seattle campus. Additional allocations may be approved during a given year.

The present recommendations grew out of S&A Fee Committee discussions over the course of the 2010-11 academic year — discussions that included at different times representatives of the units supported by S&A Fee income. Based on revenue projections provided by the Office of Planning and Budgeting, the S&A Fee Committee estimates 2011-12 revenue to be \$13,470,000. The S&A Fee Committee submitted its written recommendations to the Vice President and Vice Provost for Student Life on May 23, 2011 (Attachment I). The administration concurred with the recommendation of the fee assessment level and all operating and capital allocations (Attachment II).

The 2010-11 and recommended 2011-12 distributions of the quarterly S&A Fee are displayed below:

	<u>Full-time 2010-11</u>	<u>Full-time 2011-12</u>
Long Term Loan Fund	\$4.10	\$4.13**
Facilities and Programming Account	<u>\$112.90</u>	<u>\$113.87</u>
Total	\$117.00	\$118.00

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\* By statute, recommendations of the Committee are determined by the votes of its student members - three and four of whom, respectively, represent the GPSS and the ASUW. The rules call for three administrators and two faculty members to serve on the Committee in nonvoting, advisory roles.

\*\*Long Term Loan Fund based on 3.5% of the Service and Activities Fee.

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

#### Services and Activities Fee — University of Washington, Seattle: 2011-12 Operating and Capital Allocations (continued p. 2)

The proposed 2011-12 operations and capital budgets for each program and a brief discussion of their rationale are detailed below:

#### Associated Students of the University of Washington (ASUW) - \$748,856 (Operations)

The recommended allocation would support ongoing functions, programs, student leader and assistant salaries, and general operating costs of ASUW.

#### Campus Sustainability Fund - \$300,000 (Operations)

This funding supports projects that further the University's commitment to environmental stewardship and campus sustainability. This fund is allocated by a student committee and managed by the UW Environmental Stewardship and Sustainability Office.

#### Classroom Support Services - \$87,163 (Operations)

The recommended allocation would continue to support wages of student staff.

#### Community Standards & Student Conduct - \$13,489 (Operations)

The recommended allocation supports a student position that will increase outreach to the student community about accountability and supports the development of a student conduct peer review model.

#### Counseling Center - \$357,836 (Operations) and \$2,250 (Capital)

The recommended allocation would allow the Counseling Center to continue to offer visits to the Center at no cost to students, add a counselor position that will work more deliberately with student veterans, and increase funding for the staff psychiatrist in order to work two days per week.

#### Ethnic Cultural Center/Theater (ECC/T) - \$594,656 (Operations) and \$18,603 (Capital)

This recommended allocation would continue to support the ongoing functions, staff and general operations of the Ethnic Cultural Center/Theater.

#### Graduate and Professional Student Senate (GPSS) - \$309,000

The recommended allocation would continue to support ongoing programs, functions, tuition stipends, student assistant salaries, and general operating costs of GPSS.

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

#### Services and Activities Fee — University of Washington, Seattle: 2011-12 Operating and Capital Allocations (continued p. 3)

##### Hall Health Primary Care Center (HHPCC) - \$6,130,189 (Operations)

The recommended allocation allows the HHPCC to continue to provide excellent on-campus care for students, faculty, staff, and the community.

##### Q Center - \$181,374 (Operations) and \$2,000 (Capital)

The recommended allocation to the Q Center reflects support of the continued services and program for students, faculty, staff, alumni and allies of the Center. Funding will assist with student salaries for a webmaster and a summer graduate assistant.

##### Recreational Sports Programs (RSP) - \$1,892,758 (Operations) and \$100,000 (Capital)

The recommended allocation will support wages and related increases for facilities staff. The capital allocation will provide \$100,000 in maintenance funding necessary to keep RSP facilities functional.

##### Services & Activities Fee Committee - \$22,000 (Operations)

The recommended allocation provides for partial tuition waivers for the Committee Chairperson(s) and the student salaries of the S&A Fee Coordinator and Web/IT Coordinator.

##### Services & Activities Fee Committee: Capital Expenditure Fund - \$404,100 (Operations)

The S&A Fee Committee supports an allocation of 3% of annual S&A Fee revenue to the Capital Fund, which allows the S& A Fee Committee to more easily and responsibly plan and save for future capital expenditures for funded units.

##### Student Activities & Union Facilities (SAUF) - \$565,796 (Operations)

The recommended allocation will continue to support the Student Organization Event Fund, salaries for HUB staff, and the operational budget for the Student Organization Resource Center.

##### Student Legal Services (SLS) - \$147,454 (Operations) and \$2,400 (Capital)

The recommended allocation will continue to maintain the essential operations of the office and the salaries of its staff.

##### Student Parent Resource Center - \$1,279,923 (Operations)

The recommended allocation provides staff support of this unit and a significant increase to the childcare subsidies that are allocated to student parents.

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

Services and Activities Fee — University of Washington, Seattle: 2011-12 Operating and Capital Allocations (continued p. 4)

Student Publications - \$250,000 (Operations)

The recommended allocation would support ongoing functions, salaries, and general operating costs of *The Daily*.

#### *Attachments*

1. May 23, 2011, letter to Mr. Eric Godfrey, Vice President and Vice Provost for Student Life, from Ms. Mallory Martin and Mr. Conor McLean, Co-Chairs, Services and Activities Fee Committee
2. May 26, 2011, letter to Ms. Mallory Martin and Mr. Conor McLean, Co-Chairs, Services and Activities Fee Committee, from Mr. Eric Godfrey, Vice President and Vice Provost for Student Life



## Services & Activities Fee Committee

Committee Recommendation

May 23, 2011

Mr. Eric Godfrey  
Vice President & Vice Provost for Student Life  
University of Washington  
101 Gerberding  
Seattle, Washington 98195

Dear Mr. Godfrey,

On May 20, 2011, the Services & Activities Fee Committee met to approve recommendations regarding the collection and allocation of the Services & Activities Fee for the 2011 – 2012 academic year. This recommendation is the result of a well informed and thought out process involving newly structured orientation documents, budget presentations as well as pointed and critical analysis from our dedicated committee membership. The recommendation is broken down into the following components: a recommended fee level, recommended operational allocations and recommended capital allocations. Within the operational allocations, please note the addition of a student staff position within Student Conduct and Community Standards to increase outreach with students and the campus community. The Committee thanks the Board of Regents for their consideration and believes that the Regents should adopt our recommendations.

The Fee will optimally fund a broad array of services and activities for the students at the University of Washington and represents a conservative increase in the midst of other fees payed by students on campus. SAF articulates its mission as such, *“The Services and Activities Fee is a student levied, student distributed fee to support and enhance the out of class experience of students at the University of Washington Seattle. The Services and Activities Fee provides ongoing operational and capital funding for programs, which protect and enrich the cultural, emotional, intellectual, physical, and social well being of the student.”* We feel these recommendations uphold these values.

This year the committee was presented with a unique challenge of new unit requests as well as large changes regarding the function and operation of the committee. This year for the first time SAF was under the leadership of co-chairs, one from ASUW and the other from GPSS. This co-chairship model

allowed for more work to be done formulating policy and establishing well informed and trained committee membership. The committee has also taken to this new model and has selected one ASUW representative and one GPSS representative as interim chairs for the 2011 summer term.

In addition to our allocation recommendations, SAF has voted and seeks approval from the University Administration and Board of Regents to increase student voice and committee transparency by adding two (2) additional members to the SAF committee, one from ASUW and GPSS thereby increasing committee membership to nine (9) student members.

As seen above the SAF committee worked together to draft a mission statement defining the scope and role of the committee. We feel quite proud of the statement we drafted and referred to our mission during the budget deliberations to ensure that we were upholding access to student services which each decision.

In addition the co-chairs worked over the summer to draft a new timeline for orientations and budget presentations to ensure that the committee was well prepared for each unit and had adequate time to review and deliberate on documents. We asked units to submit a five page orientation document outlining the units' role and impact for students rather than coming to the committee with a PowerPoint presentation. Units were also asked to submit their budget materials one month earlier so that the committee would have adequate time to review the documents and draft questions as a group before the units budget meeting. We recognize the drastic changes to SAF protocol this year and thank the units for meeting deadlines will accurate and pertinent information. After much discussion the SAF committee also voted to change the Carry Forward Policy so that all units may now hold over unspent funds into the next cycle. Under the new policy units must also report the amount held over as well as their general fund balance to the committee to ensure accountability of SAF dollars. This year was also the first funding cycle in which all three capital projects (Hall Health, Ethnic Cultural Center, the HUB/Student Union) on campus were in progress.

### **2011-2012 Recommended Services and Activities Fee Level**

The Services & Activities Fee Committee recommends the Fee be assessed at \$118, which is a \$1 increase over the 2010-2011 Fee. This represents recommended allocations of \$13,409,847 for the respective units. Based on revenue projections, this Fee level will accommodate some of the additional funding requests from our units, the addition of a student staff in Student Conduct and Community Standards, and the allocation of funds outlined by the Committee's Capital Projects Policy.



## *Operational Allocation Recommendations:*

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### **Associated Students of the University of Washington – \$748,856**

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ASUW has worked to make significant internal changes that have actually allowed them to decrease their operational spending and generate new ways of capturing revenue. The committee has allocated a slight increase in funding from the 2010-11 year in order to address revenue projections while still maintaining their current programs and services. We thank ASUW for a well written budget document and for their work in coordinating all the budgets under the ASUW enterprises, programs and commissions. We encourage more work be done to explore the ways in which an endowment could be put in place to financially benefit the ASUW and ease some pressure from student fees.

The committee has strongly expressed the importance of nominations for the SAF Committee to be completed before the fifth week of Fall Quarter.

### **Campus Sustainability Fund - \$300,000**

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Funded as a new unit last year the CSF has made great strides to uphold and advance the University's mission towards green technology and campus sustainability, that being said, the SAF Committee has taken into consideration the many variables of this program's establishment and the work done to establish bylaws and infrastructure for a new unit. After review of past funding proposals and CSF documents it is the recommendation of the SAF Committee that the CSF allocation be decreased from the 2010-2011 level. We feel this decrease was warranted to make sure that student fee dollars were being spent accountably and accurately. We recognize the longevity and utility of this unit on campus and would like to see CSF reconcile ways in which the fund operates so that accountability can be increased. Emphasizing capital projects as well as other sustainability projects that are student initiated and have an actionable component should be the focus of CSF funds. Work to formalize the project selection process as well as varying questionnaires per project type should be undertaken to ensure that student fee funds are being used to fund student sustainability projects on campus.

SAF thanks CSF for taking our recommendation about the Graduate Student Appointee and for making strides to ease the cross over with the UW Environmental Stewardship and Sustainability Office.

### **Classroom Support Services – \$87,163**

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This allocation continues to fund student employees in the operation of the widely used student technology loan program with the addition of two additional student staff members to help with the daily operations of CSS at both the Kane Hall site and Health Sciences. This amount represents an increase from 2010-11.

### **Community Standards and Student Conduct-\$13,489**

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This allocation to SCCS represents a new funding opportunity for SAF as well as an exciting opportunity for a student position to aid in the office as well as work with the development of a student conduct peer review model. We recognize the value of this work on campus and look forward to the outreach in the campus and north of 45<sup>th</sup> community.

### **Counseling Center – \$357,836**

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This amount represents an large increase from 2010-2011 for an additional counselor position which will work more closely with the student veterans on campus as well as an increase in funding for the staff psychiatrist to work two days per week. The Committee recognizes the importance and value of mental health programs and appreciates the efforts of the Counseling Center staff to ease the mental health needs of students on campus. The SAF committee recommends that the Counseling Center work at this staffing level for future years and report to the committee with feedback on the new position.

### **Ethnic Cultural Center & Theatre – \$594,656**

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The Committee's allocation supports the ongoing functions, operations and staff of the ECC/T. It must be said that the addition of the ECC/T staff and programs in Condon Hall during renovations has been a great asset to other programs and departments housed in Condon. This allocation reflects the support of student staff as well as supplies for the vast programs run through the ECC. It is SAF's recommendation that the ECC work with Academic Student Services to find funds to run the Mentor Power for Success Program which was recently put under their purview. In addition we support and recommend the ECC search for additional outside funds and grants.

### **Graduate & Professional Student Senate – \$309,000**

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The Committee is allocating an increase to GPSS in order to accommodate the anticipated increase in Graduate Student Appointee stipends and tuition for the four officers. This year GPSS has worked hard to expand their programming and scope on this campus and this increase reflects the commitment to Graduate Student issues on this campus. We commend GPSS for their work in reconciling past budgets and discovering funds which were thought to have been allocated, reshifting travel funds to allow for an increased presence in Olympia at the state legislature and expanding their programming to events such as the first annual Science and Policy Summit and Student Parent Child Awareness Day. As with ASUW, the Committee has strongly expressed that the nominations for the SAF Committee be completed before the fifth week of Fall Quarter. In addition we recommend GPSS look to next year's SAF committee to stabilize the GPSS budget in future years so that continued general fund spending does not occur.

### **Hall Health Primary Care Center – \$6,130,189**

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The SAF Committee applauds HHPCC in their efforts to remain open during construction and also maintain a consistent level of revenue. This allocation represents no increase from the 2010-2011 allocation per the budget document provided by Hall Health. SAF recommends that HHPCC work with ASUW and the Residence Hall Student Association in coordinating efforts around student surveys and outreach.

### **Medical School-Idaho Track Student Fee- \$0**

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After consideration of this proposal the SAF committee recognizes that the waiver of the student fee is not under the purview of the SAF committee, we do recognize the challenges faced by these students and recommend talking in person with university administration, medical school administration, the WA state legislature and UW student governments.

### **Q Center – \$181,374**

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The Q Center, with limited funding, has shown incredible growth in its presence on campus and the ability to expand services and education to students. Last year SAF recommended hiring a fulltime staff position and was pleased with the efforts already made with programming and student services. Recognizing this SAF recommends a decrease in salaries as noted in the budget document for the student web position as well as the GSA position in the summer. Given two years of staffing increases SAF recommends that the Q center continue their work for and with students at these staffing levels in future years.

### **Recreational Sports Program – \$1,892,758**

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We recognize the increase in student usage of the facilities and commend RSP on its ability to reach a large majority of students. We thank the Rec Sports program for taking SAF recommendations about raising the fees for faculty and staff. This allocation represents an increase from the 2010-2011 funding level.

### **SAF Committee Operations – \$22,000**

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This amount funds the operations, internal audit, student assistants, and SAF Chair tuition stipend for 2010-11. The Committee is committed to enhancing its transparency to the student community and will continue to use a portion of its allocation to fund a student IT position and staff assistant position. As per the committee's recommendations and given the strength of the co-chair model in use this year the SAF committee has increased the budget to allow for coverage of in-state undergraduate tuition for a full time student for the winter and spring quarters. With the revision of the Carry Forward Policy the SAF committee recommends to future committee membership to continue to monitor and build up the general fund balance at a consistent level.

***SAF Committee Capital Expenditure Fund*** – \$404,100

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This fund was established when the Capital Projects Policy was approved during Fall 2008. The policy is a means to accurately prepare and save for large capital projects for units supported by the Fee such as medical equipment at Hall Health and capital improvements at the IMA. This policy is separate from capital projects that entail long-term bonding such as the HUB, ECC, and Hall Health renovations. We are including it as a line item on our budget to so that future Committees will be attuned to the importance of and investment in this annual allocation.

**Student Activities & Union Facilities** – \$565,796

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The Committee's allocation supports a portion of the ongoing functions, operations and staff of the SAUF/HUB. As the second capital project to commence this year, the current operations of the HUB moved to Condon Hall for a two-year interim period and the anticipated changes to campus programming and requests for student organization funding has been significant. In light of last year's committee recommendations and the identified increased need for the RSO event fund SAF has allocated an increase from 2010-2011 for this vital unit for students on campus.

**Student Legal Services** – \$147,454

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The funding level reflects a slight increase over last year's level. SLS provides a great, accessible, and affordable option for common legal issues among students.

**Student Parent Resource Center/ Childcare** – \$1,279,923

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We have discussed the implications of the current economy on non-traditional students returning to school as well as the rising costs of childcare in the area and we acknowledge the increase in requests from student parents. Therefore, the Committee has allocated a substantial increase to the SPRC over the 2010-2011 level for direct aid to student parents. We ask that the SPRC manage more appropriately the funds they are spending and holding over in their general fund.

**Student Publications** – \$250,000

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This amount represents an increase in funding for Student Publications over the 2010-2011 level. The SAF committee is pleased with the work Student Publications has taken to manage and ease the deficit that has been accumulated in years past and allocates an increase to help the student advertising staff to increase revenue for the Daily. We highly recommend a deliberative business plan be in place with the university to solidify a realistic plan to eliminate the deficit. This increased allocation reflects the views of the current committee who also recommend to the next committee membership to make allocation decisions based upon progress regarding their business model. A plan for fiscal control and deficit reduction must be seen in order for future SAF committee to consider future increases in allocations.

*Capital Allocation Recommendations:*

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**Recreational Sports Program – \$100,000**

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This allocation covers the cost of various capital maintenance projects associated with Recreational Sports.

**Student Legal Services – \$2,400**

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The allocation will fund Nebula computer services and computer upgrades.

**Ethnic Cultural Center – \$18,603**

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The allocation will be applied to new staff computers and software only and not student computers.

**Counseling Center- \$2,250**

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This allocation will go to purchase new office furniture to replace the 10 year old surplus furniture currently in use.

**Q Center – \$2,000**

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The allocation will be applied to new staff computers.

*Closing Comments:*

The committee believes that if the Regents adopt these recommendations, the units will be able to not only maintain their services provided to students, but also expand in new directions on campus. We believe this funding, combined with the unique talents of the unit directors and staff ensures a successful future for student services and activities.

Sincerely,

Conor McLean and Mallory Martin  
2010 – 2011 Co-Chairs  
Services & Activities Fee Committee



May 26, 2011

Ms. Mallory Martin  
Mr. Conor McLean  
Co-Chairs  
Services and Activities Fee Committee

Dear Mallory and Conor,

Thank you for your letter of May 23, 2011, providing the details of the allocations proposed by the Services and Activities Fee (S&A Fee) Committee for 2011 – 12. Of particular note, the proposal calls for a \$1 increase in the quarterly S&A Fee, from \$117 per full-time student to \$118. An adjustment of this level enables the Committee to continue and enhance important programs and balance expenditures with revenues.

The Committee's recommended allocations are thoughtful and strategic. All of the programs and services the Committee intends to fund are important to our students and I am especially appreciative of its expanded commitment to mental health services for next year. This is a timely and strategic response to the growing demand in this area. Additionally, implementing a new Committee leadership model through a co-chair approach and the proposal to expand student membership from seven to nine students make good sense and will help the Committee operate more efficiently and with greater transparency.

After careful review, the administration concurs in the recommendations for fee assessment levels, all operational and minor capital allocations, and the expansion of student membership of the Committee. The budget will be presented to the Board of Regents for its consideration and action at its meeting on June 9, information on which will be communicated to you in the near future. I look forward to making this presentation with you.

As always, your leadership and collaboration have been greatly appreciated.

Sincerely yours,

Eric S. Godfrey  
Vice President & Vice Provost

ESG:mhk

cc: Interim Provost Mary Lidstrom w/enclosure  
Members of the Services and  
Activities Fee Committee  
Ms. Madeleine McKenna w/enclosure  
Ms. Sarah Reyneveld w/enclosure

A-7.2/206-11  
6/9/11

ATTACHMENT 2

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Services and Activities Fee - University of Washington, Tacoma:  
2011-12 Distribution of Fee and Allocation of Funds

RECOMMENDED ACTION:

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve the following Services and Activities Fee proposals for the University of Washington Tacoma:

- 1) An increase in the Services and Activities Fee for academic year 2011-12.
- 2) The distribution of Services and Activities Fee for 2011-12.
- 3) The operating budgets and expenditures recommended for 2011-12.

BACKGROUND

Services and Activities Fees at UW Tacoma and UW Bothell are collected separately from the Services and Activities Fee at the Seattle campus, but the process is handled in like manner for each campus. As provided under RCW 28B.15.045, a student committee proposes the annual program priorities and budget allocation levels to the Board of Regents for approval. The Board of Regents has approved the Services and Activities Fee (SAF) Guidelines that established the Services and Activities Fee (SAF) Committee for UW Tacoma and its operating procedures.

The Board of Regents is authorized to increase the Services and Activities Fee by an amount not to exceed the annual percentage increase in undergraduate tuition authorized by the legislature in the Omnibus Budget Bill.

The history of the level of the Services and Activities Fee at UW Tacoma is:

2002-03	\$97	2007-08	\$113
2003-04	\$97	2008-09	\$120
2004-05	\$97	2009-10	\$136
2005-06	\$103	2010-11	\$149
2006-07	\$106	2011-12	\$159

The SAF Committee at UW Tacoma has recommended the following for academic year 2011-2012. Chancellor Patricia Spakes has reviewed and concurs in these recommendations.

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Services and Activities Fee - University of Washington, Tacoma:  
2011-12 Distribution of Fee and Allocation of Funds (continued p. 2)

1. Level of Fee

The quarterly fee payable by a full-time student should be increased to \$159 per quarter for a full-time student for the 2011-12 academic year. This is a 7% increase.

2. Distribution of Fees

Based upon estimated revenue of \$1,446,215 for fiscal year 2011-12, the Committee recommends that the fees be distributed as follows:

	2010-11 % Distribution	2010-11 Distribution based on \$149 fee	2011-12 % Distribution	2011-12 Distribution Based on \$159 fee
Student Activities and Services	86.3%	\$1,049,056		\$1,395,597
Long-term student loans:	3.5%	42,530	3.5%	\$50,618
Long-term development	10.2	\$123,550	0%	0
Total		\$1,214,136		\$1,446,215

3. 2011-12 Budget Allocations for Student Activities and Services

The Committee recommends the following distribution for Student Activities and Services for the 2011-12 year.

ASUWT (Student Government) – Stipends and Operations	\$106,248
Campus Event Fund	\$45,000
Childcare assistance program	\$57,500
Diversity Resource Center	\$54,815
Health Services	\$282,296
Ledger .....	\$90,025
Recreation and Fitness .....	67,233
Registered Student Organizations.....	20,844
Student Activities Board.....	132,332



VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Services and Activities Fee - University of Washington, Tacoma:  
2011-12 Distribution of Fee and Allocation of Funds (continued p. 3)

Student Activities Fee Committee Operations.....	2,500
Student Conference & Training .....	65,000
Student Health & Wellness Education & Promotions .....	15,735
Student Involvement .....	332,459
Student Mentoring Programs .....	76,835
Tahoma West .....	27,220
Transportation .....	5,440
Volunteer Services .....	14,115
TOTAL	\$1,395,597

Allocations which are unspent at the end of the fiscal year will revert to the contingency operating budget. Any additional revenue generated as a result of implementation of a fee in the amount of \$159 or due to excess enrollment will remain in the Long Term Development fund.

*Attachments*

- 1) May 10, 2011, letter from Kathleen Burdo, UW Tacoma Services and Activities Fee Committee, to Dr. Patricia Spakes, UW Tacoma Chancellor
- 2) SAFC Operational Guidelines
- 3) Addendum A, Proposed SAFC Guideline Changes
- 4) Letter of dissent, Clark Stevens
- 5) May 20, 2011 letter from Dr. Patricia Spakes, UW Tacoma Chancellor, to Kathleen Burdo, UW Tacoma Services and Activities Fee Committee

May 10, 2011

Ms. Patricia Spakes  
Chancellor  
University of Washington Tacoma  
Box 358  
Tacoma, WA 98402

Dear Chancellor Spakes,

On Friday, April 1<sup>st</sup>, the Services & Activities Fee Committee (SAFC) met to discuss and approve recommendations regarding the collection and allocation of the Services & Activities Fee for the 2011-2012 academic year. This recommendation is the result of a lengthy process involving committee trainings and orientations, proposal presentations, and discussion of the long-term goals of the campus.

We believe that should you and the Board of Regents adopt our recommendations; the Fee will optimally fund a diverse array of services and activities which are aligned with our values and which will benefit the students at the University of Washington Tacoma.

### **SAFC Core Values**

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Before determining funding for annual allocations in April 2009, the Committee identified and discussed its core values and obligations. It was decided that the core values and obligations of the UW Tacoma SAFC include the Childcare Assistance Program, the Longshoreman's Hall and Fitness Center, Health Services, Tahoma West, Student Life/Student Involvement, the Student Conference and Training Fund, the Student Activities Board (SAB), the Campus Event Fund (CEF), Registered Student Organizations (RSOs), Volunteer Services, the Ledger, and the Associated Students of the University of Washington Tacoma (ASUWT). For the 2011-2012 allocation purposes, the Committee chose to add the Diversity Resource Center and the Student Mentoring Programs to the list of core values and services in order to ensure that we better provide the services that the students on our campus expect. This list of core values is neither comprehensive nor static.

### **2010-2011 UW Tacoma Service and Activities Fee Level**

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The Board of Regents is authorized to increase the Services & Activities Fee by an amount not to exceed the annual percentage increase in undergraduate tuition authorized by the legislature in the Omnibus Budget Bill. The Committee recommends raising the Services & Activities Fee by 7% for 2011-2012, which is the figure our budget recommendations are based off. We made this decision in an attempt to balance our goals of remaining fiscally loyal to the interests and needs of the students—in this case, not increasing costs too much with such high rises in tuition expected—and furthering the goal of contributing to the student union. We only raised it to 7% be-

cause while this provided a little extra to go towards the student union, we also chose to further the student union project through funding several new positions within Student Involvement. Also it is important to note that the numbers we worked with were based on current FTE, so our estimations do not account for the additional FTE expected next year, which will also go into the Long-Term Fund towards the student union project. However, one member disagreed with this decision; you will find his letter of dissent attached for your review.

### **Unspent/Unallocated Funds**

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The Committee recommends that all unspent funds from the 2010-2011 academic year be placed in the SAFC Long-Term Fund. We further recommend that all unallocated funds for the 2011-2012 academic year be placed in the SAFC Long-Term Fund. The Committee reasoned that the Contingency fund already has a substantial sum of money, and the long-term goals of the Committee and the campus, including the student union building, will receive funding from the Long-Term Fun.

### **Long Term Fund Annual Allocation Percentage**

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The Committee recommends the Long Term Fund annual allocation percentage for the 2010-2011 academic year be set at 0%. This conclusion was reached in light of the fact that all of the unallocated funds from last academic year and the coming academic year should be a large amount of funds.

### **Contingency Fund Annual Allocation Percentage**

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The Committee recommends the Contingency Fund annual allocation percentage for the 2010-2011 academic year be set at 0%. This determination was based on the fact the current balance on the Contingency Fund exceeds the recommended cap of \$250,000 listed in the guidelines and that access to contingency funds has been made more restrictive.

### **SAFC Operational Budget- \$2,500**

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The Committee recommends the SAFC Operational budget allocation for 2011-2012 be \$2,500. The SAFC Operational budget pays for administrative, training, and staffing costs necessary for the Committee to function in an efficient and effective manner.

### **Program Allocations**

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During program allocations the Committee considered requests for funding utilizing a variety of factors, which included but were not limited to: whether the service is or should be a Core Value, the level of benefit to the students, and completing a line-by-line budget review of actual usage, projected expenditures, and staffing costs. This was done in an effort to enhance fiscal efficiency and full use of SAF funds before increasing the amount allocated to any given program.

### **Registered Student Organizations (RSOs) - \$20,844**

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Registered Student Organizations are an integral part of student and campus life. They provide an opportunity for student engagement, camaraderie, and leadership development. RSOs also provide students with an opportunity to come together with people of similar interests, cultures, and viewpoints. RSOs increased their request for the annual events due to a larger student population, as well as money for honor society start-up funds. The Committee recommends an allocation of \$20,844 for Registered Student Organizations (RSOs) for 2011-2012, with the stipulation that the honor society start-up funds are a one-time allocation.

### **Student Activities Board (SAB) - \$132,332**

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The Committee recognized the important role the Student Activities Board plays on the campus and in our community, which placed it high on our list of priorities for funding. Diverse programming that promotes student engagement, provides opportunities to build a sense of student community, and offers stress relief activities were deemed essential to student development and success. SAB requested an additional \$10,000 for events due to the growth of the campus. Therefore, the Committee recommends an allocation of \$132,332 for the Student Activities Board (SAB) for 2011-2012.

### **Campus Event Fund (CEF) - \$45,000**

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The Committee supports funding for the Campus Event Fund as it allows opportunities for students who are not directly involved with the SAB to be involved in the event planning process. Through this fund students, faculty, and staff can submit a request for funding to bring a broad spectrum of activities to our campus for the benefit of the students, which enhances campus life. The CEF requested no increase in funds this year. As such, the Committee recommends an allocation of \$45,000 for the Campus Event Fund (CEF) for 2011-2012.

### **Transportation - \$5,440**

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Transportation was a new request reflecting the issue of parking, which students have identified through ASUWT and various other means as their number one concern. As this is such a concern of students and as it is an issue of quality of campus life, the Committee felt comfortable funding this position, which will seek to find innovative and convenient ways for students to commute to and from the University. Therefore, the Committee recommends an allocation of \$5,440 for Transportation for 2011-2012.

### **Volunteer Services - \$14,115**

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Volunteer Services is a young service being offered through Student Involvement. The Committee determined this service to be an appropriate and timely program to implement with the recent calls to service from our new administration and the campus community. Therefore, the Committee deemed continuing to support a volunteer services program, which enhances opportunities for civic engagement, important. The Committee recommends an allocation of \$14,115 for Volunteer Services for 2011-2012.

### **Student Conference and Training Fund - \$65,000**

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The Student Conference and Training fund provides development opportunities for students at UW Tacoma. The SCTF requested an increase of \$5,000 from this year in order to support more attendance to more conferences. The Committee deemed this service to students important, although concerns were raised after the findings of the audit report that the wording of the rules governing this service may be ambiguous in terms of who may participate. The Committee recommends an allocation of \$60,000 for the Student Conference and Training for 2011-2012, with the clear understanding (continued from 2010) that funds may be used to support travel of an advisor only in the event that they are traveling with students.

### **Recreation & Fitness Center - \$67,233**

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The Longshoremen's Hall and the Fitness Center provide recreational, educational, and fitness opportunities to the students of UW Tacoma, all of which are essential to the four-year student experience. This year, Recreation & Fitness requested an additional position. However, the Committee found that another position under Student Involvement, Student Recreation Specialist, would fulfill this role until there was a demonstrable need for the second position. Therefore, the Committee, with one abstention, recommends an allocation of \$67,233 for the Longshoremen's Hall and the Fitness Center for 2011-2012.

### **Student Involvement - \$332,459**

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Student Involvement's larger budget this year reflects the addition of a Student Recreation Specialist into the umbrella of Student Involvement, who will be invaluable as we move towards a student union building on campus and who will also help with the Recreation & Fitness Center. Although Student Involvement requested a Front Desk Coordinator, the Committee was committed to keeping student jobs on campus in these trying economic times. Thus, the Committee recommends an allocation of \$332,459 for Student Involvement for 2011-2012.

### **Childcare Assistance Program - \$57,500**

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The Committee approved funding for the Childcare Assistance Program. This program is important to the diversity of our campus and benefits a different group of students (parents) than most of the other programs we have recommended to receive funding. The program saw an increase in usage over the past year, as the SAFC had hoped to see, and as such the CAP was given the increased amount they requested so that they can further their service. Therefore, the Committee recommends an allocation of \$57,500 for the Childcare Assistance Program for 2011-2012.

### **The Ledger - \$90,025**

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A student newspaper is clearly a key part of an active and engaged student life. The 2011-2012 requested budget of the Ledger includes a shift from the newspaper staff being paid a stipend to being paid per hour, as recommended by the audit, and the Ledger is requesting more funds in order to increase the number of issues they will be able to produce next year. Because of this, the Ledger's annual budget has increased greatly. However, the Committee was able to cut the budget some through thorough research of the responsibilities of the proposed position and com-

promises regarding duties of the staff. The Committee recommends an allocation of \$90,025 for The Ledger for 2011-2012, with the stipulations that the staff hourly wages are distributed as outlined on the line-by-line budget sheet, and that the printing amount awarded must be used for the proposed 23 issues, otherwise the amount will be prorated per issue.

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### **Associated Students of the University of Washington Tacoma (ASUWT) - \$106,248**

The ASUWT request this year sought increased funding primarily due to the requirement that they pay into salary benefits, and because their constitutions requires them to have one senator per 500 students and as such, they needed to add another senator for next year with the projected FTE. The Committee felt that the ASUWT has made great strides this academic year. Therefore, the Committee recommends an allocation of \$106,248 for the Associated Students of the University of Washington Tacoma (ASUWT) for 2011-2012.

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### **Tahoma West - \$27,220**

Tahoma West provides a venue for students to express their art, culture, and literature through a student-centered publication. Despite adding a new fall showcase event to their budget, Tahoma West reduced their costs in the interests of fiscal responsibility for the second year in a row, for which the Committee commends them. Thus, the Committee recommends an allocation of \$27,220 for Tahoma West for 2011-2012.

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### **Health Services - \$282,296**

Health Services is a student-driven request for funding. Students voiced their opinions about the high demand for Health Services at UW Tacoma using a multitude of means including: informal and formal surveys, student forums, petitions, as well as in other ways through their student government, ASUWT. The Committee recognized its role and responsibility to see that SAFs are used for services and activities that improve the quality of life for our students and to recommend funding for services that students deem to be in high demand. In 2009, the Committee allotted up to \$230,000 for an RFP for Health Services. Since then, a vendor was found and the doors of the Service are opened in late summer, 2010. Due to rising medical costs and unforeseen non-vendor expenses, the annual request from Health Services has seen a marginal increase. However, the Committee deemed these costs just and necessary in light of how many students have been using the services provided. Thus, the Committee recommends an allocation of \$282,296 for Health Services for 2011-2012.

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### **Student Health & Wellness Education and Promotions - \$15,735**

This new proposal was for the purpose of spreading health and wellness awareness through the UWT community, a goal that complements that of our Health Services. As such, the Committee deemed it important related programming which served to create a more holistic approach to Health and Wellness, an issue the Committee is committed to. Therefore, the Committee recommends an allocation of \$15,735 for Student Health & Wellness Education and Promotions for 2011-2012.

### **Diversity Resource Center - \$54,815**

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The Diversity Resource Center is a service to the students, which strives to create a welcoming and inclusive campus environment that enables all members of the UW Tacoma community to learn through the exploration of human differences. The DRC provides programs and support in three main areas: enhancing campus education; developing Community Partnerships; and building a diverse campus community. The Committee decided to fund the DRC based on the following facts: students have repeatedly made known, through formal surveys and other means, that they value diversity and feel that UWT is lacking diversity resources appropriate of a growing campus; funding the DRC through SAFs is consistent with similar programming at UW Seattle as well as other university campuses; that the contribution of state funds would continue, making this commitment a partnership between the students and the university; and with full consideration of the fact that the DRC should continue growing over the next few years in order to make it a large enough service to sufficiently serve a four-year university campus. In light of these facts, the Committee felt the Diversity Resource Center should be considered a “core value” of the SAFC. Therefore, the Committee recommends an allocation of \$54,815 for the Diversity Resource Center for 2011-2012, and has voted unanimously to add the Diversity Resource Center to our list of core values.

### **Student Mentoring Programs - \$76,835**

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The Student Mentoring Programs proposal encompassed two programs: the first being a program which matches a faculty or staff member with a UWT student to serve as a mentor to the student during their time here at UWT, and the other the STEPS (Students Together Empowering Personal Success) program. The STEPS program pairs UW Tacoma university student mentors with students from local high schools in a partnership focused on student development and success. STEPS mentors share knowledge and experience in navigating the complicated and challenging process of higher education, graduation and career exploration. The Committee decided to fund the Student Mentoring Programs based on the fact that it offers all the same benefits of volunteering, such as in Volunteer Services, but with the addition of: the STEPS program promotes community involvement in the same way as we identified a value when we funded Volunteer Services; it also serves to promote UWT as an option for university; and that the contribution of state funds would continue, making this commitment a partnership between the students and the university. In light of these facts, the Committee felt Student Mentoring Programs should be considered a “core value” of the SAFC. Therefore, the Committee recommends an allocation of \$76,835 for Student Mentoring Programs for 2011-2012, and has voted unanimously to add Student Mentoring Programs to our list of core values.

### **Long-Term Allocation**

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Throughout the year, the Committee discussed the importance of having a student union building on campus, and looked at the options for achieving this goal. During this process, we also discussed the importance of heavy student involvement in obtaining and/or building a student union building. To this end, the Committee requests the release of up to \$10,000 out of the Long-Term Fund for the purposes of the Student Union Project, with the stipulation that the funds be used for the costs associated with the student union working group and/or committee. Further, the SAFC would like to remind the working group and the Board of Regents of the stipulation from

last year: that the student union working group be led by the Associate Director of Student Involvement and a student as co-chairs; that the co-chairs develop the charge and composition of the working group as well as the program scope of the student union; and that the working group consist of at least one voting member of the SAFC.

### **Guideline Changes**

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Throughout the year, the Committee discussed how to improve the efficiency of our process as well as ensure best practices and best use of student funds. In this, we also sought to clean up our guidelines in terms of inaccuracies as well as create a new timeline for our yearly process. Please see addendum A for the proposed guideline changes, and addendum B for the current guidelines.

### **Closing Comments**

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The Committee believes that if you and the Board of Regents approve these recommendations, these services and activities will positively enhance the lives of the students at UW Tacoma. We thank you for your time and consideration.

Respectfully,

Kathleen Burdo  
2010-2011 Chair  
Services and Activities Fee Committee  
University of Washington Tacoma



### I. Services & Activities Fees

- A. The Services and Activities Fee (the "S&A" Fee) is authorized by state statute for the express purpose of funding student activities and programs. This may include, but is not limited to, the operation of student related services, acquisition, construction, equipping, and betterment of lands, buildings, and facilities. (RCW 28B.10.300)
- B. S&A Fees are defined as "fees, other than tuition and fees, charged to all students registering at the...state universities." (RCW 28B.15.041) For the purpose of these Guidelines, the S&A Fee is defined as a compilation of such fees charged to all students registering at the University of Washington Tacoma campus."
- C. S&A Fees and revenues generated by programs and activities funded by such fees are deposited and expended through the offices of the University's budget and financial accounting systems, the responsibility for which resides with the University's chief fiscal officer. The S&A Fee and associated revenues are subject to University policies, regulations, and procedures, and to the Budget and Accounting Act of the State of Washington. (RCW 43.88)
- D. The allowable level of the S&A Fee is authorized by the State Legislature.
- F. In addition to the laws, rules and regulations governing the use of S&A Fees, two provisions of the State Constitution impact the use of public funds (S&A Fee funds are considered to be public funds). The first is Article VIII, Section 5 that prohibits the making gifts or loans of money or property from public funds. A gift exists when there is a "transfer of property without consideration and with donative intent". The second is Article I, Section 11 that prohibits public money or property being appropriated for or applied to any religious worship, exercise or instruction, or the support of any religious establishment.
- G. The S&A Fee Long-term Fund (also known as the reserve fund) shall consist of all unallocated revenue derived from the collection of Services and Activities Fees from students and accrued interest.
- H. The S&A Fee Contingency Fund (also known as the special allocation fund) shall consist of funds which are derived through annual allocations and reversion of previous year unspent funds.

- I. Members of the Board of Regents shall adhere to the principle that desires of the Service and Activities Fee Committee (SAFC) be given priority consideration on funding items that do not fall into the categories of pre-existing contractual obligations, bond covenant agreements, or stability of programs affecting students.
- J. With the exception of any funds needed for bond covenant obligations, once the annual budget for expending S&A Fees is approved by the Board of Regents, funds shall not be shifted from funds budgeted for associated students or departmentally related categories or the reserve fund until the administration provides written justification to the SAFC and the Board of Regents give their express approval.

## **II. Committee on Services and Activities Fees**

The Services and Activities Fee Committee (hereafter called the Committee) is appointed by the Chancellor of the University of Washington, Tacoma pursuant to RCW 28B.15.045 to review all requests for funding from Services and Activities Fees, to recommend program priorities and budget levels, and to serve in an advisory capacity to the Chancellor.

### **A. Membership**

1. The Committee shall consist of up to seven voting members, and four non-voting exofficio members.
2. The voting members shall be regularly enrolled students at UW Tacoma, recommended by the Associated Students of the University of Washington, Tacoma (ASUWT) Student Government and appointed by the Chancellor.
3. When making its recommendations for Committee appointments, the ASUWT student government should strive to recommend a Committee that represents diverse student interests, and wherever possible, provide for a continuity of membership through individual willingness to commit to serve more than one term.
4. All of the voting members shall be recommended by the third Friday in May.
5. The ex-officio members shall be:
  - a. A staff employee from Student Affairs, to be recommended by the Associate Vice Chancellor for Student Affairs;
  - b. A faculty member, to be recommended by the Faculty Assembly;

- c. A staff employee from the Office of the Vice Chancellor for Administrative Services (AS), to be recommended by the Vice Chancellor for Administrative Services; and
- d. A Compliance Officer, appointed at the discretion of the Chancellor.

## **B. Term of Membership**

1. The voting members recommended by the second Monday in May shall be appointed for one-year terms running from July 1 to June 15.
2. The ex-officio members from Student Affairs, AS and the Compliance Officer shall be appointed to indefinite terms, serving at the discretion of the Chancellor. The faculty ex-officio member shall be appointed to a renewable one-year term running from October 1 to September 30.
3. Any vacancies in membership will be replaced in the same manner provide for new appointments and for the unexpired term of the original appointment.

## **C. Responsibilities of Voting Members**

1. The committee shall elect a chair from its membership at the first regular or special meeting.
2. Attend all meetings unless excused by the chair.
3. Develop and maintain effective communication within the Committee and the campus community.
4. Demonstrate a willingness to engage in constructive dialogue on any issue being considered by the Committee and actively participate in the deliberations of the Committee.
5. Adhere to all rules and regulations governing the Committee.
6. A member whose conduct is deemed unethical or whose performance clearly demonstrates a lack of commitment to the discharge of their responsibilities may be recommended for removal from the Committee by either a unanimous vote of the remaining voting members of the Committee or at the sole discretion of the Chancellor.
7. Respond to all campus queries within five (5) business days.
8. Abstain from discussing, deliberating, or voting on any proposal submitted by a group, department, or organization of which they are affiliated with the exception of annual SAFC request(s).

9. Recommend funding for the employment of Committee staff using funds generated by the S&A Fee, if deemed necessary, under the following conditions.
  - a. Each staff position must have a written job description detailing qualifications and expectations of the position.
  - b. The Committee Chair will act as a liaison between the Committee and the Committee Staff.
  - c. University employees filling Committee Staff positions may also work for other University entities with costs of employment shared proportionate to the hours rendered between the Committee and such other entity.

#### **D. Responsibilities of Ex-Officio Members and the Compliance Officer**

1. Advise the Committee on the laws and regulations of the state and the policies and procedures of the university pertaining to Services and Activities Fees.
2. Advise the Committee on procedural questions pertaining to the conduct of meetings.
3. Provide the Committee with summaries of fund balances in accounts funded by S&A Fees and projections of revenue and expenditures.
4. Advise the Committee on the status of registered student organizations at UW Tacoma.
5. Assist the Committee with matters of continuity and historical perspective as required for the Committee to effectively and efficiently act on requests to fund programs and budgets.
6. Provide the Committee with perspectives of the campus climate and the university community.

#### **E. Committee Meetings**

1. Meetings shall be held on a regularly scheduled basis, not less than two per academic year.
2. The Compliance Officer shall serve as interim chair of the Committee until a chair is elected by its membership.
  - a. The Compliance Officer will be a neutral, non-voting member who maintains compliance with the relevant laws of the state of Washington, University policies, parliamentary procedures, as well as the guidelines laid out in this document.

3. Special meetings may be called by the Committee chair; at the request of three (3) or more members of the Committee; at the request of three (3) or more members of the campus community; at the request of the Compliance Officer; or at the request of the Chancellor.
4. The Committee chair shall post notifications of all meetings in compliance with these guidelines and the Open Public Meetings Act (OPMA) and shall be responsible for presiding over such meetings. An acting chair will be designated, by the chair, should it be necessary for him/her to be absent from any meeting.
5. An agenda and a copy of all funding requests to be considered by the Committee will be sent to members of the committee and be publicly posted in compliance with the OPMA by the chair or the chair's designee.
6. A quorum required for the conduct of business at any meeting shall consist of two-thirds of the current voting members and one ex-officio member of the Committee.
7. Proxies will not be permitted for voting.
8. All meetings shall be conducted in accordance with the most current edition of Robert's Rules of Parliamentary Procedures, Newly Revised. Deviations from such procedures will be at the discretion of the chair.
9. Program and budget decisions of the Committee shall be made in open public meetings of the Committee, and the reasons for the decisions shall be discussed at those meetings. Minutes will be taken at all meetings and the unofficial minutes shall be publicly posted within five (5) business days after a meeting. The minutes shall include the results of all program and budget decisions made by the Committee.
10. The Committee shall provide full disclosure to the University community concerning programs or budgets funded from S&A Fees.

### **III. Budgeting**

#### **A. General**

1. RCW 28B.15 defines the authority to collect S&A Fees, the general purposes for which the fees may be used, and the budgeting process for administering their expenditure. The law specifically states: "It is the intent of the legislature that students will propose budgetary recommendations for consideration by the college or university administration and governing board to the extent that such budget recommendations are intended to be funded by services and activities fees" and "The legislature recognizes that institutional governing boards have a responsibility to manage and protect institutions of higher education." It is clear that the legislature deemed that the mechanism for

student input in the S&A Fee process is through participation in the budget proposal process, but that the Board of Regents retains ultimate responsibility and authority for the S&A Fees budget.

2. Any member of the campus community may submit a request for funding through either the annual budgeting or special allocation process, with the exception of:
  - a. Event Funding
    - i. Event funding requests shall be at the sole discretion of the SAB, who derive their funds through the annual budgeting process
  - b. Academic Funding
    - i. Academic funding requests shall only be considered if the request is for services and/or activities that are not directly related to an academic program.
3. The Committee shall establish both the annual budget and special allocation processes. Procedures and criteria adopted by the Committee for the submission of budget requests shall apply to every proposer and shall not discriminate on the basis of race, color, national origin, gender, sexual orientation, religion, political orientation, or physical or mental ability.
4. The Committee has the responsibility to review all proposals submitted for funding from S&A Fees, whether for capital expenditures or operating programs and budgets.
5. All funding proposals must contain adequate information which will include, at a minimum, the following:
  - a. Detailed line-item breakdown of proposed expenditures (e.g., salaries, travel, supplies, services, etc.);
  - b. Verification of strategic plan alignment
  - c. Additional funding sources being sought or available to fund the program or event; and
  - d. Revenues expected to be derived from the program or event.
  - e. An accountability of funds expended if previously funded
6. Budget allocation decisions of the Committee shall be posted on the SAFC website and sent to the requester within ten (10) business days of its respective action.
7. Allocations of S&A Fees to fund operating budgets are valid and available for expenditure during the ensuing fiscal year only. All unspent and unencumbered funds, at the end of each fiscal year, shall revert to the Contingency Fund and shall be carried forward for future reallocation.
8. Each fiscal year shall begin on July 1 and end on June 30.

## **B. Annual Budgeting Process**

1. The annual budget process will be the primary process for recommending the distribution of S&A Fees for the ensuing fiscal year. As a part of the annual budget process, the Committee shall:
  - a. Formulate a recommendation for the level of the S&A Fees to be assessed during the ensuing fiscal year.
  - b. Place in the Long Term Fund up to five (5) % of the projected incoming S&A Fees, not to exceed \$2,000,000 dollars, unless a designated purpose has been defined and approved.
  - c. Place in the Contingency Fund up to five (5) % of the projected incoming S&A Fees, not to exceed \$250,000.00, unless a designated purpose has been defined and approved.
2. Program and budget proposals considered during the annual budget process will be to fund general annual operating costs necessary to run an organization, department, or service. Annual budgets will not include capital expenditures or planned expenditures for specific events or activities, with the exception of the SAB.
3. Not later than the second Monday in February of each year, the Committee will announce the annual budget request submission process
4. Annual budget request forms and all supporting documentation must be returned to the Committee not later than 12:00pm (noon) the second Monday in March. Late submissions will be accepted and/or reviewed at the sole discretion of the SAFC.
5. When considering annual allocation requests, the Committee may require the proposer (or their duly appointed representative) to be present to answer questions of the Committee.
6. The Chancellor may meet with the Committee at appropriate intervals during its annual budget formulation process to respond to emergent ideas and issues and to apprise the Committee of the general position of the administration. The Chancellor may respond in writing to specific written proposals submitted by the Committee and take other actions as needed to assure that the lines of communication to the Committee remain open.
7. The Committee will release preliminary program and budget allocation recommendations no later than the first Friday in April. An appeal of the Committee's decision on any specific budget request may be made as described in Section III C 1) by the end of business on the second Friday in April, at which time no further appeals will be accepted.
8. The Committee will respond to all allocation appeals as described in Section III C 1) not later than the end of business on the fourth Friday in April.

9. In addition to allocations to fund specific requests that have been approved by the Committee, the annual budget will contain an allocation to a budget line item entitled "Contingency". The purpose of the "Contingency" budget is to provide the necessary flexibility during the budget execution year to authorize special allocations for capital project expenditures or for emergency expenditures that could not be specifically identified or foreseen at the time of the preparation and submission of the annual budget. Allocations or authorization of expenditures from the "Contingency" budget will be accomplished through the special allocation process.
10. The chair shall transmit the final annual budget recommendations of the Committee with supporting documentation (including mandatory dissenting opinions on any decision of the Committee that was not unanimous) to the Chancellor not later than the first Friday in May.
11. Within fourteen (14) business days after receipt of the Committee's annual budget recommendations, the Chancellor will provide a written response to the Committee. In formulating the response to the Committee and/or recommendations to the Board of Regents, the Chancellor may seek the views of other affected university groups. In the event that the Chancellor disagrees with any of the Committee budget distribution recommendations, the UWT dispute resolution process described in Section III C 2) a. will be invoked.
12. At the time that the Chancellor submits his/her proposed budget recommendations for the expenditure of S&A Fees to the Board of Regents, he/she shall also submit a copy of the Committee recommendations, along with any supporting documentation provided by the Committee, and a copy of the administration's response to the Committee recommendations. If a dispute exists between the Chancellor and Committee which has not been resolved by the UWT dispute resolution process, the UW dispute resolution process described Section III C 2) b. will be invoked.
13. The Board of Regents may take action on those portions of the S&A Fee budget not in dispute and shall consider the results, if any, of the dispute resolution committee appointed in accordance with the dispute resolution process described in Section III C 2) b.
14. At the point in the review process at which recommendations on the distribution of S&A Fee budget and dispute resolutions are presented to the Board of Regents, the Board shall provide opportunity for the Committee to present its view.
15. Upon approval of the Board of Regents, the annual budget will be provided to the UWT Finance Office for establishment of budget numbers and recording of the necessary revenue transfers in the university accounting system to implement the approved distribution of funds.



16. The Committee may appeal to the Board of Regents if they feel that these guidelines have not been followed, that their participation has been unduly curtailed, or that S&A Fee funds have been used for purposes outside of these guidelines. The decision of the Board of Regents shall be final.

## **C. Annual Budget Allocation Appeals and Disputes**

### **1. Budget Allocation Appeal**

- a. If a proposer or any other student objects to a budget allocation of Services and Activities Fee funds that has been made by the Committee, a written appeal must be submitted to the Committee chair by 12:00 noon on the second Friday in April. An extension of the deadline shall not be granted.
- b. An appeal must allege a violation of the State Constitution, applicable state laws, applicable University policies or regulations, or a material misrepresentation of facts that may serve to invalidate the allocation. **An objection based solely on disagreement with the amount of the approved allocation will not be grounds for an appeal.** The burden of proof that such a violation has occurred shall be on the proposer or individual making the allegation.
- c. A special meeting of the Committee will be called by the chair to address the appeal within 5 business days of the receipt of the appeal. The Committee must have responded to all appeals not later than the fourth Friday in April. The proposer or individual filing the appeal will be required to attend the special meeting of the Committee at which the appeal is considered.
- d. If the appeal is denied, the chair shall transmit a copy of the appeal and the results of the Committee's decision (with all supporting documentation) for consideration by the Chancellor. The decision of the Chancellor will be final.

### **2. Budget Allocation Disputes**

#### **a. UWT Allocation Dispute Resolution Process**

- i. If, during the review of the final annual budget recommendations submitted by the Committee, the administration should dispute any of the recommended allocations, the Chancellor shall provide the Committee chair with written notification of the disputed allocation that includes the administration's rationale or justification.
- ii. Within 5 business days after receipt of written notification of a disputed allocation recommendation, the chair shall schedule a special meeting of the Committee with the Chancellor for the

purpose of making a good faith effort to resolve the dispute.

- iii. In the event that the dispute is not resolved within fourteen (14) business days from the date of the initial special meeting called to consider the dispute, the Chancellor will provide the Committee with the administration's written response to the Committee's final annual budget recommendations, which will include any unresolved dispute. A copy of the response, together with a copy of the Committee's recommendations and any supporting documentation, will be submitted to the Board of Regents with the Chancellor's proposed budget recommendations for the expenditure of S&A Fees.

#### **b. UW Dispute Resolution Process**

- i. Upon receipt of the administration's written response to the Committee's final annual budget recommendations that includes an unresolved dispute, the Committee chair shall convene a dispute resolution committee.
- ii. The dispute resolution committee shall be selected as follows: The Chancellor shall appoint one non-voting advisory member; the Board of Regents shall appoint two voting members; and the Committee Chair shall appoint two student members of the Committee as voting members, and one student representing the Committee who will chair the dispute resolution committee and be non-voting member, except in the case of a tie vote.
- iii. The Board of Regents shall consider the results, if any, of the dispute resolution committee, and shall provide opportunity for the Committee to present its view, prior to taking action on any disputed portion of the budget.

#### **D. Special Allocation Process**

1. The special allocation process is designed to provide funding for capital expenditures or for emergency expenditures that could not be specifically identified or foreseen at the time of the preparation and submission of the annual budget by entities that have been identified as an Committee Core Value.
2. In general, the funding of special allocation requests shall be made from the "Contingency" operating budget line item that was included in the annual budget. If there is insufficient funding in the "Contingency" budget, the Committee may submit a request through the Chancellor to the Board of Regents for approval of an additional distribution from the reserve fund.

3. A call for special allocation requests will be announced by the Committee in Winter quarter. All special allocation requests received shall be placed under the new business section of the agenda for the next meeting.
4. When considering special allocation requests, the Committee may require the proposer (or their duly appointed representative) to be present to answer questions of the Committee.
5. The Committee will release and post decisions on special allocation requests not later than five (5) business days after the meeting at which the allocation was considered.
6. An appeal of the Committee's decision on any specific special allocation may be made as described in Section III E within five (5) business days of the decision being released, after which no appeals will be accepted.
7. Decisions on appeals will be made within five (5) business days of receipt of the appeal.
8. Upon final approval of a special allocation, the Committee chair shall authorize the Compliance Officer to work with the UW Tacoma Finance Office to establish a budget number and transfer revenue from the "Contingency" budget to implement the approved allocation.
9. Any change in the intent of an approved allocation that alters its objectives as originally described and appropriated must have the approval of the Committee before any change occurs.

#### **E. Special Allocation Appeal**

1. If a proposer or any other student objects to an allocation of S&A Fee funds that has been made by the Committee, a written appeal must be submitted to the Committee chair by the end of business on the fifth (5) business day after the Committee posted the allocation decisions. An extension of the deadline shall not be granted.
2. An appeal must allege a violation of the State Constitution, applicable state laws, applicable University regulations or a misrepresentation of facts that may serve to invalidate the allocation. **An objection based solely on disagreement with the amount of the approved allocation will not be grounds for an appeal.** The burden of proof that such a violation has occurred shall be on the proposer or individual making the allegation.
3. A special meeting of the Committee will be called by the chairperson to address the appeal within 5 business days of the receipt of the appeal. The proposer or individual filing the appeal will be required to attend the special

meeting of the Committee at which the appeal is considered.

4. If the appeal is denied, the chair shall transmit a copy of the appeal and the results of the Committee's decision (with all supporting documentation) for consideration by the Chancellor. The decision of the Chancellor will be final.

#### **A. STIPULATIONS**

1. The Committee may place stipulations on the use of funds and/or recommend guidelines in the operations of a program as long as they are in compliance with university policy, state and federal law. All stipulations shall be binding.
2. Actual expenditures shall not exceed the amount of approved budget allocations without prior approval of the Committee.
3. If prior notification to the Committee is not possible, the University entity in question must submit sufficient reasons and documentation.

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The Board of Regents approved the original version of these guidelines on September 27, 1991; subsequent revisions were approved on June 14, 2002, June 10, 2005, and June 8, 2006. The Board of Regents approved the present version on \_\_\_\_\_.

## Addendum A

### Proposed SAFC Guideline changes

#### II. Committee on Services and Activities Fees

##### A. Membership

1. The committee shall consist of a minimum of five and up to seven voting members, three non-voting ex-officio members, and one compliance officer.
2. The voting members shall be regularly enrolled students at UW Tacoma, recommended by the Associated Students of the University of Washington, Tacoma (ASUWT) Student Government and appointed by the Chancellor. Voting members shall not be elected ASUWT members.
4. All of the voting members shall be recommended by the 2<sup>nd</sup> Friday of October.

##### B. Terms of Membership

1. The voting members recommended by the 2<sup>nd</sup> Friday of October shall be appointed for one-year terms running from November 1<sup>st</sup> to the 2<sup>nd</sup> Friday of October in the following year.
2. The ex-officio members from Student Affairs, Administrative Services and the Compliance Officer shall be appointed to indefinite terms, serving at the discretion of the Chancellor. The faculty ex-officio member shall be appointed to a renewable one-year term running from November 1<sup>st</sup> to October 31<sup>st</sup>.

##### C. Responsibilities of Voting Members

1. The committee shall elect a chair from its membership no later than the 3<sup>rd</sup> Friday of December. The committee may decide to elect a vice chair to assist the chair no later than the 3<sup>rd</sup> Friday of December.

#### III. Budgeting (Editing Note: Correct formatting of bulleting list for this section)

##### B. Annual Budgeting Process

3. No later than the 3<sup>rd</sup> Friday in January of each year, the Committee will announce the annual budget request submission process.
4. Annual budget request forms and all supporting documentation must be returned to the Committee no later than 12:00pm (noon) the 3<sup>rd</sup> Friday in February. Late submissions will be accepted and/or reviewed at the sole discretion of the SAFC.
6. (Note: This is a new bullet and all subsequent items under section B must be moved down) The Committee shall have a minimum of two weeks to consider annual proposals from the time they are submitted until formal deliberation begins.
18. (Note: New bullet) Voting and ex-officio members are restricted from presenting annual or contingency budget proposals to the committee.

Clark Stevens

Voting Member, UW Tacoma SAFC

[stevecw@uw.edu](mailto:stevecw@uw.edu)

Dear Chancellor Spakes:

I am writing this letter to inform you that I disagree with the UWT SAFC decision to raise student fees by 7% this year. The reason the committee decided to raise the fee level was to set aside money to the long term fund for the student union. Other than long term planning for a union, a fee increase of 5% was all that was necessary for program funding for this year. Considering the negative economic climate students find themselves in, and the instability of tuition due to budget cuts, 5% should be the maximum amount this year fees are raised.

The SAFC this year advanced the goal of having a student union on campus in several ways. First, we moved all unused funds to the long term fund, which is earmarked for the student union. We also used numbers for calculating our budget that were based on current FTE enrollment, with the understanding that enrollment will be higher this next year, and dictated that all fees generated by over enrollment go into the long term fund. We also funded and expanded several programs that will enhance the services and resources that will enhance the student union. We appropriated funds for the hiring of a recreation specialist, increased student involvement funding for activities and events on campus, and expanded the Diversity Resource Center. A student union is more than a building, and this year we made key investments that will enhance the union in other ways than merely setting aside funds.

The students this year are experiencing a harsh economic climate, brought on by the outside economy, and drastic budget cuts to the University. Many students have lost employment, or have reduced hours and/or pay due to the recession. On top of that, tuition increased last year by a large amount, and is expected to go up again this year and access to state and federal financial aid may go down. Students at UWT are approximately 10% more likely to be on financial aid in the form of Pell or state need grants, and Husky Promise aid than the other two UW campuses. That makes our students much more vulnerable to increasing tuition costs if they lose their financial aid. In this economic environment, we as UW Tacoma administrators and student leaders must be sensitive to the precarious financial situation many of our students are in, and exercise fiscal responsibility by minimizing the adverse economic impact to students. In upcoming years, students will be able to set aside funds for a student union more easily because of the investments in programs we made this year. An increase in fees of 5% is all that is necessary to improve the quality of the services and programs offered on campus. Please protect our student body and promote accessibility to our institution by not raising fees more than is necessary in the middle of a recession.

**W** UNIVERSITY *of* WASHINGTON | TACOMA

May 20, 2010

Kathleen Burdo, Chair  
UWT Services & Activities Committee

Dear Kathleen:

Thank you for submitting the recommendations of the Services and Activities Fee dated May 10, 2011. I accept the recommendations, and extend thanks to you and the committee for your thoughtful deliberations.

Sincerely,



Patricia Spakes  
Chancellor

Attachment 5

## VII. STANDING COMMITTEES

## A. Academic and Student Affairs Committee

Consolidation of the Departments of Oral Biology and Dental Public Health Sciences into the Department of Oral Health SciencesRECOMMENDED ACTION:

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Department of Oral Biology and the Department of Dental Public Health Sciences be consolidated into a single Department of Oral Health Sciences.

JUSTIFICATION FOR PROPOSED ACTION:

The proposed departmental consolidation was presented to Interim Provost Mary Lidstrom as a cost savings measure by Dean Martha Somerman after extensive discussion with and endorsement by the Chair of the Department of Dental Public Health Sciences, the Acting Chair of the Department of Oral Biology, the individual faculty members of both departments, the School of Dentistry Faculty Council, and the School of Dentistry Executive Committee.

The consolidation of the departments, under one Chair, will result in cost savings, provide administrative efficiencies among staff, and foster collaborations in teaching and mentoring of students and junior faculty. Moreover, these two departments represent a major research arm for the School of Dentistry, and thus, bringing these two departments together under strong leadership is expected to have a synergistic effect for the School's research programs, including efficiencies in grant support and the development of new research directions. Enhanced interactions between the basic and translational research structure in the Department of Oral Biology and the clinical, behavioral and public health research structure in the Department of Dental Public Health Sciences is anticipated from this reorganization.

Effective July 1, 2011, the Department of Dental Public Health Sciences will have 4.06 FTE tenured positions; 16.86 FTE total faculty positions. The Department of Oral Biology will have 2.61 FTE tenured faculty positions; 4.7 FTE total faculty positions. The curriculum will remain unchanged by this reorganization, which includes pathology/oral pathology courses for the specialty graduate programs as well as the MS, DDS/PhD, and PhD programs currently in the Department of Oral Biology.

REVIEW PROCESS:

Following University of Washington "Reorganization, Consolidation, and Elimination Procedures" (Faculty Code Section 26-41), Provost Lidstrom referred the matter for discussion to the Senate Committee on Planning and Budgeting.



## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

#### Consolidation of the Departments of Oral Biology and Dental Public Health Sciences into the Department of Oral Health Sciences (continued p. 2)

Because the consolidation of these two departments will not result in the elimination of any degrees; removal of tenured faculty, or of untenured faculty before the completion of their contract; a significant change the terms and conditions of employment of the faculty; a significant change to the overall curriculum of the School of Dentistry; or a significant departure from the School of Dentistry mission, the review was evaluated under the provisions governing "Limited Reorganization." The voting faculty members of these two departments were notified of the process to seek a full review of the reorganization by the Secretary of the Faculty. No petition for further review was submitted to Provost Lidstrom. Therefore, having considered the proposed departmental consolidation using a process consistent with the rules promulgated for reorganizations under the Faculty Code, Provost Lidstrom supports the consolidation of the Departments of Oral Biology and Dental Public Health Sciences into the Department of Oral Health Sciences effective July 1, 2011.

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

*In Joint Session with*

B. Finance, Audit and Facilities Committee

Services and Activities Fee – University of Washington Bothell: 2011-12  
Distribution of Fee and Allocation of Funds

RECOMMENDED ACTION:

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve for the University of Washington Bothell:

- 1) **Recommended revisions to Services and Activities Fee Bylaws.**
- 2) **Recommended Services and Activities Fee Budget for 2011-12.**
- 3) **The establishment of a Sport Field Fee.**

BACKGROUND

Services and Activities Fees at the UW Bothell and Tacoma campuses are collected separately from the Services and Activities Fees at the Seattle campus, but the process is handled in like manner. As provided under RCW 28B.15.045, a student committee recommends the annual allocations to the Board of Regents for approval. The Board of Regents, at the September 27, 1991 meeting, approved the Guidelines that established the Services and Activities Fees (SAF) Committee for the Bothell campus and its operating procedures.

The Board of Regents is authorized to increase the Services and Activities Fee annually by a percentage not to exceed the annual percentage increase in tuition.

The quarterly rate history of the Services and Activities Fee at UW Bothell is:

<b>Academic Year</b>	<b>Fee</b>	<b>Academic Year</b>	<b>Fee</b>
1991-92	\$76	2001-02	\$83
1992-93	\$76	2002-03	\$83
1993-94	\$79	2003-04	\$86
1994-95	\$81	2004-05	\$89
1995-96	\$84	2005-06	\$91
1996-97	\$87	2006-07	\$93
1997-98	\$90	2007-08	\$95
1998-99	\$93	2008-09	\$101
1999-00	\$93	2009-10	\$108
2000-01	\$83	2010-11	\$123

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

*In Joint Session with*

B. Finance, Audit and Facilities Committee

Services and Activities Fee – University of Washington Bothell: 2011-12  
Distribution of Fee and Allocation of Funds (continued p. 2)

**1) Recommended revisions to Bylaws (attached)**

**2) Recommended Services and Activities Fee Budget for 2011-2012:**

A. Services and Activities Fee for 2011-12

The SAF Committee recommends addition of a new fee of \$30 per quarter titled “Sport Field Fee.” Due to the addition of this new fee, the committee will not be increasing the quarterly fee payable by students. The Services and Activities Fee will remain at \$123 for the 2011-12 academic year. The fee revenue was calculated conservatively by using FY 11 enrollment revenues (2,800 FTE less waivers). The campus is targeting 3,000 FTE for FY 12. The total estimated fee collection for all four quarters (2011-12) is \$1,031,540 as illustrated in Schedule 1, below.

<b>Schedule 1: Distribution of Fees</b>	
2,660 FTE @ \$123 X 3 Quarters	\$ 981,540
Estimated Summer 2011 Revenue	50,000
Total Estimated Fee Revenues	\$1,031,540
Mandated Loan Fund (3.5%)	(36,104)
<b>2011-2012 Student Activities Fee Revenue</b>	<b>\$ 995,436</b>

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

*In Joint Session with*

B. Finance, Audit and Facilities Committee

Services and Activities Fee – University of Washington Bothell: 2011-12  
Distribution of Fee and Allocation of Funds (continued p. 3)

B. 2011-12 Allocation of Student Activities and Services Funds

ASUWB	\$109,067
Campus Events Board	148,633
Career Center	65,860
Childcare Voucher Program	35,000
ASUWB Laptop Circulation and Support	17,120
Delta Epsilon Chi	23,950
Expanded Student Space in Bookstore	25,000
Intercultural Club	7,500
Literary Journal	11,300
Facility Rentals	35,179
Newspaper	58,477
Policy Journal	6,650
Recreation and Wellness Program	125,924
Student Civic Fellows	5,109
SAF Contingency Fund	49,772
Student Life Operations	268,145
Teacher Education Professional Development	<u>2,750</u>
Total	\$995,436

C. Proposed Operating Expenditures for SAF Funds

If specifically authorized by the Services and Activities Fee Committee at the time of allocation, the following expenditures are acceptable in support of bona fide school-related curricular or extracurricular functions, activities, or programs participated in by UW Bothell students in the furtherance of their education:

1. Ordinary supplies, purchased services or equipment necessary to conduct the student function, activity, or program.
2. Compensation for students or other university employees engaged in activities or services that directly involve or support currently enrolled UWB students such as student government, student activities, student life, financial aid, counseling, testing, placement, and security.

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

*In Joint Session with*

### B. Finance, Audit and Facilities Committee

#### Services and Activities Fee – University of Washington Bothell: 2011-12 Distribution of Fee and Allocation of Funds (continued p. 4)

Compensation is established once per year, during the Annual Budget cycle, and cannot be modified during the Contingency cycle.

3. Necessary and reasonable fees, meals, lodging, and transportation expenses for entertainers, lecturers, guest speakers and others who provide personal services on a contractual basis.
4. Trophies, plaques or medals, certificates of award or articles of personal property that are of nominal value (\$50 or less) given to currently enrolled UWB students as recognition for participation, achievement, or excellence as part of the functions of student organizations, activities, or programs.
5. Promotional Items designed to promote any student organization, group, or funded project or service are limited to a total value of \$200 per quarter unless expressly stated otherwise by the Services and Activities Fee Committee at the time of allocation. Food and publicity (for specific events) are not considered a promotional item. Articles of clothing may be purchased with the approval of the Office of Student Life.
6. Cost of childcare for children of currently enrolled UWB students who are participating in UWB programs held on the UWB campus.
7. Travel awards can only be granted to currently enrolled UWB students and their advisor (UW Bothell Faculty or Staff) to participate in approved student functions, activities, or programs. Awards are limited to paying accommodations, transportation, registration fees, and incidental expenses such as outlined by the SAF Committee. Approved travel awards are reimbursements and are reimbursed only when receipts are presented. All travel must comport with established UW travel policies and procedures (e.g., travel must be approved in advance using the Travel Authorization Form and a Travel Expense

Voucher must be completed and approved before any reimbursements are made). Travel must benefit the broader student community through participation upon return from the trip. Maximum reimbursement will

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

*In Joint Session with*

### B. Finance, Audit and Facilities Committee

#### Services and Activities Fee – University of Washington Bothell: 2011-12 Distribution of Fee and Allocation of Funds (continued p. 5)

be \$500 per student and \$2,500 per group unless expressly stated otherwise by the SAF Committee upon awarding of funds.

8. Food and refreshments may be purchased for on-campus UWB-student functions in accordance to the University of Washington food policy (including award receptions, training programs, activities, or programs.) Such funds are intended to support activities and programs open to the general student body. Funds are not intended to support routine meetings associated with student organizations (student government, campus events board, SAF, etc.). Services and Activities Fees may not be used to purchase or serve alcoholic beverages.
9. Consistent with state law, any expenditure of Services and Activities Fees, including loans, is considered a prohibited gift when made for the direct benefit of private individuals or groups. State law also prohibits contributions of Services and Activities Fees or property to a political candidate or cause in connection with any local, state, or federal election.
10. Services and Activities Fees shall not be used as fundraising contributions; matching funds for fundraising purposes; or for any expenses related to meetings, events, or activities of which the principal purpose is fundraising.
11. When making allocations, the Committee may place stipulations on the use of the funds or recommend guidelines in the operations of a program, or both. Stipulations shall be binding on the program.

#### D. 2011-12 Budget Notes and Funding Stipulations

#### **STUDENT AMENITIES**

##### **Book Store Gathering Space**

The Committee will be funding the total amount requested of \$25,000. This fee is to cover the facility and rental cost of the book store gathering space.

##### **Facility and Room Rental Cost**

SAF will be providing auxiliary services with \$35,178.72. This allocation is to support all SAF funded groups in facility rental fees. The allocation allows groups to reserve rooms on campus without being charged a room rental fee.

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

*In Joint Session with*

### B. Finance, Audit and Facilities Committee

Services and Activities Fee – University of Washington Bothell: 2011-12  
Distribution of Fee and Allocation of Funds (continued p. 6)

#### **Long Term Funding**

The Committee is requesting that \$1,550,000 of our Long Term Funds be put towards the Sports Field. A total of \$1.4 million of the Long Term Funds will go towards the capital costs of the projects and up to \$150,000 will go towards the start up costs of the Sports Field.

#### **CAMPUS ACTIVITIES AND EVENTS**

##### **Associated Students of the University of Washington Bothell**

The Committee will fund the total amount requested.

Total requested:	\$109,067.14
Cuts	<u>(0.00)</u>
Total Funded	\$109,067.14

##### **Campus Events Board**

The Committee will fund a total of 5 programmers at \$12 per hour for 37 weeks and 15 hours a week. A total of 19.5 hours will be funded for the chair at \$13 an hour for 37 weeks. Due to budget constraints the Committee will fund half of the request for unforeseen costs at \$10,000.

Total adjusted requested:	\$184,990.76
Cuts (benefits included)	<u>(36,357.90)</u>
Total Funded	\$148,632.86

##### **Civic Fellows**

The Committee will fund the total request for \$5,108.70.

Total requested:	\$5,108.70
Cuts	<u>(0.00)</u>
Total Funded	\$5,108.70

##### **Child Care Assistance Program**

Due budget constraints, the Committee will fund \$35,000 of the \$65,000 request.

Total requested:	\$65,000.00
Cuts	<u>(30,000.00)</u>
Total Funded	\$35,000.00

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

*In Joint Session with*

### B. Finance, Audit and Facilities Committee

#### Services and Activities Fee – University of Washington Bothell: 2011-12 Distribution of Fee and Allocation of Funds (continued p. 7)

##### **Collegiate DECA**

The Committee cannot fund the \$1030 request for the Spring Auction facilities request or the \$3000 for food because it is for a fundraiser and is not consistent with SAF policies.

Total requested:	\$27,980.00
Cuts	<u>(4,030.00)</u>
Total Funded	\$23,950.00

##### **Husky Herald**

The Committee will fund for 8 hours a week at \$12 per hour during summer quarter, a decrease of \$2400 for staff wages plus benefits for a total of \$2733.60. The Committee will also cut funding for a third Assistant Editor, a decrease of \$3000 plus \$417 in benefits for a total of \$3417.

Total requested:	\$64,626.75
Cuts	<u>(6,150.15)</u>
Total Funded	\$58,476.60

##### **Intercultural Club**

The Committee will be funding the total request for \$7500.

Total requested:	\$7,500.00
Cuts	0.00
Total Funded	\$7,500.00

##### **Literary and Arts Journal**

The Committee feels that the number of *Clamor* journals given away to each department and student and the number left over towards the end of the year should be formally tracked for an accurate number of how many journals are distributed. The number of CDs produced and given away should also be formally tracked. Overall, the Committee would like to see tracking of all production and distribution of *Clamor*. The Committee feels 800 copies are sufficient so \$500 from printing and photocopying will be cut. The Committee feels that \$2000 for CDs is excessive since it is your first year of having *Clamor* on CDs. Therefore, funding will be cut in half to \$1000. Lastly, a cut of \$200 from webhosting will be made since research shows \$300 is a sufficient amount. The Committee suggests that *Clamor* work with departments for additional funding.

Total requested:	\$13,000.00
Cuts	<u>(1,700.00)</u>
Total Funded	\$11,300.00



VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

*In Joint Session with*

B. Finance, Audit and Facilities Committee

Services and Activities Fee – University of Washington Bothell: 2011-12  
Distribution of Fee and Allocation of Funds (continued p. 8)

**Policy Journal**

Due to a lack of information regarding the specific conference requested, funding will be cut with a recommendation that specific funding for a set conference be requested in the budget. Also \$1,000 total will be granted for refreshments, facilities, co-sponsoring, and other events which the *Policy Journal* can allocate as they see fit.

The Committee requires the *Policy Journal* to create a formal tracking system for the production and distribution of the journal (number of journals printed, number distributed to students who submit work, number of journals distributed to departments, number of journals placed around campus, number left over, and so forth). The Committee also requires that there be a maximum of three copies distributed to the students who submitted work to the *Policy Journal*. If a student would like to request more copies, the Committee requires that the *Policy Journal* create an application process for additional copies, in which students would have to indicate number of copies being requested, and where copies will be distributed (e.g. names of graduate schools). By having these tracking methods in place, the *Policy Journal* will have more concrete and solid numbers to present to the SAF Committee next year as part of a funding application.

Finally, the Committee would like the *Policy Journal* to work toward getting funding from departments to help shoulder the costs, especially if the department requests additional copies.

Total requested:	\$8,150.00
Cuts	(1,500.00)
Total Funded	\$6,650.00

**Upsilon Pi Epsilon**

The Committee did not see evidence of student interest and suggests finding alternative funding for startup fees. The Committee also highly encourages the department to motivate the students to be more involved with campus activities and events to show more student interest.

Total requested:	\$1,200.00
Cut	<u>(1,200.00)</u>
Total Funded	\$0.00

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

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B. Finance, Audit and Facilities Committee

Services and Activities Fee – University of Washington Bothell: 2011-12  
Distribution of Fee and Allocation of Funds (continued p. 9)

**CAREER SERVICES AND PROGRAMS**

**ASUWB Laptops**

After corrected benefits (14.9% not 15%) the total funding is calculated at \$17,120.10. The request will be fully funded because the Committee sees this as a valuable service to the campus community.

Total requested:	\$17,120.10
Cuts	<u>(0.00)</u>
Total Funded	\$17,120.10

**Career Services**

The Committee will be funding the total request for \$65,860.00

Total requested:	\$65,860.00
Cut	<u>(0.00)</u>
Total Funded	\$65,860.00

**STEM Speaker Series**

The Committee cannot fund this request because it is departmental/academic in nature. The request is very similar to last year's CSS Speaker Series, which was also found to be more departmentally/academically based rather than open to the entire student community. The Committee strongly encourages co-sponsoring with a student club and greater student involvement in the SAF process.

Total requested:	\$8,400.00
Cuts	<u>(8,400.00)</u>
Total Funded	\$0.00

**Teacher Certification**

The Committee feels this is a very departmental and educational program targeted for a specific group of students at UW Bothell. For the next year, \$2000 for Honoraria, \$1,300 for food and \$200 for other funding requests will be cut with the suggestion that this program finds other funding sources for the following year.

Total requested:	\$6,250.00
Cuts	<u>(3,500.00)</u>
Total Funded	\$2,750.00

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

*In Joint Session with*

B. Finance, Audit and Facilities Committee

Services and Activities Fee – University of Washington Bothell: 2011-12  
Distribution of Fee and Allocation of Funds (continued p. 10)

**STUDENT OPERATIONS**

**Student Life Operations**

The Committee will be cutting one marketing assistant position for the year, a total cut of \$11,549.46 including benefits. For the summer hours, we will fund 8 weeks for 15 hours that can be allocated between web designer and marketing coordinator, however Student Life sees fit, a total cut of \$1,776.84. The student assistant request will be funded for 20 hours a week during the summer for a total of 8 weeks.

Total requested:	\$283,294.00
Cuts	<u>(15,148.74)</u>
Total Funded	\$268,145.26

**Recreation and Wellness**

Total request will be funded at \$125,924.00.

Total requested:	\$125,924.00
Cuts	<u>(0.00)</u>
Total Funded	\$125,924.00

**Teacher Certification Professional Development and Mentoring (\$5,750)**

The committee recommended full funding for the Teacher Certification Programs. The committee strongly recommends that portions of the development days be open to all students on campus where appropriate.

**3) Establishment of a Sport Field Fee for UW Bothell students at an amount not to exceed \$30 per quarter.**

The University of Washington Bothell began accepting freshmen in 2006 and has worked to provide a full four year undergraduate experience for its students, including student life facilities such as housing and food services. In order to continue to meet the demonstrated student demand for student life programs, including intramural and club sports, UW Bothell students have requested and are supporting the construction of a multi-purpose sports field configured to accommodate soccer and softball, as well as additional activities such as Ultimate Frisbee, flag football, and rugby; two tennis courts, a basketball court and a sand volleyball court; infrastructure to hold events on the field; bleachers, paved pathways, fencing and lighting. Approximately

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

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B. Finance, Audit and Facilities Committee

Services and Activities Fee – University of Washington Bothell: 2011-12  
Distribution of Fee and Allocation of Funds (continued p. 11)

half of the cost of the project will be funded from the UWB SAF long term fund with the majority of the balance of funding funded through a UW ILP loan, and a contribution of funds from UWB administration to support event infrastructure. A new Sports Field Fee of \$30 per quarter will fund debt service on the internal loan.

Sources of Funds:

<b>Sources of Funds</b>	<b>Capital Uses of Funds</b>	<b>Start up Costs</b>
UWB SAF long term fund	\$1,400,000	\$150,000
University of Washington ILP loan	1,500,000	
UWB central funds	400,000	
<b>Total</b>	<b>\$3,300,000</b>	<b>\$150,000</b>

The UW Treasury Office has performed due diligence on the ILP loan and has confirmed that the pro forma and stress tests for the loan meet all applicable approval criteria. The proposed project will be designed and constructed through a standing contract with the State of Washington, and the University of Washington under delegated authority to the UW Capital Projects Office. No specific action by the Regents is required on the loan or the purchase; however, these transactions will be reported to the Regents under delegated authority. Part time students will be charged rates proportionate to that of full time students. The Sport Field Fee is proposed to be implemented in fall 2011 to coincide with the start of construction.

*Attachments*

1. Letter to Chancellor Kenyon Chan from SAF Chair, May 20, 2011
2. UW Bothell Student Activities Fees – Revenue and Expense Summary, FY 10-FY 21
3. UWB Services and Activities Fees Committee Guidelines and Operating Procedures

# **W** UNIVERSITY of WASHINGTON | BOTHELL

May 20, 2011

Kenyon Chan  
Chancellor  
University of Washington Bothell

Dear Chancellor Chan,

On May 20, 2011, the Services and Activities Fee (SAF) Committee met to review and ultimately approve recommendations regarding the development and construction of the Sports and Recreation complex. This recommendation represents two academic years and countless hours of extensive and excellent work by the faculty, administration, staff, and most importantly, UW Bothell students. The committee recommends moving forward with this capital project by initiating a new student fee.

This recommendation finalizes a two year process that the SAF Committee requires that units whose projects would necessitate the SAF Committee to institute a new long term fee on students. Two consecutive committees approved of this project, along with the endorsement of the Associated Students of the University of Washington Bothell.

The completion of this project will open the door to a new era of student life on the Bothell campus. It will create an environment that fosters the rapidly changing student culture and needs. As a result of more access to these amenities and programs, students will develop a stronger sense of community.

### *Sports and Recreation Complex*

The proposed project includes a multi-purpose sports field that will include a combined soccer and softball field of dimensions appropriate to serve additional activities including ultimate frisbee, flag football and rugby; two tennis courts, a basketball court and a sand volleyball court; infrastructure to hold events on the field; bleachers, paved pathways, fencing and lighting.

Sources of funds are as follows:

Down payment from UWB SAF long term fund	\$1,400,000
UWB administration	\$ 400,000
University of Washington ILP loan	<u>\$1,500,000</u>
Total Project Cost	\$3,300,000

SAF Recommendation  
May 20, 2011  
Page Two

*Committee Recommendation*

The Committee recommends moving forward with the development and construction of the Sports and Recreation Complex. The Committee intends to fund the project through a combination of long term reserve funds and a loan from the UW Internal Lending Program (ILP). Students would repay this loan with revenues from a new prorated quarterly fee of \$30 per student. The Committee recommends instituting this fee in the Autumn quarter of 2011.

Closing Comments

The Committee believes that if the Regents adopt this recommendation, the Sports and Recreation Complex will enrich the culture and community. In addition to this project the Committee also recognizes and encourages the future development of a Student Activities Center. SAF strongly supports the efforts of the students and professionals in the planned growth and development of future amenities. This vision will allow the University of Washington Bothell to meet the needs of the 21<sup>st</sup> century beginning with a modern Sports and Recreation Complex.

Sincerely,



Aika Perez  
2010-2011 Chair  
Student Activities Fee Committee

**UW Bothell Student Activities Fees - Revenue and Expense Summary, FY 10-FY 21**

	Actual FY 10	Projected FY 11	Forecast FY 12	Forecast FY 13	Forecast FY 14	Forecast FY 15	Forecast FY 16	Forecast FY 17	Forecast FY 18	Forecast FY 19	Forecast FY 20	Forecast FY 21
<b><u>REVENUES</u></b>												
Student Fees Collected	851,563	1,066,625	1,186,919	1,223,819	1,223,819	1,223,819	1,223,819	1,223,819	1,223,819	1,223,819	1,223,819	1,223,819
Estimated Summer Quarter Revenue			50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Interest Earned	40,833	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000
Total Revenue, Current	<b>\$ 892,396</b>	<b>\$ 1,107,625</b>	<b>\$ 1,277,919</b>	<b>\$ 1,314,819</b>	<b>\$ 1,314,819</b>	<b>\$ 1,314,819</b>	<b>\$ 1,314,819</b>	<b>\$ 1,314,819</b>	<b>\$ 1,314,819</b>	<b>\$ 1,314,819</b>	<b>\$ 1,314,819</b>	<b>\$ 1,314,819</b>
New Sport Field Fee			256,500	265,050	265,050	265,050	265,050	265,050	265,050	265,050	265,050	265,050
Total Revenue, with New Fee	<b>892,396</b>	<b>1,107,625</b>	<b>1,534,419</b>	<b>1,579,869</b>	<b>1,579,869</b>	<b>1,579,869</b>	<b>1,579,869</b>	<b>1,579,869</b>	<b>1,579,869</b>	<b>1,579,869</b>	<b>1,579,869</b>	<b>1,579,869</b>
<b><u>DEBT SERVICE</u></b>												
	0	-	(149,438)	(149,438)	(149,438)	(149,438)	(149,438)	(149,438)	(149,438)	(149,438)	(149,438)	(149,438)
Times Coverage			10.27	10.57	10.57	10.57	10.57	10.57	10.57	10.57	10.57	10.57
Revenue Available for Programs	<b>892,396</b>	<b>1,107,625</b>	<b>1,384,981</b>	<b>1,430,431</b>	<b>1,430,431</b>	<b>1,430,431</b>	<b>1,430,431</b>	<b>1,430,431</b>	<b>1,430,431</b>	<b>1,430,431</b>	<b>1,430,431</b>	<b>1,430,431</b>
<b><u>EXPENSES</u></b>												
	<b>\$ (669,511)</b>	<b>\$ (873,493)</b>	<b>\$ (995,435)</b>	<b>(1,209,450)</b>	<b>(1,209,450)</b>	<b>(1,209,450)</b>	<b>(1,209,450)</b>	<b>(1,209,450)</b>	<b>(1,209,450)</b>	<b>(1,209,450)</b>	<b>(1,209,450)</b>	<b>(1,209,450)</b>
<b><u>NET REVENUE AFTER EXPENSES</u></b>	<b>\$ 222,885</b>	<b>\$ 234,132</b>	<b>\$ 389,546</b>	<b>\$ 220,981</b>	<b>\$ 220,981</b>	<b>\$ 220,981</b>	<b>\$ 220,981</b>	<b>\$ 220,981</b>	<b>\$ 220,981</b>	<b>\$ 220,981</b>	<b>\$ 220,981</b>	<b>\$ 220,981</b>
<b>RESERVES ANALYSIS</b>												
SAF Reserves		2,484,000	1,168,132	1,450,616	1,555,985	1,661,354	1,766,723	1,872,092	1,977,461	2,082,830	2,188,199	2,293,568
Revenues less expenses and debt service		234,132	389,546	220,981	220,981	220,981	220,981	220,981	220,981	220,981	220,981	220,981
Down Payment on Sport Field		(1,550,000)										
Potential Prepayment of Loan			(107,062)	(115,612)	(115,612)	(115,612)	(115,612)	(115,612)	(115,612)	(115,612)	(115,612)	(115,612)
Ending Reserves		1,168,132	1,450,616	1,555,985	1,661,354	1,766,723	1,872,092	1,977,461	2,082,830	2,188,199	2,293,568	2,398,937

# Services and Activities Fees Committee Guidelines and Operating Procedures

## Section 1. Services and Activities Fees

A. Services and Activities Fees are defined in RCW 28B.15.041 to mean “fees, other than tuition fees, charged all students registering at the . . . state universities . . . The legislature also recognizes that Services and Activities Fees are paid by students for the express purpose of funding student activities and programs” of their particular institution.

B. “It is the intent of the legislature that the governing boards ensure that students have a strong voice in recommending budgets for Services and Activities Fees” (RCW 23B.15.045), and that Services and Activities Fees expenditures for programs devoted to political or economic philosophies shall result in the presentation of a spectrum of ideas (RCW 28.15.044).

C. The level of the services and activities fees is recommended by the Services and Activities Fee Committee pursuant to RCW 28B.15.045 and approved by the Board of Regents. Increases in the fee are subject to limitations set by the state legislature.

D. The Board of Regents shall adhere to the principle that the desires of the Services and Activities Fee Committee be given priority consideration for funding items that do not fall into the categories of pre-existing contractual obligations, bond covenant agreements, or stability of programs affecting students (RCW 28B.15.045(2)). Expenditures of Services and Activities Fees, however, are permitted for the construction, equipping, and betterment of buildings and facilities for student activities and services (RCW 28B.10.300).

E. The Services and Activities Fee long-term fund shall consist of all unallocated revenue derived from the collection of services and activities fees and accrued interest.

F. Services and Activities Fees and revenues generated by programs and activities funded by such fees shall be deposited and expended through the Office of Finance and Administration and will be reduced, unless otherwise stipulated by the Services and Activities Fee Committee, from the allocation awarded for that program or activity. The expenditure of Services and Activities Fees and associated revenues are subject to all applicable University policies, regulations, and procedures and to the Budget and Accounting Act of the State of Washington (RCW 43.88).

G. In addition to the regulations governing the use of Services and Activities Fees, provisions of the State Constitution prohibit the use of public funds (Services and Activities Fees are considered public funds) with regard to making gifts or loans of money or property.

H. With the exception of any funds needed for bond covenant obligations, once the budget for expending Service and Activities Fees is approved by the Board of Regents, funds shall not be shifted from funds allocated by the Services and Activities Fee Committee until the administration provides written justification to the Committee and the Regents, and the Regents and the



Committee give their express approval. In the event of a fund-transfer dispute among the Committee, the administration, or the Regents, said dispute shall be resolved pursuant to Section 6 of these Guidelines (RCW 28B.15.045 (12)).

## **Section 2. Committee Membership**

A. The intent of this Committee is to be comprised of at least five (5) and no more than seven (7) voting members who are currently matriculated students at UWB and not elected or appointed officers of the Campus Events Board, Student Technology Fee Committee, or serving in an editorial position for the student newspaper. The voting membership of the Committee should strive for a committee that is strongly representative of the student body, considering academic programs, class level, gender, cultural backgrounds, and other characteristics of the student body.

B. Ex-officio, non-voting members of the Committee may include a representative from Budget and Fiscal Services, and a representative from Student Affairs. The Chair of the Committee, with approval of the Chancellor, may appoint any other ex-officio member. The role of the representatives from Budget and Fiscal Services and Student Affairs is to provide information and orientation, background materials, and general support and guidance to the Committee.

C. Voting members will generally serve for one term, and each term is for a period of one year (from July 1 to June 30). A voting member may be reappointed for a second and third term, and up to two members may be allowed to serve for a fourth term; such reappointments are subject to the procedures described in Section 2.D. Majority of voting members should be selected before June 1st while leaving two open spots for incoming fall quarter students. The Committee may replace any of its voting members only for reasons spelled out in these Guidelines and Operating Procedures. Members who resign during their term(s) will submit a written resignation to the Committee chairperson. Vacancies will be replaced in the same manner as provided for new appointments and for the un-expired term of the original appointment.

D. Members of the Services and Activities Fee Committee are nominated according to established procedures for appointing students to University committees and boards. The ASUWB president shall appoint, in consultation with his or her executive committee, a member of the ASUWB Executive Committee to serve as one of the voting members of the Committee. The Chancellor makes the official appointment for all members sans the ASUWB representative. The chairperson of the Services and Activities Fee Committee shall be selected by the members of that Committee (RCW 28.15.045(3)) at its first business meeting. The chairperson will ideally possess monetary experience and have knowledge of the student fees. The chairperson shall call and preside over Committee meetings, prepare agendas, and serve as liaison to the broader University community where appropriate.

E. Voting members are expected to attend all meetings unless excused in advance by the Chair; develop and maintain effective communication within the Committee and across the campus community, demonstrate a willingness to engage in constructive dialogue on any issue being considered by the Committee, actively participate in the deliberations of the Committee, and adhere to the rules and regulations governing the Committee. Members may request the resignation of a particular member if absences or conduct are deemed detrimental to the work of the Committee. A request for resignation to remove a member from the Committee requires a unanimous vote by all

voting members of the Committee, except for the party whose resignation is being requested, and concurrence by the Chancellor.

### **Section 3. Committee Meetings**

A. Regular meetings shall be held at least three times per quarter (Autumn, Winter, and Spring) and more frequently as needed. All business, other than those items appropriate for consideration during executive session, will be conducted during open session and in full compliance with the Open Public Meetings Act.

B. An agenda and a copy of all funding requests to be considered by the Committee shall be sent to members and be publicly posted at least three-school days in advance of all regular meetings and shall specify the time and place of the meeting as well as the business to be transacted.

C. A special meeting of the Committee may be called at any time by the chair, by a simple majority of the voting members of the Committee, or by the Chancellor by delivering personally or by mail written notice to each member of the Committee at least 24-hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted; final disposition shall not be taken on any other matter at such meetings.

D. The Committee may hold an executive session during a regular or special meeting only to consider matters permitted under the Open Public Meetings Act (RCW 42.30.110).

E. A quorum shall consist of a simple majority (50% + 1) of the current voting membership of the Committee. The chairperson shall be included as a voting member. Proxies shall not be considered for voting purposes.

F. All meetings shall be conducted in accordance with Robert's Rules of Order, Newly Revised. Deviations from such procedures will be at the discretion of the Chair with a simple-majority approval of the Committee present and voting.

G. Minutes shall be taken at all meetings of the Committee and shall be publicly posted not later than five-business days after the meeting concludes. Said minutes shall include the results of every action item taken by the Committee.

### **Section 4. Budgeting Process**

A. The Services and Activities Fee Committee shall notify the campus community of the opportunity to submit requests for annual funding no later than December 1:

1. The Committee shall establish the format and related deadlines for receiving budget requests in advance of notifying the campus community of the opportunity to apply for funding. At least 15-business days must be provided to members of the campus community for preparing their requests.

2. Any member of the University of Washington Bothell campus community may submit a request for annual funding.

3. The intent of the annual operating budget is to support on-going student activities, services, and programs. It is the intent that the funds deemed "long-term" shall be used to purchase capital (non-recurring) equipment and furnishings, lease and/or bond obligations, and other related expenditures.

B. A contingency fund shall be established by the Committee as part of its annual budget and should represent approximately 5% of the projected fee revenue. The purpose of this money is to fund proposals throughout the following fiscal year. The Chancellor or his or her designate shall review and approve all such recommendations from the Committee.

1. The Committee shall establish the format, priorities for funding, and related deadlines for receiving contingency requests. At least 10-business days must be provided to students for preparing their requests.

2. The intent of the contingency award is to fund student-initiated activities, events, projects, and services that were not proposed during the annual budgeting cycle. Contingency requests should represent new ideas for building and sustaining community on campus. As such, these requests are to be generated by student groups, committees, and boards. Other entities of the campus community are invited to submit requests during the annual budgeting cycle.

C. All proposals for either annual or contingency funding must contain adequate information about how a program will serve currently enrolled UWB students as well as a detailed breakdown of proposed expenditures and anticipated revenues.

D. The Committee shall review all requests for support from the services and activities fees, serving in an advisory capacity to the Chancellor and the Board of Regents.

E. At the Committee's discretion, a hearing may be required for those requests that lack sufficient detail or justification. The Committee should provide at least 10-business days' notice of a hearing to those individuals requested to be in attendance.

F. The Committee shall organize and publicize at least one open forum on its proposed annual funding allocations at least 10-calendar days prior to adopting a final budget.

G. The Chancellor may meet with the Committee at appropriate intervals in its budget formation process to respond to emergent ideas and issues and to apprise it of the general position of the Regents. The Chancellor may respond in writing to specific written proposals submitted by the Committee and take other actions as needed to assure that the lines of communication to the Committee remain open. The Chancellor may delegate these duties to another senior administrator.

H. The Committee shall send its final recommendations for an annual operating budget and long-term capital expenditures along with supporting documentation to the Chancellor on or about May 1 of each year. Within 10-business days after receiving the Committee's annual budget recommendations, the Chancellor will provide a written response to the Committee. In formulating his or her response, the Chancellor may seek the view of other affected University groups and senior administrators as to the final recommendations of the Committee prior to making his or her recommendation to the Board of Regents. In the event the Chancellor disagrees with any of the Committee's recommendations, the dispute resolution process described in Section 7 will be invoked.

I. At the time the Chancellor submits his or her proposed budget recommendations to the Board of Regents for the expenditure of services and activities fees, he or she shall also submit a copy of the Committee's recommendations and supporting documents along with any response from the administration.

J. Members of the Service and Activities Fee Committee shall have an opportunity to address the Board of Regents before the Regent's decisions on services and activities fee budgets and dispute resolution actions are made (RCW 28B.15.045 (1)).

K. If, during the year, there are unanticipated non-recurring expenses, and if there are sufficient long-term funds to not only fund the expenditures but also other long-term commitments, the Committee can request that the necessary funds be transferred from the long-term account to the current operating account.

### **Section 5. Guidelines for Funding**

A. Operating expenditures may be proposed in support of bona fide school-related curricular or extracurricular functions, activities, or programs participated in by UWB students in the furtherance of their education:

1. Ordinary supplies, purchased services or equipment necessary to conduct the student function, activity, or program.
2. Compensation for students or other University employees engaged in activities or services that directly involve or support currently enrolled UWB students such as student government, student activities, student life, financial aid, counseling, testing, placement, and security. Compensation is established once per year, during the Annual Budget cycle, and cannot be modified during the Contingency cycle.
3. Necessary and reasonable fees, meals, lodging, and transportation expenses for entertainers, lecturers, guest speakers and others who provide personal services on a contractual basis.
4. Trophies, plaques or medals, certificates of award or articles of personal property that are of nominal value (\$50 or less) given to currently enrolled UWB students as recognition for participation, achievement, or excellence as part of the functions of student organizations, activities, or programs.

5. Promotional Items are designed to promote any student organization, group, or funded project or service are limited to a total value of \$200 per quarter unless expressly stated otherwise by the Services and Activities Fee Committee at the time of allocation. Food and publicity (for specific events) are not considered a promotional item. Articles of clothing may purchased with the approval of the Office of Student Life.

6. Cost of childcare for children of currently enrolled UWB students who are participating in UWB programs held on the UWB campus.

7. Travel Awards can only be granted to currently enrolled UWB students and their advisor (UW faculty or staff) to participate in approved student functions, activities, or programs. Awards are limited to paying accommodations, transportation, registration fees, and incidental expenses as outlined by the SAF Committee. Approved travel awards are reimbursements and are reimbursed only when receipts are presented. All travel must comport with established UW travel policies and procedures. Travel must benefit the broader student community through participation upon return from the trip. Maximum reimbursement will be \$500 per student and \$2,500 per group unless expressly stated otherwise by the SAF Committee upon awarding of funds.

8. Food and refreshments may be purchased for on-campus UWB-student functions as outlined by the UW food policy (including award receptions, training programs), activities, or programs. Such funds are intended to support activities and programs open to the general student body. Funds are not intended to support routine meetings associated with student organizations (student government, campus events board, SAF, etc.). Services and Activities Fees may not be used to purchase or serve alcoholic beverages.

A. Consistent with state law, any expenditure of Services and Activities Fees, including loans, is considered a prohibited gift when made for the direct benefit of private individuals or groups. State law also prohibits contributions of Services and Activities Fees or property to a political candidate or cause in connection with any local, state, or federal election.

B. Services and Activities Fees shall not be used as fundraising contributions; matching funds for fundraising purposes; or for any expenses related to a meetings, event, or activities of which the principal purpose is fundraising.

C. When making allocations, the Committee may place stipulations on the use of funds or recommend guidelines in the operations of a program, or both. Stipulations shall be binding on the program.

## **Section 6. General Criteria for Evaluating Funding Requests**

A. The general criteria for evaluating funding requests and for determining level of funding are:

1. The degree to which the request supports a UWB student program or activity or provides a direct service that is of general interest and has broad appeal to currently enrolled UWB students;

2. How well the proposed program, activity, or service is conceived and organized and, if previously funded, its track record for success;

3. The likelihood of partial or full funding from another source or the probability that alternative funding (full or partial) is available from another source;

4. The number and diversity of currently enrolled UWB students likely to benefit from the program, activity, or service in proportion to the level of proposed funding; and other criteria approved in advance by the Committee and the Chancellor or his or her designate.

### **Section 7. Budget Disputes**

A. The Chancellor or his or her designate shall respond to the Committee recommendations in writing, outlining areas of agreement and potential areas of disagreement, allowing reasonable time for response, and clearly setting forth the next step in the review process. In the event of a dispute(s) involving the Committee recommendations, the administration shall meet with the Committee in a good faith effort to resolve such dispute(s) prior to submission of final recommendations to the Board of Regents (RCW 28b.15.045(5)).

B. If the dispute is not resolved within fourteen-calendar days, a dispute resolution committee shall be convened by the chair of the Committee within fourteen-calendar days (RCW 28b.15.045(6b)).

C. The dispute resolution committee shall be selected as follows: The administration shall appoint two nonvoting advisory members; the Board of Regents shall appoint three voting members; and the Committee chairperson shall appoint three student members of the Committee who will have a vote, and one student representing the Committee who will chair the dispute resolution committee and be nonvoting except in the case of a tie vote. The dispute resolution committee shall meet in good faith and settle by vote any and all disputes. (RCW 28b.15.045(7))

D. The Board of Regents may take action on those portions of the Services and Activities Fees budget not in dispute and shall consider the results, if any, of the dispute resolution committee and shall take action (RCW 28b.15.045(8)).

### **Section 8. Review of Budget Allocations**

A. The Committee may choose to review the status of the current Annual Budget at any time during the year. The purpose of these reviews is to assess the status of awards and to have current budget information available for reference during future funding cycles.

B. The Committee may choose to conduct discretionary reviews of funded programs at any time during the year. Recipients of funding may be asked to provide the committee with spending records and projections inclusive of, but not limited to: SOAP forms, receipts, food request forms. As a result of a review, the Committee may freeze the remaining unexpended portion of a budget if the program is not spending in alignment with its allocation; in accordance with these Guidelines and Operating Procedures; and/or failure to report information as stated in Section A. During a freeze,

no further obligations may be incurred against the budget until the freeze is removed. A freeze may remain in effect until the Committee is satisfied with the program's progress. Therefore, it is in the best interest of ALL organizations funded by the Services and Activities Fee to keep up to date records of their expenditures.

### **Section 9: Excess Funds**

A. At the discretion of the Committee, up to 30% of excess funds collected over the course of the academic year may be allocated in the contingency process.

### **Section 10: Budget Spending and Reconciliation**

A. Groups receiving SAF funds are responsible for following all guidelines, procedures and reconciliation of funds as set forth by the SAF Committee, Student Life, and University policy and procedures.

#### **Notes:**

i. The SAF Guidelines and Operating Procedures were originally authorized by the Board of Regents on September 27, 1991 and later amended by the Regents on June 12, 1998.

ii. Revised SAF Guidelines and Operating Procedures were adopted by the SAF Committee on April 8, 2005, approved by the Chancellor on May 22, 2005, and authorized by the Board of Regents on June 9, 2005.

iii. Further revisions to the SAF Guidelines and Operating Procedures were adopted by the SAF Committee on April 7, 2006, approved by the Chancellor on May 22, 2006, and authorized by the Board of Regents on June 8, 2006.

iv. Additional revisions to the SAF Guidelines and Operating Procedures were adopted by the SAF Committee on April 27, 2007, approved by the Chancellor on May 1, 2007, and authorized by the Board of Regents on June 7, 2007.

v. Additional revisions to the SAF Guidelines and Operating Procedures were adopted by the SAF Committee on April 11, 2008, approved by the Chancellor on April 14, 2008, and authorized by the Board of Regents on June 12, 2008.

vi. Additional revisions to the SAF Guidelines and Operating Procedures were adopted by the SAF Committee on May 23, 2011, approved by the Chancellor on May 23, 2011, and authorized by the Board of Regents on June 9, 2008.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Report of Contributions – April, 2011

For information only.

*Attachment*

University of Washington Foundation Report of Contributions for April 2011



# Report *of* Contributions

**All Areas**

April 2011



UNIVERSITY *of* WASHINGTON | *Foundation*

## ANNUAL PROGRESS BY CONSTITUENCY

School	Current Month				Year to Date			
	Gifts	Private Grants	Total	Donors <sup>1</sup>	Gifts	Private Grants	Total	Donors
UW Medicine	\$1,188,494	\$4,389,974	\$5,578,467	2,212	\$26,603,215	\$81,401,415	\$108,004,630	14,477
Arts and Sciences	\$1,893,926	\$362,876	\$2,256,802	2,011	\$14,111,034	\$8,565,052	\$22,676,086	12,338
Broadcast Services	\$114,123		\$114,123	268	\$2,563,943		\$2,563,943	12,099
Built Environments	\$1,020,918	\$72,345	\$1,093,263	49	\$2,366,674	\$1,484,991	\$3,851,665	1,089
Business School	\$446,482		\$446,482	204	\$11,099,603		\$11,099,603	3,525
Dentistry	\$65,536		\$65,536	184	\$4,462,247	\$116,067	\$4,578,314	1,255
Education	\$59,410	\$177,650	\$237,060	146	\$1,538,326	\$2,268,757	\$3,807,083	1,015
Engineering	\$799,150	\$99,015	\$898,165	326	\$8,091,669	\$10,199,679	\$18,291,347	3,743
Environment	\$187,983	\$347,598	\$535,581	309	\$3,121,492	\$5,972,407	\$9,093,898	2,280
Evans School of Public Affairs	\$27,458		\$27,458	77	\$300,012	\$565,321	\$865,333	401
Graduate School	\$28,504		\$28,504	27	\$1,053,078	\$511,666	\$1,564,744	216
Information School	\$14,954	\$233,156	\$248,110	37	\$385,559	\$521,232	\$906,791	713
Intercollegiate Athletics	\$608,192		\$608,192	2,094	\$19,675,019		\$19,675,019	12,503
Law	\$104,969		\$104,969	129	\$3,381,422	\$350,000	\$3,731,422	1,418
Libraries	\$28,151		\$28,151	463	\$2,159,342		\$2,159,342	5,154
Minority Affairs	\$29,823		\$29,823	170	\$383,533		\$383,533	584
Nursing	\$53,435		\$53,435	104	\$977,630	\$557,584	\$1,535,214	1,342
Pharmacy	\$26,737	\$694,867	\$721,604	57	\$1,245,834	\$1,786,960	\$3,032,794	1,067
President's Funds	\$33,372		\$33,372	96	\$4,598,580		\$4,598,580	1,249
Public Health	\$62,896	\$57,994	\$120,890	98	\$607,644	\$18,279,288	\$18,886,933	649
Social Work	\$199,670		\$199,670	58	\$2,070,245	\$632,828	\$2,703,073	835
Student Life	\$420,857		\$420,857	440	\$4,538,385		\$4,538,385	2,472
Undergraduate Academic Affairs	\$8,889		\$8,889	116	\$376,617	\$1,776,568	\$2,153,185	497
University Press	\$21,950		\$21,950	9	\$1,489,150		\$1,489,150	203
UW Alumni Association	\$133,697		\$133,697	2,146	\$692,540		\$692,540	13,448
UW Bothell	\$14,831		\$14,831	130	\$589,539	\$1,071,122	\$1,660,661	542
UW Tacoma	\$52,097	\$7,330	\$59,427	109	\$4,116,260	\$8,029	\$4,124,289	672
Other University Support	\$16,306		\$16,306	129	\$1,124,449	\$1,121,498	\$2,245,947	1,825
<b>Total</b>	<b>\$7,662,809</b>	<b>\$6,442,804</b>	<b>\$14,105,613</b>	<b>11,619</b>	<b>\$123,723,042</b>	<b>\$137,190,464</b>	<b>\$260,913,506</b>	<b>84,838</b>

## MONTHLY HIGHLIGHTS

The UW received \$14.11M in total private voluntary support (\$7.66M in gifts and \$6.44M in grants) in the current month.

Areas including Arts and Sciences, Broadcast Services, Built Environments, Dentistry, Engineering, Environment, Evans School of Public Affairs, Graduate School, Intercollegiate Athletics, Law, Libraries, Pharmacy, Public Health, Undergraduate Academic Affairs, University Press, UW Alumni Association, UW Bothell and UW Tacoma are ahead of last year's year-to-date totals.

<sup>1</sup> Donors are defined as those entities who have a credit amount of greater than \$0.00.

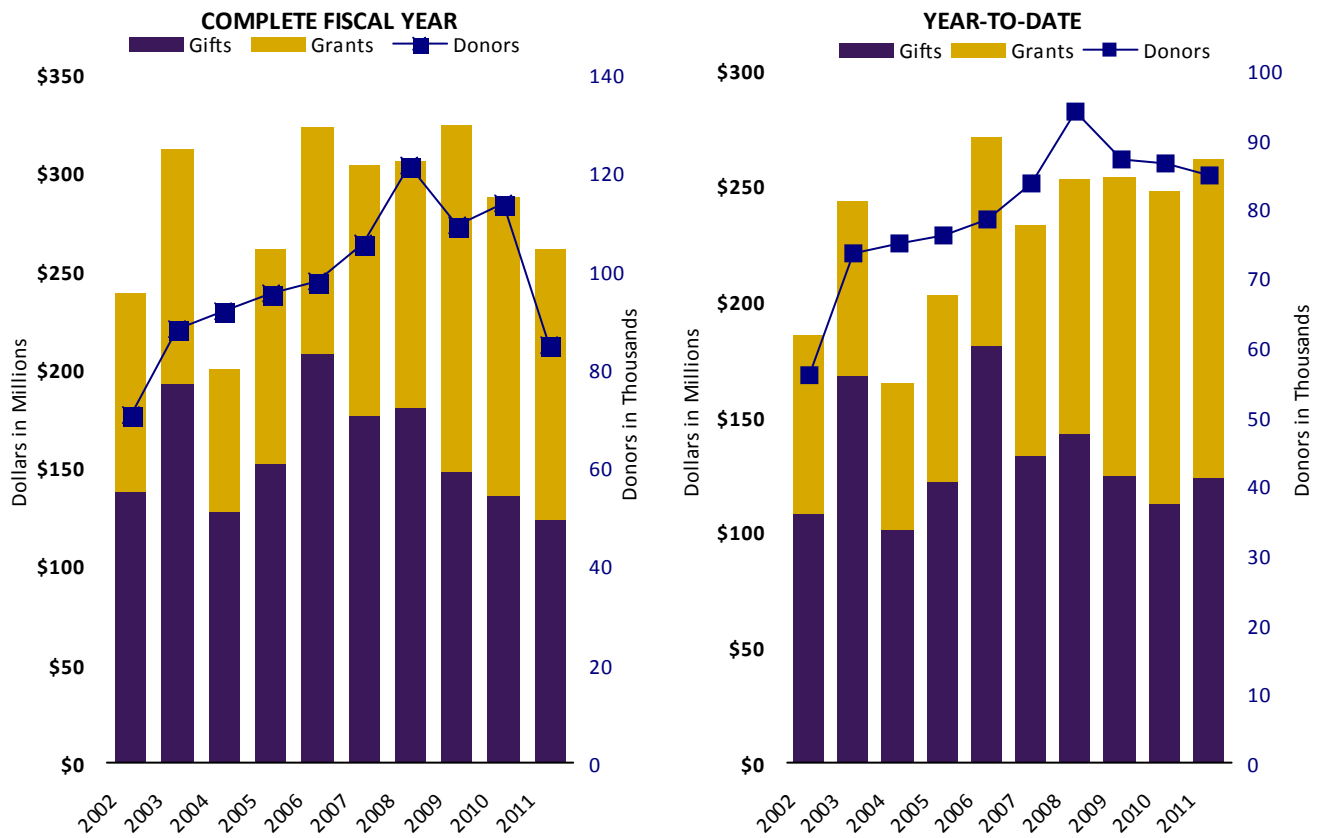
The donor total at the bottom of the chart is not a cumulative total of the rows above. The donor total is the number of unique donors who have been credited with a gift to the UW during the given time period.

**DEVELOPMENT SUMMARY BY CONSTITUENCY**

School	Current Month		Year to Date		Prior Year to Date		Prior Year Total	
	Total	Donors	Total	Donors	Total	Donors	Total	Donors
UW Medicine	\$5,578,467	2,212	\$108,004,630	14,477	\$122,239,201	14,097	\$137,228,784	15,896
Arts and Sciences	\$2,256,802	2,011	\$22,676,086	12,338	\$19,431,503	12,379	\$22,353,398	13,980
Broadcast Services	\$114,123	268	\$2,563,943	12,099	\$2,259,174	13,563	\$2,884,588	21,203
Built Environments	\$1,093,263	49	\$3,851,665	1,089	\$2,160,786	1,146	\$2,460,168	1,345
Business School	\$446,482	204	\$11,099,603	3,525	\$11,403,429	3,731	\$13,466,725	4,129
Dentistry	\$65,536	184	\$4,578,314	1,255	\$3,066,070	1,134	\$3,317,422	1,250
Education	\$237,060	146	\$3,807,083	1,015	\$4,022,918	1,280	\$4,695,480	1,575
Engineering	\$898,165	326	\$18,291,347	3,743	\$17,701,671	3,951	\$22,392,566	4,345
Environment	\$535,581	309	\$9,093,898	2,280	\$7,358,568	1,773	\$8,056,542	2,066
Evans School of Public Affairs	\$27,458	77	\$865,333	401	\$618,424	372	\$729,548	508
Graduate School	\$28,504	27	\$1,564,744	216	\$932,187	300	\$946,285	312
Information School	\$248,110	37	\$906,791	713	\$1,543,114	609	\$1,598,080	699
Intercollegiate Athletics	\$608,192	2,094	\$19,675,019	12,503	\$11,793,791	13,054	\$17,893,004	24,696
Law	\$104,969	129	\$3,731,422	1,418	\$1,447,009	1,539	\$1,644,729	2,038
Libraries	\$28,151	463	\$2,159,342	5,154	\$948,671	4,914	\$1,034,271	5,362
Minority Affairs	\$29,823	170	\$383,533	584	\$400,603	609	\$538,889	738
Nursing	\$53,435	104	\$1,535,214	1,342	\$3,390,437	1,582	\$3,464,905	1,743
Pharmacy	\$721,604	57	\$3,032,794	1,067	\$2,792,258	886	\$3,869,407	1,046
President's Funds	\$33,372	96	\$4,598,580	1,249	\$521,042	1,340	\$586,255	1,536
Public Health	\$120,890	98	\$18,886,933	649	\$15,215,834	668	\$16,560,816	754
Social Work	\$199,670	58	\$2,703,073	835	\$3,602,168	737	\$3,641,796	832
Student Life	\$420,857	440	\$4,538,385	2,472	\$4,806,433	2,464	\$5,341,443	2,802
Undergraduate Academic Affairs	\$8,889	116	\$2,153,185	497	\$661,477	603	\$688,975	640
University Press	\$21,950	9	\$1,489,150	203	\$231,965	115	\$292,500	169
UW Alumni Association	\$133,697	2,146	\$692,540	13,448	\$639,302	13,417	\$894,199	18,266
UW Bothell	\$14,831	130	\$1,660,661	542	\$1,380,542	518	\$1,556,176	630
UW Tacoma	\$59,427	109	\$4,124,289	672	\$1,831,987	679	\$3,009,562	827
Other University Support	\$16,306	129	\$2,245,947	1,825	\$5,203,933	1,924	\$5,482,304	2,729
<b>Total<sup>1</sup></b>	<b>\$14,105,613</b>	<b>11,619</b>	<b>\$260,913,506</b>	<b>84,838</b>	<b>\$247,604,495</b>	<b>86,388</b>	<b>\$286,628,819</b>	<b>113,746</b>

<sup>1</sup> The donor total at the bottom of the chart is not a cumulative total of the rows above. The donor total is the number of unique donors who have been credited with a gift to the UW during the given time period.

### FISCAL YEAR COMPARISON OF TOTAL CONTRIBUTIONS



Fiscal Year	Complete Fiscal Year				Year to Date			
	Gifts	Private Grants	Total	Donors	Gifts	Private Grants	Total	Donors
2010-2011	\$123,723,042	\$137,190,464	\$260,913,506	84,838	\$123,723,042	\$137,190,464	\$260,913,506	84,838
2009-2010	\$135,813,022	\$150,815,796	\$286,628,819	113,746	\$111,988,255	\$135,616,240	\$247,604,495	86,388
2008-2009	\$148,364,809	\$175,713,667	\$324,078,477	109,083	\$124,878,006	\$128,163,902	\$253,041,908	87,101
2007-2008	\$180,735,444	\$124,224,214	\$304,959,657	121,447	\$142,940,995	\$109,295,358	\$252,236,353	93,875
2006-2007	\$176,490,215	\$126,399,369	\$302,889,584	105,353	\$133,126,824	\$99,466,674	\$232,593,498	83,674
2005-2006	\$207,744,231	\$115,261,186	\$323,005,417	97,876	\$180,494,199	\$90,387,665	\$270,881,863	78,460
2004-2005	\$151,969,925	\$108,802,371	\$260,772,296	95,227	\$122,122,874	\$80,143,890	\$202,266,764	76,167
2003-2004	\$128,174,367	\$71,603,323	\$199,777,690	91,903	\$101,365,172	\$62,684,981	\$164,050,153	74,985
2002-2003	\$192,573,183	\$118,677,722	\$311,250,905	88,259	\$168,025,960	\$75,232,159	\$243,258,119	73,546
2001-2002	\$137,959,340	\$100,820,547	\$238,779,887	70,560	\$108,064,405	\$76,888,322	\$184,952,727	55,977



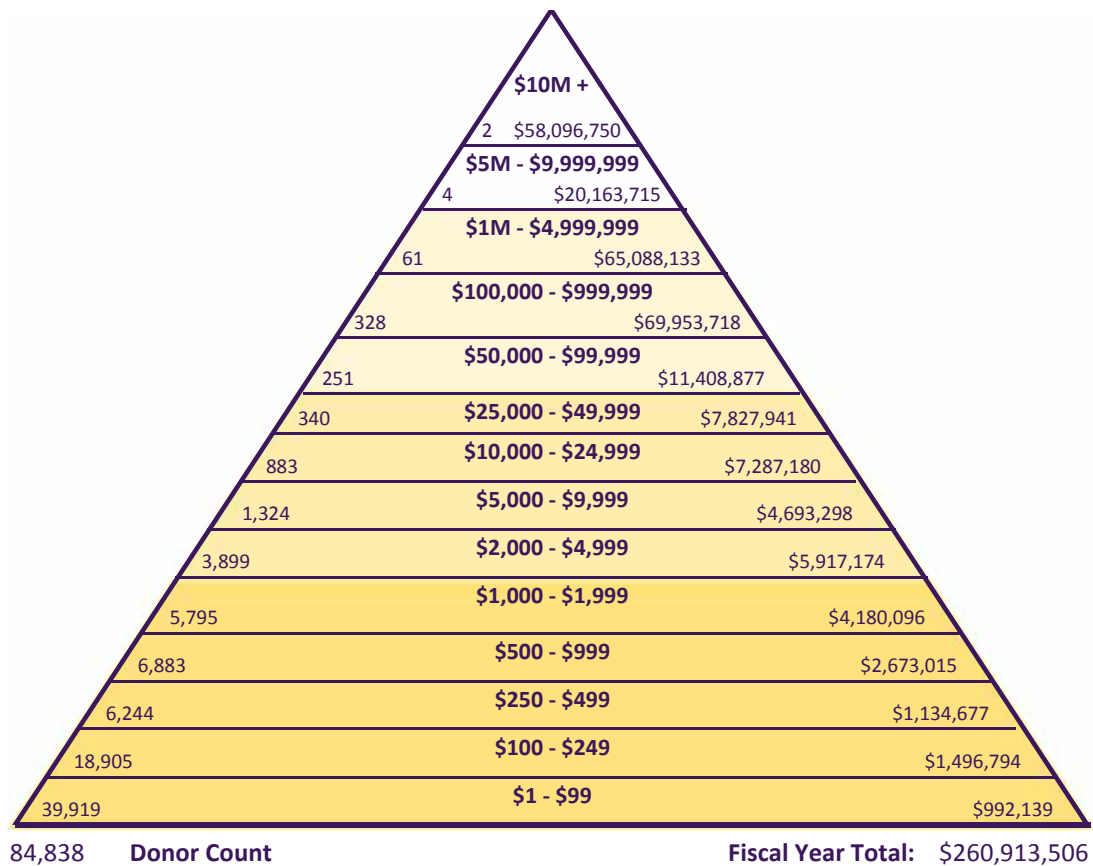
### ANNUAL FUNDING THEME PROGRESS

Theme	Current Use	Year to Date	
		Endowment	Total
Student Support	\$8,290,567	\$12,568,855	\$20,859,422
Faculty Support	\$7,436,338	\$7,350,359	\$14,786,697
Program Support for Faculty and Students	\$172,371,003	\$12,732,704	\$185,103,707
Capital	\$15,471,720	\$680	\$15,472,400
Excellence Funds	\$22,695,178	\$1,996,103	\$24,691,281
<b>Total</b>	<b>\$226,264,805</b>	<b>\$34,648,701</b>	<b>\$260,913,506</b>

### DEVELOPMENT ACTIVITY BY DONOR TYPE

Donor Type	Year to Date		Prior Year to Date		Prior Fiscal Year	
	Donors	Total	Donors <sup>1</sup>	Total	Donors	Total
Alumni	39,572	\$39,345,909	40,709	\$27,415,057	50,992	\$35,117,094
Corporations	2,131	\$38,600,013	2,285	\$35,304,895	2,832	\$43,318,033
Family Foundations	149	\$12,750,870	160	\$10,236,536	171	\$13,713,745
Foundations	385	\$82,155,467	381	\$83,221,436	433	\$89,376,760
Non-Alumni	42,084	\$23,330,393	42,351	\$30,663,609	58,737	\$35,745,608
Organizations	517	\$64,730,854	502	\$60,762,963	581	\$69,357,578
<b>Total</b>	<b>84,838</b>	<b>\$260,913,506</b>	<b>86,388</b>	<b>\$247,604,495</b>	<b>113,746</b>	<b>\$286,628,819</b>

### DEVELOPMENT ACTIVITY PYRAMID



<sup>1</sup> Prior Fiscal Year to Date numbers reflect the number of alumni for the reported period based on the state of the data at the end of the prior fiscal year.



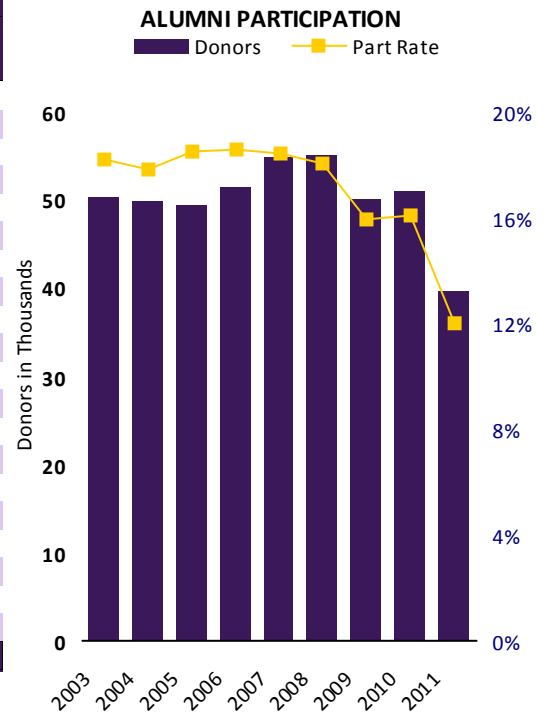
**ANNUAL PROGRESS BY GIVING LEVEL**

Giving Level	Alumni	Non Alumni	Family Fndns.	Corporations	Foundations	Other Orgs.	Total
\$10M +					\$37,778,050	\$20,318,700	\$58,096,750
\$5M - \$9,999,999	\$6,402,129				\$5,487,827	\$8,273,759	\$20,163,715
\$1M - \$4,999,999	\$10,017,963	\$300,000	\$7,000,500	\$16,629,745	\$18,138,915	\$13,001,010	\$65,088,133
\$100,000 - \$999,999	\$6,998,792	\$10,565,072	\$3,869,861	\$12,370,419	\$16,700,130	\$19,449,444	\$69,953,718
\$50,000 - \$99,999	\$2,046,161	\$2,036,717	\$948,249	\$2,970,977	\$1,877,910	\$1,528,863	\$11,408,877
\$25,000 - \$49,999	\$1,401,130	\$1,554,708	\$350,943	\$2,516,692	\$1,029,931	\$974,537	\$7,827,941
\$10,000 - \$24,999	\$1,970,956	\$1,721,960	\$360,340	\$1,924,877	\$681,208	\$627,838	\$7,287,180
\$5,000 - \$9,999	\$1,890,996	\$1,237,510	\$130,400	\$899,305	\$250,629	\$284,458	\$4,693,298
\$2,000 - \$4,999	\$2,981,172	\$1,876,745	\$66,570	\$673,661	\$144,196	\$174,830	\$5,917,174
\$1,000 - \$1,999	\$2,030,748	\$1,670,752	\$20,157	\$355,602	\$49,107	\$53,730	\$4,180,096
\$500 - \$999	\$1,442,769	\$1,031,946	\$2,950	\$160,360	\$9,846	\$25,142	\$2,673,015
\$250 - \$499	\$662,871	\$413,045	\$500	\$45,574	\$3,037	\$9,651	\$1,134,677
\$100 - \$249	\$880,331	\$563,990	\$400	\$41,178	\$4,006	\$6,888	\$1,496,794
\$1 - \$99	\$619,890	\$357,946		\$11,624	\$675	\$2,005	\$992,139
<b>Total</b>	<b>\$39,345,909</b>	<b>\$23,330,393</b>	<b>\$12,750,870</b>	<b>\$38,600,013</b>	<b>\$82,155,467</b>	<b>\$64,730,854</b>	<b>\$260,913,506</b>

Giving Level	Alumni	Non Alumni	Family Fndns.	Corporations	Foundations	Other Orgs.	Total
\$10M +					1	1	2
\$5M - \$9,999,999	2				1	1	4
\$1M - \$4,999,999	12	13	3	13	12	8	61
\$100,000 - \$999,999	55	92	18	50	59	54	328
\$50,000 - \$99,999	51	85	16	47	29	23	251
\$25,000 - \$49,999	79	111	11	78	32	29	340
\$10,000 - \$24,999	273	354	28	141	46	41	883
\$5,000 - \$9,999	515	533	23	160	43	50	1,324
\$2,000 - \$4,999	1,816	1,684	22	265	49	63	3,899
\$1,000 - \$1,999	2,560	2,826	18	299	43	49	5,795
\$500 - \$999	3,279	3,260	5	278	16	45	6,883
\$250 - \$499	2,959	3,082	2	158	11	32	6,244
\$100 - \$249	8,813	9,686	3	321	27	55	18,905
\$1 - \$99	19,158	20,358		321	16	66	39,919
<b>Total</b>	<b>39,572</b>	<b>42,084</b>	<b>149</b>	<b>2,131</b>	<b>385</b>	<b>517</b>	<b>84,838</b>

### ALUMNI PARTICIPATION BY CONSTITUENCY (CURRENT FISCAL YEAR)

Area	Solicitable	To UW		To Unit	
		Year to Date	Part Rate	Year to Date	Part Rate
UW Medicine	19,185	3,106	16.19%	2,129	11.10%
Arts and Sciences	151,787	16,343	10.77%	4,893	3.22%
Business School	39,725	5,856	14.74%	1,928	4.85%
Built Environments	8,496	1,089	12.82%	479	5.64%
Dentistry	4,650	973	20.92%	556	11.96%
Education	18,092	2,587	14.30%	557	3.08%
Engineering	33,868	3,998	11.80%	2,025	5.98%
Environment	11,635	1,393	11.97%	686	5.90%
Evans School of Public Affairs	2,747	443	16.13%	159	5.79%
Interdisc. Grad. Programs	2,200	264	12.00%		
Interschool Programs	2,459	420	17.08%		
Information School	4,950	869	17.56%	447	9.03%
Law	8,186	1,397	17.07%	816	9.97%
School of Nursing	8,909	1,471	16.51%	829	9.31%
Pharmacy	3,690	791	21.44%	664	17.99%
Public Health	4,683	625	13.35%	245	5.23%
Social Work	6,753	833	12.34%	434	6.43%
UW Bothell	8,069	581	7.20%	199	2.47%
UW Tacoma	9,452	588	6.22%	339	3.59%
Unspecified	9,472	1,204	12.71%		
<b>ALL UW TOTAL</b>	<b>330,521</b>	<b>39,572</b>	<b>11.97%</b>		



### ALUMNI PARTICIPATION BY CONSTITUENCY (PREVIOUS FISCAL YEAR)

Area	Solicitable	To UW				To Unit			
		Year to Date		FY Total		Year to Date		FY Total	
		Donors <sup>1</sup>	Part Rate	Donors	Part Rate	Donors	Part Rate	Donors	PFY Final
UW Medicine	19,127	3,071	16.06%	3,647	19.07%	2,088	10.92%	2,277	11.90%
Arts and Sciences	146,824	16,184	11.02%	21,644	14.74%	5,303	3.61%	5,915	4.03%
Business School	38,262	5,837	15.26%	7,650	19.99%	1,998	5.22%	2,283	5.97%
Built Environments	8,184	1,090	13.32%	1,430	17.47%	482	5.89%	567	6.93%
Dentistry	4,540	951	20.95%	1,116	24.58%	532	11.72%	586	12.91%
Education	18,841	2,648	14.05%	3,221	17.10%	473	2.51%	548	2.91%
Engineering	32,965	4,073	12.36%	5,082	15.42%	2,152	6.53%	2,382	7.23%
Environment	17,376	988	5.69%	1,310	7.54%	459	2.64%	616	3.55%
Evans School of Public Affairs	2,496	429	17.19%	602	24.12%	177	7.09%	207	8.29%
Interdisc. Grad. Programs	1,817	228	12.55%	334	18.38%				
Interdisc. Undergrad. Programs	258	20	7.75%	29	11.24%				
Interschool Programs	520	50	9.62%	528	101.54%				
Information School	4,614	811	17.58%	1,009	21.87%	402	8.71%	436	9.45%
Law	7,905	1,408	17.81%	1,892	23.93%	815	10.31%	1,031	13.04%
School of Nursing	8,644	1,512	17.49%	1,820	21.06%	870	10.06%	950	10.99%
Pharmacy	3,547	740	20.86%	891	25.12%	508	14.32%	562	15.84%
Public Health	4,580	643	14.04%	776	16.94%	236	5.15%	268	5.85%
Social Work	6,522	783	12.01%	990	15.18%	364	5.58%	416	6.38%
UW Bothell	6,995	600	8.58%	1,003	14.34%	192	2.74%	216	3.09%
UW Tacoma	8,050	543	6.75%	901	11.19%	231	2.87%	306	3.80%
Unspecified	11,600	1,650	14.22%	1,653	14.25%				
<b>ALL UW TOTAL</b>	<b>317,522</b>	<b>39,040</b>	<b>12.30%</b>	<b>50,992</b>	<b>16.06%</b>				

<sup>1</sup> Prior Fiscal Year to Date numbers reflect the number of alumni for the reported period based on the state of the data on the date this report was run in the prior fiscal year.



The University of Washington Alumni Association is the broad-based engagement vehicle for University Advancement and the University of Washington. Through its strategically designed programs, the UW Alumni Association invites alumni, donors and friends to engage in the life of the UW. Research indicates that engaged alumni and friends are more inclined to support the University and its students. The UW Alumni Association is proud to develop a solid base of support for the University of Washington.



## UWAA Member Giving by Constituency

School	Solicitable Alumni	Member		Alumni Giving	
		Members <sup>1</sup>	Donors	Members	Non Members
UW Medicine	19,185	1,911	890	46.57%	11.18%
Arts and Sciences	151,787	19,078	5,535	29.01%	5.37%
Business School	39,725	7,240	2,483	34.30%	6.91%
Built Environments	8,496	1,137	362	31.84%	7.20%
Dentistry	4,650	1,018	461	45.28%	10.16%
Education	18,092	2,858	940	32.89%	7.43%
Engineering	33,868	4,518	1,398	30.94%	6.48%
Environment	11,635	1,428	427	29.90%	7.04%
Evans School of Public Affairs	2,747	332	105	31.63%	10.06%
Interdisc. Grad. Programs	2,200	197	59	29.95%	7.19%
Interdisc. Undergrad. Progra					
Interscholar Programs	2,459	557	193	34.65%	8.10%
Information School	4,950	764	273	35.73%	11.35%
Law	8,186	1,043	480	46.02%	10.89%
School of Nursing	8,909	1,318	497	37.71%	10.12%
Pharmacy	3,690	619	310	50.08%	13.81%
Public Health	4,683	402	154	38.31%	8.83%
Social Work	6,753	608	185	30.43%	8.48%
UW Bothell	8,069	831	138	16.61%	3.00%
UW Tacoma	9,452	740	142	19.19%	2.41%
Unspecified	9,472	1,918	572	29.82%	4.63%
Non-Alumni		8,813	4,944	56.10%	
<b>Total</b>	<b>330,521</b>	<b>54,041</b>	<b>18,671</b>	<b>34.55%</b>	

## Alumni Activity

<b>1 in 3.5 registrants at 2010 UW events were UWAA members</b>
<b>1 in 25 registrants at 2010 UW events were UW donors</b>
<b>3 in 4 registrants at 2010 UW events were Solicitable Alumni</b>
<b>1 in 25 UWAA members attended a 2010 UW event</b>
<b>1 in 3 2009-2010 Football/Basketball season ticket holders were UWAA members</b>
<b>1 in 7 UWAA members were 2009-2010 Football/Basketball season ticket holders</b>

## Top 10 Membership by Class Year

Class Year	Part. Rate	Class Year	Population
1955	23.07%	2010	1,867
1954	21.93%	1971	1,113
1946	21.92%	1973	1,084
1959	21.85%	1974	1,074
1953	21.84%	1970	1,041
1956	21.38%	1972	1,035
1958	20.71%	1976	1,015
1952	20.69%	1975	1,002
1950	20.48%	1977	950
1957	20.43%	1968	910

## Activity Participation - Rolling 3 Year Total<sup>3</sup>

School <sup>2</sup>	Participants	Part. Donors	% Donors	Alum Non-Part.	Alum Non-Par Donor	% Non-Part Donor
Intercollegiate Athletics	1,947	1,908	98.00%			
UW Medicine	4,673	3,578	76.57%	20,761	3,446	16.60%
Arts and Sciences	15,388	3,588	23.32%	136,209	8,239	6.05%
Built Environments	1,725	750	43.48%	7,288	770	10.57%
Business School	6,837	1,860	27.20%	33,775	3,259	9.65%
Dentistry	1,978	812	41.05%	2,913	418	14.35%
Education	2,020	428	21.19%	16,246	996	6.13%
Engineering	3,021	1,009	33.40%	31,387	3,343	10.65%
Environment	1,372	615	44.83%	10,799	1,137	10.53%
Evans School of Public Affairs	896	338	37.72%	2,095	298	14.22%
Graduate School	447	230	51.45%	2,075	5	0.24%
Information School	775	243	31.35%	4,349	630	14.49%
Law	2,207	956	43.32%	6,429	1,116	17.36%
Libraries	1,274	1,229	96.47%			
Nursing	1,050	460	43.81%	8,122	1,391	17.13%
Pharmacy	401	245	61.10%	3,529	931	26.38%
Public Health	656	224	34.15%	3,917	399	10.19%
Social Work	879	306	34.81%	6,000	737	12.28%
UW Bothell	842	282	33.49%	7,746	646	8.34%
UW Tacoma	591	262	44.33%	9,139	905	9.90%

<sup>1</sup> Members include paid Annual Members, Lifetime Members, and TPC Level Donors

<sup>2</sup> Activity is based on a unit affiliated Alumni or Donor being labeled as a positive RSVP, host, speaker, or participant at any tracked UW activity.

<sup>3</sup> 3-Years consists of any activity since 7/1/2006

Source: University of Washington Alumni Association





VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Grant and Contract Awards Summary – March, 2011

RECOMMENDED ACTION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents accept the Grant and Contract Awards of \$1,000,000 or more as presented in the attached report.

*Attachment*

Grant and Contract Awards Summary for March 2011

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# **Grant and Contract Awards Summary**

**to**

**The Board of Regents**

**of the**

**University of Washington**

**for**

**March 2011**

**Office of Research**

**Office of Sponsored Programs**

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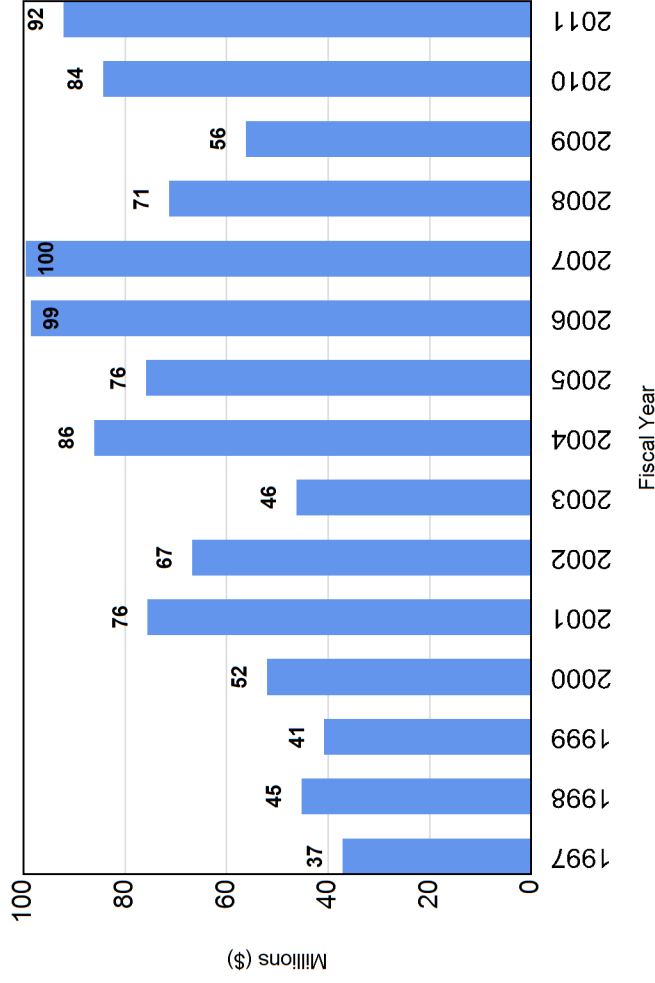
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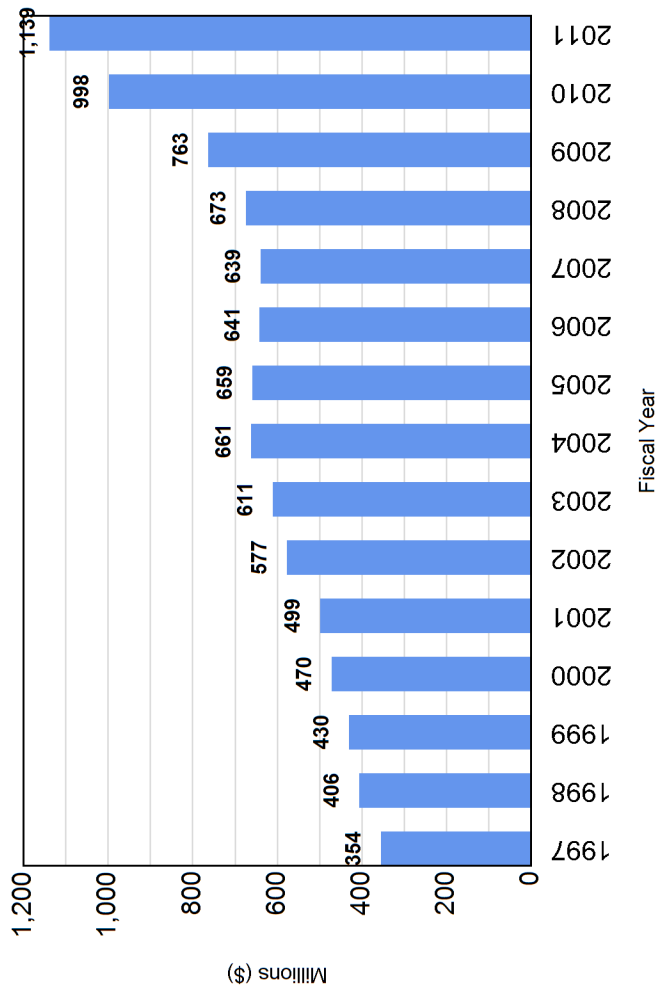
### March Only

#### Comparison of Grant & Contract Awards



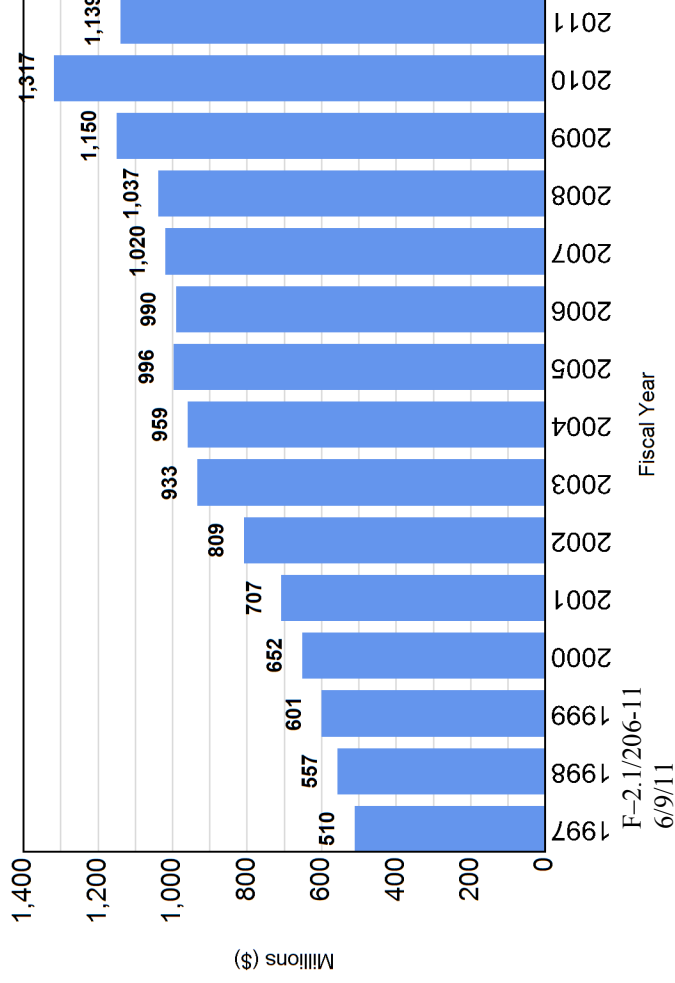
### Fiscal Year to Date

#### Comparison of Grant & Contract Awards



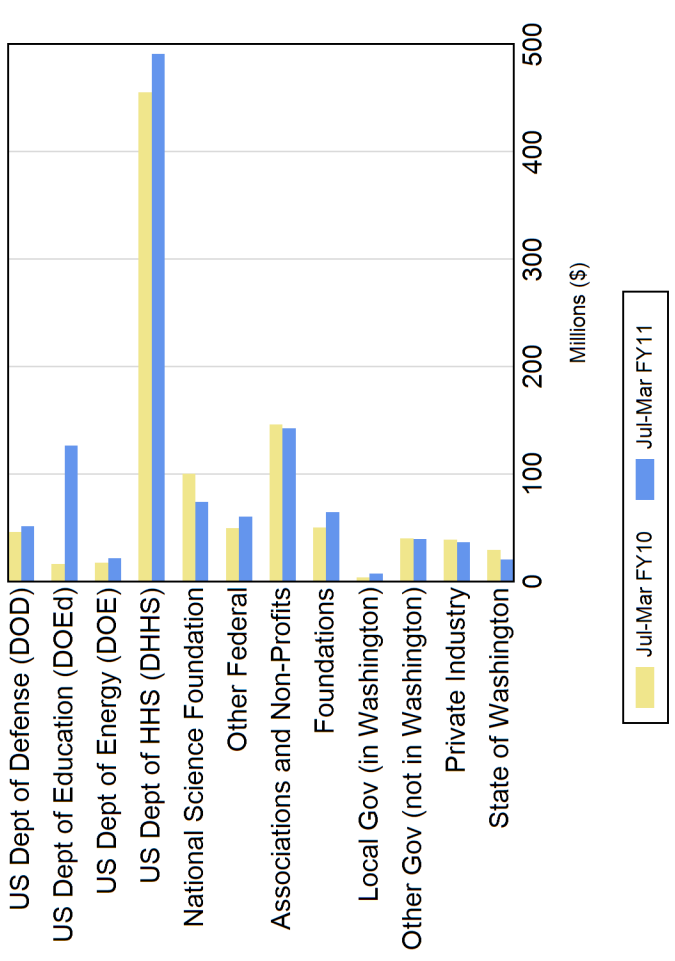
### Complete Fiscal Year

#### Comparison of Grant & Contract Awards



### Fiscal Year to Date

#### Two-Year Comparison of Grant and Contract Awards



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**Summary of Grant and Contract Awards**Fiscal Year 2010-2011

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Month	RESEARCH AND OTHER		TRAINING		Total Grants and Contracts
	Federal	Non-Federal	Federal	Non-Federal	
July	\$ 116,733,700	\$ 35,329,850	\$ 15,457,740	\$ 2,100,929	\$ 169,622,200
August	\$ 177,960,700	\$ 29,923,070	\$ 11,027,470	\$ 547,136	\$ 219,458,300
September	\$ 163,760,900	\$ 43,728,850	\$ 46,816,820	\$ 5,296,927	\$ 259,603,500
October	\$ 51,765,760	\$ 29,066,660	\$ 4,078,383	\$ 318,448	\$ 85,229,260
November	\$ 24,811,640	\$ 25,350,030	\$ 377,023	\$ 2,265,686	\$ 52,804,390
December	\$ 30,371,510	\$ 69,486,650	\$ 903,062	\$ 2,025,040	\$ 102,786,300
January	\$ 81,900,100	\$ 22,518,720	\$ 313,312	\$ 1,315,247	\$ 106,047,400
February	\$ 29,168,220	\$ 20,090,680	\$ 1,804,443	\$ 81,596	\$ 51,144,950
March	\$ 65,970,380	\$ 22,074,470	\$ 3,130,270	\$ 894,849	\$ 92,069,980
<b>FY11 to Date</b>	<b>\$742,442,796</b>	<b>\$297,569,001</b>	<b>\$83,908,524</b>	<b>\$14,845,857</b>	<b>\$1,138,766,177</b>
<b>FY10 to Date</b>	<b>\$598,852,136</b>	<b>\$300,663,593</b>	<b>\$88,240,080</b>	<b>\$9,737,040</b>	<b>\$997,492,849</b>
<b>Over (Under) Previous Year</b>	<b>\$143,590,659</b>	<b>(\$2,485,435)</b>	<b>(\$4,331,556)</b>	<b>\$5,108,817</b>	<b>\$141,882,485</b>

*Assuming acceptance of all awards by the Board of Regents*

**Comparison of Grant and Contract Awards by Agency**

**Fiscal Years 2009-2010 and 2010-2011**

<b>Agency</b>	<b>Jul-Mar FY10</b>	<b>Jul-Mar FY11</b>
US Department of Defense (DOD)	\$ 46,653,848	\$ 51,820,529
US Department of Education (DOEd)	\$ 16,413,667	\$ 126,588,840
US Department of Energy (DOE)	\$ 17,990,440	\$ 21,774,683
US Department of Health and Human Services (DHHS)	\$ 455,438,018	\$ 491,156,106
National Science Foundation (NSF)	\$ 100,831,831	\$ 74,357,609
Other Federal	\$ 49,764,413	\$ 60,653,553
<b>Subtotal for Federal :</b>	<b>\$ 687,092,216</b>	<b>\$ 826,351,319</b>
Associations and Non-Profits	\$ 146,196,759	\$ 142,877,158
Foundations	\$ 50,727,149	\$ 64,606,922
Local Government (in Washington)	\$ 4,029,567	\$ 7,475,053
Other Government (not in Washington)	\$ 40,301,490	\$ 39,699,382
Private Industry	\$ 39,250,502	\$ 36,988,790
State of Washington	\$ 29,895,166	\$ 20,767,553
<b>Subtotal for Non-Federal :</b>	<b>\$ 310,400,633</b>	<b>\$ 312,414,858</b>
<b>Grand Total :</b>	<b>\$ 997,492,849</b>	<b>\$ 1,138,766,177</b>
<b>Amount of Increase (Decrease) :</b>		<b>\$ 141,273,328</b>
<b>Percent of Increase (Decrease) :</b>		<b>14.2 %</b>

*Assuming acceptance of all awards by the Board of Regents*

**Comparison of Grant and Contract Awards by School/College**

Fiscal Years 2009-2010 and 2010-2011

School/College	Jul-Mar FY10	Jul-Mar FY11
<b>Upper Campus</b>		
Architecture and Urban Planning	\$ 821,430	\$ 3,243,165
Arts and Sciences	\$ 79,682,067	\$ 68,944,269
Center for Commercialization		\$ 291,264
College of the Environment	\$ 28,875,605	\$ 77,795,855
Director of Libraries	\$ 132,000	\$ 282,381
Education	\$ 4,155,139	\$ 19,231,493
Educational Outreach	\$ 123,000	\$ 175,000
Engineering	\$ 76,523,175	\$ 81,788,290
Evans School of Public Affairs	\$ 1,215,938	\$ 1,637,417
Executive Vice President		\$ 236,340
Forest Resources	\$ 1,876,412	\$ 360,234
Foster School of Business	\$ 834,880	\$ 1,150,823
Graduate School	\$ 3,802,291	\$ 2,029,500
Information School	\$ 6,579,870	\$ 1,788,111
Law	\$ 1,444,550	\$ 1,962,988
Ocean and Fishery Sciences	\$ 88,730,443	\$ 19,999,255
Office of Research	\$ 35,489,771	\$ 47,840,731
Social Work	\$ 17,165,114	\$ 18,026,207
Undergraduate Education	\$ 213,373	\$ 1,578,269
VP Minority Affairs	\$ 5,338,505	\$ 7,373,431
VP Student Affairs	\$ 280,137	
VP Student Life	\$ 20,715	\$ 104,400,671
<b>Subtotal :</b>	<b>\$ 353,304,415</b>	<b>\$ 460,135,695</b>
<b>Health Sciences</b>		
Dentistry	\$ 5,215,899	\$ 2,950,951
Medicine	\$ 532,858,039	\$ 537,751,044
Nursing	\$ 12,831,125	\$ 13,393,070
Pharmacy	\$ 12,609,748	\$ 12,812,878
Public Health	\$ 59,898,748	\$ 88,486,846
<b>Subtotal :</b>	<b>\$ 623,413,559</b>	<b>\$ 655,394,789</b>
<b>Special Programs</b>		
Alcohol and Drug Abuse Institute	\$ 3,369,053	\$ 3,684,597
CHDD Administration	\$ 5,916,823	\$ 4,536,089
Hall Health Primary Care Center		\$ 283,155
Regional Primate Center	\$ 9,073,403	\$ 7,075,612
<b>Subtotal :</b>	<b>\$ 18,359,279</b>	<b>\$ 15,579,453</b>

School/College	Jul-Mar FY10	Jul-Mar FY11
<b>Other UW Campuses</b>		
Bothell	\$ 1,962,896	\$ 2,244,980
Tacoma	\$ 452,700	\$ 5,411,261
<b>Subtotal :</b>	\$ 2,415,596	\$ 7,656,241
<b>Grand Total :</b>	\$ 997,492,849	\$ 1,138,766,177

**Note:** Effective with the 2011 fiscal year, awards in the College of the Environment include awards previously included in Forest Resources, Ocean and Fishery Sciences, and the Office of Research. As a result, comparisons between 2010 and 2011 are affected.

*Assuming acceptance of all awards by the Board of Regents*



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**Summary of Grant Awards****Fiscal Year 2010-2011***Excluding private awards from Foundations, Industry, Associations and Others*

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<b>Month</b>	<b>RESEARCH AND OTHER</b>		<b>TRAINING</b>		<b>Total Grants</b>
	<b>Federal</b>	<b>Non-Federal</b>	<b>Federal</b>	<b>Non-Federal</b>	
July	\$ 110,707,300	\$ 3,759,472	\$ 15,393,240	\$ 1,192,557	\$ 131,052,500
August	\$ 173,709,400	\$ 3,781,791	\$ 11,027,470	\$ 202,523	\$ 188,721,200
September	\$ 160,838,900	\$ 11,810,130	\$ 46,627,480	\$ 4,129,317	\$ 223,405,800
October	\$ 39,992,300	\$ 6,303,664	\$ 4,078,383	\$ 70,000	\$ 50,444,340
November	\$ 19,016,630	\$ 5,976,814	\$ 295,100	\$ 272,797	\$ 25,561,340
December	\$ 29,895,950	\$ 5,642,230	\$ 903,062	\$ 450,000	\$ 36,891,240
January	\$ 78,753,600	\$ 3,825,736	\$ 313,312	\$ 379,061	\$ 83,271,710
February	\$ 27,714,370	\$ 2,549,086	\$ 1,804,443	\$ 0	\$ 32,067,900
March	\$ 63,770,480	\$ 2,377,293	\$ 3,130,270	\$ 0	\$ 69,278,040
<b>Year to Date</b>	<b>\$ 704,398,900</b>	<b>\$ 46,026,210</b>	<b>\$ 83,572,750</b>	<b>\$ 6,696,255</b>	<b>\$ 840,694,100</b>

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*Assuming acceptance of all awards by the Board of Regents*

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**Summary of Grant Awards****Fiscal Year 2010-2011***Private awards from Foundations, Industry, Associations and Others*

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<b>Month</b>	<b>RESEARCH AND OTHER</b>	<b>TRAINING</b>	<b>Total Grants</b>
July	\$ 24,991,310	\$ 369,153	\$ 25,360,460
August	\$ 22,428,710	\$ 121,830	\$ 22,550,540
September	\$ 27,554,490	\$ 573,762	\$ 28,128,250
October	\$ 15,102,430	\$ 237,448	\$ 15,339,870
November	\$ 17,563,950	\$ 752,796	\$ 18,316,740
December	\$ 56,292,190	\$ 1,182,000	\$ 57,474,190
January	\$ 11,999,310	\$ 878,186	\$ 12,877,490
February	\$ 14,473,530	\$ 31,596	\$ 14,505,130
March	\$ 10,766,080	\$ 460,021	\$ 11,226,100
<b>Year to Date</b>	<b>\$ 201,172,000</b>	<b>\$ 4,606,792</b>	<b>\$ 205,778,800</b>

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*Assuming acceptance of all awards by the Board of Regents*

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**Summary of Contract Awards**Fiscal Year 2010-2011

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Month	RESEARCH AND OTHER		TRAINING		Total Contracts
	Federal	Non-Federal	Federal	Non-Federal	
July	\$ 6,026,372	\$ 6,579,072	\$ 64,500	\$ 539,219	\$ 13,209,160
August	\$ 4,251,216	\$ 3,712,571	\$ 0	\$ 222,783	\$ 8,186,570
September	\$ 2,921,990	\$ 4,364,239	\$ 189,348	\$ 593,848	\$ 8,069,425
October	\$ 11,773,470	\$ 7,660,575	\$ 0	\$ 11,000	\$ 19,445,040
November	\$ 5,795,018	\$ 1,809,275	\$ 81,923	\$ 1,240,093	\$ 8,926,309
December	\$ 475,560	\$ 7,552,227	\$ 0	\$ 393,040	\$ 8,420,827
January	\$ 3,146,495	\$ 6,693,681	\$ 0	\$ 58,000	\$ 9,898,176
February	\$ 1,453,857	\$ 3,068,064	\$ 0	\$ 50,000	\$ 4,571,921
March	\$ 2,199,904	\$ 8,931,102	\$ 0	\$ 434,828	\$ 11,565,830
<b>Year to Date</b>	<b>\$ 38,043,880</b>	<b>\$ 50,370,800</b>	<b>\$ 335,771</b>	<b>\$ 3,542,811</b>	<b>\$ 92,293,260</b>

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*Assuming acceptance of all awards by the Board of Regents*

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**Report of Grant and Contract Awards  
of \$1,000,000 or More**

**March 2011**

**Requiring action of  
The Board of Regents  
of the  
University of Washington**

**Office of Research  
Office of Sponsored Programs**

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**Detail of Public Grant Awards**

**Federal**

**US Department of Defense (DOD)**

**US Army Medical Research and Materiel Command (USAMRMC)**

To: Brian Ross, Professor \$ 3,504,000  
 Anesthesiology&Pain Med  
 For: Institute For Simulation And Interprofessional Studies (ISIS) -  
 Optional Phase II  
 Eff: 3/7/2011 Classified: No

**Total for US Army Medical Research and Materiel Command (USAMRMC): \$ 3,504,000**

**US Army Research Office (ARO)**

To: Pedro Morais Domingos, Associate Professor \$ 1,067,708  
 Computer Science & Eng  
 For: A Unified Approach to Abductive Inference  
 Eff: 6/2/2008 Classified: No

**Total for US Army Research Office (ARO): \$ 1,067,708**

**US Department of Defense (DOD)**

To: Ann Downer, Senior Lecturer-full Time \$ 1,785,000  
 Global Health  
 For: Department of Defense HIV/AIDS Care and Treatment Program  
 Eff: 1/1/2011 Classified: No

**Total for US Department of Defense (DOD): \$ 1,785,000**

**Total for US Department of Defense (DOD): \$ 6,356,708**

**US Department of Health and Human Services (DHHS)**

**National Institutes of Health (NIH)**

To: Peter Rabinovitch, Professor \$ 1,894,689  
 Pathology  
 For: Mitochondrial Antioxidants, Aging and Healthspan  
 Eff: 3/15/2011 Classified: No

*National Institute of Allergy and Infectious Diseases (NIAID)*

To: Samuel Miller, Professor \$ 7,355,616  
 Microbiology  
 For: NWRCE for Biodefense and Emerging Infectious Diseases  
 Research  
 Eff: 3/1/2011 Classified: No

*Total for National Institute of Allergy and Infectious Diseases (NIAID): \$ 7,355,616*

*National Institute of Child Health and Human Development (NICHD)*

To: William Bremner, Professor \$ 1,768,538  
 Department Of Medicine  
 For: Male Contraception Research Center Grant  
 Eff: 3/1/2011 Classified: No

*Total for National Institute of Child Health and Human Development (NICHD): \$ 1,768,538*

**Total for National Institutes of Health (NIH): \$ 11,018,843**

**Total for US Department of Health and Human Services (DHHS): \$ 11,018,843**

Detail of Public Grant Awards

Federal

Other Federal

National Oceanic and Atmospheric Administration (NOAA)

To: Penelope Dalton, Director \$ 1,310,000  
Marine Programs Office

For: Program Plan for Renewal of Sea Grant College Support 2010-2014

Eff: 12/1/2009 Classified: No

**Total for National Oceanic and Atmospheric Administration (NOAA): \$ 1,310,000**

**Total for Other Federal: \$ 1,310,000**

**Total for Federal: \$ 18,685,551**

**Total Public Grants: \$ 18,685,551**

Detail of Private Grant Awards

Associations and Non-Profits

Fred Hutchinson Cancer Research Center (FHCRC)

To: James I. Mullins, Professor \$ 1,004,199  
Microbiology

For: Virological Analysis of Breakthrough Viruses from the STEP Trial

Eff: 6/1/2010 Classified: No

**Total for Fred Hutchinson Cancer Research Center (FHCRC): \$ 1,004,199**

Northwest Energy Efficiency Alliance

To: Joel Loveland, Professor \$ 1,182,500  
Architecture

For: Integrated Design Education

Eff: 1/1/2011 Classified: No

**Total for Northwest Energy Efficiency Alliance: \$ 1,182,500**

Wake Forest University

To: Jeffrey Probstfield, Professor \$ 1,305,638  
Department Of Medicine

For: Action to Control Cardiovascular Risk in Diabetes (ACCORD)  
Follow-up Trial

Eff: 1/1/2011 Classified: No

**Total for Wake Forest University: \$ 1,305,638**

**Total for Associations and Non-Profits: \$ 3,492,337**

**Total Private Grants: \$ 3,492,337**

Detail of Contract Awards

**Federal**

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**US Department of Health and Human Services (DHHS)**

**Centers for Disease Control and Prevention (CDC)**

To: David Koelle, Adjunct Professor \$ 1,022,937  
Lab Medicine

For: NHANES Quantiferon Gold tuberculosis testing 2011-2015

Eff: 1/31/2011 Classified: No

**Total for Centers for Disease Control and Prevention (CDC): \$ 1,022,937**

**Total for US Department of Health and Human Services (DHHS): \$ 1,022,937**

**Total for Federal: \$ 1,022,937**

**Private Industry**

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**Nabtesco Corporation**

To: Minoru Taya, Professor \$ 4,000,000  
Mechanical Engineering

For: Design of FSMA actuators

Eff: 4/1/2011 Classified: No

**Total for Nabtesco Corporation: \$ 4,000,000**

**Total for Private Industry: \$ 4,000,000**

**Total Contracts: \$ 5,022,937**

**Grand Total for all Awards \$ 27,200,825**

**VII. STANDING COMMITTEES****B. Finance, Audit and Facilities Committee**Adopt Amendments to Chapter 478-116 WAC, Parking and Traffic Rules of UW Seattle**RECOMMENDED ACTION:**

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents adopt the proposed amendments to Chapter 478-116 WAC, “Parking and Traffic Rules of the University of Washington, Seattle” included in Attachment A with an effective date of August 8, 2011.

**BACKGROUND:**

Chapter 478-116 WAC, “Parking and Traffic Rules of the University of Washington, Seattle” was last updated in 1997. Since that time, the University has changed its organizational structure, moving parking enforcement and citation adjudication from the UW Police Department (UWPD) to Transportation Services. Parking industry best practices have also evolved significantly, as have University standards for codification in the Washington Administrative Code, versus University policy or department guidelines.

In addition to reflecting organizational changes, updates are proposed to 478-116 WAC that increase efficiencies, enhance management of parking assets, shift policy or operational language to a new Administrative Policy Statement and internal procedure manuals, and clean up language to reflect changes in titles and department names.

Proposed changes to Chapter 478-116 WAC include:

- Finalizing the shift of parking enforcement authority from UWPD to Transportation Services
- Updating fine schedules
- Streamlining appeal processes
- Assigning citation responsibility to permit holders
- Authorizing implementation of vehicle immobilization as an alternative to towing
- Updating titles and department names

In order to administer these rule amendments efficiently, the proposed amendments to Chapter 478-116 WAC are intended to go into effect on August 8,



## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### Adopt Amendments to Chapter 478-116 WAC, Parking and Traffic Rules of UW Seattle (continued p. 2)

2011. Transportation Services will adjust operational practices to implement the amended language between the Regents' adoption and implementation in August.

#### Additional History

In 2007, the Vice Provost for Student Life and Executive Vice President signed a memorandum of understanding shifting parking enforcement from UWPD to Transportation Services. This transition created cost and logistical efficiencies by aligning parking enforcement, permit issuance and management duties under the administrative oversight of Transportation Services. Until WAC language could be updated to reflect this change, the departments implemented a dual reporting system where parking enforcement officers reported to both Transportation Services and UWPD. This update to Chapter 478-116 WAC will finalize this transition and give Transportation Services authority to conduct parking enforcement independently.

#### Rulemaking Process

As required by the Washington Administrative Code rule-making process, the University filed a Preproposal Statement of Inquiry with the state on February 6, 2009 and the Proposed Rule Making on February 3, 2011. The proposed language underwent review by the Attorney General's Office, the Rules Coordination Office and the Code Reviser's Office in Olympia. The University Transportation Committee, comprised of student, staff and faculty representatives, reviewed and approved the proposed language to move forward through rule making on July 26, 2010.

The public was notified that a hearing would be held to consider these proposed amendments via notices in the *Washington State Register*, *The Daily* and *UW Today* and was included in the online event calendar for UW Seattle. The public hearing was held on April 7, 2011. No comments were received at the hearing. A copy of the Hearing Officer's Report is provided as Attachment C.

It should be noted that on November 17, 2010 the Governor issued Executive Order 10-06 directing agencies under her jurisdiction to suspend non-critical rule making until January 1, 2012 to promote economic recovery by creating a predictable regulatory and policy environment for small businesses and local government. However, as this rule making does not impact small businesses or economic recovery, and addresses matters only within the University's Seattle campus, it remains permissible. Timely adoption of this language is deemed critical towards addressing matters of public safety, including provisions to enhance protection of state assets and increasing system transparency by aligning

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### Adopt Amendments to Chapter 478-116 WAC, Parking and Traffic Rules of UW Seattle (continued p. 3)

Chapter 478-116 WAC with current business practices established through the 2007 memorandum of understanding.

#### REVIEW AND APPROVAL:

These amendments have been reviewed and recommended for approval by the University Transportation Committee (consisting of representatives from Associated Students of the University of Washington, Graduate and Professional Student Senate, Faculty Senate, Professional Staff Organization, Washington Federation of State Employees, Service Employees International Union 925, Washington State Nurses Association, UW Police, Intercollegiate Athletics, Student Life, South Lake Union CTR Site, Real Estate Office, UW Medical Center, Planning and Budgeting, Disabilities Service Office, Facilities Services, Labor Relations, Commuter Services and Transportation Services); Associate Vice President, Facilities Services; Attorney General's Office; Chief of Police; Rules Coordination Office; Code Reviser's Office; and Senior Vice President.

#### *Attachments*

- A. Proposed Amendments to Chapter 478-116 WAC
- B. Rules File Document for Proposed Amendments to 478-116 WAC
- C. Hearing Officer's Report
- D. Memorandum of Understanding

**PART I**  
**PREAMBLE, GENERAL INFORMATION, AND DEFINITIONS**

AMENDATORY SECTION (Amending WSR 01-20-030, filed 9/26/01, effective 10/27/01)

**WAC 478-116-010 Preamble.** Pursuant to the authority granted by RCW 28B.10.560 and 28B.20.130, the board of regents of the University of Washington establishes the following rules to govern motorized and nonmotorized vehicle traffic and parking upon ~~((public))~~ lands and facilities of the University of Washington in Seattle, Washington.

AMENDATORY SECTION (Amending WSR 97-14-005, filed 6/19/97, effective 9/15/97)

**WAC 478-116-020 Objectives of parking and traffic rules.**  
~~((1))~~ The objectives of these rules are:  
~~((a))~~ (1) To protect and control pedestrian and vehicular traffic ~~((and parking))~~ on the campus ~~((of the university))~~  
~~((b))~~ of the university;  
(2) To assure access at all times for emergency vehicles and equipment ~~((of the university))~~;  
~~((c))~~;  
(3) To minimize traffic disturbances ~~((during class hours))~~;  
~~((d))~~;  
(4) To facilitate the ~~((work))~~ operations of the university by assuring access to its vehicles ~~((and by assigning the limited parking space and hours of operation for the most efficient use))~~;  
~~((e))~~;  
(5) To allocate limited parking space in order to promote its most efficient use;  
(6) To protect state property; and  
(7) To encourage and support travel to the ~~((university))~~ campus by means other than single occupancy vehicle (SOV).  
~~((2))~~ ~~Permission to park or operate a vehicle at the University of Washington is a privilege granted by the board of regents of the University of Washington.)~~

**ATTACHMENT A**

NEW SECTION

**WAC 478-116-022 Knowledge of parking and traffic rules.** It is the responsibility of all individuals parking or operating a vehicle on the campus to comply with these rules. Lack of knowledge of these rules shall not be grounds for the dismissal of any citation for a violation of the parking or traffic rules.

NEW SECTION

**WAC 478-116-024 Definitions.** (1) **Authorized agent.** An entity or individual authorized by the director of transportation services to facilitate services provided by the department.

(2) **Bicycle.** Any device defined as a bicycle in chapter 46.04 RCW.

(3) **Campus.** The University of Washington, Seattle, and those lands and leased facilities of the university within UWPD jurisdiction and where parking is managed by transportation services.

(4) **Fee.** A charge for the use of services provided and facilities managed by transportation services.

(5) **Impoundment.** The removal of the vehicle to a storage facility either by an authorized agent of transportation services or UWPD.

(6) **Immobilization.** The attachment of a metal device to a wheel of a parked car so that the vehicle cannot be moved.

(7) **Meter.** A single fixed device that registers and collects payment for the length of time a vehicle occupies a single parking space. A meter does not produce a receipt, physical permit, or virtual permit. A meter is not a permit-issuance machine.

(8) **Motorcycles and scooters.** Motor vehicles designed to travel with not more than three wheels in contact with the ground, on which the driver rides astride the motor unit or power train and which is designed to be steered with a handle bar. For the purposes of these rules, motorcycles, motorized bicycles excluding pedal assisted electric bicycles, and scooters are considered motor vehicles and are subject to all traffic and parking rules controlling other motor vehicles.

(9) **Motor vehicle.** An automobile, truck, motorcycle, scooter, or bicycle that is assisted by an engine or other mechanism, or vehicle without motor power designed to be drawn or used in conjunction with the aforementioned vehicles including, but not limited to, trailers, travel trailers, and campers. In addition, any bicycle with an electric motor that is disengaged will be considered a bicycle and not a motor vehicle under this chapter.

(10) **Nonmotorized vehicle.** A device other than a motor vehicle used to transport persons, including, but not limited to, bicycles, skateboards, in-line skates, and roller skates.

(11) **Operator or driver.** Every person who drives or is in actual physical control of a motor vehicle or nonmotorized vehicle.

(12) **Overtime parking.** The occupation by a vehicle of a time-limited space beyond the posted time limit or time provided on a permit, meter, or permit-issuance machine.

(13) **Parking product.** A product issued by transportation services to manage motorized and nonmotorized access to the university. Parking products include, but are not limited to, permits, access to bicycle lockers and other bicycle parking facilities, and parking access cards.

(14) **Parking space.** A space for parking one motor vehicle designated by lines painted on either side of the space, a wheel stop positioned in the front of the space, a sign or signs, or other markings.

(15) **Permit.** A document approved by and/or issued by transportation services that when properly displayed authorizes a person to park.

(16) **Permit-issuance machine.** A transportation services deployed and managed machine that issues physical or virtual permits for designated spaces. A permit-issuance machine is not a meter.

(17) **Registered owner.** The person who has the lawful right of possession of a vehicle most recently recorded with any state department of licensing.

(18) **Roller skate/in-line skate.** A device used to attach wheels to the foot or feet of a person.

(19) **Skateboard.** Any oblong board of whatever composition, with a pair of wheels at each end, which may be ridden by a person.

(20) **Traffic.** The movement of motorized vehicles, nonmotorized vehicles and pedestrians in an area or along a street as is defined in chapter 46.04 RCW.

(21) **Transportation services.** The university department that manages and maintains parking facilities, issues parking products, issues citations, processes citation appeals, and collects fees and fines.

(22) **University.** The University of Washington, Seattle, and collectively those responsible for its control and operation.

(23) **UWPD.** University of Washington police department.

(24) **Vehicle.** Any motorized or nonmotorized vehicle.

(25) **Visitor.** A person who is neither an employee nor a student of the university.

(26) **Virtual permit.** A permit stored within a permit-issuance machine that authorizes a person to park in a designated space. Virtual permits are valid for a space through the date or time stored in the machine.

AMENDATORY SECTION (Amending WSR 97-14-005, filed 6/19/97, effective 9/15/97)

**WAC 478-116-030 Applicable parking and traffic rules.** The following laws and rules apply upon (~~state lands devoted mainly to the activities of the University of Washington~~) campus:

(1) Vehicle and other traffic laws of the state of Washington, Title 46 RCW.

(2) University (~~of Washington~~) parking and traffic rules.

NEW SECTION

**WAC 478-116-035 Enforcement of parking and traffic rules.** The university has full control of parking and traffic management on campus. Authorized agents of transportation services enforce parking rules and may conduct traffic control on campus. UWPD officers are authorized to enforce traffic and parking rules on campus. The university may impose additional traffic and parking restrictions to achieve the specified objectives of this chapter during special events and during emergencies.

AMENDATORY SECTION (Amending WSR 04-13-086, filed 6/17/04, effective 8/16/04)

**WAC 478-116-061 Liability of the university.** Except for vehicles that the university owns and operates, the university assumes no liability under any circumstance for vehicles ((parked on university properties)) on the campus. No bailment, but only a license, is created by the purchase and/or issuance of a permit.

**PART II  
PARKING ((SERVICES)) RULES**

AMENDATORY SECTION (Amending WSR 04-13-086, filed 6/17/04, effective 8/16/04)

**WAC 478-116-111 ((Valid)) Permit required for all motorized vehicles parked on campus.** Except as provided in WAC 478-116-112 and 478-116-155, no person shall park or leave any motorized vehicle, whether attended or unattended, upon the campus unless the person first purchases a valid permit from transportation services or a transportation services permit-issuance machine. Permission to park on campus will be shown by display of a valid permit in accordance with WAC 478-116-122.

(1) A valid permit is ((one of the following)):

((1) An unexpired and unrecalled vehicle permit with an area designator that is properly registered and displayed on a vehicle in accordance with WAC 478-116-223.

(2)) (a) A current, physical vehicle permit issued by an authorized agent or permit-issuance machine designated by transportation services and displayed in accordance with WAC 478-116-122;

(b) A temporary physical permit ((authorized)) issued by ((parking services and displayed in accordance with instructions on the permit.

(3) A parking permit issued by a gate attendant which is displayed face up on the vehicle dashboard and is fully visible from the exterior of the motor vehicle)) an authorized agent or permit-issuance machine designated by transportation services. Temporary permits are valid through the date or time of the permit; or

(c) A virtual permit that is stored within a permit-issuance machine for designated spaces. Virtual permits are valid for a specific space through the date or time stored in the machine and, if applicable, listed on the customer receipt.

(2) Parking permits are not transferable, except as provided in WAC 478-116-114.

(3) Transportation services reserves the right to refuse to issue parking permits.

(4) The university may allow persons without permits to drive through the campus without parking.

#### NEW SECTION

**WAC 478-116-112 Visitor parking for motorized vehicles.** (1) No permit or payment shall be required for public safety and emergency vehicles while performing emergency services.

(2) Permits and payment of fees are required for all visitors parking on campus, unless exempted by transportation services' policy or state and local law.

(3) University departments may pay for all or part of the

permit fee for their official visitors and guests.

AMENDATORY SECTION (Amending WSR 04-13-086, filed 6/17/04, effective 8/16/04)

**WAC 478-116-114 ((Transferable)) Transfer of permits limited.**

(1) Permits ((holders)) may ((transfer one valid permit)) be transferred between motor vehicles((. Improper transfer of a permit shall include, but not be limited by, the wrongful sale, lending, or bad faith transfer of a parking permit)) registered with transportation services for that individual permit, but may not be transferred to a third party to be used in an unregistered vehicle. The transfer of a permit by any unauthorized means including, but not limited to, resale or lending is prohibited.

(2) Permits ((displaying license plate numbers shall only be valid in the vehicles whose license number matches the number written on the permit)) are not transferrable between parking areas, unless authorized by transportation services.

NEW SECTION

**WAC 478-116-118 Responsibility of person to whom the permit is issued.** (1) The person(s) to whom a permit is issued is responsible for paying for the permit until the permit expires or is returned to transportation services, unless stated otherwise in these rules. All associated outstanding fees must be satisfactorily settled before a parking permit may be issued, reissued, or renewed.

(2) Permit holders shall provide transportation services with the license plate numbers of any vehicles they intend to use with a permit.

(3) The person(s) to whom a permit is issued is responsible for any violations of this chapter associated with a vehicle to which the permit is affixed and/or registered pursuant to WAC 478-116-341 up to the date and time the permit expires or is reported lost or stolen.



NEW SECTION

**WAC 478-116-122 Display of permits.** (1) Permits shall be prominently displayed and be fully visible from the exterior of the vehicle or recorded in a permit-issuance machine as required by transportation services.

(2) Instructions on how to properly display permits will be provided by transportation services at the time of sale and on the transportation services' web site.

NEW SECTION

**WAC 478-116-124 Parking fees.** Fees for parking and the effective date thereof shall be submitted to the board of regents for approval by motion. Prior to approval by the board of regents, the university shall, after notice, hold a hearing on the proposed schedule. The hearing shall be open to the public, and shall be presided over by a presiding officer who shall prepare a memorandum for consideration by the university, summarizing the contents of the presentations made at the hearing. Approved fee schedules shall be available in the lobby of the university transportation center and on the University of Washington web site.

AMENDATORY SECTION (Amending WSR 04-13-086, filed 6/17/04, effective 8/16/04)

**WAC 478-116-131 (~~(Parking for)~~) Special events (~~(and other university functions)~~) parking and lot closures.** (~~((1) Parking for attendees to events that may displace regular parking customers or that may require added parking services staffing shall be accommodated only if parking services can find suitable alternatives for regular parking customers. Parking fees will be charged as follows:~~

~~(a) Parking for attendees at freshman convocation will be complimentary. Parking services will charge the cost of staff and services used expressly for the event to the sponsoring department;~~

~~(b) An event rate will be charged to attendees of events that require staffing to collect fees; and~~

~~(c) The cost of prepurchased parking and alternative transportation for Husky football games shall be negotiated with the department of intercollegiate athletics.~~

~~(2) Parking services may rent available parking facilities to sponsors of events or to university departments that require parking areas to conduct their business who shall pay in advance~~

~~and be charged at a per space fee for the particular rented facility.~~

~~(3) Parking services may extend its hours of operations to encompass the hours of an event. The following conditions shall require a parking fee for events scheduled outside the normal hours of operation:~~

~~(a) Any activity which in the judgment of parking services is expected to attract over five hundred vehicles to campus; or~~

~~(b) Any event requiring a city of Seattle special event permit.~~

~~(4) University departments which sponsor functions such as athletic events, conferences, seminars and dinners may arrange parking for their guests on a space available basis. Departments have the option of paying for guest parking; otherwise, their guests will be responsible for the parking fee. Departments may also collect parking fees to facilitate prepaid parking with the prior approval of parking services.~~

~~(5) Parking services may displace permit holders from their regularly assigned areas during special events. Permit holders shall be provided an alternate area assignment during special events at no extra charge.))~~ (1) During special events causing additional or heavy traffic, the university may impose additional traffic and parking restrictions per WAC 478-116-035.

(2) The university reserves the right to close any campus parking area it deems necessary for maintenance, safety, events, construction or to meet special needs. Transportation services will, to the extent practical, provide notice to users and suitable alternatives for affected permit holders.

#### NEW SECTION

**WAC 478-116-135 Parking within designated spaces.** (1) No motor vehicle shall be parked on the campus except in areas designated as parking areas, unless authorized by transportation services, or in emergency situations, by UWPD.

(2) No person shall stop, stand, or park any motor vehicle so as to create a safety hazard, obstruct traffic along or upon any street, or obstruct pedestrian movement along any plaza, path, or sidewalk.

(3) No motor vehicle shall be parked so as to occupy any portion of more than one parking space as designated within the parking area, unless authorized by transportation services. The fact that other motor vehicles may have been so parked as to require the vehicle to occupy a portion of more than one space or stall shall not excuse a violation of this section.

NEW SECTION

**WAC 478-116-155 Parking regulated by meter or permit-issuance machine.** (1) Notwithstanding display of a valid permit to park in other parking areas/lots on campus, any motor vehicle which occupies a metered space is subject to payment of the meter fee and subject to the posted time limits. Motor vehicles displaying a disability permit or license plate issued by the state department of licensing shall not be subject to payment of fees when parked in a space which is restricted as to the length of time parking is permitted.

(2) Notwithstanding the display of a valid permit to park in other parking area/lots on campus, any motor vehicle which occupies a space requiring a space-specific permit administered by a permit-issuance machine is subject to payment of a permit fee and the posted time limits. Vehicles displaying a disability permit or license plate issued by the state department of licensing shall not be subject to payment of fees when parked in a space which is restricted as to the length of time parking is permitted.

NEW SECTION

**WAC 478-116-175 Overtime parking violations.** After a motor vehicle has been cited for parking beyond the time posted, the vehicle may be cited a frequency of one additional citation for each period of time equal to the maximum time limit posted for the space.

NEW SECTION

**WAC 478-116-185 Operator's responsibility.** No person driving or in charge of a motor vehicle shall permit it to stand unattended without first:

- (1) Stopping the engine and locking the ignition; and
- (2) Effectively setting the brake and transmission to prevent movement of the vehicle.

AMENDATORY SECTION (Amending WSR 04-13-086, filed 6/17/04, effective 8/16/04)

**WAC 478-116-191 Regulatory signs, (~~barricades, and~~) markings, barricades, etc.** (1) (~~Signs, barricades, markings and directions shall be so made and placed to best meet the objectives stated in WAC 478-116-020 of these rules.~~) The university may erect permanent or temporary signs, barricades, paint marks, and other structures or directions upon the streets, curbs, and parking areas within the campus. Drivers of motorized and nonmotorized vehicles shall obey the signs, barricades, structures, markings, and directions. Drivers of motorized and nonmotorized vehicles shall comply with directions given to them by authorized agents of transportation services and UWPD in the control and regulation of traffic, in the assignment of parking spaces, and in the collection of parking fees.

(2) No (~~unauthorized person~~) one without authorization from transportation services or UWPD shall (~~remove,~~) move, deface, or in any way change a sign, barricade, structure, marking, or direction (~~so placed, or previously placed, for the purpose of regulating~~) that regulates traffic or parking. (~~Authority to make temporary changes of this nature with respect to streets or roadways must be obtained from the university police department.~~)

NEW SECTION

**WAC 478-116-193 Prohibited parking area(s).** (1) No motor vehicle shall be parked at any place where official signs prohibit parking such as, but not limited to, "tow zone," "fire zone," "prohibited," or "no parking."

(2) No motor vehicle shall be parked within fifteen feet of a fire hydrant.

NEW SECTION

**WAC 478-116-195 Prohibited parking--Space designated as disability or wheelchair.** No motor vehicle shall be parked in a disability or wheelchair space or lot without an appropriate permit.

NEW SECTION

**WAC 478-116-197 Motorcycle, moped, scooter, and motorized bicycle parking.** (1) Motorcycles, scooters, mopeds, and motorized bicycles powered or assisted by combustible engines are considered motor vehicles and subject to all parking rules. These vehicles shall not be permitted to park on pathways, sidewalks, authorized bicycle racks or storage facilities, pedestrian areas, or in buildings.

(2) Motorcycles, scooters, mopeds, and motorized bicycles powered or assisted by combustible engines may only be parked in designated cycle areas and require a permit.

NEW SECTION

**WAC 478-116-199 Bicycle parking.** (1) Bicycles and bicycles assisted by electric motors shall be parked only in bicycle racks or designated bicycle parking facilities. All bicycle owners are encouraged to secure their bicycles with a secure lock. At no time shall a bicycle be parked:

(a) In a building, except where bicycle storage rooms are provided;

(b) Near a building exit;

(c) On a path or sidewalk unless attached to a university bike rack;

(d) In planted areas; or

(e) Chained or otherwise secured to trees, lamp standards, railings, garbage receptacles, fencing, or sign posts.

(2) Bicycle racks in campus areas are for parking and shall not be used for overnight storage, except for those racks adjacent to residence halls which may be used for storage when the owner/operator is a current resident of that hall. Bicycle lockers in campus are to be used for bicycle parking and may be used for overnight storage of a bicycle.

**PART III**

**(~~(PARKING VIOLATIONS)~~) USE OF MOTORIZED AND NONMOTORIZED VEHICLES**

AMENDATORY SECTION (Amending WSR 97-14-005, filed 6/19/97, effective 9/15/97)

**WAC 478-116-221 ((Parking)) Use of motorcycles ((and)), mopeds, scooters, and motorized bicycles.** (1) Motorcycles, scooters, mopeds, and motorized bicycles (~~(, and scooters must only be parked in designated cycle areas. Motorcycles, motorized bicycles, and scooters are)~~) powered or assisted by combustible engines or engaged electric motors are considered motor vehicles and subject to all traffic rules. These vehicles shall not be permitted (~~((to drive or park))~~) on paths, ((on)) sidewalks, ((on planted areas, in buildings, or in)) authorized bicycle or pedestrian areas, or in buildings.

(2) Bicycles assisted by electric motors are permitted on campus paths and sidewalks where bicycles are permitted to travel if the motor is disengaged and the bicycle is powered solely through human pedaling.

NEW SECTION

**WAC 478-116-232 Use of bicycles.** (1) The primary aim of the bicycle control program is safety. All bicycle owners are encouraged to register their bicycles at UWPD.

(2) Bicycles may be ridden any place where vehicles are permitted. They may be ridden on most sidewalks, though pedestrians always have the right of way. It shall be a violation of this section for any bicycle rider to fail to yield to pedestrians, or to ride a bicycle on paths, sidewalks, or streets where signs indicate it is prohibited. An audible signal or warning must be given by the bicyclist whenever there is any appreciable risk of injury to a pedestrian not otherwise aware of the presence of the bicycle.

(3) Bicycles operated on paths, sidewalks, and roadways shall be subject to all relevant state statutes regulating bicycle use. Violation of those statutes shall be considered a violation of this section.

(4) Bicycles shall be operated in a safe manner at all times. Riding at speeds too fast for conditions, weaving in and out of vehicular or pedestrian traffic, or similar unsafe actions shall be considered "negligent riding." Negligent riding shall be a violation of this section.

(5) Moving or riding a bicycle into any unauthorized area such as a building or construction zone is prohibited.

NEW SECTION

**WAC 478-116-242 Use of skateboards.** Skateboard use in pedestrian areas including, but not limited to, walkways, ramps, concourses, and plazas (such as "Red Square"), and on internal university streets and loading areas on the campus, is restricted solely to transporting an individual from one campus destination to another. Any recreational, athletic, or other exhibitional use of skateboards unrelated to transportation is strictly prohibited, unless expressly approved in advance by the appropriate committee on the use of university facilities, pursuant to chapter 478-136 WAC. The use of skateboards for any purpose within parking lots or parking garages is strictly prohibited.

**PART IV**  
**((MOTOR VEHICLE CITATION ISSUANCE)) FINES, CITATIONS,**  
**IMMOBILIZATION, AND IMPOUNDMENT**

AMENDATORY SECTION (Amending WSR 04-13-086, filed 6/17/04, effective 8/16/04)

**WAC 478-116-301 Issuance of parking and traffic citations**  
**((for motor vehicle violations))**. (1) ((The university police department)) Upon probable cause to believe that a violation of this chapter related to motorized vehicle parking has occurred, an authorized agent of transportation services may issue a parking citation ((for a violation of these rules. The citation shall set)) setting forth the date, approximate time, locality, ((and)) nature of the violation((. The citation shall be served upon the person charged with the violation by delivery, mail, or placement upon the vehicle involved)), identifiable characteristics of the vehicle if applicable, and the amount of the fine(s).

(2) Upon probable cause to believe that a violation related to parking, traffic, or nonmotorized vehicles has occurred, UWPD may issue a citation setting forth the date, approximate time, locality, nature of violation, identifiable characteristics of the vehicle if applicable, and amount of the fine(s).

(3) The following information shall accompany and/or be printed on the ((parking)) citation:

- (a) The violation fine and instructions for payment; and
- (b) Instruction for contesting the citation, including where to obtain and submit petitions((7 and
- (c) Notice that)).

(4) The citation shall be served on the person responsible for

the violation by:

(a) Attaching a copy of the citation to the vehicle allegedly involved in the violation;

(b) Mailing a copy of the citation to the registered owner; or

(c) Serving a copy of the citation personally to the person responsible.

(5) Failure to pay fines or contest the citation within the time specified in these rules can result in ((the sanctions)) a late payment fee as set forth in WAC ((478-116-561)) 478-116-335.

NEW SECTION

**WAC 478-116-305 Immobilization or impoundment of motor vehicles.** Any motor vehicle may be subject to immobilization or impoundment for cause as specified under WAC 478-116-351. The university and its officers, employees, and agents shall not be liable for loss or damage of any kind resulting from such immobilization or impoundment. The permit holder and/or registered owner of a vehicle that has been immobilized shall be fully liable for any loss or damage to immobilization equipment.

NEW SECTION

**WAC 478-116-315 Parking product revocations.** Parking products issued by the university are the property of the university, and may be recalled or revoked by the university for any of the following reasons:

- (1) When the purposes for which the parking product was issued changes or no longer exists;
- (2) When an unauthorized individual uses the parking product;
- (3) Falsification on a parking product application;
- (4) Nonpayment of fees and/or fines;
- (5) Receiving over eight citations within a calendar year;
- (6) Counterfeiting or altering of parking products; or
- (7) Failure to comply with a final adjudicated decision of transportation services.



NEW SECTION

**WAC 478-116-321 Use of recalled, revoked, lost, stolen, or forged/altered permits prohibited.** (1) Vehicles displaying parking products that have been recalled, revoked, forged, altered, or reported lost or stolen will be subject to a citation and immobilization or impoundment on sight. Parking products that have been revoked, recalled, or reported lost or stolen must be returned to transportation services or an authorized agent of transportation services before the vehicle will be released.

(2) Purchasing a parking product from a party other than transportation services or a lawful designee, shall not constitute an excuse or defense for violating this section.

(3) Parties using parking products that have been recalled, revoked, forged, altered, or reported lost or stolen shall be subject to a serious violation per WAC 478-116-325 and, in addition, will be responsible for paying the cost of an equivalent permit fee from the date the permit was revoked, recalled, or reported lost or stolen to the date the permit expired or was returned to transportation services.

(4) Any unpaid fines for a violation of the rules in chapter 478-116 WAC will be deducted from any refunds resulting from the revocation of parking products.

NEW SECTION

**WAC 478-116-325 Motor vehicle fine schedule.** The following schedule of fines for violations of the rules listed below is hereby established.

<b>Offense Category</b>	<b>Maximum Citation Fine</b>	<b>Fine if Citation is Paid Within 20 Calendar Days</b>	<b>Applicable Violations</b>
Minor	\$20.00	\$15.00	<ul style="list-style-type: none"><li>● Permit not registered to vehicle, see WAC 478-116-114;</li><li>● Parking outside of area assigned by permit, see WAC 478-116-114;</li><li>● Improper display of permit, see WAC 478-116-122.</li></ul>
General	\$40.00	\$35.00	<ul style="list-style-type: none"><li>● No valid permit displayed, no valid permit for space or parking without making payment, see WAC 478-116-111, 478-116-112, and 478-116-155;</li><li>● Occupying more than one space, see WAC 478-116-135;</li><li>● Parking at expired meter, see WAC 478-116-155;</li><li>● Overtime parking, see WAC 478-116-175;</li></ul>

Offense Category	Maximum Citation Fine	Fine if Citation is Paid Within 20 Calendar Days	Applicable Violations
			<ul style="list-style-type: none"> <li>All other violations of this chapter.</li> </ul>
Major	\$60.00	\$50.00	<ul style="list-style-type: none"> <li>Obstructing traffic or pedestrian movements, see WAC 478-116-135;</li> <li>Parking in restricted, prohibited, or nonparking areas, see WAC 478-116-135, 478-116-191, and 478-116-193.</li> </ul>
Serious	\$300.00	\$250.00	<ul style="list-style-type: none"> <li>Disability/wheelchair space violations, see WAC 478-116-195;</li> <li>Use of revoked, stolen, forged, or altered parking products, see WAC 478-116-315.</li> </ul>
Late Payment Fee	Maximum Citation Fine + \$25.00	N/A	Penalty for failure to pay fine, respond, or comply with final decision of the citation hearing office within time limits, see WAC 478-116-301.

NEW SECTION

**WAC 478-116-331 Nonmotorized vehicle fine schedule.** The following schedule of fines for violations of the rules listed below is hereby established.

Offense Category	Maximum Citation Fine	Applicable Violations
General	\$10.00	Failure to yield to pedestrians, riding in restricted/prohibited areas, violation of state bicycle codes, see WAC 478-116-232.
Major	\$25.00	Negligent riding, see WAC 478-116-232.
Impoundment Fee	\$10.00	Bicycle impoundment, skateboard impoundment, see WAC 478-116-365 and 478-116-371.
Skateboard Violations	\$10.00 - \$30.00	Fines based on number of violations within a set time period, see WAC 478-116-371.
Late Payment Fee	Maximum Citation Fine + \$25.00	Penalty for failure to pay fine, respond, or comply with the final decision of the citation hearing office within time limits, see WAC 478-116-301.

NEW SECTION

**WAC 478-116-335 Payment of citation fines.** (1) All fines must be paid as designated on the citation within twenty calendar days from the date of the citation. If a parking citation is paid within twenty calendar days, the citation fine shall be discounted according to the amounts listed in WAC 478-116-325.

(2) Fines for parking citations must be delivered in person to the transportation services' office, paid on-line, or mailed and postmarked on or before the due date specified in these rules to avoid additional penalties.

(3) Fines for traffic citations associated with violations of this chapter must be delivered in person to the UWPD office, or mailed and postmarked on or before the due date specified in these rules to avoid additional penalties.

(4) If any citation has neither been paid nor appealed after twenty calendar days from the date of the citation, the university shall impose an additional fine as specified in WAC 478-116-325 or 478-116-331 and may:

(a) Withhold the violator's degrees, transcripts, grades, refunds, or credits until all fines are paid;

(b) Delay registration for the following quarter;

(c) Impound or immobilize the violator's vehicle after providing notice of nonpayment to the permit holder and/or registered owner;

(d) Deny future parking privileges to the violator; or

(e) Refer outstanding balances associated with unpaid fines for collection in accordance with applicable statutes and university procedure.

(5) An accumulation of traffic and parking violations by a student may be cause for discipline under the student conduct code of the university (see chapter 478-120 WAC).

(6) In addition to any other penalty which may be imposed as a result of actions described in this chapter, campus parking privileges shall be suspended until all such debts are paid.

NEW SECTION

**WAC 478-116-341 Motorized vehicles--Responsible parties for illegal parking.** (1) For any motor vehicle citation involving a violation of this chapter where the motor vehicle is registered to a permit holder, there shall be a prima facie presumption that the permit holder was the person who operated the motor vehicle in violation of these rules. Such responsibility does not afford a defense to another person who violated these rules.

(2) For any motor vehicle citation involving a violation of this chapter where the motor vehicle is not registered to a permit holder, there shall be a prima facie presumption that the

registered owner of the motor vehicle was the person who operated the motor vehicle in violation of these rules. Such responsibility does not afford a defense to another person who violated these rules.

(3) This section shall not apply to university operated motor vehicles. The operator of a university motor vehicle is personally liable for any citation issued to the motor vehicle.

(4) A third party other than the permit holder or registered owner can assume responsibility for a citation by either paying the citation within twenty calendars days of the date of the citation or submitting a petition where the third party agrees to take responsibility.

#### NEW SECTION

**WAC 478-116-351 Motorized vehicles--Immobilization and impoundment.** (1) In addition to issuing citations for violations of these rules, authorized agents of transportation services and UWPD may immobilize or impound any motorized vehicle parked on campus in violation of these rules. The expenses of immobilization, impoundment, and storage shall be charged to the owner or operator of the motor vehicle, or both, and must be paid before the motor vehicle's release. Grounds for immobilizing or impounding motor vehicles shall include, but not be limited to, the following:

- (a) Blocking a roadway so as to impede the flow of traffic;
- (b) Blocking a walkway, trail, sidewalk, or crosswalk so as to impede the flow of pedestrian traffic;
- (c) Blocking a fire hydrant or fire lane;
- (d) Creating a public safety hazard;
- (e) Blocking another legally parked vehicle;
- (f) Parking in a marked "tow-away" zone;
- (g) Failing to pay a fine imposed under this chapter following notice of nonpayment to the registered permit holder and/or registered owner of the motor vehicle;
- (h) UWPD has probable cause to believe the motor vehicle is stolen;
- (i) UWPD has probable cause to believe the motor vehicle contains or constitutes evidence of a crime and impoundment is necessary to obtain or preserve such evidence; or
- (j) When a driver is arrested and/or deprived of the right to leave with the driver's motor vehicle and UWPD is responsible for safekeeping of the vehicle.

(2) Not more than one business day after immobilization or impoundment of any motor vehicle, the university shall mail a notice of immobilization or impoundment to the permit holder and/or registered owner of the motor vehicle and to any other person who claims the right to possession of the motor vehicle, if those

persons can be identified. Similar notice shall be given to each person who seeks to redeem an immobilized or impounded motor vehicle. If a motor vehicle is redeemed prior to the mailing of the notice, the notice may not be mailed. The notice shall contain the date of immobilization or impoundment, reason for the action, the location of the motor vehicle if impounded, redemption procedures, and an opportunity to contest the immobilization or impoundment as provided in WAC 478-116-415.

(3) A sticker will be attached to a motor vehicle that is immobilized which shall include, but is not limited to, the following information:

- (a) Date and time of immobilization;
- (b) Reason for immobilization;
- (c) Instruction for motor vehicle release; and
- (d) Notification that the motor vehicle will be towed within seventy-two hours of the date/time indicated on the sticker if the motor vehicle remains immobilized.

Motor vehicles that remain immobilized seventy-two hours after the immobilization device was placed on the motor vehicle will be impounded. Impoundment of these motor vehicles will follow the procedures outlined in WAC 478-116-361.

(4) Impounding or immobilizing a motor vehicle does not remove the obligation for any fines associated with the violation or other outstanding citations. All fines, fees, and the cost of the immobilization and impoundment (e.g., booting, towing, storage fees) must be paid prior to the removal of an immobilization device or the release of an impounded motor vehicle.

(5) Impounded motor vehicles shall only be redeemed by the registered owner who has a valid driver's license or a person authorized by the registered owner who has a valid driver's license and who produces proof of authorization and signs a receipt for the motor vehicle.

(6) Any person seeking to redeem a motor vehicle impounded or immobilized under this chapter has the right to contest the validity of the impoundment or immobilization, the amount of applicable booting, towing, and storage fees and shall have the motor vehicle released upon requesting a review provided in WAC 478-116-415, and paying any outstanding fines, towing, and storage charges.

#### NEW SECTION

**WAC 478-116-361 Motorized vehicles--Impoundment of abandoned motor vehicles.** Authorized agents of transportation services discovering an apparently abandoned motor vehicle shall attach to the motor vehicle a readily visible notification sticker warning of impoundment if the motor vehicle is not removed within seventy-two hours from the time the sticker is attached. The sticker shall

contain the following information:

- (1) The date and time sticker was attached;
- (2) A statement that if the motor vehicle is not removed within seventy-two hours from the time the sticker is attached, the motor vehicle will be impounded; and
- (3) The address and telephone number where additional information may be obtained.

If, the motor vehicle is not removed within seventy-two hours, the motor vehicle shall be impounded as described in WAC 478-116-351.

#### NEW SECTION

**WAC 478-116-365 Nonmotorized vehicles--Impoundment of bicycles.** (1) Bicycles parked in violation of WAC 478-116-199 will be subject to seizure and impoundment by the university.

(2) Except as provided by WAC 478-116-199(2), a bicycle abandoned or parked on campus, other than at residential halls, for fourteen consecutive days or longer is presumed abandoned and is subject to seizure and impoundment by the university. Bicycles remaining at resident halls once the school year ends will be presumed abandoned and are subject to seizure and impoundment by the university. A bicycle will not be considered abandoned when the owner/operator is unable to remove it and so notifies UWPD. A bicycle that has been obviously stripped or vandalized may be immediately impounded.

(3) Owners of impounded bicycles, if identifiable, will be notified as soon as reasonably possible after impoundment and must reclaim their bicycle within fifteen consecutive days. All fines, fees, and the impoundment fee must be paid prior to the release of the bicycle. Bicycles unclaimed after sixty consecutive days will be subject to sale through the university surplus property department.

(4) The university and its officers, agents, and employees shall not be liable for loss or damage of any kind resulting from impoundment, storage, or sale of any item under this section.

(5) Impoundment or sale of any bicycle under this section shall neither substitute for, or release, any person from liability for damage to persons or property caused by the use of a bicycle, nor does it remove the obligation for any fines associated with the violation or other outstanding citations. Any proceeds resulting from the sale of a bicycle through the university surplus department will be credited toward the outstanding fee associated with the impoundment of that bicycle.

(6) Any person seeking to redeem a bicycle impounded under this chapter has the right to contest the validity of the impoundment and the amount of applicable fees and shall have the bicycle released upon establishing ownership, requesting a review

provided in WAC 478-116-415, and paying any outstanding fines or storage charges.

NEW SECTION

**WAC 478-116-371 Nonmotorized vehicles--Skateboard violations.**

(1) Skateboard use in violation of WAC 478-116-242 shall result in the following:

(a) For the first offense, UWPD will record the name of the individual and provide a written warning against further skateboard use in violation of WAC 478-116-242. Individuals who cannot produce satisfactory identification will be given a receipt for their skateboard, which will be impounded at the UWPD station until they are able to return with the receipt and identification. There will be no impoundment fee.

(b) For a second offense, within twenty-four months of any previous offense or warning, the skateboard will be impounded for not less than forty-eight hours and the offender shall be subject to a fine of ten dollars plus applicable impoundment fee.

(c) For a third or subsequent offense, within twenty-four months of any previous two offenses, warnings, or combination thereof, the skateboard will be impounded for not less than thirty calendar days and the offender shall be subject to a fine of thirty dollars plus the applicable impoundment fee.

(d) Impounded skateboards will be held by UWPD and released only during regular business hours to individuals with satisfactory identification. Payment of a ten-dollar storage fee will also be required for release, except as provided in (a) of this subsection.

(2) Skateboards impounded under this section which are unclaimed sixty consecutive days after the applicable minimum impoundment time period has elapsed will be presumed abandoned and be subject to sale at a public auction conducted by the university surplus property department.

(3) The university and its officers, agents, and employees shall not be liable for loss or damage of any kind resulting from impounding, storage, or sale of any item under this section.

(4) Impoundment or sale of any skateboard under this section shall neither substitute for, nor release any person from liability for damage to persons or property caused by use of a skateboard at the university, nor does it remove the obligation for any fines associated with the violation or other outstanding citations. Any proceeds resulting from the sale of a skateboard through the university surplus department will be credited toward the outstanding fee associated with the impoundment of that skateboard.

(5) Any person seeking to redeem a skateboard impounded under this chapter has the right to contest the validity of the impoundment, the amount of applicable fees, and shall have the skateboard released upon requesting a review provided in WAC 478-116-415, and paying any outstanding fines or impoundment fees.

**PART V**  
**((IMPOUNDED MOTOR VEHICLES)) CITATION, IMMOBILIZATION, AND**  
**IMPOUNDMENT APPEALS**

NEW SECTION

**WAC 478-116-405 Election to pay fine or contest citations.**

(1) **Election to pay fine.** A person who receives a citation, shall, within twenty calendar days from the date of the citation either pay the applicable fine or contest the issuance of the citation in the manner prescribed in subsection (2) of this section. If paid within twenty calendar days of citation issuance, motorized parking citation fines shall be discounted per WAC 478-116-325. Once the applicable fine is paid, the citation can no longer be appealed. Failure to either pay the fine or timely appeal the citation shall automatically result in the citation being final, the full amount of the fine shall stand, and an additional late payment fee per offense shall be imposed for each citation which is not responded to within the time limits set forth in this section.

(2) **Election to contest a citation.** A person wishing to contest a citation (hereinafter "petitioner") may do so by completing and submitting a citation petition (hereinafter "petition") to the citation hearing office within twenty calendar days of the date of the citation. Petitions for motorized and nonmotorized parking citations must be delivered to transportation services within the allotted time limit. Petitions for traffic and all other nonmotorized citations must be delivered to UWPDP within the allotted time limit.

Petition forms are available at transportation services and UWPDP or on the transportation services and UWPDP web sites. The petitioner must complete each section of the petition form and provide a brief statement regarding circumstances associated with the citation. A citation hearing officer shall review the petition and provide written notification of his or her initial decision with information about the opportunity for further review within ten calendar days of taking action on the initial decision. The amount of any reduction to the fine assessed in the initial decision is at the discretion of the citation hearing officer. Any fines owed on an initial decision not contested as provided in subsection (3) of this section shall be paid within twenty-one calendar days after service of the initial decision. If payment is not received within twenty-one calendar days, any offer of settlement or reduction is withdrawn, the full amount of the fine



shall stand, an additional late fee shall be imposed, and the citation shall be deemed final.

(3) **Review of initial decision.** If a petitioner chooses to contest the initial decision issued by the citation hearing officer, the petitioner shall forfeit any reduction in the assessed fines offered in the initial decision. The petitioner must contact the department processing the petition (transportation services or UWPD) orally or in writing within twenty-one calendar days after service of the decision. The request for review shall contain an explanation of the petitioner's position and a statement of reasons why the initial decision on the petition was incorrect. The reviewing officer shall, within twenty calendar days of the date of the request to review the initial decision, render a final written decision which shall include a brief statement of the reasons for the decision, offer of settlement if applicable, and provide information about the opportunity to appeal the decision to district court. The amount of fine or settlement assessed in the final decision is at the discretion of the citation hearing officer. Any final decision of the reviewing officer not appealed as provided in subsection (4) or (5) of this section shall be paid within ten calendar days after service of the decision. If payment is not received within ten calendar days, any offer of settlement or reduction is withdrawn, the full amount of the fine shall stand, an additional late fee shall be imposed, and the citation shall be deemed final.

(4) **Discretionary review of initial decision.** If the petitioner has not requested a review of the initial decision, the citation hearing officer may, within twenty calendar days after service of the initial decision, conduct a review and issue a final decision on its own motion and without notice to the parties, but it may not take any action on review less favorable to the petitioner than the initial decision without giving the petitioner notice and opportunity to explain his or her view of the matter.

(5) **Appeal to district court.** The application for appeal to district court shall be in writing and must be filed with the department processing the petition (transportation services or UWPD) within ten calendar days of service of the final decision. The written notice must be submitted on the "Notice of Appeal" form provided by transportation services or UWPD. The Notice of Appeal form will be available at transportation services or UWPD during regular hours of operation. The department processing the citation will forward the documents relating to the appeal to district court. No appeal to the district court may be taken unless the citation has been contested as provided in subsections (2) and (3) of this section, in addition to this subsection. If a petitioner chooses to contest the decision issued by the citation hearing officer via appeal to the district court, the petitioner shall forfeit any reduction in the assessed fines offered in the hearing officer's decision.

(6) **Providing an oral statement.** A petitioner who requests a review of the initial decision under subsection (3) of this section may request the opportunity to provide an oral statement before the

citation hearing officer. A request to make an oral statement must be included in the request for review of the initial decision and must be submitted within ten calendar days of the initial decision. If the request for an oral statement is made, the citation hearing officer shall provide reasonable notice of the time and place for receiving the oral statement, which must occur no later than twenty calendar days after the request for review was submitted. If an oral statement cannot be scheduled within this time frame, the citation hearing officer will review the request as outlined in subsection (3) of this section.

#### NEW SECTION

**WAC 478-116-415 Election to contest immobilization or impoundment.** (1) **Submission of petition.** A person wishing to contest immobilization or impoundment of his or her motor vehicle or bicycle (hereinafter "petitioner") may do so by completing and submitting an immobilization or impoundment petition (hereinafter "petition") to transportation services within twenty calendar days of the date of the immobilization or impoundment. A person wishing to contest impoundment of his or her skateboard (hereinafter "petitioner") may do so by completing and submitting a petition to UWPD within twenty calendar days of the date of impoundment.

The petitioner must complete each section of the petition form and provide a brief statement regarding circumstances associated with immobilization or impoundment. The citation hearing officer shall review the petition and provide written notification of his or her decision with information about further review within ten calendar days of taking action on the petition. The amount of fine or fees assessed in the initial decision is at the discretion of the citation hearing officer. Any fines or fees owed on an initial decision not contested as provided in subsection (2) of this section shall be paid within twenty-one calendar days after service of the initial decision. If payment is not received within twenty-one calendar days, any offer of settlement or reduction is withdrawn, the full amount of the fine and fees shall stand, an additional late fee shall be imposed, and the immobilization or impoundment shall be deemed final.

(2) **Review of initial decision.** If a petitioner chooses to contest the initial decision issued by the citation hearing officer, the petitioner shall forfeit any reduction to the assessed fines offered in the initial decision. The petitioner must contact the department processing the petition (transportation services or UWPD) orally or in writing within twenty-one calendar days after service of the decision. The request for review shall contain an explanation of the petitioner's position and a statement of reasons why the initial decision on the petition was incorrect. The reviewing officer shall, within twenty calendar days of the date of

the request to review the initial decision, render a final written decision which shall include a brief statement of the reasons for the decision, offer of settlement if applicable, and provide information about the opportunity to appeal the decision to district court. The amount of fine or settlement assessed in the final decision is at the discretion of the citation hearing officer. Any final decision of the reviewing officer not appealed as provided in subsection (3) or (4) of this section shall be paid within ten calendar days after service of the decision. If payment is not received within ten calendar days, any offer of settlement or reduction is withdrawn, the full amount of the fine or fee shall stand, an additional late fee shall be imposed, and the citation shall be deemed final.

(3) **Discretionary review of initial decision.** If the petitioner has not requested a review of the initial decision, the citation hearing officer may, within twenty days after service of the initial decision, conduct a review and issue a final decision on its own motion and without notice to the parties, but it may not take any action on review less favorable to the petitioner than the initial decision without giving the petitioner notice and opportunity to explain his or her view of the matter.

(4) **Appeal to district court.** The application for appeal to district court shall be in writing and must be filed with the department processing the petition (transportation services or UWPD) within ten calendar days of service of the final decision. The written notice must be submitted on the "Notice of Appeal" form provided by transportation services or UWPD. The Notice of Appeal form will be available at transportation services or UWPD during regular hours of operation. The department processing the petition will forward the documents relating to the appeal to district court. No appeal to the district court may be taken unless the immobilization or impoundment has been contested as provided in subsections (2) and (3) of this section, in addition to this subsection.

(5) **Providing an oral statement.** A petitioner who requests a review of the initial decision under subsection (2) of this section may request the opportunity to provide an oral statement before the citation hearing officer. A request to make an oral statement must be included in the request for review of the initial decision and must be submitted within ten calendar days of the initial decision. If the request for an oral statement is made, the citation hearing officer shall provide reasonable notice of the time and place for receiving the oral statement, which must occur no later than twenty calendar days after the request for review was submitted. If an oral statement cannot be scheduled within this time frame, the citation hearing officer will review the request as outlined in subsection (2) of this section. If a petitioner chooses to contest the decision issued by the citation hearing officer via appeal to the district court, the petitioner shall forfeit any reduction in the assessed fines offered in the hearing officer's decision.

NEW SECTION

**WAC 478-116-425 Presiding and reviewing citation hearing officer.** The presiding and reviewing citation hearing officers shall be appointed in accordance with WAC 478-108-030 and shall have authority to hear and decide matters involving violation of these rules including, but not limited to, the ability to issue warnings, dismiss citations, and reduce, suspend, or impose the fines set forth in this chapter.

~~((PART VI  
APPEALS AND PAYMENT OF MOTOR VEHICLE FINES))~~

~~((PART VII  
BICYCLES AND NONMOTORIZED VEHICLES))~~

REPEALER

The following sections of the Washington Administrative Code are repealed:

WAC 478-116-044	Authorized use of streets and parking facilities.
WAC 478-116-051	Definitions.
WAC 478-116-101	Numbering of parking areas, parking allocation and issuance of permits.
WAC 478-116-116	Alternate and replacement permits.
WAC 478-116-121	Visitor parking.
WAC 478-116-125	Other types of permits.
WAC 478-116-141	Annual and quarterly permit periods.
WAC 478-116-145	Night and swing permits.
WAC 478-116-147	Carpool permits.
WAC 478-116-151	Parking of state of Washington-owned university-operated motor vehicles.
WAC 478-116-161	Parking fee payment.
WAC 478-116-163	Fee schedule.
WAC 478-116-165	Vehicle and driver's licenses required.
WAC 478-116-167	Right to refuse to issue a permit.

WAC 478-116-171	Responsibility of person to whom the permit is issued.
WAC 478-116-181	Refund conditions for parking permits.
WAC 478-116-184	Recall of permits.
WAC 478-116-186	Recall of carpool permits.
WAC 478-116-201	Permits required for motor vehicles parked during hours of operation--Assigned parking areas.
WAC 478-116-211	Metered parking.
WAC 478-116-223	Display of permits.
WAC 478-116-225	Permits and vehicle license plates.
WAC 478-116-227	Permit transfer.
WAC 478-116-231	Use of revoked permits prohibited.
WAC 478-116-241	Overtime parking violations--Repeated.
WAC 478-116-245	Obstructing traffic and pedestrian movement prohibited.
WAC 478-116-251	Obeying regulatory signs and instructions.
WAC 478-116-253	Prohibited parking area(s).
WAC 478-116-255	Prohibited parking--Space designated as disability or wheelchair.
WAC 478-116-261	Designated parking areas.
WAC 478-116-271	Parking within a designated parking space.
WAC 478-116-281	Parking--Safekeeping of unattended motor vehicles.
WAC 478-116-291	Impoundment of motor vehicles.
WAC 478-116-311	Motor vehicle fines and penalties.
WAC 478-116-401	Impoundment for failure to pay fines.
WAC 478-116-411	Impoundment without prior notice.
WAC 478-116-421	Impoundment of abandoned vehicles.
WAC 478-116-431	Notice and redemption of impounded vehicles.
WAC 478-116-501	Registered owner responsible for illegal parking.
WAC 478-116-520	Motor vehicles--Payment of fines and penalties.
WAC 478-116-531	Motor vehicles--Election to pay fine or contest citation.
WAC 478-116-541	Motor vehicles--Election to contest impoundment.
WAC 478-116-551	Motor vehicles--Presiding and reviewing officer.
WAC 478-116-561	Motor vehicles--Enforcement of decisions of citation hearing office.
WAC 478-116-605	Bicycle parking and traffic rules.
WAC 478-116-611	Nonmotorized vehicles--Citation for violations.

WAC 478-116-620	Nonmotorized vehicles--Fines and penalties.
WAC 478-116-630	Nonmotorized vehicles--Schedule of fines and penalties.
WAC 478-116-640	Nonmotorized vehicles--Election to pay fine or contest citation.
WAC 478-116-650	Nonmotorized vehicles--Presiding and reviewing officer.
WAC 478-116-660	Nonmotorized vehicles--Enforcement of decisions of citation hearing office.
WAC 478-116-670	Use of skateboards.

April 4, 2011

## **Introduction**

Transportation Services and the University of Washington Police Department submitted a rule making proposal for changes to WAC 478-116, *Parking and Traffic Rules of the University of Washington Seattle*. The proposed language underwent substantial review by representatives and stakeholders throughout the University of Washington, including the University Transportation Committee, which is comprised of representatives from the student body, faculty and staff. The committee reviewed the language and endorsed moving it through the rule making process on July 26, 2010.

During the review, several questions were raised about of the proposed changes. Below is an overview of the key concerns and the conclusions that Transportation Services reached after full consideration of the reasonable alternatives.

### **1. Shifting enforcement from University of Washington Police Department to Transportation Services (WAC 478-116-035, 478-116-301)**

After a review of systems and procedures, it was determined that the management of parking enforcement would be improved if it was moved from the University of Washington Police Department (UWPD) to Transportation Services. For example, transferring parking enforcement to Transportation Services enhances the administration of parking because it places enforcement, permit issuance, and parking management under the umbrella of one department. This allows for lower administrative costs and more consistency among parking functions.

In anticipation of rulemaking, University leadership signed a memorandum of understanding shifting parking enforcement to Transportation Services in 2007. Until WAC language could be updated, the departments implemented a dual reporting system where parking enforcement officers reported to both Transportation Services and the UWPD. The update to WAC 478-116 will finalize this transition and give Transportation Services sole authority to conduct parking enforcement. UWPD will maintain authority to enforce the rules in 478-116 to ensure public safety.

Benefits experienced by this shift include more consistent information dissemination, customers no longer visiting two offices to conduct parking related transactions, increased staffing efficiencies, and enhanced collaboration on how changes to the parking system impact enforcement and permitting systems.

### **2. Fine Schedule (WAC 478-116-325)**

The current schedule of Motor Vehicle Fines and Penalties (WAC 478-116-311) was last updated in 2005 and is no longer in line with motor vehicle fine schedules of nearby local jurisdictions. The University has considered whether an update to the fine schedule is necessary and has determined that its parking rules are being seriously undermined because the University's parking fine schedule is not consistent with nearby local jurisdictions. Since University of

## **ATTACHMENT B**

April 4, 2011

Washington campus buildings are adjacent to City of Seattle right of ways, there is serious concern that individuals are more likely to park illegally on University-maintained property because they face lower sanctions than if they park illegally on City of Seattle property. When developing the new fine schedule, the University has made a good faith effort to align the new schedule with the City of Seattle's current fine schedule, while considering the specific dynamics of the UW parking system.

To offset concerns from the community about increasing the schedule of fines and penalties, the University is also introducing fine reductions for on-time citation payments. Individuals who pay their citation within 20 days of issuance will receive an automatic reduction in the maximum fine amount. The University is adopting this new option which will also add the operational benefits of encouraging timely payment and reducing the administrative costs of associated with untimely payment.

**3. Immobilization of Vehicles (WAC 478-116-305, 478-116-351, 478-116-415)**

At present, the University has no provision allowing for immobilization of vehicles. These updates will enable Transportation Services to immobilize vehicles for unpaid fines or serious violations of these rules. The University is introducing immobilization because it is less intrusive and provides a more efficient and friendly mechanism for addressing violations of the parking rules as contrasted to towing and impoundment. The University is also introducing these changes to be better aligned with the City of Seattle who has indicated intent to also introduce immobilization. Upon implementation of this language, Transportation Services will provide due process to those with outstanding fines by providing notice to the registered permit holder and/or registered owner prior to immobilizing the associated vehicles for non-payment.

**4. Responsibility for Parking Citations (WAC 478-116-335)**

Through the history of enforcing parking rules at the University it has become apparent that in the university setting, the permit holder of a vehicle is often not the registered owner of the vehicle. This has made the administration of parking citations under the current rules difficult because many registered owners have no direct ties to the University and our only recourse for recovery of these uncollected citation fines is through collections. Having considered this issue, Transportation Services desires to more closely tie the citation with our customer, who is the permit holder. Instituting a *prima facie* presumption that the permit holder was the person who operated the motor vehicle in violation of these rules keeps registered owners who may not be associated with the permit, such as a parent of a student permit holder or a third party owner of the vehicle displaying the permit, uninvolved.

The updated rule also allows needed flexibility. For example, a third party, such as a University department, will be able to take responsibility for the citation when they are responsible for the underlying parking violation (e.g. department provides incorrect parking information to a guest).



April 4, 2011

If a citation is not paid or appealed, Transportation Services will provide notice of possible future actions to both the permit holder and registered owner. If a permit is not present in the vehicle receiving the citation, the registered owner will be the default responsible party.

**5. Administrative Fees for Using Lost, Stolen, Revoked or Recalled Permits (WAC 478-116-321)**

Permits issued by Transportation Services provide the right to park in University parking facilities from the date the permit is valid to the date the permit expires. When a party uses a permit that has been reported lost or stolen, or was recalled/revoked by Transportation Services, they are gaining this access right and are utilizing a state resource without paying for it. Parking facilities and permits are state assets and require payment from any person who chooses to utilize them. Parties who choose to use lost, stolen, revoked or recalled permits should not be exempted from paying the scheduled fee that all customers pay for enjoying these rights. Therefore, the University has considered the best way to avoid the significant cost associated with the use a lost, stolen, revoked or recalled permit and has concluded that best way to dissuade individuals from using such permits is subjecting those who use a lost, stolen, revoked or recalled permit to a fee that equals the permit fee from the date the permit was reported lost, stolen, revoked or recalled to the date the permit expires or is returned. Information about the payment of these administrative fees and any associated citation fines will be included on permit applications, the Transportation Services' web sites and the back of physical permits.

**6. Requiring Written Statements for Initial Appeals (WAC 478-116-405, 478-116-415)**

Transportation Services estimates that requiring the initial appeal to be a written statement will result in approximately 10 to 20 percent savings in labor hours during the appeals process. Written appeals allow Transportation Services to better plan and schedule labor resources shared between the Citation Hearing Office and other workgroups within Transportation Services, ensuring staff availability during peak business periods. Processing written appeals is not dependent on aligning the Citation Hearing Officer's schedules with those of the appellant, resulting in a more timely response to the appeal within the time frames set by the Administrative Procedures Act for brief adjudicative hearings. An established written matrix is used to maintain consistency. Maximizing use of the matrix is accomplished through written appeals. Eighty five percent of all appeals fall into a prescribed path within the matrix. Requiring a written statement during the first phase of the appeal also aligns the University of Washington Seattle's appeal process with the appeals process of other intuitions of higher education in Washington State.

**7. Moped and Motorized Bicycle Parking (WAC 478-116-197, 478-116-221)**

These updates prohibit bicycles or mopeds with internal combustion engines (e.g. gas engines) from parking in bicycle racks and traveling along pathways, sidewalks and trails due to the potential public safety hazards associated with engine fire/combustion. University bicycle racks are not all located in areas where it is safe to store vehicles with combustible fuels that could cause a fire or other injury. Pathways, sidewalks and trails in addition to bicycle racks are also

April 4, 2011

often located in areas near air intake mechanisms where exhaust associated with this type of vehicle is hazardous. The University has considered these risks and determined that best approach is to require mopeds and bicycles with combustible fuel engines to follow the same parking rules as motorcycles and scooters. This will best protect the public and University property from the potential hazards associated with combustible fuels.

Bicycles with electric assist motors are allowed to park at bicycle racks and facilities due to the significantly lower risk associated with electric motors and fire/combustion and exhaust. However, bicycles with electric assist motors must only be powered only through human pedaling when traveling along pathways, sidewalks and trails per state law.

April 20, 2011

Interim President Phyllis M. Wise  
Office of the President  
University of Washington  
Box 351230

Dear Interim President Wise,

Pursuant to your delegation, I served as the Hearing Officer to receive public comment on the University of Washington's proposed amendments to Chapter 478-116 WAC, "Parking and Traffic Rules of the University of Washington, Seattle," at the April 7, 2011 public hearing; and Mr. Clark Shores, Assistant Attorney General – UW Division, served as the Hearing Officer at the December 13, 2010 public hearing. The hearings were held in Room 231 of Mary Gates Hall at the University of Washington, Seattle campus. I am pleased to provide this report on both hearings.

As required by the Administrative Procedure Act, the University filed the following notices with the Washington State Office of the Code Reviser: a Preproposal Statement of Inquiry (published as WSR 09-05-014); two notices of Proposed Rule Making (published as WSR 10-22-102 and WSR 11-05-010); a Withdrawal (WSR 11-03-057); and a Continuance (WSR 11-07-104). Notices that a hearing would be held were published for the first hearing in *The Daily* on December 2, 2010, and in *UW Today* on December 2 and 9, 2010; and for the second hearing in *The Daily* on March 30, 2011, and in *UW Today* on March 31, 2011. In addition, notice of these public hearings was included in the UW Seattle online events calendar prior to both events. The written comment period began February 6, 2009, and ended April 7, 2011.

A second public hearing was held, per the Administrative Procedure Act, to accommodate text changes requested by the UW administration after the first hearing had been held and prior to the request for adoption.

### **Public Comment**

No individuals attended either hearing to provide comment on these proposed amendments and no written comments were received.

### **Analysis and Recommendation**

The proposed amendments to Chapter 478-116 WAC, "Parking and Traffic Rules of the University of Washington, Seattle," move the administrative oversight of parking enforcement from the University Police Department to the Commuter Services unit within

ATTACHMENT C

the UW Transportation Services department. Along with an extensive reorganization of the rules for the sake of clarity, these changes would consolidate and improve the administration of all parking-related matters within one campus department including: providing more cost effective management of limited parking resources, streamlining the citation and appeal adjudication processes, providing greater alignment of enforcement regulations with the current transportation environment, and making housekeeping changes to update unit names.

The proposed revisions have been reviewed by the Attorney General's Office and endorsed by the University Transportation Committee and the Senior Vice President for Finance and Facilities.

It is my recommendation that the Board of Regents adopt the amendments to Chapter 478-116 WAC.

Audio recordings of both hearings have been deposited with the Secretary of the Board of Regents.

Sincerely yours,

Carol S. Niccolls  
Special Counsel to the President

cc: Ms. Rebecca Goodwin Deardorff  
Ms. Joan Goldblatt  
Mr. Joshua Kavanagh  
Mr. Charles Kennedy  
Ms. Joanne Matson  
Ms. Stephanie Parkins  
Ms. Jessica Russell  
Mr. Clark Shores  
Ms. V'ella Warren  
Mr. Quentin Yerxa



OFFICE OF THE EXECUTIVE VICE PRESIDENT

COPY

MEMORANDUM

August 31, 2007

TO: Vicky M. Stormo, Chief, University Policy Department  
Joshua N. Kavanagh, Director, Transportation Services  
Brian Ho, Parking Enforcement Manager

CC: Charles Kennedy, Associate Vice President, Facilities Services

FROM: Eric S. Godfrey, Vice Provost, Student Life  
Weldon E. Ihrig, Executive Vice President, Office  
of the Executive Vice President

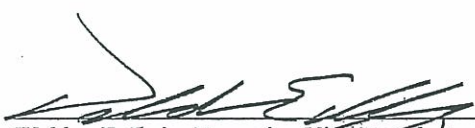
SUBJECT: Parking Enforcement—Administrative Reorganization  
and Dual-Reporting

To improve the administration of parking-related matters, it has been decided that Parking Enforcement, a unit of the University Police Department (“UW Police”), should be transferred to Transportation Services, a department within Facilities Services. Transportation Services currently oversees Parking Services, which is responsible for issuance of parking permits and overall management of the University’s limited parking resources. Transferring Parking Enforcement to Transportation Services will thus place Parking Enforcement and Parking Services under the same administrative oversight. The transfer of Parking Enforcement from UW Police to Transportation Services shall be effective as of September 10, 2007. Following this transfer, Parking Enforcement shall report to the Director of Transportation Services *for all purposes*.

Enforcement of the University’s parking and traffic rules under WAC 478-116 to 118 (“Parking Rules”) is, in some instances, delegated to UW Police. *See, e.g.*, WAC 478-116-301(1) (“The university police department may issue a citation for a violation of these rules.”). In light of such regulations, a concern has been expressed regarding Parking Enforcement’s authority to enforce the Parking Rules following its transfer to Transportation Services.

Accordingly, solely with respect to Parking Enforcement’s *authority* under the Parking Rules to issue citations, hear citation petitions, impose fines, and take other actions required or permitted under the Parking Rules—and only with respect to such authority—Parking Enforcement will continue to report to the Chief of UW Police. This limited reporting responsibility, however, shall be *in addition* to Parking Enforcement’s responsibility to report to Transportation Services. That is, as stated above, Parking Enforcement shall report to Transportation Services for all purposes and, in addition, solely with respect to Parking Enforcement’s authority under the Parking Rules, Parking Enforcement shall report to UW Police.

  
Eric S. Godfrey, Vice Provost  
Student Life

  
Weldon E. Ihrig, Executive Vice President  
Office of the Executive Vice President

## VII. STANDING COMMITTEES

## B. Finance, Audit and Facilities Committee

Actions Taken Under Delegated Authority

Pursuant to the Standing Orders of the Board of Regents, Delegation of Authority, and to the delegation of authority from the President of the University to the Senior Vice President in Administrative Order No. 1, to take action for projects or contracts that exceed \$1,000,000 in value or cost but are less than \$5,000,000, the Administration may approve and execute all instruments.

REPORT OF ACTIONS TAKEN UNDER GENERAL DELEGATED AUTHORITY – CAPITAL PROJECT BUDGETS

1. University of Washington Medical Center, Pulmonary Diagnostics Center, Project No. 201336  
Actions Reported: Select Architect/Adopt Budget/Award Construction Contract

On April 26, 2011, the project budget for the Pulmonary Diagnostics Center project was revised to \$1,095,000, an increase of \$260,000 from the original budget of \$835,000. This increase in budget includes Owner-requested scope adding the renovation of the adjacent restrooms and medical gas alarm system.

This project is to renovate and expand the Medical Center's current Pulmonary Diagnostic Center. This renovation will allow the center to accommodate increased patient volumes, along with improving the quality of care that it delivers to current and future patients. The Center currently occupies 1,891 square feet in Suite EC236, and will increase the final square footage area to 2,409 square feet. This renovation will improve patient privacy and the privacy and effectiveness of staff work spaces. In conjunction with this work, the Center will be reorganized and zoned into separate patient and staff areas to bring the center into compliance with Medical Center's policies and Washington State Department of Health (DOH) procedural and facilities requirements. The resultant space modifications will produce DOH compliant facilities for testing both inpatient and ambulatory patients. The separation of these patient groups will improve comfort and safety for all patients and staff.

On June 6, 2010, an architectural agreement was awarded to Buffalo Design, Inc. for the Pulmonary Diagnostics Center project under their existing Master Term for Architectural Services contract. The agreement amount is \$46,140 for basic services versus a budget value of \$167,959 for design consultants. The balance of the design budget is intended for hazardous materials consultant, electrical metering and previously completed predesigns.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Actions Taken Under Delegated Authority (continued p. 2)

Buffalo Design, Inc. is a local Seattle firm established in 1986. The firm has an extensive history of successful design projects at the University of Washington Medical Center and Harborview Medical Center, including the UWMC 8SE Infusion Clinic, UWMC Bronchoscopy Suite, HMC Burn Treatment Hydrotherapy Renovation, and the HMC Transfusion Support Services. They also have a broad range of successful project types at other regional hospitals.

On April 29, 2011, a construction contract was awarded to Lease Crutcher Lewis of Seattle, Washington in the amount of \$612,323, including the award of Alternate 1 for \$45,880. The budgeted construction cost was \$435,937, excluding alternates. The awarded alternate was budgeted at \$60,000. The estimate prior to bid was \$625,000.

Lease Crutcher Lewis is a local general contractor with a long history of constructing healthcare, pharmaceutical, and bio-technology facilities. They have successfully completed the Bagley 291 Teaching Lab, Kincaid Hall Lab/Grad Office Renovation, and a number of projects at the UWMC.

Construction began in April, 2011 and is forecast to be complete in October, 2011.

The project budget is established at \$1,095,000. This project was funded by the University of Washington Medical Center. No donor funding is being contemplated nor are any naming opportunities envisioned.

Budget Summary:	Current Approved Budget	Forecast Cost At Completion
Total Consultant Services	\$151,957	\$167,959
Total Construction Cost*	\$589,779	\$804,592
Other Costs	\$18,356	\$26,527
Project Administration	\$74,908	\$95,922
Total Project Budget	\$835,000	\$1,095,000

\* Includes construction contract amount, contingencies and state sales tax.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Investment Performance Report, Third Quarter Fiscal Year 2011

For information only.

*Attachment*

University of Washington Investment Performance Report, Third Quarter Fiscal Year 2011



UNIVERSITY OF WASHINGTON  
INVESTMENT PERFORMANCE REPORT  
THIRD QUARTER FISCAL YEAR 2011

As of March 31, 2011

Published May 2011

Treasurer, Board of Regents  
Treasury Office

# UNIVERSITY OF WASHINGTON

## INVESTMENT PERFORMANCE REPORT

THIRD QUARTER FISCAL YEAR 2011

As of March 31, 2011

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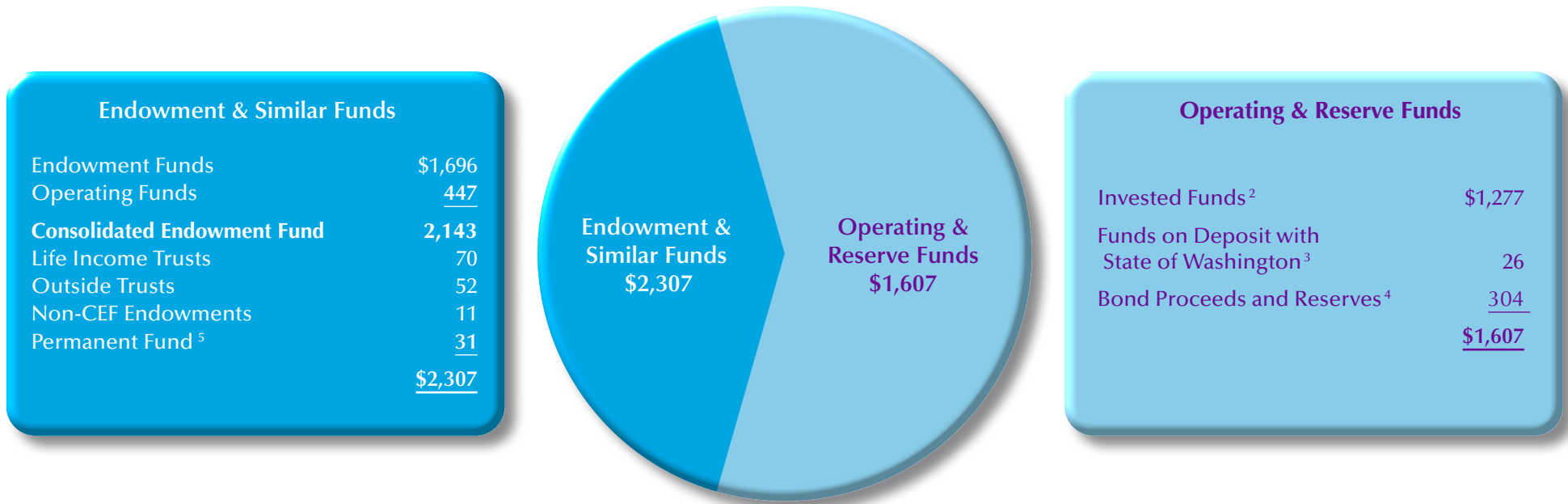
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# TREASURY ASSETS<sup>1</sup> AS OF MARCH 31, 2011: \$3.9B

(\$m)



1. Includes assets whose management falls under the auspices of the Finance, Audit & Facilities Committee of the Board of Regents. Excludes Metro Tract and Forest Trust Lands. All dollar amounts are expressed in millions and represent market values.

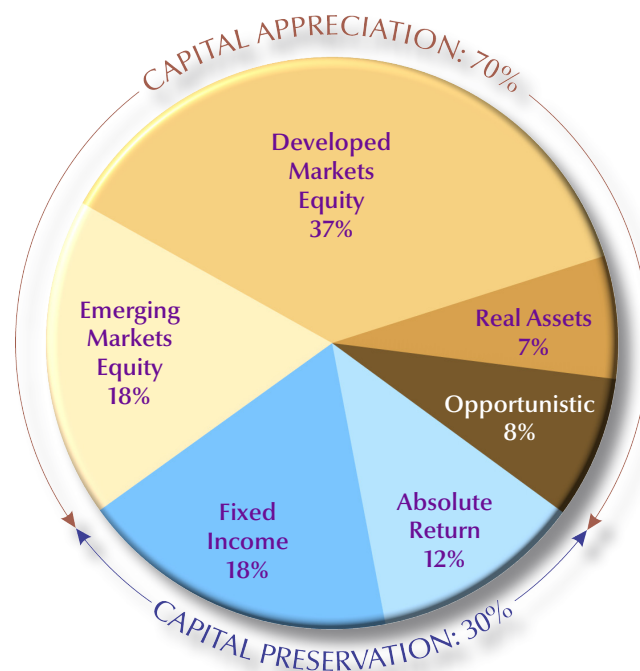
2. The Invested Funds holds Consolidated Endowment Fund units valued at \$447. To avoid double counting, the dollars are included only in the CEF totals.

3. Bond Retirement Fund and Building Fund.

4. Debt service reserve funds and construction project funds which have not yet been disbursed.

5. Proceeds from sale of land grants and subsequent investment returns on deposit with the state of Washington.

# CEF ASSET ALLOCATION<sup>1</sup> FOR THE QUARTER ENDING MARCH 31, 2011: \$2,143M



	Current Allocation (\$m)		Target	Policy Range
Emerging Markets Equity	\$380	18%	17%	
Developed Markets Equity	\$791	37%	36%	
Real Assets	\$154	7%	11%	
Opportunistic	\$166	8%	6%	
Capital Appreciation <sup>2</sup>	\$1,491	70%	70%	55%–85%
Absolute Return	\$260	12%	15%	
Fixed Income <sup>3</sup>	\$393	18%	15%	
Capital Preservation	\$652	30%	30%	15%–45%
<b>Total CEF</b>	<b>\$2,143</b>	<b>100%</b>		

<sup>1</sup> At 3/31/11: International Exposure: 36%, Foreign Currency Exposure: 34%

<sup>2</sup> Private Investments: current exposure: 25%, uncalled capital commitments: 11%

<sup>3</sup> Includes allocation to cash.

# CEF PERFORMANCE SUMMARY FOR THE QUARTER ENDING MARCH 31, 2011: \$2,143M

## Rolling Year Returns<sup>1</sup> (%)

	3 <sup>rd</sup> Qtr	Rolling Years		
	FY 2011	1-Year	5-Year	10-Year
<b>Total CEF Return</b>	<b>2.8</b>	<b>11.3</b>	<b>4.4</b>	<b>6.9</b>
Strategy Weighted Policy Benchmark	4.1	12.6	5.6	6.7
<b>Capital Appreciation</b>	<b>3.6</b>	<b>13.5</b>	<b>4.2</b>	<b>6.8</b>
MSCI ACWI	4.5	14.6	3.5	5.5
<b>Capital Preservation</b>	<b>0.6</b>	<b>3.8</b>	<b>4.4</b>	<b>6.3</b>
BC Government Bond	-0.1	4.3	5.6	5.2

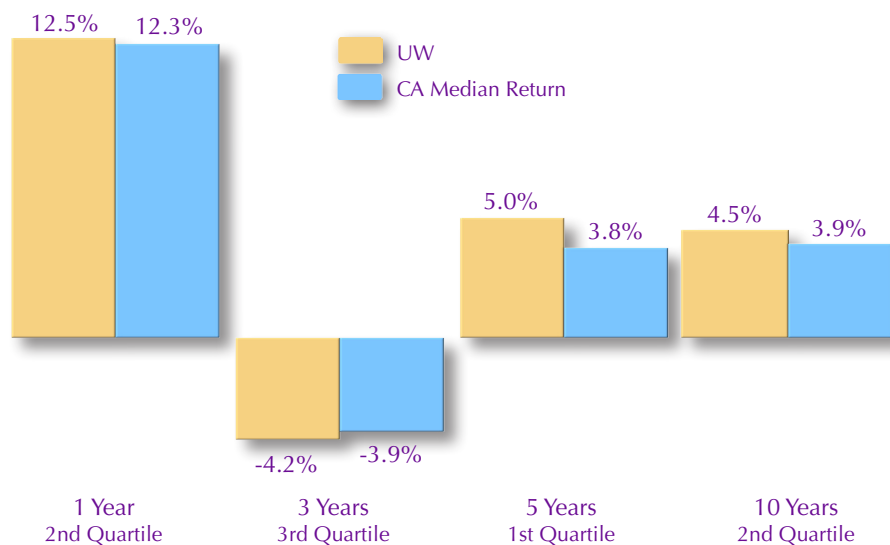
<sup>1</sup>Total Return: average annual compound return (dividend or interest plus capital appreciation or depreciation)

## Fiscal Year Returns<sup>1</sup> (%)

	FYTD	Fiscal Years		
	2011	2010	2009	2008
<b>Total CEF Return</b>	<b>14.7</b>	<b>12.5</b>	<b>-23.5</b>	<b>2.0</b>
Strategy Weighted Policy Benchmark	18.2	9.8	-16.5	1.1
<b>Capital Appreciation</b>	<b>19.8</b>	<b>13.7</b>	<b>-29.2</b>	<b>1.0</b>
MSCI ACWI	30.2	12.3	-28.9	-8.8
<b>Capital Preservation</b>	<b>3.1</b>	<b>10.8</b>	<b>-9.6</b>	<b>4.0</b>
BC Government Bond	0.0	6.5	6.6	9.7

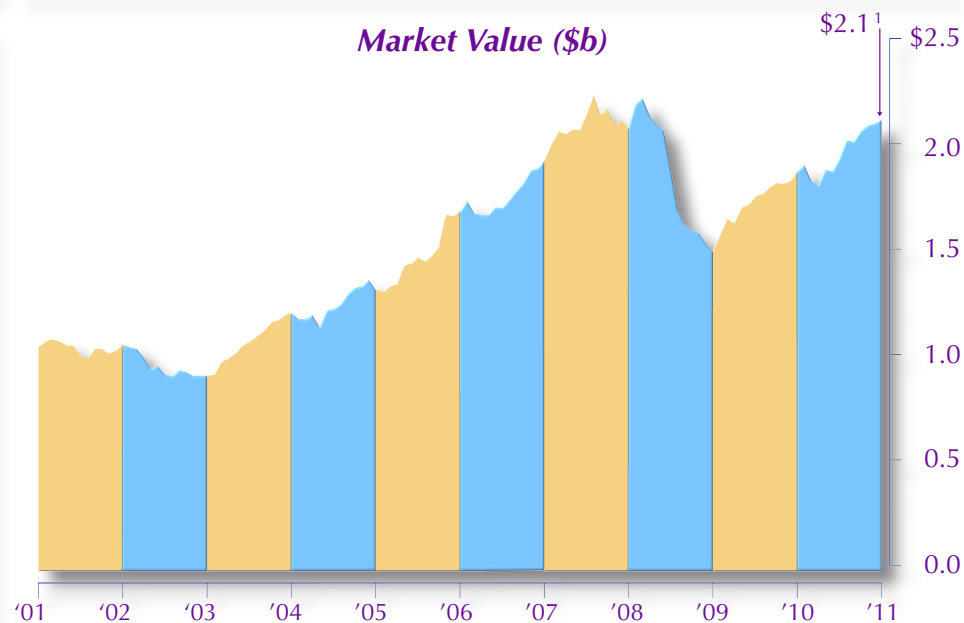
<sup>1</sup>Total Return: average annual compound return (dividend or interest plus capital appreciation or depreciation)

## UW & Cambridge Associates<sup>1</sup> Returns for periods ending 6/30/10



F-5.1/206-11  
6/9/11 Cambridge Associates College and University Investment Pool

## Market Value (\$b)



<sup>1</sup> Reflects inclusion of IF units in CEF starting 7/01—value without would be \$1.7

## CEF PERFORMANCE BY STRATEGY

*Total Return<sup>1</sup> as of March 31, 2011*

		3 <sup>rd</sup> Qtr FY '11	1 Year	3 Years	5 Years	10 Years
Consolidated Endowment Fund		2.8	11.3	-0.2	4.4	6.9
Capital Appreciation	Capital Appreciation	3.6	13.5	-1.1	4.2	6.8
	MSCI ACWI	4.5	14.6	0.9	3.5	5.5
	Emerging Markets Equity	0.1	19.9	5.2	14.6	19.2
	MSCI EMF	2.1	18.8	4.6	11.0	16.9
	Developed Markets Equity	4.7	13.9	-0.2	3.1	5.8
	MSCI World	4.9	14.0	0.3	2.6	4.7
	Real Assets <sup>2</sup>	5.8	10.4	-8.3	1.4	--
	NCREIF Property Index <sup>2</sup>	4.6	13.1	-4.2	3.5	--
	CA Natural Resources <sup>2</sup>	9.2	18.5	6.0	14.6	--
	Opportunistic <sup>3</sup>	4.1	--	--	--	--
MSCI ACWI	4.5	--	--	--	--	
Capital Preservation	Capital Preservation	0.6	3.8	1.6	4.4	6.3
	BC Government Bond	-0.1	4.3	3.7	5.6	5.2
	Absolute Return (including historic MAS returns)	1.2	7.1	3.6	6.2	8.2
	HFRI Conservative plus historic MAS benchmark)	1.5	4.7	3.6	4.8	5.5
	Fixed Income	0.2	1.7	1.0	3.1	4.2
BC Government Bond	-0.1	4.3	3.7	5.6	5.2	
Public Market Indices						
S&P		5.9	15.6	2.4	2.6	3.3
MSCI EAFE		3.4	10.9	-2.5	1.8	5.8
CG World Bond Index(unhedged to USD)		0.7	7.3	3.2	7.3	7.4

<sup>1</sup> Total Return: average annual compound return (dividend or interest plus capital appreciation or depreciation)

<sup>2</sup> Reported on a quarter lag.

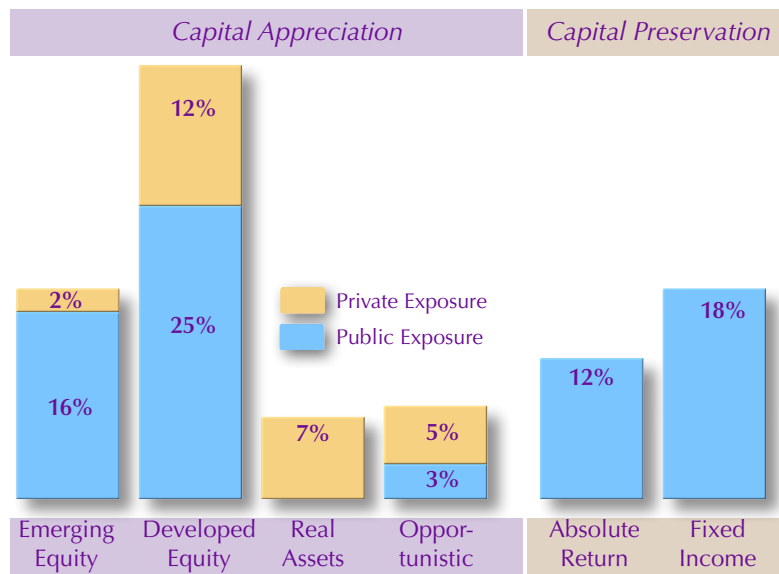
<sup>3</sup> New strategies reflecting data starting 7/1/2010.

## CEF ACTIVITY AS OF MARCH 31, 2011

	(\$m)				
	<u>FYTD 2011</u>	<u>FY 2010</u>	<u>FY 2009</u>	<u>5 Years</u>	<u>10 Years</u>
<b>Beginning Balance*</b>	<b>\$1,830</b>	<b>\$1,649</b>	<b>\$2,161</b>	<b>\$1,707</b>	<b>\$1,065</b>
Gifts	51	43	84	353	630
Transfers	4	5	10	39	84
<b>Total Additions</b>	<b>\$55</b>	<b>\$48</b>	<b>\$94</b>	<b>\$392</b>	<b>\$713</b>
Operating Funds Purchases	50	8	3	121	207
Net Investment Return	278	201	(515)	401	992
Distributions	(55)	(59)	(75)	(383)	(686)
Administrative Fees	(3)	(4)	(4)	(19)	(30)
Advancement Support	(12)	(14)	(14)	(75)	(118)
<b>Ending Balance</b>	<b>\$2,143</b>	<b>\$1,830</b>	<b>\$1,649</b>	<b>\$2,143</b>	<b>\$2,143</b>
Net Change	\$313	\$181	(\$512)	\$437	\$1,078

# CEF EXPOSURES FOR THE QUARTER ENDING MARCH 31, 2011: \$2,143M

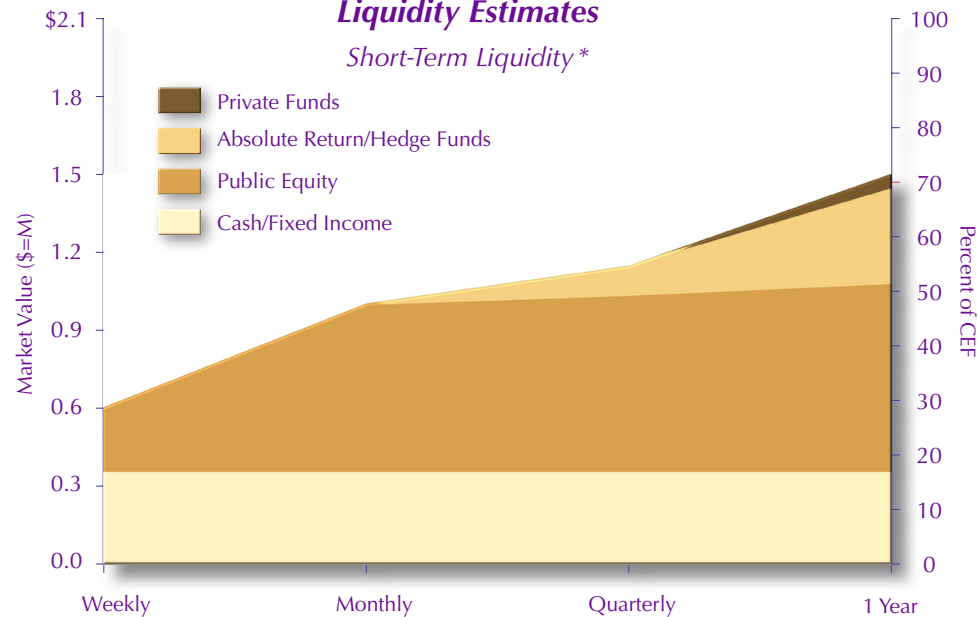
## Public/Private Exposure by Strategy \*



\*Private investment: uncalled capital commitments: 11%

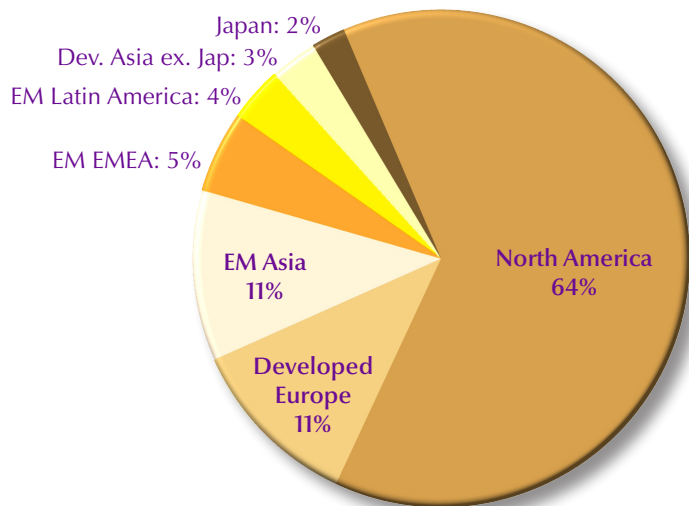
## Liquidity Estimates

### Short-Term Liquidity \*



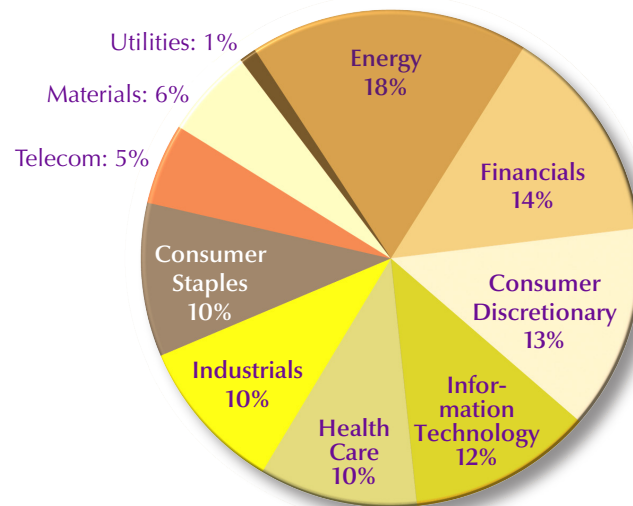
\*72% of the CEF liquid within one year.

## Geographic Exposure \*



\* Foreign currency exposure as of March 31, 2011: 34%

## Equity Sector Exposure \*



\* Emerging Markets, Developed Markets, Real Assets and select Absolute Return equity.



# INVESTED FUNDS FOR THE QUARTER ENDING MARCH 31, 2011: \$2,143M

## Total Return<sup>1</sup> (%)

	3 <sup>rd</sup> Qtr FY 2011	1-Year	5-Year	10-Year
<b>IF including CEF units</b>	<b>0.9</b>	<b>5.2</b>	<b>4.3</b>	<b>5.1</b>
Weighted Benchmark	1.1	5.3	5.0	5.0
<b>IF excluding CEF units</b>	<b>0.2</b>	<b>2.9</b>	<b>4.4</b>	<b>4.3</b>
Weighted Benchmark	0.0	2.6	4.8	4.3
<b>Cash Pool</b>	<b>0.1</b>	<b>0.3</b>	<b>3.6</b>	<b>3.6</b>
Cash Benchmark <sup>2</sup>	0.0	0.1	3.4	3.3
<b>Liquidity Pool</b>	<b>0.2</b>	<b>4.4</b>	<b>4.8</b>	<b>4.6</b>
Barclays Intermediate Govt Bond	0.0	3.8	5.5	4.8

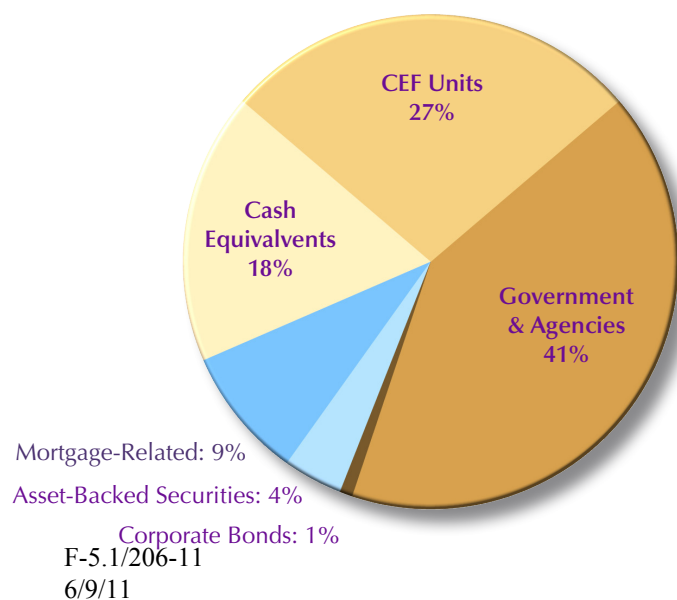
<sup>1</sup> Total Return: average annual compound return (dividend or interest plus capital appreciation or depreciation)

<sup>2</sup> Citi 2-year Treasury prior to 10/1/2008; 3 month T-Bill thereafter.

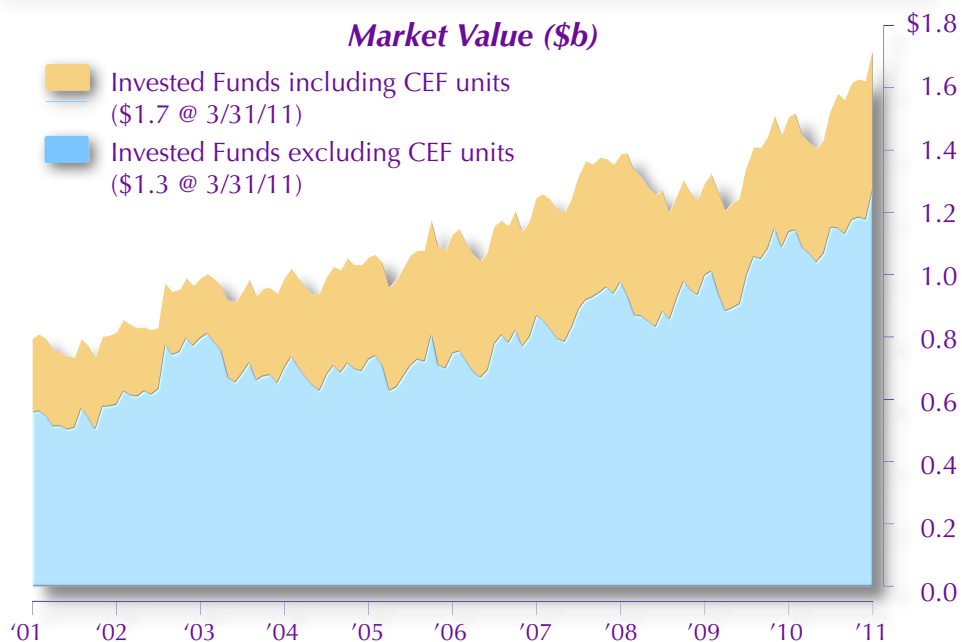
## Fund Allocation by Pool (\$m)

	Fund Allocation		Range	Duration in Years	
				Actual	Maximum
Cash Pool	\$579	34%	10%–40%	0.5	3.0
Liquidity Pool	\$698	40%	30%–60%	3.4	4.2
<b>Total Cash &amp; Liquidity Pool</b>	<b>\$1,277</b>	<b>74%</b>			
CEF Units held by IF	\$447	26%	15%–40%		
<b>Total Invested Funds</b>	<b>\$1,724</b>	<b>100%</b>			

## Mix of Investments



## Market Value (\$b)



# CEF SPENDING UPDATE FOR THE QUARTER ENDING MARCH 31, 2011: \$2,143M

## New Policy, Approved October 21, 2010

Distributions to programs are equal to 4% of a five-year rolling average. The five-year averaging period will be implemented incrementally. The administrative fee of 1%, which supports Investments (.2%) and Advancement (.8%), are based on the same average value as program distributions.

### Historical and Projected Results of Spending Policy Decisions (\$k)

	FY 2008	Interim FY 2009	FY 2010	FY 2011 (est.) <sup>3</sup>
Beginning Market Value	\$2,073,519	\$2,161,438	\$1,649,159	\$1,829,868
Distributions <sup>1</sup>	\$94,314	\$75,478	\$59,015	\$75,600
Effective Spending Rate	4.5%	3.5%	3.6%	4.1%
Administrative Fees <sup>2</sup>	\$21,331	\$18,004	\$17,908	\$19,700
Effective Spending Rate Including Fees	5.6%	4.3%	4.7%	5.1%
Total Return	2.0%	-23.3%	12.5%	

<sup>1</sup> Actual distributions are administered on a quarterly and per unit basis. New gifts are added quarterly and receive payouts at the next distribution date.

<sup>2</sup> Administrative fees supporting Advancement (80 bps) and Treasury (20 bps) were based on prior quarters' market value prior to the new spending policy.

<sup>3</sup> New spending policy effective with the December 2010 payouts.

### Fiscal Year Additions(\$k)

Fiscal Years	Additions Excluding Operating Funds	Additions as of Beginning Market Value
2008	\$106,989	5.1%
2009	\$93,501	4.3%
2010	\$48,331	2.9%
2011	\$67,364	3.7%

### Per Unit Distributions FY '08–FY '11

	Year-Over-Year Payout Per Unit	Change
FY08 Four Quarter Total	\$4.176	NA
FY09 Four Quarter Total	\$3.132	-25%
FY10 Four Quarter Total	\$2.349	-25%
FY11 Four Quarter Total (est.)	\$2.852	+20%

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Metropolitan Tract Quarterly Report: Q1 as of 3/31/2011

For information only.

*Attachment*

Metropolitan Tract Quarterly Report: Q1 as of 3/31/2011

# Metropolitan Tract Quarterly Report

Q1 as of 3/31/2011

## Q1 Notables:

- Operating revenues and expenses were in line with budget during the quarter.
- Office occupancy remains strong at 89.5% with lease commitments that will pull occupancy to 92% once the new leases commence over the next few months. Retail occupancy currently sits at 80.5% with additional completed leases to bring it to 85.4%.
- The Fairmont Hotel recorded a 10% increase in revenues in Q1 2011 as compared to Q1 2010.

## Market News:

- The office market continues to strengthen with the recent announcement that Amazon.com leased 460,000 sf at the newly constructed 1918 8th Ave Building. Only one new building has any significant remaining vacancy.
- The CBD Office market reported vacancy of about 17% and net absorption of over 800,00 sf at the end of Q1 2011.
- National investment interest in Seattle has also picked up with the four downtown Class A buildings currently on the market.

## Operations & Cash Flow

(Millions \$)

	Calendar Year 2011			Historical		
	Q1 Actual	Q1 Budget	2011 Budget	2010	2009	2008
Rent	\$ 4.91	\$ 4.87	\$ 19.47	\$ 20.33	\$ 21.90	\$ 22.94
Other (Op Savings, Misc)	0.40	0.48	1.91	1.70	1.54	1.47
Revenues <sup>1</sup>	5.31	5.35	21.38	22.03	23.43	24.42
Operating Expenses <sup>2</sup>	(0.80)	(0.96)	(3.84)	(4.12)	(3.84)	(3.50)
Net Operating Income	4.50	4.38	17.54	17.91	19.60	20.91
Non-Operating Expenses	(0.55)	(0.64)	(2.57)	(2.05)	(3.02)	(2.67)
Net Income	3.95	3.74	14.96	15.86	16.57	18.24
Debt Repayment (Borrowing)						
Capital & Tenant Improvements <sup>3</sup>	(0.35)	(1.16)	(4.63)	(4.95)	(3.76)	(12.87)
Net Cash Flow	3.60	2.58	10.33	10.92	12.81	5.38
Distribution to University	-	-	(8.00)	(8.00)	(8.00)	(8.00)
Increase/(Decrease) in Cash	\$ 3.60	\$ 2.58	\$ 2.33	\$ 2.92	\$ 4.81	\$ (2.62)

<sup>1</sup> Revenues include rent from tenant leases, operating savings payments from Unico and Leasehold Excise Tax receipts from tenants.

<sup>2</sup> Operating Expenses include Leasehold Excise Tax payments, earthquake insurance, professional fees and Met Tract Real Estate Office management expenses.

<sup>3</sup> Unico and Rainier Tower Sublease.

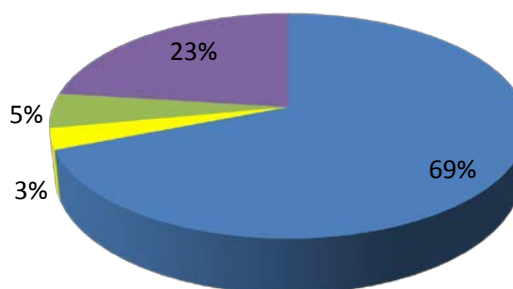
## Assets Under Management

2010	Valuation (Millions \$)	2009
\$338.1M	Office Buildings	\$338.3M
\$76.8M	Olympic Hotel	\$110.8M
\$36.0M	Cobb Building	\$30.5M
\$450.9M		\$479.6M

- Internal Valuation as of 12/31/2010
- UW portion of 2010 value is approx. \$349M
- Hotel decreased value due lower performance forecasts
- Key assumptions include lease up rates, TI's, exit cap rates, discount rates, and operating expenses

## Product Type

### Product Type (by RSF)

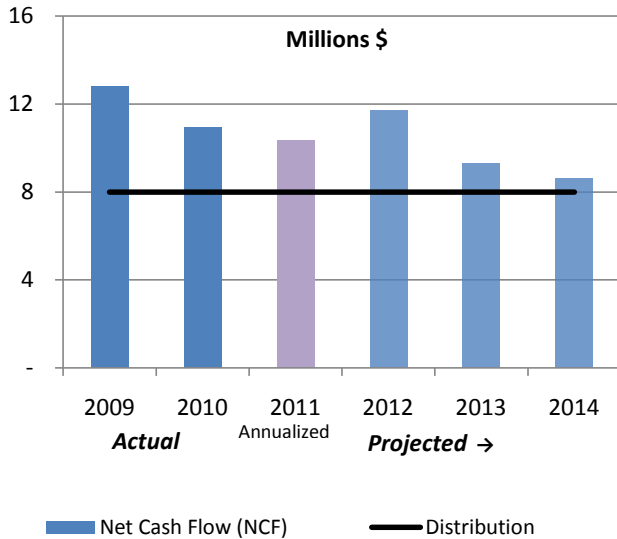


■ Office ■ Residential ■ Retail ■ Hotel

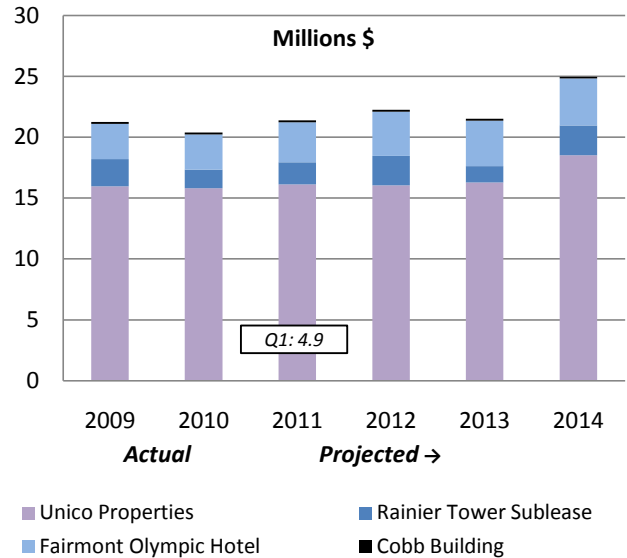
# Metropolitan Tract Quarterly Report

Q1 as of 3/31/2011

## UW Distribution & Cash Flow



## Total UW Rent Earned



- Distribution to campus from the Met Tract has consistently been \$8M / year.
- NCF is impacted by capital expenses which are budgeted to be \$4.6M in 2011. 2011 NCF is on budget.

- Rent earned from each lease; does not include cash flow items or misc. revenue.
- Projected rent is based on 2011 Argus building by building model.
- Rainier Tower Sublease revenue is included net of direct operating expenses.

## Metropolitan Tract Portfolio



Unico Portfolio	
Rainier Tower	569,155 sf
Financial Center	339,527 sf
Puget Sound Plaza	274,885 sf
IBM Building	225,129 sf
Skinner Building	193,672 sf
<b>Total</b>	<b>1,602,368 sf</b>
Retail Space	141,806
Parking Stalls	744
Lease Expiration:	10/31/2014

Cobb Building	
Residential Units	91
Retail Space	18,717
Lease Expiration:	3/22/2050
<b>Rainier Tower Sublease</b>	
Sublease Space	379,463
Lease Expiration:	10/31/2017

Fairmont Olympic Hotel	
Luxury Hotel Rooms	450
Office Space	15,500
Retail Space	28,000
Parking Stalls	787
Lease Expiration:	10/1/2040

## VII. STANDING COMMITTEES

## B. Finance, Audit and Facilities Committee

UW School of Medicine—Amending Restriction for the Harry G. Schuck Endowment FundRECOMMENDED ACTION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the University of Washington Petition for Release of Endowment Restrictions with The Superior Court of Washington in and for King County in regard to the Harry G. Schuck Endowment Fund.

BACKGROUND:

Harry G. Schuck founded Schuck's Auto Supply in 1917 and managed the company until its sale to the late Samuel Stroum in 1967. Mr. Schuck died in 1970. Erna M. Jorgensen (B.A. 1928) was Harry Schuck's business partner from 1930 until the company's sale.

In November 1978, Erna Jorgensen made an initial gift of \$30,000 to the UW School of Medicine to establish an endowed scholarship in memory of her friend and business colleague, Harry G. Schuck. The Board of Regents accepted this gift at the February 9, 1979 meeting and established the Harry G. Schuck Endowment Fund, directing that the income from this fund would be administered by the Dean of the School of Medicine to provide scholarships to deserving medical students.

Ms. Jorgensen continued to make gifts to the scholarship until 1985. In a memo dated January 9, 1981 from Marilyn Batt Dunn to Teddy Haslestad, Marilyn Dunn outlined revised specifications requested and approved by Ms. Jorgensen regarding the selection requirements for the Schuck scholarship. In a January 20, 1981 memo to Robert J. Gust, Stephen W. Camp "confirmed that the clarification proposed for the administration of the Harry G. Schuck Endowment fund can be accomplished without regental action, per Teddy Haslestad." The UW School of Medicine has continued to administer the fund based on these requirements since 1981.

The terms of the 1981 "Proposed Revised Specifications for the Harry G. Schuck Memorial Endowment Fund," in relevant part:

Only one scholarship is to be awarded annually with the medical student receiving the full income of the fund up to the maximum monetary needs of the student. Scholarship funds may be used to cover costs of tuition,

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### UW School of Medicine—Amending Restriction for the Harry G. Schuck Endowment Fund (continued p. 2)

books, and equipment, laboratory fees, housing, food, etc. up to the maximum sum of \$20,000 annually.

As of April 1, 2011, The Harry G. Schuck Endowment Fund had a market value of \$832,309 and distributes approximately \$30,000 annually. With the restriction that only one (1) scholarship award can be made annually with a maximum award amount of \$20,000, the distribution budget balance has grown over the years to \$225,826 in funds that cannot be awarded. This fund balance will continue to grow without an amendment to this restriction.

The University would seek permission to award multiple scholarships each year, depending on the funds available in the operating account and the needs of the scholarship recipients up to the maximum annual amount for each scholarship of \$20,000. Additionally, based on the anticipated future cost of attending the UW School of Medicine, the University would seek permission to review the maximum award amount every five years and to grant the University the option to increase the maximum award according to the value of the Schuck Endowment and the then-current cost of attending the UW School of Medicine.

Based on Ms. Jorgensen's generous gifts that established both The Harry G. Schuck Endowment Fund and the Erna M. Jorgensen Endowed Scholarship and conversations with surviving family members, including Erna O. Snipes (B.S. 71, B.S. 76'), Ms. Jorgensen's niece and executor of her estate, it is evident that Ms. Jorgensen's intent was to have a significant impact on medical students by providing generous scholarship support. To amend the restriction to expand the number of medical students who can benefit from The Harry G. Schuck Endowment Fund is in the best interest of the UW School of Medicine and will honor Ms. Jorgensen's wish to generously support medical students.

To amend the restriction will require a petition to the Superior Court of Washington in and for King County.

In approving this recommendation, the Board of Regents authorizes University of Washington staff to pursue Petition for Release of Endowment Restrictions with The Superior Court of Washington in and for King County in regard to the Harry G. Schuck Endowment Fund.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### UW School of Medicine—Amending Restriction for the Harry G. Schuck Endowment Fund (continued p. 3)

#### REVIEW AND APPROVAL:

This request is supported by the CEO, UW Medicine, Executive Vice President for Medical Affairs and Dean of the School of Medicine; the Senior Vice President; and the Vice President for University Advancement.

#### *Attachments*

1. February 13, 1979 memo from Charlotte V. Berry, Comptroller, to Robert Van Citters, Dean of the School of Medicine, confirming the Board of Regents establishment of the Harry G. Schuck Endowment Fund at its February 9, 1979 meeting.
2. January 9, 1981 memo (with attachment) from Marilyn Batt Dunn to Teddy Haslestad outlining revised specifications for the Harry G. Schuck Memorial Endowment Fund.
3. January 20, 1981 memo from Stephen W. Camp, Executive Director of Development, to Robert J. Gust, Director of Budget and Planning, confirming that the clarification proposed for the administration of the Harry G. Schuck Endowment Fund can be accomplished without regental action.



February 13, 1979

TO: Mr. Robert Van Citters  
Dean, School of Medicine

FROM: Charlotte V. Berry  
Comptroller

SUBJECT: Schuck Endowment

At their meeting of February 9, 1979 the Board of Regents voted to:

1. accept the gift of \$30,000 from Ms. Erna Jorgenson for the establishment of the Harry G. Schuck Endowment Fund,
2. direct that this money be invested in units of the Consolidated Endowment Fund on the next quarterly evaluation date, and
3. direct that income from this fund be administered by the Dean of the School of Medicine to provide scholarships to deserving medical students.

By a copy of this memo the General Accounting Office and the Scholarship and Loan Fiscal Office are being instructed to establish the appropriate accounts for this fund. The General Accounting Office is further instructed to transfer \$30,000 from the Miscellaneous Suspense Account, budget number 39-5008 to the Schuck Endowment Fund. This fund will be classified as an *active* endowment fund.

CVB/db

University of Wisconsin - Stevens Point  
INTERDEPARTMENTAL

Post-It™ brand fax transmittal memo 7671 # of pages ▶ 3	
To <i>Marilee Nielsen</i>	From <i>Alicia Edgmr</i>
Co.	Co.
Dept.	Phone # <i>3-5086</i>
Fax # <i>3-5651</i>	Fax # <i>5-9889</i>

January 9, 1981

TO: Teddy Haslestad  
FROM: Marilyn Batt Dunn  
SUBJECT: Harry G. Schuck Memorial Endowment Fund

The proposed revised specifications for the Harry G. Schuck Memorial Endowment Fund have been approved, signed and returned by Ms. Erna Jorgensen who has contributed in excess of \$70,000 to create this memorial to her late business partner. Please review and, if it will be necessary for Regental approval to adopt the revised specifications, I would appreciate your taking the necessary steps to secure such approval.

The original regental agenda item to which you would need to refer for comparison with the revised version is a January 22, 1979 Cabinet Memorandum for the February 9, 1979 Board of Regents Meeting.

Ms. Jorgensen is eager to have an award made from this fund, and Robert J. Gust, Director of Budget and Planning for the School of Medicine is aware of her desire.

I hope to hear from you soon so that I may contact Ms. Jorgensen with assurance that the revised specifications are "in place."

MBD/ss

cc: Erna Jorgensen  
Samuel N. Stroum

bcc: Robert J. Gust

Proposed Revised Specifications for the Harry G. Schuck Memorial  
Endowment Fund

Ms. Erna Jorgensen gave approximately \$51,500 during 1978-1979 to the University of Washington to be used to establish a scholarship fund in the School of Medicine in honor of her friend and business associate, Harry G. Schuck. On December 2, 1980 she added \$20,000 to this fund, making a present total of roughly \$71,500. This latest check has been given to Steve Camp, Executive Director of Development.

Harry G. Schuck founded Schuck's Auto Supply in 1917 and managed the firm until its sale in 1967 to Samuel Stroum. Mr. Schuck died in 1970. Ms. Jorgensen was a partner of Mr. Schuck in the auto supply business from 1930 to 1967. She graduated from the University of Washington in 1928 with a Bachelor of Arts degree.

No scholarship award has been made to date, and Ms. Jorgensen is anxious to have the first student selected as soon as possible using the following guidelines:

The Dean of the School of Medicine should award the scholarship annually on the basis of a prospective recipient's need as determined by the Dean with advice from the Financial Aid and Academic Affairs Committee of the School of Medicine.

The present corpus, in addition to potential future gifts, should be invested in the University of Washington's CEF. If the University establishes a separate fund, the objective of which is higher yield, rather than income and growth, Ms. Jorgensen requests the Harry G. Schuck Memorial Endowment Fund be transferred from the CEF to such fund.

Only one scholarship is to be awarded annually with the medical student receiving the full income of the fund up to the maximum monetary needs of the student. Scholarship funds may be used to cover costs of tuition, books, and equipment, laboratory fees, housing, food, etc. up to the maximum sum of \$20,000 annually.

No restrictions relative to sex of student, race, creed or color.

The student may be a first-year student or any year; however, once selected, Ms. Jorgensen prefers to have the scholarship follow the same student until graduation. This assumes the continued financial need by the student. Once the cycle is completed, a new student is selected.

The scholarship is to be referred to as the "Harry G. Schuck Memorial Scholarship". Ms. Jorgensen prefers total privacy relative to the use of her name; however, she is to be given the following information each year following selection of the recipient:

- a. Approximate date of Scholarship Award
- b. Name of recipient
- c. Brief history of recipient
- d. Approximate amount of dollars to be awarded

Send information to Ms. Enra Jorgensen, 5636 Beach Drive, S.W., Seattle, Washington 98136.

Any questions regarding this scholarship should be directed to Marilyn Batt Dunn, Director of Annual Giving, University of Washington Development Office, telephone 543-2565.

Prepared by Samuel Stroum December 4, 1980

Accepted by

Erna Jorgensen

1-7-81  
(date)

University of Washington Correspondence

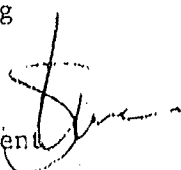
# INTERDEPARTMENTAL

Office of Development AI-10

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January 20, 1981

TO: Robert J. Gust  
Director of Budget and Planning  
School of Medicine SC-64

FROM: Stephen W. Camp  
Executive Director of Development 

This is just to confirm that the clarification proposed for the administration of the Harry G. Schuck Endowment Fund can be accomplished without regental action, per Teddy Haslestad, and we should convey acceptance of these terms to Mrs. Jorgenson as soon as possible.

Since Mrs. Jorgenson is concerned about the administration of this fund, and plans to add to it in the future, I suggest that you or Van write a note reassuring her and stating your acceptance of the guidelines she has proposed. Please send us a copy for the file.

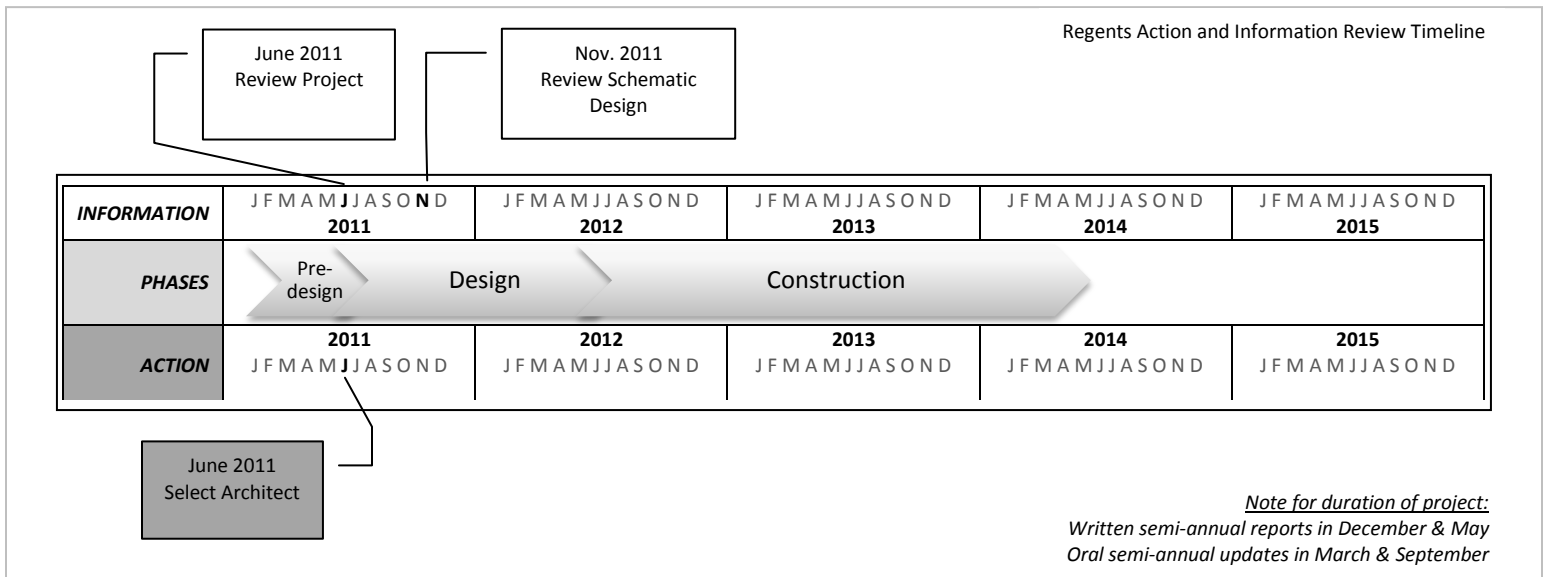
SWC:vad

cc: Marilyn Dunn ✓  
Krista Mattox

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

UW Tacoma Hood Corridor Development – Select Architect and Delegate Authority to Award a Design Contract



**RECOMMENDED ACTION:**

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the President be delegated authority to award a design contract for the Hood Corridor Development Project with the firm of Atelier Dreiseitl, subject to successful negotiation of an architectural agreement.

In the event of an unsuccessful negotiation with the selected firm, it is requested that authority be delegated to open negotiations with Mithun, the firm recommended as first alternate.

**BACKGROUND:**

In April 2011, the Capital Projects Office advertised for firms interested in providing architectural services. Eleven firms responded to the Request for Qualifications and three of those firms were interviewed by the Architectural Commission on June 6, 2011: Atelier Dreiseitl with SRG Partnership, Mithun and The Berger Partnership. It is the Commission’s recommendation that Atelier Dreiseitl be appointed design architect for this project. The Architectural Commission is charged with identifying the most qualified firm as well as one or two alternate qualified firms, if any, ensuring that negotiations can continue in a

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### UW Tacoma Hood Corridor Development – Select Architect and Delegate Authority to Award a Design Contract (continued p. 2)

timely manner. The alternate firm recommended by the Architectural Commission is Mithun.

Atelier Dreiseitl is teamed with SRG Partnership. Atelier Dreiseitl is a global landscape architectural firm, whose Portland, Oregon office has completed projects at over 20 higher education campuses in the western United States. Dreiseitl is renowned for its innovative use of storm water, something that will be a key component of the Hood Corridor project. Founded in Portland in 1972, SRG Partnership is a leading northwest architectural firm with a focus on public projects. Their work includes the successful renovation of Savery Hall on the UW Seattle campus, and the current renovation of the Pike Place Market. Dreiseitl and SRG have collaborated on numerous projects, including the 2010 UW Campus Infrastructure Master Plan Task Force, and master plans at Oregon State University and the Oregon Zoo in Portland.

The Hood Corridor is an 80' wide abandoned railroad right-of-way within the heart of the UW Tacoma Campus. In the fall of 2010, the University, working cooperatively with the City of Tacoma, was able to acquire this property from the Burlington-Northern/Santa Fe railway. Originally constructed in 1873, the rail bed is possibly the last original transcontinental railroad terminus in existence. The Hood Corridor is intended to become a section of a broader project called the Prairie Line Trail, being developed by the City of Tacoma.

This multi-purpose public space will serve as a linear park and civic space that transects the UW Tacoma campus from 17th Street and Pacific Avenue southwest to 21st Street near Jefferson Street. It will function as a central circulation and gathering space at the heart of the campus, providing safe pedestrian access to campus facilities and accommodating the through-circulation of cyclists and pedestrians using the proposed Prairie Line Trail.

Preliminary design work has been completed in conjunction with the UW Tacoma Phase 3 project, with the initial thought that the first phase of the corridor might be constructed in conjunction with the Phase 3 project. Given recent commitments to planning and design activity by the City of Tacoma on the proposed Prairie Line Trail, UW Tacoma has decided to pursue a fresh approach to the design and development of the Hood Corridor.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### UW Tacoma Hood Corridor Development – Select Architect and Delegate Authority to Award a Design Contract (continued p. 3)

##### SCHEDULE:

Forecasted completion dates:

Preliminary Design	Complete
Design	May 2012
Phase 1 Construction, South Corridor (19 <sup>th</sup> -21 <sup>st</sup> )	Fall 2012
Phase 2 Construction, North Lot/Milgard Site	Summer 2013
Phase 3 Construction, North/South Gateways	Summer 2013
Phase 4 Construction, Plaza/Amphitheater	Spring 2014

##### BUDGET:

The total project budget has not yet been established. A budget of \$1 million has been established for the design contract. The preliminary total project cost estimate for design and construction of all four phases is approximately \$6.5 - \$8 million. It is anticipated that each construction phase will be funded as a separate project as funds become available. UW Tacoma intends to fund the complete design and phase 1 construction from local funds. Construction of the remaining phases is subject to available funding sources. As each phase is estimated to cost less than \$5 million, and each will be independent projects with separately bid construction contracts, it is anticipated that the Hood Corridor Development will not be formally presented to the Board of Regents after the schematic design presentation in November 2011.

##### FUNDING:

Design will be funded from UW Tacoma reserves. UW Tacoma will fund construction as local funds and grants become available. There are no donor funding or naming opportunities at this time.

##### FUTURE REGENT ITEMS:

The results of the schematic design phase will be presented to the Regents in November 2011. The current plan is to divide the construction into (4) phases – each phase to be constructed if and when funding is available. Each phase will be a separate project with estimated costs less than \$5 million, and will therefore be approved and managed under the standing delegation of authority. Future established budgets and contract awards would be reported to the Regents in accordance with the standing order. In the unlikely event that funding for the total project became available at one time, and the work to be done then exceeded \$5 million, the project would be brought to the regents for the requisite approvals.



VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

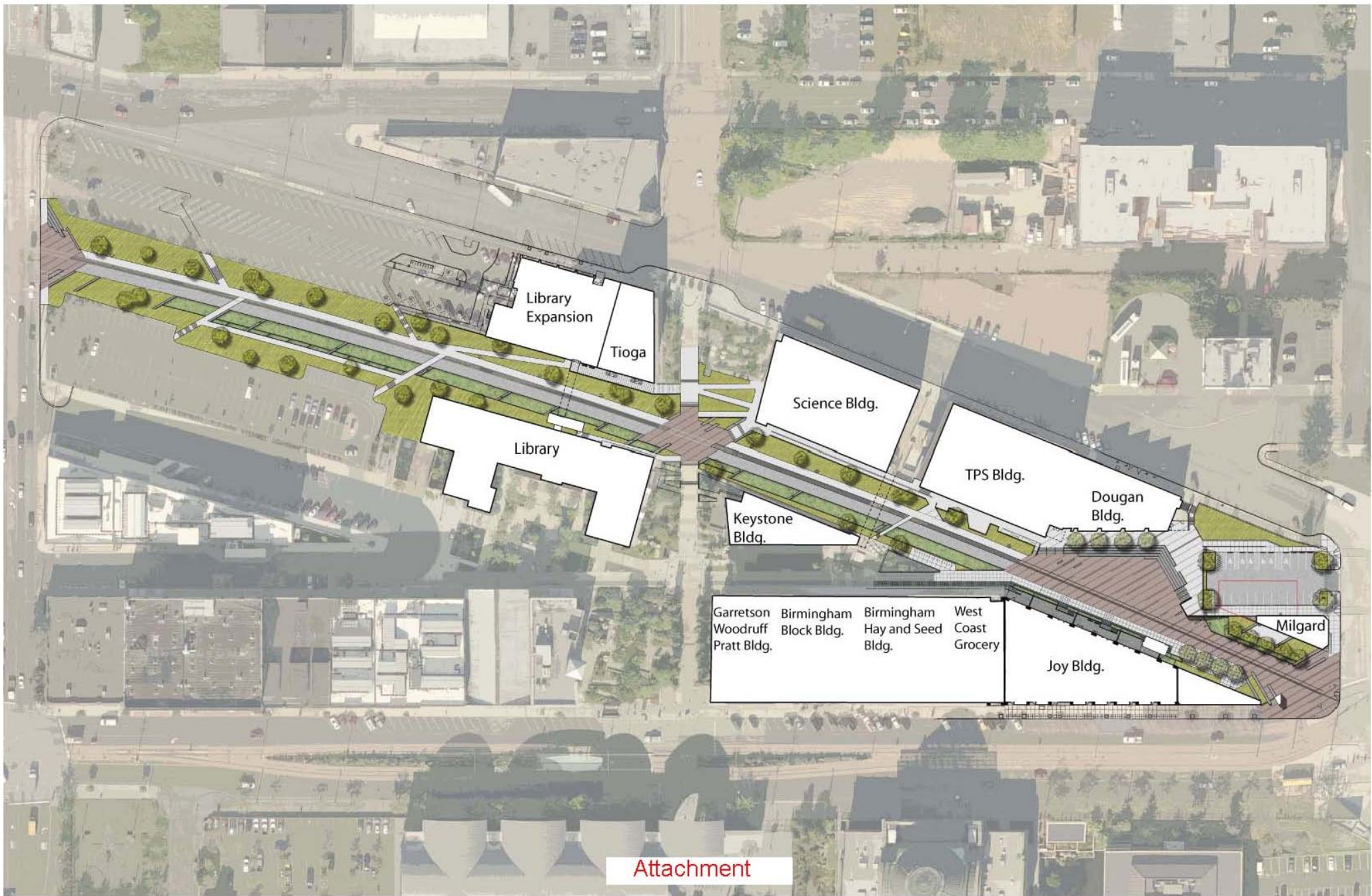
UW Tacoma Hood Corridor Development – Select Architect and Delegate Authority to Award a Design Contract (continued p. 4)

REVIEW AND APPROVALS:

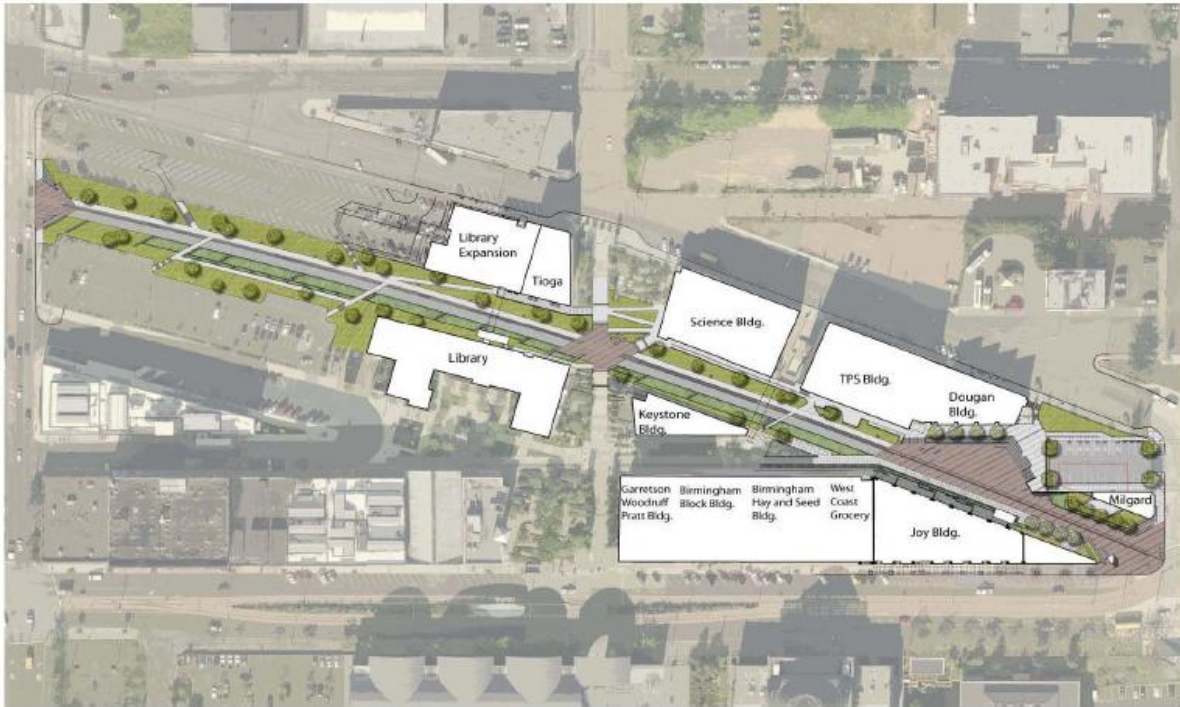
The recommended action has been reviewed and recommended for approval by the Chancellor, UW Tacoma; the City of Tacoma, and the Vice Provost, Planning and Budgeting.

*Attachment*

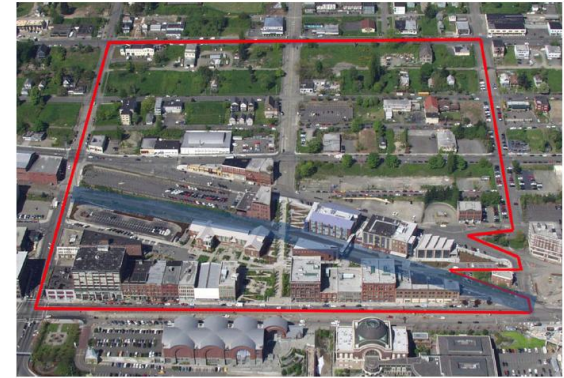
UW Tacoma Campus Plan



Attachment



Campus Boundaries



## UW TACOMA HOOD CORRIDOR PROGRAM ELEMENTS

- Campus Circulation
- Multi-use trail – bikes, pedestrians
- Places to Gather
- Interpretive Elements
- Rain Gardens
- Utilities

F-8/206-11  
6/9/11

2008 Master Plan Update  
10,000 FTE





## UW TACOMA HOOD CORRIDOR Historic Significance

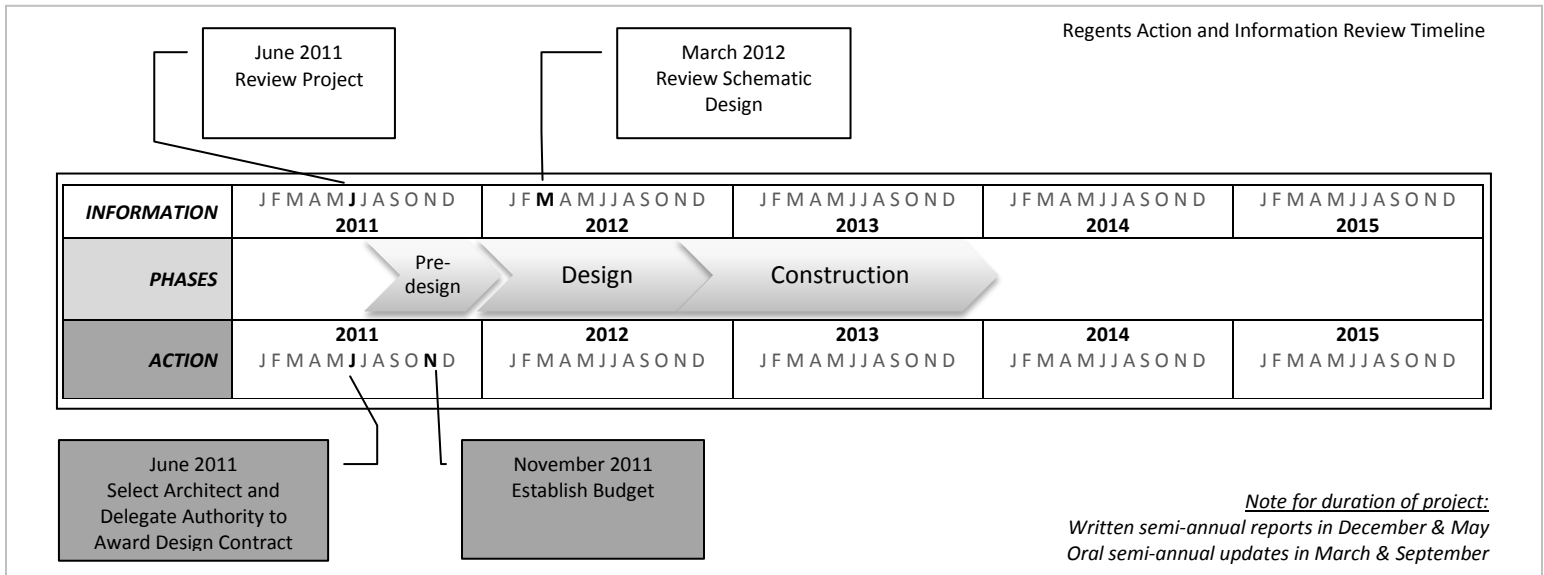
Rail line completed 1873  
Terminus of Northern Pacific RR  
Site of Villard Station  
Birthplace of “New Tacoma”  
Original placement of tracks, ties



VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

UW Police Department Facility – Select Architect and Delegate Authority to Award a Design Contract



RECOMMENDED ACTION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the President be delegated authority to award a design contract for the UW Police Department Facility Project with the firm of Miller Hull Partnership, subject to successful negotiation of an architectural agreement.

Miller Hull Partnership is a Seattle firm that was founded in 1977 and has a staff of 63 people. They have been recognized with over 200 design awards and have been widely published in a variety of journals. In 2003, they received the AIA Firm Award which recognizes leadership, community service, professional and public involvement and highest design quality over a 10 year period. They have relevant experience with police facilities, and are leaders in sustainable design. Other work on campus includes Merrill Hall and the Conibear Shellhouse.

In the event of an unsuccessful negotiation with the selected firm, it is requested that authority be delegated to open negotiations with SRG Partnership, Inc., the firm recommended as first alternate.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### UW Police Department Facility – Select Architect and Delegate Authority to Award a Design Contract (continued p. 2)

##### BACKGROUND:

In April 2011, the Capital Projects Office advertised for firms interested in providing architectural services. Eleven firms responded to the Request for Qualifications and three of those firms were interviewed by the Architectural Commission on June 6, 2011: SRG Partnership Inc; Arai Jackson Ellison Murakami LLP; and The Miller Hull Partnership. It is the Commission's recommendation that Miller Hull Partnership be appointed design architect for this project. The Architectural Commission is charged with identifying the most qualified firm as well as one or two alternate qualified firms, if any, ensuring that negotiations can continue in a timely manner. The alternate firm recommended by the Architectural Commission is SRG Partnership, Inc.

##### DESCRIPTION:

The UW Police Department would be relocated from its current facility in the Bryants Building on Portage Bay as a consequence of the UW's agreeing to make available this property for use as a public open space, in mitigation of Washington State Department of Transportation's (WSDOT's) planned SR-520 Lake Washington Bridge project. Formalizing the multi-party agreement (UW, the City of Seattle Parks Department, and WSDOT) necessary to take this action will involve agreement on a schedule for park design, construction and management that accommodates University of Washington Police Department's (UWPD's) relocation.

The current assumption is that the agreement (MOA) may be finalized in the next few months, and that the new park would be operable as soon as 2015. The park is required to be in use three years after the agreement is approved by the National Park Service. If the agreement is approved as early 2012, the Bryants Building would need to be demolished sometime in 2013 to allow adequate time for park construction. To relocate UWPD in 2013, a building program must be defined, a site selected, and the new UWPD facility designed and constructed in the next two years or so. In order to address this challenge, a predesign process is being initiated immediately to develop the building program; to identify, evaluate and select a site; and to scope the design, schedule and budget.

A special purpose advisory group, chaired by the University Architect & Assistant Vice President for Campus Planning, will be created to lend oversight to the predesign process. This group will include representatives from UWPD, Student Life, External Relations, Facilities Services, Housing & Food Services, UW

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### UW Police Department Facility – Select Architect and Delegate Authority to Award a Design Contract (continued p. 3)

Information Technology, faculty and student representatives, the Office of Planning and Budgeting, and other relevant perspectives.

#### SCHEDULE:

Planning targets for completion dates:

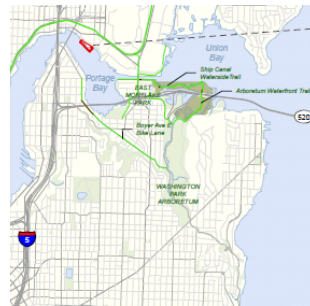
Pre-design	October 2011
Design	November 2012
Construction	November 2013
Occupancy	December 2013

#### BUDGET/FUNDING:

It is estimated that the funds available for the UWPD relocation may be in the range of \$10 million from WSDOT; the availability and amount of funds will be confirmed once the MOA is formalized. The budget for the relocated UWPD facility will be developed in the predesign process. The predesign work is estimated to be approximately \$200,000, and funding for this work is available from Central Funds.

#### REVIEW AND APPROVAL:

The recommended action has been reviewed and recommended for approval by the Vice President and Vice Provost for Student Life, and the Vice Provost for Planning and Budgeting.



F-9/206-11  
6/9/11

## UW Police Department Project

UWPD now in Bryants Building on Boat Street

Relocation of UWPD will result from site purchase by WSDOT as SR520 mitigation, for re-use as public waterfront park

Pre-design includes building program, site selection, budget and schedule verification



VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

UW Bothell – Parking and U-PASS Rate Adjustments

RECOMMENDED ACTION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents approve parking and U-PASS rate adjustments as outlined below for the University of Washington Bothell campus. The new rates will take effect July 1, 2011.

UW Bothell Current and Proposed Parking/U-PASS Rates

	Current	Proposed	Monthly Increase
<u>Description</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2011</u>
Annual	\$505	\$581	\$6.33
Quarterly	\$126	\$145	\$6.33
Qrtly 2 day	\$72	\$83	\$3.66
Qrtly 3day	\$96	\$110	\$4.66
Q<50FTE Staff	\$72	\$83	\$3.66
Qrtly U-PASS	\$72	\$83	\$3.66
Motor cycle	\$48	\$55	\$2.33
Carpool	\$55	\$63	\$2.33
Daily Rate	\$4	\$5	
Hourly Rate	\$1.50	\$1.80	

BACKGROUND:

This recommendation originates from the Bothell Campus Parking and Transportation Task Force (PTTF). Established in 2010, the PTTF includes faculty, staff, and student representatives from UW Bothell and Cascadia Community College, and is charged with developing a common vision for a transportation management strategy to support the campus in an environmentally and financially sustainable manner. The PTTF met monthly during the academic year to review current facilities, capacity, policies, sustainability goals, and finances. One of the goals of the Task Force is to thoroughly review the financial status of the system and recommend new rates as needed for the coming fiscal year.

Task Force members have communicated with their constituent groups including a range of faculty, staff, and student organizations, and have provided feedback to

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### UW Bothell – Parking and U-PASS Rate Adjustments (continued p. 2)

the PTTF. In addition, communications with the campus community regarding PTTF deliberations and potential rate increases have included:

- A website with proposed rates, FAQ, and facility for comments;
- UW Bothell Open House table talk sessions during week of May 9, 2011;
- UW Bothell Chancellor's Town Hall meeting on May 10, 2011;
- Cascadia Community College Open Forums during week of May 9, 2011;
- Email information with opportunity to respond back by email; and
- Other various forms of broadly disseminated communications.

Benefits of the rate adjustment proposal are as follows:

- Promotes reduced demand and reduced competition for existing parking spaces;
- Mitigates growing parking demand in the face of projected increases in enrollment by creating incentives for use of alternative modes of transportation, especially transit;
- Provides funds for an improved array of transportation alternatives and incentives;
- Provides funds for future major maintenance and facilities construction; and
- Supports the overall sustainability initiatives of the campus.

As is true at the University of Washington Seattle campus, parking operations and transportation management programs at UW Bothell are self-sustaining activities. Operating, maintenance, and capital expenses are supported by user fees and citation revenue from both UW Bothell and Cascadia Community College. The proposed rate adjustments are designed to create incentives for the use of alternative modes of transportation, to comply with sustainability and commute trip reduction goals, and to establish capital reserves for future major maintenance and construction of parking facilities. This is only the second increase in parking rates since 2007.

UW Bothell has been the recipient of several statewide and regional commute trip reduction awards and has existing programs, policies, and goals in place to meet the goals of transportation demand management. Among these are:

- Reduce single occupancy vehicle (SOV) trips to the campus.
- Increase the use of alternate modes of transportation by making available and promoting commute options to faculty, staff, and students.
- Explore new program options to encourage transit use.
- Comply with City of Bothell parking and transportation conditions.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### UW Bothell – Parking and U-PASS Rate Adjustments (continued p. 3)

- Remain compliant with the State’s Commute Trip Reduction (CTR) Law.
- As the campus grows, diminish, postpone, or reduce the need to build additional parking facilities through transportation demand management measures.
- The price of a U-PASS should be set as the most affordable transportation option for faculty, staff, and students.
- The price for parking and driving alone should be offered at a higher cost as compared to the U-PASS option.
- The long term parking permit rate should be set at a more economical level than the daily parking rate.
- Establish reserves for future major maintenance of existing structures and construction of additional parking facilities as the campus grows.

As part of the proposed rate adjustment, the task force also recommended an increase in the U-PASS rate from \$72 to \$83 per quarter in FY 2012. Maintaining an increasing differential between the U-PASS rate and parking rates should sustain the economic incentive in favor of alternatives to driving alone.

#### REVIEW & APPROVAL

WAC 478-117-200 pertaining to the parking fees for UW Bothell and Cascadia CC, states that the UW Board of Regents and Cascadia CC’s Board of Trustees may each approve rate changes for parking permits but rate changes for daily parking must be made in agreement with Cascadia Community College.

The proposed parking and U-PASS rate adjustments have been reviewed and recommended for approval by the Bothell Campus Parking and Transportation Task Force (including representatives from ASUWB, as well as faculty, staff, and students from both UW Bothell and Cascadia Community College), the UW Bothell Auxiliary Services Director, the Vice Chancellor for Administration and Planning, and the Chancellor. In a parallel process, the proposed rates have been reviewed and recommended for approval by the Cascadia Community College Executive Team, and the President of Cascadia Community College. The Cascadia Community College Board of Trustees has approved the proposed rate adjustment contingent upon approval by the UW Board of Regents.

**VII. STANDING COMMITTEES****B. Finance, Audit and Facilities Committee**UW Seattle Parking and U-PASS Rate Revisions**RECOMMENDED ACTION:**

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents take the following actions:

1. adopt the attached “Tax and Fee Inclusive Seattle Campus Parking and U-PASS Fee Schedule” and
2. establish a new Transportation Demand Management Fee (surcharge) on all Seattle Campus parking transactions in the amount of 63.17%, as embedded in the attached “Tax and Fee Inclusive Seattle Campus Parking and U-PASS Fee Schedule”,

effective June 20, 2011 for summer quarter products and effective July 1, 2011 for daily, monthly and annual products.

**BACKGROUND**

Commuter Services is a self-sustaining unit of the Transportation Services department. In early 2010, Commuter Services developed a new Business Plan which, following approval by the President and Provost, was presented in summary form to the UW Board of Regents in June 2010. Stepwise implementation of the Business Plan has put Commuter Services on a path toward financial stability. The recommended actions above represent both the success of the plan to date and the next steps required for plan implementation.

At the highest level, the plan includes three key strategies:

- Mitigation of Tax Burdens
- Reduction in Transit Costs
- Decreasing U-PASS Prices by Broadening Participation

Significant progress has been made in each of these areas.

**Mitigation of Tax Burdens**

The Business Plan highlighted that increasing tax burdens, tied largely to the City of Seattle’s Commercial Parking Tax, were stripping the ability of the parking system to generate net revenues that, in turn, subsidize the U-PASS. The plan proposed establishment of a Transportation Demand Management Fee that would exclude approximately \$6.8M from taxation and generate savings of \$1.3M by

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### UW Seattle Parking and U-PASS Rate Revisions (continued p. 2)

charging a discrete fee to support U-PASS in conjunction with the parking transaction rather than the current practice of transferring post-tax parking proceeds to subsidize the U-PASS. *Implementation of the Transportation Demand Management Fee will be cost-neutral for UW parking customers and will be offset by reduction in the base parking fee.*

Over the last year, we have completed the regulatory filings required to implement the Transportation Demand Management fee and determined the fee rate that would allow the parking system to remain solvent while maximizing subsidies for U-PASS.

In additional work with the Seattle City Council, we limited increases in the commercial parking tax to less than 25% of the anticipated level and secured a commitment to establish a grant program that has the potential to further mitigate the impact of the tax on the new, reduced base parking fees. We also provided research into more equitable tax structures that has since been used in the introduction of marker legislation at the state level and has the potential to provide the City of Seattle with a way to provide additional relief without sacrificing revenue.

#### Reduction in Transit Costs

Our negotiations with transit agencies yielded significant savings through the demographic credit outlined in our Business Plan and a rebate clause negotiated earlier in FY10. Additional progress is required but is highly likely as transit agencies are placing a high priority on ensuring the long-term financial stability of the Universal Student U-PASS. Pricing negotiations are currently underway for the 2012 and 2013 academic years.

#### Decreasing U-PASS Prices by Broadening Participation

Successful negotiations with students around the terms for a Universal Student U-PASS have achieved this goal. Short-term intervention for the Faculty/Staff U-PASS has proven unnecessary as price sensitivity remains modest and the Universal Student U-PASS has eliminated the risk of unplanned cross-subsidization of students by faculty and staff. Discussion of Business Plan proposals for mitigating Faculty/Staff U-PASS prices in the long-term will be resumed following transit pricing negotiations and implementation of Activity Based Budgeting.

#### Summary

The success of the Commuter Services Business Plan to date and the implementation of the Transportation Demand Management Fee included in the

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### UW Seattle Parking and U-PASS Rate Revisions (continued p. 3)

recommended actions results in extraordinarily modest changes to the Tax and Fee Inclusive Seattle Campus Parking and U-PASS Fee Schedule. The gross rates (inclusive of taxes, fees and surcharges) will increase for select east campus events; those changes were developed collaboratively with the Department of Intercollegiate Athletics. Increases are also included for retiree parking products, although those have been paired with planned discounts so that no change will take effect until negotiations with Planning and Budgeting and the University's liaison to the Retiree Association have been completed. No increases are proposed to the gross rates (inclusive of taxes, fees and surcharges) for other Faculty/Staff, Student and public parking products. No increases are proposed for Faculty/Staff U-PASS rates. The rate reduction for the Student U-PASS in conjunction with the implementation of the Student Universal U-PASS was authorized by the Regents at the May 2011 meeting.

#### REVIEW AND APPROVAL

University Transportation Committee (consisting of representatives from Associated Students of the University of Washington, Graduate and Professional Student Senate, Faculty Senate, Professional Staff Organization, Washington Federation of State Employees, Service Employees International Union 925, Washington State Nurses Association, UW Police, Intercollegiate Athletics, Student Life, South Lake Union CTR Site, Real Estate Office, UW Medical Center, Planning and Budgeting, Disabilities Service Office, Facilities Services, Labor Relations, Commuter Services and Transportation Services); Associate Vice President, Facilities Services; and Senior Vice President.

#### *Attachments*

1. Tax and Fee Inclusive Seattle Campus Parking and U-PASS Rates
2. Hearing Officer's Report
3. Transportation Demand Management Fee Impact
4. Commuter Services (Parking & U-PASS) Financial Summary

## Tax and Fee Inclusive Seattle Campus Parking and U-PASS Rates

UW COMMUNITY – PERSONAL	Term	Rate	Notes
Student U-PASS	Quarterly	\$76.00	Reduced from \$99 pursuant to Universal Student U-PASS Agreement
Faculty/Staff U-PASS (FlexPass)	Monthly	\$44.00	No change from FY11
U-Powered U-PASS	Annual	N/A	Product Discontinued Effective 7/1/11
Single Occupancy Vehicle (SOV) includes 1 gratis U-PASS	Quarterly	\$423.00	No change from FY11
	Annual	\$1,692.00	No change from FY11
Registered Carpool - 2 person with 2 gratis U-PASSes	Quarterly	\$423.00	No change from FY11
	Annual	\$1,692.00	No change from FY11
- 3 person with 3 gratis U-PASSes	Quarterly	\$423.00	No change from FY11
	Annual	\$1,692.00	No change from FY11
Swing Permit ( 2:30pm - 8:00am, M-F, Sat, 7:00am to noon)	Quarterly	\$211.50	No change from FY11
	Annual	\$846.00	No change from FY11
Night Permits (4:00pm to 8:00am, M-F, Sat, 7:00am to noon)	Quarterly	\$141.00	No change from FY11
	Annual	\$564.00	No change from FY11
Annual Reserved Space	Annual	\$3,384.00	No change from FY11
Motorcycle, Scooter, Moped (includes 1 gratis U-PASS)	Quarterly	\$141.00	No change from FY11
	Annual	\$564.00	No change from FY11
Night Extension (valid only with Night Permit) - 3:30pm-4:00pm entry	Per Day	\$2.00	No change from FY11
- 3:00pm-3:30pm entry	Per Day	\$3.00	No change from FY11
- 2:30pm-3:00pm entry	Per Day	\$6.00	No change from FY11
UW COMMUNITY – PERSONAL LIMITED USE	Term	Rate	Notes
Individual Commuter Tickets	Per Day	\$5.00	No change from FY11
Short Term Daytime	Per Day	\$7.05	No change from FY11
Short Term Swing	Per Day	\$3.53	No change from FY11
Short Term Night	Per Day	\$2.35	No change from FY11
<b>Pay Per Use (PPUP)</b> - available to UW Faculty, Staff & Affiliates in Portage Bay Garage only			
4 days a pay period	Per Day	\$5.00	No change from FY11
Greater than 4 days	Per Day	\$7.05	No change from FY11
<b>Carpool</b>			
PPUP Carpool (2 + person) requires Husky Card Debit Account and U-PASS	Per Day	\$3.00	No change from FY11
Impromptu Carpool (2 - 3 + person) - Upper Campus (Husky Card Debit Account and U-PASS required)	Per Day	\$3.00	No change from FY11
E1 Lot Carpool (2 + person) requires Husky Card Debit Account and U-PASS	Per Day	\$2.00	No change from FY11
Retiree Permit	Quarterly	\$423.00	Increased from \$169.20, will be discounted to current rate pending negotiation with Planning & Budgeting / Retiree Office
NightRide Pre-purchased Tickets (no charge w/UPASS)	Per Day	N/A	Product Discontinued

Listed rates include applicable taxes, fees, and surcharges.

In the event of a change in any tax or fee rate, Commuter Services will adjust the base charge so that the listed tax and fee inclusive rate does not change.

## Tax and Fee Inclusive Seattle Campus Parking and U-PASS Rates

<b>UW COMMUNITY – UW BUSINESS &amp; UW VEHICLES</b>			
	Term	Rate	Notes
University Owned or Operated Vehicle	Annual	\$270.54	No change from FY11
Stall Reserved for University Department	Monthly	\$282.00	No change from FY11
Department Out of Area (companion product requires primary permit)	Annual	\$240.00	No change from FY11
Special Designators “U” Universal (premium added to other permit product)	Monthly	\$20.00	No change from FY11
Special Designators “S” Service (premium added to other permit product)	Monthly	\$40.00	No change from FY11
<b>PUBLIC RATES</b>			
	Term	Rate	Notes
<b>Daytime Rates</b> - entry from 6:00am to 5:00pm, M-F - Pay \$15 upon entry - partial refunds provided at exit if parked less than 4 hours		\$15.00	No change from FY11
Refund when daily average - 0-30 minutes	Each	\$13.00	No change from FY11
30 minutes to 1 hour	Each	\$12.00	No change from FY11
over 1 hour to 2 hours	Each	\$9.00	No change from FY11
over 2 hours to 3 hours	Each	\$6.00	No change from FY11
over 3 hours to 4 hours	Each	\$3.00	No change from FY11
over 4 hours	Each	\$0.00	No change from FY11
Motorcycle, Scooter, Moped	Per Day	\$5.00	No change from FY11
<b>Nighttime Rates</b> - entry from 5:00pm - 9:00pm M-F, Sat 7:00am - noon entry - partial refunds provided at exit if parked less than 1 hour		\$5.00	No change from FY11
Refund daily average - 0-30 minutes		\$3.00	No change from FY11
30 minutes to 1 hour		\$4.00	No change from FY11
over 1 hour		\$0.00	No change from FY11
Central Plaza Garage Night - flat rate charged for vehicles entering after 5:00pm		\$10.00	No change from FY11
<b>Triangle Garage Rates</b> (Note: Parking staff available beyond posted hours to collect parking fees)			
	Term	Rate	Notes
<b>Daytime Rates</b> - entrance between 6:00am and 5:00pm M-F			
0-30 minutes	Each	\$2.00	No change from FY11
30 minutes to 1 hour	Each	\$3.00	No change from FY11
over 1 hour to 2 hours	Each	\$6.00	No change from FY11
over 2 hours to 3 hours	Each	\$9.00	No change from FY11
over 3 hours to 4 hours	Each	\$12.00	No change from FY11
over 4 hours	Each	\$15.00	No change from FY11
<b>Night Rates</b> - entry from 5:00pm - 9:00pm M-F and Sat 7:00am - noon			
0-30 minutes	Each	\$2.00	No change from FY11
30 minutes to 1 hour	Each	\$3.00	No change from FY11
over 1 hour	Each	\$5.00	No change from FY11
Lost Ticket	Each	\$15.00	No change from FY11
In/Out Privileges Card (Only with validation)	Each	\$15.00	No change from FY11
Parking Card Permit - billed to UW department	Each	\$15.00	No change from FY11

Listed rates include applicable taxes, fees, and surcharges.

In the event of a change in any tax or fee rate, Commuter Services will adjust the base charge so that the listed tax and fee inclusive rate does not change.



## Tax and Fee Inclusive Seattle Campus Parking and U-PASS Rates

<b>Mechanically Issued Rates</b>	Term	Rate	Notes
Lot E1 - Cash	Per Day	\$6.00	No change from FY11
Lot E1 - Husky Card	Per Day	\$6.00	No change from FY11
Parking Meters, Pay by Space, and other self-service parking	Hourly	\$3.00	No change from FY11
Lot E4 daytime dispensers	Per Day	\$3.00	No change from FY11
Tubby Graves/IMA	Hourly	\$3.00	No change from FY11
West Campus night dispensers	Per Night	\$5.00	No change from FY11
30 minute load/unload zone	30 min.	\$2.00	No change from FY11
<b>PRE-PURCHASED VISITOR</b>	Term	Rate	Notes
Departmental Commuter Tickets (for guests)	Each	\$15.00	No change from FY11
Universal Departmental Commuter Ticket (for guests)	Each	\$20.00	No change from FY11
Night Department Commuter Tickets (for guests)	Each	\$5.00	No change from FY11
President's Club Permits	Each	\$10.00	No change from FY11
E1 Permit	Weekly	\$30.00	No change from FY11
<b>SPECIAL EVENTS &amp; ARRANGED PARKING</b>	Term	Rate	Notes
Football and events in excess of 24,000 in attendance			
Autos - weekend 3 or more persons, weekdays 4 or more persons	Per Day	\$25.00	No change from FY11
Autos - weekend Fewer than 3 persons, weekdays fewer than 4 persons	Per Day	\$30.00	No change from FY11
Motorhomes	Per Day	\$100.00	No change from FY11
Additional fee for trailer	Per Day	\$25.00	No change from FY11
Private Buses	Per Day	\$100.00	No change from FY11
Men's Basketball, Windemere, Weekday Daytime Events			
E lots South of Wahkiakum	Per Day	\$15.00	No change from FY11
E lots North of Wahkiakum	Per Day	\$10.00	Increased from \$7
Weekend and after 5:00pm General Arena Sports Events			
E lots South of Wahkiakum	Per Day	\$7.00	No change from FY11
E lots North of Wahkiakum	Per Day	\$7.00	No change from FY11
Weekend and after 5:00pm Outdoor Sports			
E lots South of Wahkiakum	Per Day	\$7.00	No change from FY11
E lots North of Wahkiakum	Per Day	\$7.00	No change from FY11
Graduations and East Campus Events Requiring Significant Planning or Staffing	Per Day		
E lots South of Wahkiakum	Per Day	\$15.00	Clarification. No change in practice
E lots North of Wahkiakum	Per Day	\$15.00	Clarification. No change in practice
Other Events			
E lots South of Wahkiakum	Per Day	\$15.00	No change from FY11
E lots North of Wahkiakum	Per Day	\$7.00	No change from FY11
Events at Other Campus Locations	Per Day	\$15.00	No change from FY11
<b>SECURE BICYCLE PARKING</b>	Term	Rate	Notes
Locker Rental	Annual	\$140.00	No change from FY11
Key Deposit	Deposit	\$85.00	No change from FY11
Bike Enclosure Rental	Annual	\$40.00	No change from FY11

Listed rates include applicable taxes, fees, and surcharges.

In the event of a change in any tax or fee rate, Commuter Services will adjust the base charge so that the listed tax and fee inclusive rate does not change.

## Tax and Fee Inclusive Seattle Campus Parking and U-PASS Rates

ADMINISTRATIVE FEES	Term	Rate	Notes
<b>Parking Replacement Fees</b>			
UW Parking Card Replacement	Each	\$25.00	No change from FY11
Hang Tag Permit Replacement	Each	\$50.00	No change from FY11
4545 15th Ave (N28) Access Card Replacement	Each	\$35.00	No change from FY11
<b>UPASS Replacement</b>			
Student U-PASS Sticker Replacement (after 1st week)	Each	\$40.00	Anticipated discontinuation 9/28/11
Faculty Staff U-PASS Sticker - First Replacement	Each	\$50.00	Anticipated discontinuation 7/1/11
1st quarter	Each	\$50.00	Anticipated discontinuation 7/1/11
Each additional quarter	Each	\$40.00	Anticipated discontinuation 7/1/11
Faculty Staff U-PASS Sticker - Second Replacement	Each	\$70.00	Anticipated discontinuation 7/1/11
1st quarter	Each	\$70.00	Anticipated discontinuation 7/1/11
Each additional quarter	Each	\$60.00	Anticipated discontinuation 7/1/11
Replacement of U-PASS powered by ORCA	Each	\$0.00	New Service
<b>Failure to Return U-PASS Upon Withdrawal from Classes</b>			
Student withdrawal within 7 days without returning U-PASS	Each	\$200.00	Anticipated discontinuation 9/28/11
Student withdrawal after 7 days	Each	\$99.00	Anticipated discontinuation 9/28/11
<b>Handling Fees</b>			
Validation Coupon Handling Fee	Each	\$0.20	No change from FY11
Returned Departmental Products Fee	Each	10%	No change from FY11
Parking Product Rush Processing Fee (less than 5 business days)	Each	10%	No change from FY11

Listed rates include applicable taxes, fees, and surcharges.

In the event of a change in any tax or fee rate, Commuter Services will adjust the base charge so that the listed tax and fee inclusive rate does not change.



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SVP V'ella Warren  
Finance and Facilities  
Box 354988

May 19, 2011

Dear SVP Warren:

In accordance with your delegation, I served as the University Hearing Officer on the proposed revision to the Parking and U-PASS Fee Schedule. This hearing was held pursuant to WAC 478-116-163 which provides in pertinent part:

*Fees for parking and the effective date thereof shall be submitted to the Board of Regents for approval by motion. Prior to the approval by the Board of Regents the University shall, after notice, hold a hearing on the proposed schedule. The hearing shall be open to the public and shall be presided over by a presiding officer who shall prepare a memorandum for consideration by the University, summarizing the contents of the presentations made at the hearing.*

The hearing was held on May 13, 2011 in room 231 of the Mary Gates Hall on the Seattle campus of the University of Washington. Official notice of the hearing was previously published on the University of Washington online events calendar.

The Commuter Services provided advance copies of the proposed Parking and U-PASS Fee Schedule to campus constituencies via their University Transportation Committee representatives and to individuals attending the hearing. Opportunity was provided for oral and written testimony and electronic submissions of comments were accepted via e-mail through Wednesday May 18.

**Revision to the Transportation Fee Schedule**

As the hearing officer, I presented a summary of the proposed revision to the Parking and U-PASS Fee Schedule. The proposal presents minimal changes concentrated on east campus (athletic event and facility rental parking) rates that have been developed in collaboration with the department of Intercollegiate Athletics. At the request of the University Transportation Committee retiree parking rates are also increased with the understanding that Transportation Services will discount those rates to current levels while negotiations are underway with stakeholders, including the UW liaison to the Retiree Association and Planning and Budgeting.

The implementation of a new Transportation Demand Management fee was also described in detail. This fee will be act as a surcharge on all parking transactions and will be paired with reductions in the underlying base parking rate. The University presents its parking fees to the public as inclusive of taxes and applicable University fees or surcharges. Consequently, this

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[www.washington.edu/admin/facserv](http://www.washington.edu/admin/facserv)

change will be largely invisible in published rate schedules and will have no impact on the total (tax and fee inclusive) cost of parking on campus.

**Summary of Public Comment**

Two people attended the public hearing. No formal comment was offered during the hearing or the subsequent period for electronic testimony. Unofficial comments included appreciation for the fact that pricing for core faculty and staff parking products was not changing.

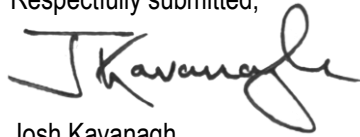
Several themes can be distilled from the comments. The following list highlights the general area about which comments were formulated:

**Recommendation**

I recommend the adoption of the Commuter Services proposal for Seattle Campus Parking and U-PASS fees without reservation.

The digital recording of the public hearing has been deposited with the Secretary of the Board of Regents and a transcript thereof has been provided to the Secretary of the Board of Regents. These materials are available for your inspection and the inspection of the members of the Board of Regents.

Respectfully submitted,



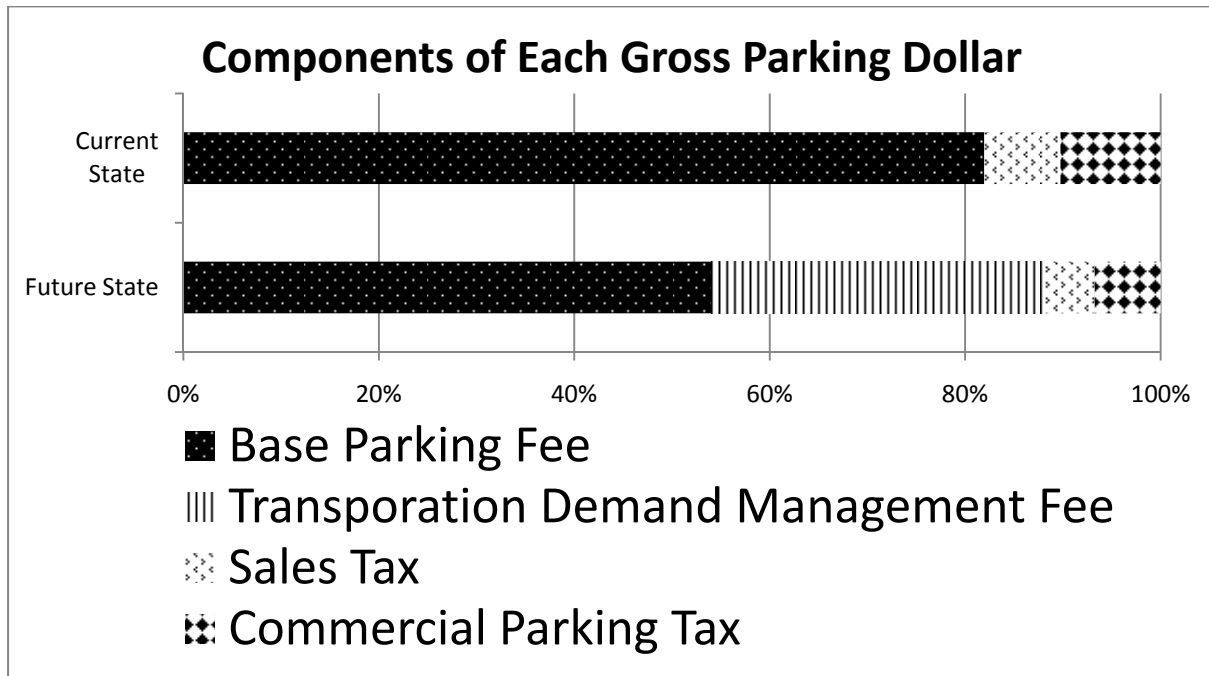
Josh Kavanagh  
Director of Transportation Services

TRANSPORTATION DEMAND MANAGEMENT FEE IMPACT

When implementing the Transportation Demand Management Fee, the University will reduce the base parking fee and apply an additional new fee (the Transportation Demand Management Fee) in parallel to sales and commercial parking taxes. *There will be no change to the gross (tax and fee inclusive) cost to individuals parking on campus as a result of the Transportation Demand Management Fee.* This relationship is illustrated in the chart below.

Following implementation, monies received as parking fees will no longer be transferred to fund the U-PASS program. Instead, Transportation Demand Management Fee proceeds collected by Commuter Services will be directed to the U-PASS program.

In addition to generating tax savings for Commuter Services, the Transportation Demand Management Fee aids other University departments that collect parking fees independently under a delegation of authority from Transportation Services. Transportation Demand Management fees collected by UW Medical Center will be directed to existing shuttle programs that reduce SOV travel among medical facilities resulting in a tax savings of \$80k and Transportation Demand Management fees associated with Football Parking will be dedicated to game day transit or park and ride service resulting in a tax savings of \$31k.



## COMMUTER SERVICES (PARKING & U-PASS) FINANCIAL SUMMARY

The attached financials include the following assumptions:

- No increases to parking or faculty/staff U-PASS fees during the 11-13 biennium
- No additional increases to parking or sales taxes during the 11-13 biennium
- Modest increases in general expenses, wages, and benefit expenses as detailed in note 3a.
- Deferred maintenance, software/hardware investments, and construction of the Mercer garage are treated as operating expenses against fund balance rather than utilizing debt financing.
- Modest fare increases from all transit agencies as detailed in notes 3b and 3c.
- Implementation of the Transportation Demand Management fee, a tax minimizing measure that partitions the fee collected during parking transactions. This will have no impact on gross (tax and fee inclusive) prices for customers but will reduce taxable income by \$6.78M.
- Limits on the number of trips per individual for which the University will be billed by King County Metro (9/week for students and 14/week for faculty and staff) OR equivalent contract savings
- Reallocation of parking fine revenue, \$800k annually, to active transportation programs.

\*Items pending negotiation are marked with an asterisk in the attached financials.

Attached: Commuter Services (Budget Summary by Service Line):  
biennial budget, current and forecast

Commuter Services (Revenue Detail by Service Line):  
detailed biennial revenues, current and forecast

Endnotes for financial statements

## ATTACHMENT 4

Commuter Services (Budget Summary by Service Line)

	2009-10	2010-11	2011-12	2012-13
<b>Parking Alone</b>				
Revenues	16,749,116	17,420,794	11,692,005	11,692,005
Expenses	6,402,966	7,289,946	7,693,632	7,866,222
Net Operating Income	10,346,150	10,130,848	3,998,374	3,825,784
Non-Operating Income (Expense) w/o UPASS Transfer	(3,372,608)	(5,684,265) <sup>(27)</sup>	(8,559,739) <sup>(28)</sup>	(4,856,284)
Fund Transfer to UPASS	(5,028,943)	(6,088,908)	0	0
<b>Net Income</b>	<b>1,944,599</b>	<b>(1,642,325)</b>	<b>(4,561,365)</b>	<b>(1,030,501)</b>
<b>Fund Balance</b>	<b>9,006,379</b>	<b>7,364,054</b>	<b>2,802,689</b>	<b>1,772,188</b>
<b>Student UPASS</b>				
Revenues	10,544,356	10,510,208	16,446,116	16,342,685
Expenses	14,265,774	15,016,001	15,041,505	15,393,080
Net Operating Income	(3,721,417)	(4,505,792)	1,404,611	949,605
Fund Transfer from Parking/CPT Mitigation	3,721,418	4,505,792	370,000	370,000
<b>Net Income</b>	<b>0</b>	<b>(0)</b>	<b>1,774,611</b>	<b>1,319,605</b>
<b>Fund Balance</b>	<b>0</b>	<b>0</b>	<b>3,957,311</b>	<b>5,276,916</b>
<b>Faculty/Staff UPASS</b>				
Revenues	5,407,775	5,293,224	6,980,896	7,065,978
Expenses	5,709,873	6,252,746	6,668,529	7,155,736
Net Operating Income	(302,098)	(959,523)	312,367	(89,758)
Fund Transfer from Parking/CPT Mitigation	302,097	959,523	130,000	130,000
<b>Net Income</b>	<b>0</b>	<b>0</b>	<b>442,367</b>	<b>40,242</b>
<b>Fund Balance</b>	<b>0</b>	<b>0</b>	<b>1,209,261</b>	<b>1,249,503</b>
<b>Active Transportation</b>				
Revenues			32,654	34,287
Expenses			800,000	800,000
Net Operating Income			(767,346)	(765,713)
Fund Transfer from Parking			800,000	800,000
<b>Net Income</b>			<b>32,654</b>	<b>34,287</b>
<b>Fund Balance</b>		0	32,654	66,941
<b>UPASS Unallocated Rate Stabilization</b>				
<b>Net Income</b>	<b>1,925,620</b>	<b>1,023,974</b>	<b>0</b>	<b>0</b>
<b>Fund Balance</b>	<b>1,925,620</b>	<b>2,949,594</b>	<b>0</b>	
<b>Commuter Services Consolidated (all services) Net Income</b>	<b>1,944,598</b>	<b>(1,642,325)</b>	<b>(2,311,733)</b>	<b>363,633</b>
UPASS	(0)	(0)	2,249,632	1,394,133
Parking	1,944,599	(1,642,325) <sup>(27)</sup>	(4,561,365) <sup>(28)</sup>	(1,030,501)
<b>Commuter Services Consolidated (all services) Fund Balance</b>	<b>10,931,999</b>	<b>9,289,674</b>	<b>6,977,941</b>	<b>7,341,573</b>
UPASS	1,925,620	2,949,594	5,199,226	6,593,359
Parking	9,006,379	7,364,054	2,802,689	1,772,188

Commuter Services (Revenue Detail by Service Line)

	2009-10	2010-11	2011-12	2012-13
<b>Revenues</b>				
<b>Parking</b>	<b>16,749,116</b>	<b>17,420,794</b>	<b>11,692,005</b>	<b>11,692,005</b>
Permit	9,810,749	9,947,902	9,947,902	9,947,902
Gate	6,333,247	6,918,876	6,918,876	6,918,876
Coin Operated	1,475,725	1,525,707	1,525,707	1,525,707
Other	1,108,860	1,269,146	1,269,146	1,269,146
Less: Sales Tax	(1,339,995)	(1,392,190)	(912,336)	(912,336)
Less: City Parking Tax	(1,410,521) <sup>(1)</sup>	(1,648,646) <sup>(1)</sup>	(1,080,397)	(1,080,397)
Fines	771,051	800,000 <sup>(21)</sup>	800,000	800,000
Less: TDM Fees (transfer to UPASS)(11)			(6,776,892)	(6,776,892)
<b>Student UPASS</b>	<b>10,544,356</b>	<b>10,510,208</b>	<b>16,446,116</b>	<b>16,342,685</b>
UPASS - Student	9,499,965	9,360,000	9,182,250	9,688,833
Transit Subsidy	1,023,143	1,126,573	1,126,573	1,023,142
Other - UPASS	21,248	23,635	0	0
TDM Fees collected by (transfer from) parking(11)			5,014,900	5,014,900
Net Impact of Universal Student U-PASS in FY12(15)			1,122,393	615,810
<b>Faculty/Staff UPASS</b>	<b>5,407,775</b>	<b>5,293,224</b>	<b>6,980,896</b>	<b>7,065,978</b>
UPASS - Faculty/Staff	5,077,967	4,930,000	4,863,144	4,980,888
Transit Subsidy	323,098	355,760	355,760	323,098
Other - UPASS	6,710	7,464	0	0
TDM Fees collected by (transfer from) parking(11)			1,761,992	1,761,992
<b>Active Transportation</b>			<b>32,654</b> <sup>(19)</sup>	<b>34,287</b>
Bicycle operations			32,654	34,287
<b>Total Revenue</b>	<b>32,701,247</b>	<b>33,224,226</b>	<b>35,151,671</b>	<b>35,134,955</b>



## Commuter Services (Endnotes for Financial Statements)

### Notes

- 1 **The City of Seattle Commercial Parking Tax was introduced for FY08 at 5%, growing to 7.5% for FY09, 10% for FY10, and 12.5% effective 1/1/11.**
- 3a **Beyond FY12, general expenses have been forecasted to increase at 3% annually. Beyond FY11 benefits are scaled at 5% and beyond FY13 wages at 3%.**
- 3b **Faculty/staff baseline transit cost projections assume use of the 2010 survey data, 3% per year fare increases for Metro and 4% per year fare increases for all other agencies**
- 3c **Faculty/staff baseline transit cost projections assume use of the 2010 survey data, 3% per year fare increases for Metro and 4% per year fare increases for all other agencies, and a full recovery over the forecast horizon to pre-fee-increase non-carpool U-PASS sales rates. In addition, ST trips are projected to increase by 2% per year and CT trips are projected to increase by 1% per year. All other trip growth is due to the recovery in U-PASS participation. Beyond FY12, general expenses have been forecasted to increase at 3% annually. Beyond FY11 benefits are scaled at 5% and beyond FY13 wages at 3%.**
- 4 WCG Expansion
- 6 WCG Expansion, 4545 Purchase, 4545 Seismic, Tower Garage Purchase, Tower Garage Seismic, WCG TI
- 7 Overhead is only applied to Parking revenues, not U-PASS. Beginning in FY10 Parking dollars transferred to U-PASS were also exempt.
- 8 Prior to the transfer of Parking Enforcement from UWPD to Transportation Services, TS transferred funding to UWPD each year to support the enforcement function.
- 9 Timing of a major software upgrade is uncertain and will be funded with debt or fund balance to avoid an adverse impact on rates.
- 11 **The TDM (Transportation Demand Management) fee is a tax minimizing measure that partitions the fee collected during parking transactions. The TDM fee goes directly to U-PASS and would not be subject to taxation. Out of pocket costs for parkers would not increase.**
- 13 Beginning in FY11, we began receiving a discount on our blended trip rate with Metro to account for the proportion of the U-PASS population that is eligible for youth, senior, and disabled rider fares.
- 14a Net impact of Universal Student U-PASS with basic trips per pass cap assumption for Metro: This projection is based on the 2008 U-PASS survey data and includes all trips made by students (regardless of whether the trip makers were U-PASS members or not). The pass cap assumption is that we will not be charged for trips in excess of any of the following: 10 per work week, 2 per Saturday, and 2 per Sunday.
- 14b Net impact of Universal Student U-PASS with aggressive trips per pass cap assumption for Metro: This projection is based on the 2008 U-PASS survey data and includes all trips made by students (regardless of whether the trip makers were U-PASS members or not). The pass cap assumption is that we will not be charged for trips in excess of 9 trips per week.
- 14c Implementation of the basic trips per pass cap for employee U-PASSes with Metro retains the assumptions from the baseline transit projections but assumes that we will not be charged for trips in excess of any of the following: 10 per work week, 2 per Saturday, and 2 per Sunday.
- 15 **Net impact of Universal Student U-PASS assuming an increase in student participation to 100% of students and a per pass cost reduction to \$76 per quarter.**
- 17 Reflects addition of active transportation (bike/ped) analyst in addition to more accurate allocation of costs for front office staff on parking budget.
- 18 Artificially reduce due to transfer of staff from Transportation Administration to Commuter Services (Parking) budget.
- 19 **Active Transportation will benefit from a significant transfer of parking fines that is recorded as non-operating income and consequently not reflected in the Revenue Summary. See Budget Summary by Service Line for details.**
- 21 **Fine growth projected based on reallocation of labor hours from gatehouses to enforcement functions.**
- 22 Credit for trips projected but not taken due to reduced program participation since FY09 survey for ridership model.
- 26 Parking fines are presently transferred to Shuttles to fund Health Sciences share to HSE costs. UWMC & Harborview each pay their own way.
- 27 **Reflects \$2.2 million in special capital expenses.**
- 28 **Reflects \$5 million in special capital expenses.**

\***Bold** text indicates items referenced in the preceding financial statements. Other notes are included for context and may be referenced in oral presentation.

**VII. STANDING COMMITTEES****A. Academic and Student Affairs Committee**

*In Joint Session with*

**B. Finance, Audit and Facilities Committee**

Proposed Strategic Alliance: UW Medicine and Public Hospital District No. 1 dba Valley Medical Center

**RECOMMENDED ACTION:**

It is the recommendation of the administration, the Academic and Student Affairs Committee, and the Finance, Audit and Facilities Committee that the Board of Regents:

- 1) approve the strategic alliance between the University of Washington and Public Hospital District No. 1 dba Valley Medical Center; and
- 2) authorize the President to delegate to the CEO, UW Medicine/Executive Vice President for Medical Affairs, UW/Dean, School of Medicine with the review and advice of the UW Medicine Board and the UW Senior Vice President, authority to execute on behalf of the University the documents necessary to implement the strategic alliance, provided those agreements are consistent with the general terms as stated in the draft Strategic Alliance Agreement (Attachment 1).

**INTRODUCTION:**

Valley Medical Center is a tax-exempt, municipal corporation that operates a full-service acute care hospital located approximately fifteen (15) miles from the University of Washington on a forty-four (44) acre campus. Valley's mission is to raise the long term health of the community and Valley is committed to providing high-quality healthcare services to meet the needs of South King County residents.

Valley Medical Center (Valley) approached UW Medicine in autumn 2010 seeking to explore a strategic relationship to:

- increase access to healthcare services for South King County residents
- align best practice models
- expand clinical, teaching and research programs
- position for future healthcare reform opportunities

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

*In Joint Session with*

### B. Finance, Audit and Facilities Committee

#### Proposed Strategic Alliance: UW Medicine and Public Hospital District No. 1 dba Valley Medical Center (continued p. 2)

In January 2011, UW Medicine and Valley Medical Center (Valley) signed a non-binding letter of intent to explore a strategic alliance. Over the last five months, we have identified a clear compatibility of missions and the opportunity to further the UW Medicine strategic plan of identifying primary and secondary care services that align with UW Medicine's tertiary and quaternary care activities. The proposed action will position UW Medicine for health care reform, reduce costs and increase efficiency across the UW Medicine.

#### DUE DILIGENCE PROCESS:

Executive Sponsors, Dr. Paul Ramsey, CEO, UW Medicine/Executive Vice President for Medical Affairs, UW/Dean, School of Medicine and V'ella Warren, UW Senior Vice President, appointed a due diligence task force to work at the direction of legal counsel to evaluate the proposed strategic alliance and any potential barriers. The due diligence task force included an Oversight Team and nine operational teams whose membership was drawn from across the UW: Governance; Operations/Finance; Clinical Services; Real Estate; Physician Arrangements; Compliance; Human Resources; Quality and Risk Management; and Information Technology. In addition, KPMG was engaged to conduct an evaluation and review of Valley's financial status and operations and consult with our teams. A negotiation team was created to take the lead in working with legal counsel to negotiate the strategic alliance. The due diligence work did not identify any issues that would preclude entering the strategic alliance.

#### **Summary: 2010 Audited Financial Statements**

Moss Adams, LLC performed an independent audit of Valley Medical Center and issued its report April 11, 2011. The table below reflects key financial indicators as of December 31, 2010.

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

*In Joint Session with*

### B. Finance, Audit and Facilities Committee

Proposed Strategic Alliance: UW Medicine and Public Hospital District No. 1 dba Valley Medical Center (continued p. 3)

<p><b>Key Statistics:</b> Available Beds: 266 Occupancy: 61% Discharges: 16,272 Births: 3,720 Outpatient visits: 484,796 Emergency room visits: 73,445 Surgery patients: 10,834 FTEs: 2,207</p> <p><b>Payer Mix:</b> Medicare: 34% Medicaid: 17% Commercial: 44% Self-pay: 5%</p>	<p><b>Operating Performance:</b> Net operating revenue: \$393.5M Net operating expense: \$380.7M Net operating income: \$12.8M</p> <p><b>Balance Sheet:</b> Total assets: \$624M Total Liabilities: \$400.7M Total Debt: \$347M</p> <p><b>Key Operating Ratios:</b> Operating margin: 3.3% Excess margin: 2.6% Total EBIDA%: 13.8% Days cash on hand: 195 Net days in A/R: 41</p>
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## SUMMARY OF THE STRATEGIC ALLIANCE

UW Medicine and Valley agreed that the most feasible approach to integration was to maintain the current legal structure of Valley Medical Center as a municipal corporation and enter into an agreement authorized through existing statutory frameworks, specifically the Interlocal Cooperation Act, RCW 39.34, and the Public Hospital District statute, RCW 70.44. These statutes allow two public entities to join to fulfill their missions. The key terms that describe the process for program integration, governance, business structure, and District authority and responsibilities are summarized below:

### **Governance**

- Valley Medical Center would be managed and operated as a component entity of UW Medicine.
- The Public Hospital District would continue to exist as a separate municipal corporation with five elected District Commissioners.

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

*In Joint Session with*

### B. Finance, Audit and Facilities Committee

#### Proposed Strategic Alliance: UW Medicine and Public Hospital District No. 1 dba Valley Medical Center (continued p. 4)

- Board oversight would be through the creation of a new Board comprised of five elected District Commissioners, five Community Trustees, two current or former members of one of the boards of a component entity of UW Medicine or of the UW Medicine Board, and the CEO of UW Medicine or designee as an ex officio Trustee. All non-Commissioner Trustees would be appointed by UW Medicine, in consultation with the UW Medicine Board.
- To facilitate integration into UW Medicine, two Trustees from among the Community and Commissioner Trustees of the new Board would be recommended to the Board of Regents for appointment to the UW Medicine Board.

#### **Management**

- The Valley CEO would report to the UW Medicine CEO and the new Board.
- UW Medicine would appoint and remove the Valley CEO subject to approval of the new Board.
- The Valley CEO would join the UW Medicine leadership team.
- UW Medicine would approve the operating and capital budgets for Valley Medical Center and Valley Medical Center is expected to be included in the UW's consolidated financial reports as a discrete entity.

#### **Program integration**

- UW Medicine would initiate a strategic planning process at Valley. Several key integration opportunities have already been identified through the due diligence process.
- UW Medicine would explore business integration, clinical integration and shared support services to reduce costs and increase efficiency.

#### **Business structure**

- Valley Medical Center would continue to use its current business name with additional references to UW Medicine consistent with the policies applicable to other UW Medicine component entities.

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

*In Joint Session with*

### B. Finance, Audit and Facilities Committee

#### Proposed Strategic Alliance: UW Medicine and Public Hospital District No. 1 dba Valley Medical Center (continued p. 5)

- Valley Medical Center would continue to operate under its existing hospital license, federal tax identification number and provider number.
- Valley Medical Center would continue using an open medical staff model.
- Represented Valley District employees in currently established bargaining units would not change employer for at least ten years.

#### **District Authority and Responsibility:**

- Ownership of all assets and liabilities
- Responsibility for all debt and operating losses
- Authority to approve any transfer of material assets
- Authority to approve capital expenditures above \$100 million, adjusted annually by an amount equal to the change in the CPI index
- Exercise of statutory power to raise revenue by levy of taxes on taxable property, issue bonds or tax-obligated debt
- Authority related to relocation of the hospital, change in bed license capacity, or transfer of bed licenses
- Approval of elimination of core services

#### REVIEW AND APPROVALS:

This recommendation has been reviewed and approved by the Interim President; the CEO, UW Medicine/Executive Vice President for Medical Affairs, UW/Dean, School of Medicine; and the UW Medicine Board.

*Attachment*

Draft Strategic Alliance Agreement

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**STRATEGIC ALLIANCE AGREEMENT**

**by and between**

**University of Washington,  
an agency of the State of Washington,  
acting through one of its component organizations, UW Medicine**

**and**

**Public Hospital District No. 1 of King County,  
a Washington public hospital district,  
d/b/a Valley Medical Center**

**Dated as of June \_\_\_\_\_, 2011**

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## STRATEGIC ALLIANCE AGREEMENT

THE STRATEGIC ALLIANCE AGREEMENT (the "*Agreement*") is entered into as of this \_\_\_\_\_ day of June, 2011, by and between the University of Washington, an agency of the State of Washington, acting through one of its component organizations, UW Medicine, and Public Hospital District No. 1 of King County, a Washington public hospital district, d/b/a Valley Medical Center.

### RECITALS

A. University of Washington ("*UW*") is an institution of higher education that operates an academic medical center, UW Medicine.

B. UW Medicine is a term that refers collectively to the UW Medical Center ("*UWMC*"); Harborview Medical Center ("*HMC*"); UW Medicine/Northwest d/b/a Northwest Hospital and Medical Center ("*NWH*"); UW Physicians Network d/b/a UW Neighborhood Clinics ("*UWNC*"); The Association of University Physicians d/b/a University of Washington Physicians ("*UWP*"); University of Washington School of Medicine ("*UWSOM*"); Airlift Northwest ("*ALNW*"); and UW's membership in Children's University Medical Group ("*CUMG*") and the Seattle Cancer Care Alliance ("*SCCA*").

C. Public Hospital District No. 1 of King County (the "*District*") currently owns and operates a healthcare system, including Valley Medical Center ("*VMC*"), a full-service acute care hospital on an approximately 44-acre campus, eight primary care clinics, five urgent care clinics, and nine medical and surgical specialty clinics, located throughout southeast King County.

D. UW Medicine's mission is to improve the health of the public by advancing medical knowledge, providing outstanding primary and specialty care to the people of the region, and preparing tomorrow's physicians, scientists, and other health professionals.

E. The District's mission is to improve and sustain the overall health of the community. Governed by publicly elected commissioners, the District provides, in collaboration with its medical staff and community agencies, comprehensive quality care and service in a cost-effective and compassionate manner.

F. UW Medicine and the District, both of which are governmental entities and public agencies as that term is defined in RCW 39.34.020, share common goals to provide high quality healthcare services and believe that the public would benefit by the Strategic Alliance established by this Agreement. The expected advantages include reductions in costs, increased efficiency through shared services, and improved clinical service through the alignment and growth of clinical programs.

G. The Interlocal Cooperation Act, RCW Chapter 39.34, authorizes public agencies "to permit local government units to make the most efficient use of their powers to enable them to cooperate with other localities on a basis of mutual advantage, and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord

best with geographic, economic, population, and other factors influencing the needs and development of local communities."

H. The District is subject to the terms of Chapter 70.44 RCW, governing the activities of public hospital districts and specifically vested by statute with the power to "contract or join with any other public hospital district, publicly owned hospital, nonprofit hospital, legal entity, or individual to acquire, own, operate, manage, or provide any hospital or other health care facilities or hospital services or other health care services to be used by individuals, districts, hospitals, or others, including providing health maintenance services." RCW 70.44.240 creates another statutory basis for the District's entering into this Agreement to provide for the administration of the District Healthcare System and, in connection therewith, affords the District with substantial flexibility in the manner in which such arrangements are structured, including the rights to establish the governing body for such entity and to appropriate funds and to designate assets to carry out the contract or joint activity.

I. UW Medicine and the District wish to set forth the terms upon which they will integrate the District Healthcare System with UW Medicine as permitted by the Interlocal Cooperation Act for the purpose of furthering the achievement of their respective missions.

## **AGREEMENT**

NOW, THEREFORE, for and in consideration of the Parties' respective covenants, representations, and warranties, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

### **ARTICLE I DEFINITIONS**

#### **1.1 Definitions**

As used in this Agreement and the Exhibits, the capitalized terms have the meanings set forth in **Exhibit 1.1** or elsewhere in this Agreement, unless the context clearly indicates otherwise.

#### **1.2 General Interpretive Principles**

Whenever used in this Agreement, except as otherwise expressly provided or unless the context otherwise requires, any noun or pronoun shall be deemed to include the plural as well as the singular and to cover all genders. The name assigned to this Agreement and the Section captions used herein are for convenience of reference only and shall not be construed to affect the meaning, construction, or effect hereof. Unless otherwise specified, the terms "hereof," "herein" and similar terms refer to this Agreement as a whole, and references herein to Articles, Sections, or Schedules refer to Articles, Sections, or Schedules of this Agreement. Whenever the words "include," "includes," or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

**ARTICLE II**  
**FORMATION OF STRATEGIC ALLIANCE; STATEMENT OF PURPOSE**

**2.1 Common Powers, Privileges, and Authority**

(a) The District, as a public hospital district organized as a municipal corporation under the Public Hospital District (PHD) Act, RCW Chapter 70.44, is authorized to own and operate hospitals and other Healthcare Facilities, and to provide hospital services and other healthcare services, for the residents of the District and other persons. In order to effectuate such purpose, the District is vested with the powers, privileges, and authorities specified in the PHD Act, embodied in resolutions adopted by the District's Board of Commissioners, as further supplemented by the delineation, clarification and expansion of such rights under applicable case law. The District has adopted a mission statement to the effect that it is a healthcare network committed to improving the overall health of its community. Governed by publicly elected commissioners, the District provides, in collaboration with its medical staff and community agencies, comprehensive quality care and service in a cost-effective and compassionate manner.

(b) UW Medicine, as a component organization of UW, the state university whose primary campus is located and established in Seattle, King County, Washington, is authorized to provide instruction in the various branches of medicine pursuant to RCW 28B.20.300 and RCW 28B.20.305. In order to effectuate such purpose, UW Medicine is vested with the ability to operate a hospital in conjunction with the medical school pursuant to RCW 28B.20.440 and has such other powers as have been conferred upon it by applicable action taken by the Board of Regents of UW and existing case law and statutes. UW Medicine has adopted a mission statement to the effect that it is dedicated to improving the health of the public by advancing medical knowledge, providing outstanding primary and specialty care to the public of the region, and in preparing tomorrow's physicians, scientist and other health professionals. Overseen by the UW Medicine Board, comprised of community leaders appointed by the UW Board of Regents, UW Medicine, in collaboration with its employees, faculty, students, and trainees is committed to working with public and private institutions in order to improve healthcare and advance knowledge in medicine and related fields of inquiry.

(c) In order to pursue their respective missions, the District and UW Medicine are both committed to increasing access to public healthcare services; reducing healthcare costs; expanding clinical services; increasing efficiency in delivery of clinical care; and improving the quality and safety of care.

**2.2 Strategic Alliance; Statement of Purpose**

(a) Through this Agreement, UW and the District are forming the Strategic Alliance by entering into an agreement for joint or cooperative action pursuant to RCW 39.34.030. This Agreement sets forth the statutorily mandated terms for such an agreement.

(b) This Agreement establishes the governance structure for overseeing the operation of the District Healthcare System as an integral component entity of UW Medicine in accordance with the principles and terms set forth in this Agreement.

(c) The District Healthcare System will be integrated into the operations of UW Medicine to further their mutual missions by improving the ability of the Parties to enhance and expand clinical programs, exchange electronic health information and other data, coordinate system wide compliance and quality improvement functions and explore the creation of an accountable care organization or other innovative care delivery models.

### **ARTICLE III STRATEGIC ALLIANCE GOVERNANCE STRUCTURE**

#### **3.1 Authority of Board**

(a) The District Healthcare System shall be governed by a Board of Trustees (the "**Board**"). All actions taken by the Board shall be for, on behalf of, and in the name of the District. The Board shall have all authority, powers, privileges and rights to act for the District Healthcare System, except for those powers and rights reserved by the District's Board of Commissioners under the terms of this Agreement.

(b) Without limiting the generality of Section 3.1(a), the Board shall have the power and authority to take the following actions on behalf of the District Healthcare System to provide for high quality and safe patient care:

(i) determine the objectives and policies pertinent to the delivery of safe, high-quality, efficient patient care services of the District Healthcare System consistent with the UW Medicine Strategic Plan;

(ii) approve and adopt policies pertaining to the admission of patients to the in-patient, out-patient, short stay, and emergency services of the District Healthcare System;

(iii) assure that the medical staff and hospital/clinic administration maintain mechanisms for continued assessment of the quality and safety of patient care and ongoing performance improvement and provide reports to the Board;

(iv) approve the appointment and delineation of clinical privileges for members of the medical staff under applicable provisions of approved medical staff bylaws, policies and procedures;

(v) approve the credentialing of allied health practitioners;

(vi) approve bylaws, policies and procedures of the District Healthcare System's medical and dental staffs;

(vii) provide oversight regarding the effective use of District Healthcare System resources;

- (viii) review and approve the Annual Budgets;
- (ix) review and approve the annual goals established for the District Healthcare System to be used for directing performance and awarding incentive compensation to certain of the District's employees;
- (x) review and monitor reports on the District Healthcare System's operating income and expenditures, utilization of services, and patient statistics;
- (xi) assist in securing additional sources of income to maintain the District Healthcare System as a leading provider of healthcare services to the public;
- (xii) incur Indebtedness with respect to the District Healthcare System as permitted by Section 4.18;
- (xiii) review recommendations for the development, acquisition, management and operation of Healthcare Facilities within the District Service Area, consistent with the UW Medicine Strategic Plan, to meet the needs of the community served;
- (xiv) approve the selection and termination of the Valley CEO and evaluate the performance of the Valley CEO annually in conjunction with the UW Medicine CEO; and
- (xv) approve the selection of an external auditor, subject to the approval of the UW Medicine CEO.

(c) The Board may, in carrying out its responsibilities, seek counsel, guidance, advice, and other appropriate services, from healthcare professionals, management specialists, and others with professional expertise. Any such expenses shall be included within the Annual Budgets of the District Healthcare System.

### **3.2 Board Composition**

The District Healthcare System shall be governed by a multi-member Board, whose members (collectively the "*Trustees*") will be comprised of:

- (a) the five Commissioners serving on the District's Board of Commissioners (subject to the qualifications of Section 3.3(a)) (collectively, the "*Commissioner Trustees*");
- (b) five individuals residing within the District Service Area (**Exhibit 3.2(b)** shows the boundaries of both the District and the District Service Area), at least three of whom must also reside within the boundaries of the District, identified through the nominating procedures described in Section 3.4, and appointed by the UW Medicine CEO in consultation with the UW Medicine Board (collectively, the "*Community Trustees*"); and
- (c) two individuals identified and appointed by the UW Medicine CEO in consultation with the UW Medicine Board, who currently serve on, or were formerly members



of, one of the boards of a Component Entity of UW Medicine or of the UW Medicine Board, and the UW Medicine CEO or an individual designated by the UW Medicine CEO as his or her representative to the Board (collectively, the "*UW Medicine Designated Trustees*").

### **3.3 Terms; Staggered Board**

(a) Each Commissioner Trustee is, by virtue of being a Commissioner, entitled to serve as an *ex officio* voting member of the Board without the approval of, or action taken by, either the Board or UW Medicine, except as otherwise provided in this Section 3.3(a) and as qualified by Section 3.7(b). Any change in the identity of the Commissioners will result in an automatic simultaneous change in the Commissioner Trustees, effective when the changes in the Commissioner positions occur as a matter of law. However, if, at any time during the Term, the District has more than five Commissioners, the Commissioners, voting separately, shall determine which of the incumbent Commissioners are entitled to hold the five positions allocated to Commissioners under Section 3.2(a). In no event may there be more than five Commissioner Trustees on the Board. In addition, if the size of the District's Board of Commissioners should, at any time during the Term, be reduced to three Commissioners, the number of Commissioners serving as Commissioner Trustees shall be reduced to three, effective immediately when the size of the District's Board of Commissioners is, as a matter of law, reduced to three Commissioners.

(b) The UW Medicine CEO or an individual who has been designated by the UW Medicine CEO as his or her representative to the Board, will serve as an *ex officio* voting member of the Board, with no term limitation. Such designation may, however, be changed at any time by action taken by the UW Medicine CEO, and will be effective when written notice of such action is provided to the other Trustees on the Board.

(c) The remaining seven Trustee seats are divided into three classes, with staggered terms, to preserve continuity for Board operations. Except for the initial terms for such classes of Trustees (which are set forth below), each of these classes will provide for the designated class members to serve for a four-year term, with their successors to be appointed and in place upon the expiration of such four-year term. Initially, the first class of Board members (three Trustees) will be comprised of three Community Trustees and each will have a two-year term, the second class (two Trustees) will be comprised of one UW Medicine Designated Trustee and one Community Trustee and each will have a four-year term, and the third class (two Trustees) will be comprised of one UW Medicine Designated Trustee and one Community Trustee and each will have a six-year term.

(d) Following their initial terms, each Community Trustee may serve on the Board for two additional successive four-year terms. No Community Trustee may serve more than three successive terms. Otherwise, there are no restrictions upon the number of consecutive terms that a Trustee may serve. In order to serve as a Community Trustee, the individual must be a resident of the District or District Service Area as required by Section 3.2(b) at the time of his or her initial appointment, and at the beginning of any new term of office. If any Community Trustee ceases to reside within the District or District Service Area during his or her tenure of office, such individual shall be replaced by a substitute no later than six months after he or she no longer resides within the District or District Service Area.

(e) The Board will be vested with its full powers under this Agreement upon the Effective Date of this Agreement, even though at that time not all Community Trustees have been appointed by the UW Medicine CEO in consultation with UW Medicine Board.

### **3.4 Nomination and Appointment of Community Trustees**

(a) In order to select the initial slate of Community Trustees, within 30 days of the Effective Date, the mayors of the cities located in whole or in part within the District will be asked to submit nominations for open positions to the UW Medicine CEO. In addition, within 30 days of the Effective Date, any person residing within the District Service Area may nominate himself or herself or another person residing within the District Service Area for open positions to the UW Medicine CEO. The UW Medicine CEO, in consultation with the UW Medicine Board, will have up to six months after the Effective Date to appoint the Community Trustees from the initial slate of Community Trustees; it is, however, the expectation that substantially all of such appointments will be made within 90 days after the Effective Date.

(b) After appointment of the initial Community Trustees, nominations for open positions for Community Trustees may be provided by existing members of the Board (including outgoing Trustees), past and former members of a board of a component of UW Medicine, and other persons within the District Service Area with whom UW Medicine may consult. Nominations for these open positions must be submitted to UW Medicine (i) no later than six months before a position for a Community Trustee becomes available due to the normal expiration of the terms of office, or (ii) within 60 days after a vacancy in a Board position held by a Community Trustee or a UW Medicine Designated Trustee, and whether such vacancy is due to death, removal or another cause. If UW Medicine (acting through the UW Medicine CEO in consultation with the UW Medicine Board), in its sole discretion, does not receive appropriately qualified candidates for the slate of open positions or subsequent open positions for a Community Trustee, UW Medicine may actively solicit such nominations from other individuals.

### **3.5 Duties of Trustees**

Each of the Trustees will owe the same duties and obligations in discharging his or her responsibilities and duties as a trustee under applicable law, including but not limited to fiduciary duties and the duties to act in good faith, with reasonable care, in a manner believed to be in the best interests of the District Healthcare System, and not for personal benefit. Each Trustee must discharge faithfully and honestly his or her duties and perform strictly and impartially to the best of his or her ability. Such duties and obligations are owed by the Trustee for the benefit of each of the District and UW in the furtherance of their respective interests under this Agreement. Each Trustee must comply with UW Medicine's Policy on Professional Conduct, the Ethics in Public Service Act, RCW Chapter 42.52 and RCW Chapter 42.20 and all other duties and obligations owed by a public officer under the laws of the state of Washington.

To the extent that any Trustee serves in a representative capacity on behalf of either UW or the District, such individual may, when exercising the rights reserved to UW or the District, as the case may be, exercise such rights as directed by the Party for whom such individual serves in

a representative capacity, and in doing so will not be deemed to have breached any duty, fiduciary or otherwise, owed by such individual as a Trustee.

### **3.6 Exercise of Powers; Delegation of Authority**

The Board shall have overall oversight responsibility for operation of the District Healthcare System. Consistent with its By-Laws and this Agreement, the Board may, by duly-adopted resolutions, delegate to others, including its officers, employees, agents, and representatives, the performance of its authority, powers, privileges and rights granted to it by this Agreement, as the Board deems appropriate, except for the following, each of which must be approved separately by Board action:

- (i) approval of the Annual Budgets of the District Healthcare System;
- (ii) approval of the appointment and termination of the Valley CEO recommended by the UW Medicine CEO, after consultation with UW Medicine Board;
- (iii) removal of a Commissioner Trustee for Cause pursuant to the terms of Section 3.7 (which action is not permitted without concurrent approval of the UW Medicine CEO);
- (iv) any commitment of the District Healthcare System to expend, or commit to expend, an amount exceeding the level that has been delegated by the Board; and
- (v) the approval of any Shared Support Service or Clinical Integration Activity for which Board approval is required under Section 6.4.

### **3.7 Removal of Trustees**

(a) The UW Medicine CEO, in consultation with the UW Medicine Board, may, at any time and for any reason, remove a Community Trustee or a UW Medicine Designated Trustee; provided, however, that the UW Medicine CEO, in consultation with the UW Medicine Board, must promptly appoint a substitute Trustee having the requisite position qualifications.

(b) A Commissioner Trustee may be removed from the Board only for "Cause" as defined in this Agreement, and as determined by both the UW Medicine CEO and the Board. Either the UW Medicine CEO or the Board may initiate the process to remove a Commissioner Trustee. No such action shall be taken unless (i) the affected Commissioner Trustee has been given at least 30 days prior written notice of the intended action, together with an explanation of the grounds for his or her proposed removal, and (ii) the affected Commissioner Trustee has had an opportunity to appear before the Board and the UW Medicine CEO to be heard and explain why there is not "Cause" for removal. Should a Commissioner Trustee be removed for Cause, the remaining Commissioner Trustees, acting by a majority vote thereof, shall promptly designate a successor Commissioner Trustee (who need not be a Commissioner of the District and is referred to as a "**Replacement Commissioner Trustee**") to hold the position of the removed Commissioner Trustee. Such Replacement Commissioner Trustee shall have the right to remain on the Board until the Commissioner who has been

removed for Cause is no longer a Commissioner of the District, at which time the new Commissioner will occupy the position. The removal of any Commissioner Trustee will not, in and of itself, have any impact upon the right of such removed Commissioner Trustee to remain in his or her capacity as a Commissioner of the District. Any Replacement Commissioner Trustee is likewise subject to removal for "Cause" on the same basis as a Commissioner Trustee.

### **3.8 Management of the District Healthcare System**

(a) **Valley CEO.** The day-to-day operations of the District Healthcare System shall be administered by a chief executive officer (the "**Valley CEO**"). The Valley CEO will select others, as provided in Section 3.8(b) to assist him or her in discharging such responsibilities. The Valley CEO is accountable to the Board and to the UW Medicine CEO and will be part of the UW Medicine leadership team. The Valley CEO is responsible for implementing the governance decisions of the Board and is accountable to the Board and the UW Medicine CEO for effectively administering the District Healthcare System in accordance with the approved Mission Statement, UW Medicine Strategic Plan, Annual Budgets, and applicable District Healthcare System and UW Medicine policies. The Valley CEO shall report, on a regular and routine basis, to the UW Medicine CEO. The performance of the Valley CEO shall be reviewed at least annually by the Board and the UW Medicine CEO. The Board will establish a subcommittee of the Trustees, to be known as the "**Board Compensation Committee**," to review executive performance and relevant market data for the purpose of providing advice and recommendations to the entire Board as to the appropriate levels of compensation for the Valley CEO and Senior Executive Team. These terms are to be set by the Board. The UW Medicine CEO may remove the Valley CEO if his or her performance is unsatisfactory at any time, subject to the approval of the Board. The UW Medicine CEO may, where appropriate, designate individuals, subject to the approval of the Board, to serve on a temporary basis as the Valley CEO, pending the selection of individuals to hold the position on a permanent basis.

The UW Medicine CEO will appoint the Valley CEO subject to the approval of the Board. The initial Valley CEO will be the chief executive officer of the District in place as of the Effective Date. The following procedure will be used to select and appoint subsequent Valley CEOs: A search committee appointed by the UW Medicine CEO, consisting of three members of the Board and three other individuals shall develop a job description and qualifications statement (which shall be subject to the approval of the UW Medicine CEO), establish criteria for measurement of applications, screen all applicants, conduct investigations and interview candidates. This committee shall identify acceptable candidates from among which the UW Medicine CEO, with the concurrence of the Board, shall select and appoint the Valley CEO.

(b) **Other District Healthcare System Management.** The Valley CEO shall select, hire and, where appropriate, terminate such executives, associates, assistants, and other administrative personnel to head the operating departments necessary to operate the District Healthcare System (collectively the "**Senior Executive Team**"). These individuals appointed by the Valley CEO shall be accountable to and act under the supervision of the Valley CEO. They shall report to the Valley CEO and the Valley CEO shall report to the Board and the UW Medicine CEO. The Valley CEO shall, at least annually, evaluate the performance of the Senior Executive Team and determine the compensation, terms of employment and other performance-

related matters associated with such executives, subject to the review of the UW Medicine CEO and the Board Compensation Committee. Decisions regarding the termination of such executives, and the appointment of replacement executives, shall be made by the Valley CEO in consultation with the UW Medicine CEO. In taking such action, however, the Valley CEO shall act in the manner consistent with the Annual Budgets, adopted from time to time by the Board, and the UW Medicine Strategic Plan.

(c) **Day-to-Day Operations.** The Valley CEO and his or her Senior Executive Team shall have the authority and responsibility to manage the day-to-day operations of the District Healthcare System. Such authority and responsibility shall be at all times consistent with the terms of this Agreement and the directives of the Board and the UW Medicine CEO, and applicable federal and state law and regulation and industry standards. Such authority and responsibility shall include oversight and management responsibility for:

(i) UW Medicine Strategic Plan implementation in the District Healthcare System; preparation of the Annual Budgets for submittal to the UW Medicine CEO and Board for approval; and managing the financial performance of the District Health System;

(ii) the District Healthcare System's Quality Improvement, Quality Assurance, Risk Management, Loss Prevention and Claims Management programs;

(iii) implementation and maintenance of the District Healthcare System's Compliance Program; coordination and oversight of state and federal licensing, accreditation, and certification activities; and state and federal regulatory compliance oversight and management;

(iv) planning and oversight of the District Healthcare System's marketing and communications activities;

(v) the District Healthcare System's information technology systems and security needs;

(vi) contracting as necessary for the regular conduct of the District Healthcare System's business and operations, including but not limited to professional and other services, supplies, and equipment, including leasing arrangements;

(vii) the District Healthcare System's Medical Staff relations, credentialing and peer review activities;

(viii) physician recruitment and physician employment needs and arrangements;

(ix) accounting and financial management, including preparing the District Healthcare System's financial statements, maintenance of financial books and records and completion of the annual independent audit of the District Healthcare System;

(x) human resources activities, including development of general employment policies and procedures, employment supervision and discipline, administration of employee benefits programs, determination of professional and staff personnel needs, including hiring and termination authority, orientation and training programs, determination of salary and benefits levels;

(xi) maintenance, repair, and security of the District Health System campus and facilities and the clinical, administrative and financial systems; and

(xii) maintenance and implementation of policies and procedures reasonably necessary for the operation of the District Healthcare System consistent with applicable state and federal law and regulation and applicable UW and UW Medicine policies and rules.

(d) **Incentive Compensation Program.** Currently, a portion of the compensation of the District's Senior Executive Team is contingent upon the District's achievement of certain goals established prior to the commencement of the District's fiscal year (i.e., the "at risk" component of executive compensation). The incentive compensation program will be evaluated on an annual basis by the Board Compensation Committee and the UW Medicine CEO and may, from time to time, be modified subject to the terms of existing employment agreements.

### **3.9 Representation on UW Medicine Board**

Throughout the Term, the Board will be entitled to have two of its Trustees, drawn exclusively from the pool of the Commissioner Trustees and Community Trustees, serve concurrently on the UW Medicine Board. Those individuals will be selected by UW in accordance with its existing UW Medicine Board bylaw provisions, as may be amended in the future, with respect to the appointment of UW Medicine Board members. Such initial appointments to serve on the UW Medicine Board shall be completed no later than the last date upon which the final candidates for the initial slate of the Community Trustees are appointed pursuant to Section 3.4(a).

### **3.10 Performance Under RCW 39.34.030(5)(a)**

(a) **District Compliance.** This Agreement, as authorized by Chapter 39.34 RCW, provides for the exercise of certain powers and cooperative action by the District and UW in managing the District Healthcare System to advance the purpose of the Strategic Alliance as set forth in Article II. Through the activities conducted under this Agreement, the District intends to discharge certain of the obligations and responsibilities imposed upon it by law (in particular, those imposed statutorily by the PHD Act). Accordingly, to the extent that there is actual and timely performance of such obligations and responsibilities through the implementation of this Agreement, such performance is being offered by the District in satisfaction of its obligations and responsibilities under law.

(b) **UW Compliance.** UW Medicine has reviewed and is familiar with the requirements of the PHD Act. UW Medicine shall use its best efforts to comply with all of the applicable requirements of the PHD Act as relates to the operation of the District Healthcare

System, so that the activities under this Agreement are offered by the District's Board of Commissioners to satisfy their respective obligations under the PHD Act. It is, however, recognized that certain activities are unique to the District, and compliance with those provisions must be monitored and satisfied by the District's Board of Commissioners rather than through the Board.

(c) **Board Compliance.** The Parties have attached to this Agreement as Exhibit 3.10(c) a chart showing how and to what extent the various statutory obligations of the District are to be satisfied by the activities of the District and the District Healthcare System, as overseen by the Board, throughout the Term.

### **3.11 District Superintendent**

The District is required, by statute, to have a superintendent who will serve as the District's chief administrative officer (the "*Superintendent*"). Such Superintendent is required to report and be accountable to the District's Board of Commissioners as required by Chapter 70.44 RCW. Nothing in this Agreement eliminates the District's obligation to cause such Superintendent to be appointed and to remain in place throughout the District's existence. There is, however, no requirement that the roles of the Superintendent and the Valley CEO be held by the same individual. The District's Board of Commissioners shall have and retain its full statutory authority to appoint and remove the Superintendent, while at the same time the Board shall have the rights to approve the Valley CEO as set forth in Section 3.8(a).

### **3.12 Open Public Meetings Act**

Since both the District and UW are public bodies subject to the applicable requirements of the Open Public Meeting Act, Chapter 42.30 RCW, the Board and Board committees, if any, will, to the extent that either conducts meetings subject to the terms of such Act, ensure that such meetings are held in compliance with the Open Public Meetings Act.

### **3.13 Board Bylaws**

The Board's business shall be conducted in accordance with the terms of the Board Bylaws attached hereto as Exhibit 3.13, which will, without further action, become effective as of the Effective Date; furthermore, the Board will, at its first regular meeting, ratify the adoption of such Board Bylaws. Some Board Bylaw provisions constitute an integral part of this Agreement and, as a consequence, may not be amended, modified or otherwise supplemented without the prior approval of UW Medicine and the District. Other Board Bylaw provisions address, among other matters, rules with regards to the holding of regular and special meetings, quorum requirements, the appointment of Board officers, and the composition, responsibilities and authority of Board committees, and revisions to such provisions, if proposed, may be adopted by the Board without prior approval of the Parties. The Board Bylaws sets forth the requisite approvals needed to amend the particular provisions contained therein.

## **ARTICLE IV OPERATIONAL GUIDELINES AND PRINCIPLES**

The District Healthcare System will be operated as an integral component of UW Medicine in accordance with the following principles:

### **4.1 Compliance With Laws**

The Board shall operate the District Healthcare System in material compliance with the licensing laws, rules, and regulations of the State and Medicare and Medicaid laws, rules, and regulations, as well as in compliance with all applicable federal and State environmental laws, rules, and regulations. The Board shall not cause or permit the District Healthcare System to be used in any way that violates any law, ordinance, or governmental regulation or order. The Board shall be responsible for complying with all laws applicable to the District Healthcare System, as in effect on the date hereof or as may be subsequently enacted. If the enactment or enforcement of any law, ordinance, regulation, or code during the Term requires any changes to the operation of the District Healthcare System during the Term, the Board shall take such necessary actions in order to effectuate such changes, at the expense of the District.

### **4.2 Compliance with Contractual Arrangements**

The Board shall cause the District Healthcare System to be operated in a manner consistent with, and to comply with the terms of all contracts to which the District is a party or to which its assets are subject, so as to avoid breaches or events of defaults under such contracts that would expose the District to liabilities for nonperformance. Such contracts, including those existing on the Effective Date, as well as new contracts to be entered into the future, will include, among other things, contracts relating to:

- (i) collective bargaining agreements with various groups of employees represented by Unions;
- (ii) employment contracts with District's medical, executive and management staff;
- (iii) service contracts with vendors, including physician groups, providing goods and services to the District; and
- (iv) the Bond resolutions and other instruments and agreements pursuant to which the District has incurred Indebtedness; and
- (v) all joint ventures and strategic alliances to which the District is and will be subject.

### **4.3 District Employees**

(a) The Parties intend to operate the District Healthcare System through the District's employees. With the approval of the Board, and based upon consultation with the UW Medicine CEO, the Valley CEO will determine how to staff the services necessary to operate the



District Health System to achieve the objectives of this Agreement. Such staffing may be handled by the District's employees or contracted out to third party providers, including employees of the other Component Entities of UW Medicine. Notwithstanding the foregoing, subject to the qualification in Section 4.3(b), the employer of represented employees of the District Healthcare System will not change for at least the first ten years of the Term and the employer of the Valley CEO, Senior Executive Team and other currently non-represented groups of employees will not change for at least the first five years of the Term. The Parties recognize that any change in the employer of represented employees would require prior planning, and such planning could occur during ten-year period. To the extent District employees are subject to binding contracts, such as collective bargaining agreements that are in effect as of the Effective Date, such contracts will not be affected by the consummation of the Strategic Alliance.

(b) Nothing herein is intended to restrict the right of the Valley CEO to terminate any employee or otherwise modify the terms of employment for any employee following the Effective Date to the extent such actions are consistent with then applicable District Healthcare System policies and procedures, collective bargaining agreements, employment agreements, and applicable law and provided such actions are consistent with the terms of Section 3.8. Furthermore, nothing in this Section 4.3 affects the rights of the District Healthcare System and other Component Entities to enter into integration activities permitted under Section 6.4.

#### **4.4 Medical Staff**

Entry into this Agreement will not affect the medical staff privileges of the members of the District medical staff who will remain members of the District's medical staff, holding the same category of membership and possessing the same clinical privileges as they held immediately before the Effective Date. The medical staff will be subject to the oversight of the Board, pursuant to the medical staff bylaws, policies and procedures in effect immediately prior to the Effective Date. Such oversight will be comparable to the current oversight provided by the District's Board of Commissioners and in compliance with relevant law and accreditation requirements.

#### **4.5 Open Medical Staff**

The District shall maintain an open medical staff, wherein any licensed healthcare practitioner may apply for medical staff privileges consistent with the then current medical staff bylaws, policies and procedures of the District. No such practitioners shall be required to obtain faculty appointment at UW Medicine or provide call coverage or other services to any of the other UW Medicine Component Entities. The assignment of UW School of Medicine faculty to provide healthcare services in District Healthcare System facilities will be based on program plans developed pursuant to the UW Medicine Strategic Plan and Annual Budgets. Primary, specialty, and, where practical, tertiary services will continue to be provided through existing District medical staff to the extent feasible in light of the District's available staffing, cost considerations, opportunities for increased efficiency and ongoing changes in the healthcare environment.

#### **4.6 Books and Records; Review and Reports**

(a) The District Healthcare System shall maintain, or cause to be maintained, a complete set of financial records that accurately reflect the financial position of the District Healthcare System, including but not limited to a balance sheet, statement of revenues and expenses, net assets, and related detailed accounts for the District Healthcare System, in accordance with GASB standards. Upon request, the Valley CEO shall furnish to the District, UW Medicine and the Board all such financial accounting records and books to ensure compliance with the terms of this Agreement, including but not limited to those related to financial matters.

(b) The District shall maintain, or cause to be maintained, complete and accurate financial records relating to the disposition of monies remitted to the District's Board of Commissioners under Section 9.3, and shall make such books and records available to the District Healthcare System to permit preparation of the reports and statements required by Section 4.7. The District acknowledges that the preparation of such records is required in order to prepare the annual and quarterly financial statements required by Section 4.7(c).

(c) The Valley CEO shall furnish, or cause to be furnished, to the Board, the District and UW Medicine:

(i) within 120 days after the end of each Fiscal Year, audited financial statements of the District (including a balance sheet, statement of revenues, expenses, and net assets), prepared in accordance with GASB standards and certified by a firm of independent certified public accountants selected and approved by the Board and subject to approval by the UW Medicine CEO;

(ii) within 45 days after the end of each fiscal quarter, unaudited financial statements for the District (including a balance sheet, statement of income and loss, and cash flows);

(iii) no later than 45 days prior to the beginning of the District's fiscal year, drafts of the Annual Budgets for review and approval by the Board;

(iv) no later than 45 days prior to the beginning of the District's fiscal year, a statement of the annual goals for the District Healthcare System, together with a proposal as to how the achievement of such annual goals is tied to executive compensation for review and approval by the UW Medicine CEO and Board;

(v) no later than 30 days prior to the beginning of the District's fiscal year, any revisions or updates proposed by the Valley CEO to a rolling 5-year capital plan consistent with the UW Medicine Strategic Plan for the District Healthcare System, for review and approval by the Board;

(vi) on or prior to November 15 of each year, the District's annual expenditure budget, in form and substance satisfying the statutory requirements of RCW 70.44.060(6), to permit the District to hold the public hearing, and to adopt the final budget, as provided for in the aforementioned provision of state law;

(vii) to the extent that, at any time, the District is required by applicable federal or state law, to submit any other reports, financial statements, budgets, tax returns statements, affidavits or other filings (except as otherwise described in this section), such items, in form and substance sufficient to satisfy the applicable statutory requirements, to permit such items to be filed or delivered by the District prior to the applicable statutory filing deadlines.

(d) UW and the District shall, throughout the Term, have the right to an annual review and audit of the books and records of the District Healthcare System. Such review and audit rights may be carried out by the Party and its authorized representatives (including, without limitation, its accountants, legal counsel, industry experts, employees and other agents) at any time, during normal business hours, and upon reasonable notice to the other Party (the Parties acknowledging that 10 days' prior written notice of the desired review and/or audit is reasonable for this purpose). Without limiting the generality of the foregoing, such review and audit rights include the right to examine:

(i) the Board's and/ or UW Medicine's compliance with the terms of Article IV;

(ii) whether the Board has separated the District Assets and District Liabilities as and to the extent required by Article V; or

(iii) whether and to what extent Business Integration Activities, Shared Support Services and Clinical Integration Activities have been provided in accordance with the requirements of Section 6.4.

(e) The review and audit costs shall be borne by the Party conducting the review and/or audit, including without limitation all out-of-pocket expenses of third party experts (including accountants, legal counsel, industry experts, employees and other agents), and internal staff time.

#### **4.7 Licenses**

(a) Throughout the Term, the Board will maintain the District Healthcare System's existing licenses and VMC National Provider Identifier number, unless the Board determines that this approach is disadvantageous due to evolution in the health care delivery system or health care reimbursement methodologies. The Board shall not consolidate such licenses into a single "system-wide" or other consolidated license, unless taking such action is deemed to be in the best interest of the District Healthcare System. Moreover, to the extent the Board provides for the growth of the District Healthcare System by adding Healthcare Facilities requiring new licenses, such new licenses shall be: (i) issued in the name of the District, consistent with the District's past practices or (ii) in the name of UW Medicine or one of its other Component Entities if it is more advantageous to do so and procuring the license in such manner is specifically approved by the Valley CEO, the UW Medicine CEO and the Board.

(b) Throughout the Term, it is anticipated that the Board will continue to use existing Medicare and Medicaid provider numbers for the District Healthcare System. However, the Parties recognize that there may be opportunities or joint activities to provide services in a

different manner and will confer as to such opportunity and take action as appropriate to maximize the potential benefits; provided that such provider numbers will not be procured in the name of any person other than the District, unless procuring such provider numbers is determined to be in the best interest of the District Healthcare System as determined by the Valley CEO, the UW Medicine CEO and the Board.

#### **4.8 Branding; System Name**

The Board will identify the facilities of the District Healthcare System by using the branding protocols currently employed by the other Component Entities of UW Medicine, with the understanding that such protocols may evolve over time. All such facilities shall be identified as being component entities of "UW Medicine." The District reserves, however, the right to have major signage for its facilities include a reference identifying such facilities as "Valley Medical Center." The Parties will in good faith confer with regard to branding decisions, with a view to taking advantage of the integration of the District's Healthcare Facilities into UW Medicine, but recognizing the unique ownership character of the assets. They will agree upon the relative font size of the lettering for any signage including references to both UW Medicine and the District.

#### **4.9 Marketing of District Healthcare System**

The District Healthcare System's marketing activities will be integrated with the UW Medicine marketing plan. It is recognized that historically, the District has allocated a portion of its annual budget for marketing initiatives to promote various aspects of its healthcare programs. The Annual Budgets developed during the Term will consider this historical allocation and may include a line item for specific marketing expenses for similar promotional purposes consistent with the Annual Budgets.

#### **4.10 Fund-Raising**

UW Medicine and the District Healthcare System shall coordinate the fundraising activities for the District Healthcare System. Any funds raised through such efforts that are expressly solicited for the benefit of the District Healthcare System or that are dedicated to or intended by the donor for the benefit of the District Healthcare System shall be made exclusively available for program development or other purposes specified in the solicitation and/or donor's designation. Such funds may not be used to support other programs sponsored by UW Medicine and its other Component Entities.

#### **4.11 District's Tax-Exempt Bonds**

As of the Effective Date, the District will have outstanding several series of Bonds and may, during the Term, authorize the issuance of additional Bonds (and, pursuant to the requirements of Section 4.18, is, under certain circumstances, contractually obligated to provide for the issuance thereof) to (i) refinance all or a portion of its outstanding Bonds and/or (ii) finance capital improvements, program expansions, or other initiatives authorized under the UW Medicine Strategic Plan and the related Annual Budgets. Throughout the Term, the Parties and the Board shall: (i) take all necessary steps to ensure that operation of the District Healthcare System is in compliance with the applicable bond covenants contained in the

resolutions, indentures or other similar documents, pursuant to which such Bonds are issued; including an obligation to levy Regular Property Taxes in amounts sufficient to pay the debt service on all outstanding general obligation Bonds; (ii) not take, or omit to take, any action that would cause interest on any Tax-Exempt Bonds to be ineligible for exclusion from gross income for federal income tax purposes under the Code, including, without limitation, any action that would cause such Tax-Exempt Bonds to be or become "arbitrage bonds" or "private activity bonds" under the Code; and (iii) not take, or omit to take, any action that would cause interest on any Subsidy Bonds to be ineligible for direct payment of the subsidy payments which are payable by the federal government under applicable provisions of the Code or other federal law, which the District has elected to receive under the applicable provisions of the Code or other federal law, including, to the extent applicable and without limitation, any action that would cause such Subsidy Bonds to be or become "arbitrage bonds" or "private activity bonds" under the Code. It shall remain the District's responsibility to monitor and, to the extent within its control, maintain the tax exempt status of its Bonds.

#### **4.12 Guidelines Regarding District Healthcare Practitioners**

(a) **Staffing of Healthcare Facilities Within the District Service Area.** The District Healthcare System is intended to be the primary channel, through which primary and specialty care, and to the extent feasible, tertiary care is provided to patients residing within the District Service Area. UW Medicine and the District intend for such services to be staffed by District Physicians or other licensed practitioners on the District's medical staff (collectively, the "*District Healthcare Practitioners*") to the extent they have the capacity and expertise to provide such services. UW School of Medicine faculty will be used to provide such services if (i) such services are not adequately available or feasible through District Healthcare Practitioners or (ii) there are other reasons, as approved by the Valley CEO and UW Medicine CEO, for staffing these functions by UW School of Medicine faculty. With these principles in mind, UW Medicine and the District agree to the following operational guidelines for staffing of Healthcare Facilities located within the District Service Area:

(i) District Healthcare Practitioners shall be primarily used as the workforce for providing primary and specialty care for patients within the District Service Area.

(ii) To the extent available and feasible, District Healthcare Practitioners shall be used to provide tertiary care for patients residing within the District Service Area.

(iii) When appropriate, patients serviced by the District Healthcare System requiring tertiary and quaternary care will be referred, on a case-by-case basis, to other UW Medicine Component Entities or to other healthcare practitioners with the requisite specialty expertise, capacity and facilities needed. This affiliation does not supersede the discretion of the individual clinicians (and the Valley medical staff) to determine what is best for their patient as to when and where to refer their patient for consultation or transfer of care.

(iv) The assignment of UW School of Medicine faculty to practice with the District Healthcare System will be based on such business plans as may be developed from time to time by the Valley CEO and the UW Medicine CEO consistent with the UW Medicine Strategic Plan; with such assignments to UW School of Medicine faculty to be further subject to the following restrictions:

(A) they have specialty expertise not adequately available through District Healthcare Practitioners or such expertise as necessary as part of the Clinical Integration Activities pursuant to Section 6.4; or

(B) Staff privileges at any Healthcare Facility within the District Healthcare System have been conferred to a member of the UW School of Medicine faculty in accordance with the then existing staff privilege and credentialing guidelines of the District Healthcare System.

(b) **Assignment of District Healthcare Practitioners to UW Medicine Health System Facilities.** This affiliation does not affect current policies regarding the assignment of licensed healthcare practitioners in the community to a position within UW Medicine and does not contemplate assignment of District employed healthcare practitioners to any other UW Medicine Component Entity.

#### **4.13 Accountable Care Organizations**

The criteria for qualifying as an "accountable care organization" have not yet been defined in detail. UW and the District may find it in their best interest to develop additional operational arrangements in order to qualify as an accountable care organization, when the definitional standards of those institutions are further developed. The Board will monitor developments in the law and, as appropriate, make recommendations to UW and the District, as to such further actions that might be taken in order to take advantage of the federal and state benefits extended to accountable care organizations. UW and the District has each separately determined there are compelling reasons for proceeding with the Strategic Alliance, regardless of the manner in which the rules regarding "accountable care organizations" may be developed over time or whether UW and the District may subsequently form an accountable care organization.

#### **4.14 Fiscal Year**

The fiscal year for the District Healthcare System will be established as the 12-month period beginning July 1 and ending June 30 of the following year, effective with the fiscal year beginning July 1, 2012. Such action will bring the fiscal year used by the District Healthcare System in line with the fiscal year used by UW Medicine and its other Component Entities, hence, facilitating strategically integrated planning among such entities. The Board will nonetheless cause appropriate reports to be prepared, so that the District's Board of Commissioners can satisfy the District's statutory requirements to establish an annual expenditure budget and to levy Regular Property Taxes sufficient to meet all irrevocable Bond covenants as required by RCW 70.44.060(6) and Chapter 84 RCW. This establishment of the District Healthcare System's fiscal year will not necessarily constitute a change in the District's fiscal year, which is the 12-month period beginning on January 1 and ending on December 31 of

each year, and no such change will be made unless it can be effectuated without triggering a default or an event of default with respect to any of the District's outstanding Bonds.

#### **4.15 Represented Employees**

The District values its collaborative and effective relationship with its Unions, and is committed to maintaining working relationships characterized by mutual trust and proactive problem solving. The Board will respect and continue to foster these established labor relationships and will recognize the various unions as exclusive bargaining representatives of their respective employees as required by applicable law. The Board, acting through the Valley CEO and his or her designees, shall:

(i) have control over decision making with respect to labor relations and collective bargaining, including but not limited to, grievance processing, administration of collective bargaining agreements, staffing agreements, training fund agreements, layoffs, and negotiation and ratification of successor collective bargaining agreements; subject to the qualifications of Section 4.4; and

(ii) implement the decisions reflected in the approved Annual Budgets, including their impact upon capital investments, hospital beds, core services, service lines; subject to the terms of Sections 4.4 and the rights reserved to the District under Sections 6.6 and 7.1.

#### **4.16 Expanded WWAMI Program Participation**

The Parties acknowledge the District Healthcare System's participation in the WWAMI program, a clinical medical education program conducted in Washington, Wyoming, Alaska, Montana and Idaho and overseen by UW School of Medicine, and contemplate the District Healthcare System's increased and/or enhanced participation in WWAMI as approved by the Board and the UW Medicine CEO.

#### **4.17 Research Programs Within District Healthcare System**

The District agrees to permit UW Medicine to conduct University-administered research in the District Healthcare System facilities. UW Medicine will be responsible for the administration of UW-administered research awards and contracts and for providing an appropriate level of oversight in the administration and management of such awards, including but not limited to preparing and submitting project proposals for regular UW faculty, fulfilling all applicable conditions, requirements and restrictions of the awards and contracts such as accounting, monitoring and reporting, and pre-award and post-award review and monitoring. UW Medicine will ensure compliance with applicable federal and state laws and regulations and other applicable rules in administering university-administered research at District Healthcare System facilities. Where appropriate, if resources of the District Healthcare System are used to support such UW-administered research programs, the District Healthcare System will be reimbursed for the use of such services at appropriate levels consistent with applicable laws and grantor rules and guidelines. All such agreements will be reviewed and approved under applicable UW policy and procedures. Financial arrangements for research projects to be conducted at District Healthcare System facilities shall be comparable to those for research

projects conducted at other Component Entities. To the extent the District Healthcare System conducts District Healthcare System-administered research or permits its medical staff to conduct non-University administered research in its facilities, the District Healthcare System will ensure compliance with applicable federal and state laws and regulations and other applicable rules. Consistent with Section 4.11 of this Agreement, UW Medicine and the District Healthcare System each specifically agree not to take, or omit to take, any action that would cause any Tax-Exempt Bonds or Subsidy Bonds to be or become "private activity bonds" under the Code by reason of the conduct of such research projects in District Healthcare System facilities financed by such Tax-Exempt Bonds or Subsidy Bonds, and it shall remain the District's responsibility to monitor and, to the extent within its control, maintain the tax exempt status of its Bonds.

#### **4.18 Incurring Liabilities on Behalf of District**

(a) The Board may, in operating the District Healthcare System, incur Liabilities on behalf of the District, and such Liabilities shall be exclusively those of the District, be satisfied out of District Assets and District Revenues, be duly authorized as approved by the Board, and the creditors thereof shall look solely to the District Assets and District Revenues for the repayment of such obligations (subject to whatever limitations upon such claims as may be imposed at the time the obligations are incurred). The Board does not need to obtain the approval of the District's Board of Commissioners to incur such Liabilities. The Board shall incur such Liabilities solely for the purpose of conducting the business of the District Healthcare System. Furthermore, the incurrence of such Liabilities must be consistent with the Annual Budgets prepared and approved for the District Healthcare System, together with any business plans pursuant to Article VI. In addition, the Board may borrow money on behalf of the District in connection with purchase money obligations, installment purchases, capital leases and other similar obligations, subject to the limitation provided in Section 7.1(a)(vii), as long as (i) such borrowing does not trigger an event of default under any of the outstanding Bonds of the District; and (ii) such obligations constitute revenue obligations of the District payable solely out of a special fund or funds into which the District may pledge the revenues of the District Healthcare System pursuant to RCW 70.44.060(5)(a).

(b) Notwithstanding Section 4.18(a) (except as otherwise permitted in the final sentence thereof), the Board may not incur Indebtedness or issue, or cause to be issued, on behalf of the District any Bonds but may request that the District's Board of Commissioners do so for the purposes enumerated in Section 4.18(c).

(c) While recognizing that the District is the sole party authorized to incur Indebtedness or issue Bonds as to which the District is the obligor or by which District Assets and/or District Revenues are committed for the payment thereof, the District nonetheless covenants for the benefit of the District Healthcare System that it will, throughout the Term, subject to any applicable constitutional and statutory limitations, take any and all actions necessary to authorize, and incur Indebtedness, or issue, or cause to be issued, Bonds as requested by the Board for each of the following purposes:

(i) to refinance the outstanding Bonds (including the principal and accrued interest thereon, together with necessary refinancing costs) as market conditions



may dictate, to the extent that such Bonds have not been fully amortized and paid off upon maturity or upon an earlier acceleration thereof due to an event of default); or

(ii) to finance the District's participation in the integration activities authorized under Section 6.4 or to support the expansion and/or development of programs offered by the District Healthcare System under Section 6.6, to the extent that such participation or activities cannot be funded out of the other District Revenues.

#### **4.19 Real Estate Transactions**

To properly conduct the business of the District Healthcare System, the Board has, subject to certain limitations, been delegated the authority to acquire, lease, exchange, encumber, sell, or otherwise dispose of interests in real property, and related or ancillary personal property, used in the operation, or to support the activities of, the District Healthcare System. The Board does not need to secure the approval of the District's Board of Commissioners to enter into any such transactions, unless such approval is required by Section 7.1(a) or by Article VI as it may relate to proposed integration-related activities. To the extent that the District's Board of Commissioners approval is required by such provisions, the Board will not proceed with any such proposed transaction, unless and until such approval has been secured. However, where no such approval is required, the Board is empowered to take any and all actions as may be necessary in order to effectuate the desired real estate transaction and in so doing will be acting pursuant to delegated authority granted by the District's Board of Commissioners pursuant to RCW 39.34.030(5)(a). Under those circumstances, the Board may request the District's assistance in order to exercise such delegated authority, and the District will act in good faith to facilitate such transactions. That certain transactions may require actions by both the District Board of Commissioners and the Board is reflected in Item 42 and Items 44 through 46 **Exhibit 3.10(c)**.

### **ARTICLE V**

#### **SEPARATE ASSETS AND LIABILITIES; PROHIBITION AGAINST COMMINGLING**

##### **5.1 Separate Assets and Separate Liabilities**

(a) The District shall:

(i) retain ownership of, and its interest in, and be entitled to all the economic benefits derived from, all District Assets; and

(ii) be responsible for, and be solely obligated to pay, all District Liabilities and Indebtedness.

(b) The District shall hold title to all of the District Assets included within the District Healthcare System (other than District Assets leased and/or licensed to the District, in which event the District shall continue to hold such leasehold and license interests therein).

(c) Neither UW, UW Medicine nor any of the other UW Medicine Component Entities shall acquire title to, acquire or secure a Lien against, or have any other possessory interest in any of the District Assets comprising the District Healthcare System.

Notwithstanding the foregoing, nothing in this paragraph is intended to prohibit UW and the District from entering into any of the integration activities permitted under Article VI.

(d) The Board may dispose of the District Assets owned, leased, licensed and/or otherwise controlled by the District in the ordinary course of the operation of the District Healthcare System and in accordance with public hospital district statutes concerning disposal of assets; provided, however, that such dispositions are subject to the requirements of Section 7.1, and provided further that the proceeds received upon disposing of such District Assets shall belong to, and be used exclusively for, the purpose of managing, growing and operating the District Healthcare System.

(e) The Board may not use, or permit the use of, District Assets to cover liabilities of or to subsidize the activities of UW Medicine or any of its other Component Entities; provided, however, that this prohibition shall not be construed to restrict the Business Integration Activities, Shared Support Services and/or Clinical Integration Activities authorized under Section 6.4.

(f) All District Liabilities, whether existing as of the Effective Date or subsequently incurred during the Term, shall remain exclusively the Liabilities of the District.

(g) UW shall not assume, guarantee or otherwise be deemed to have recourse liability for the payment of any District Liabilities by becoming a party to this Agreement.

(h) Nothing in this Agreement shall be deemed to impose upon UW or UW Medicine any obligation to subsidize the activities of the District, or to make its own resources available to support such activities, recognizing, however, that it is anticipated that the District Healthcare System will be integrated into UW Medicine.

(i) The District shall not assume, guaranty or otherwise be deemed to have recourse liability for the payment of any Liabilities of UW or UW Medicine or any of its other Component Entities.

## **5.2 Accounting for, Application and Investment of District Revenues**

(a) The Board shall maintain separate bank accounts, in the name of and for the benefit of the District, for receipt of all District Revenues derived from the operation of the District Healthcare System. Funds shall be promptly deposited into such accounts and shall not be commingled with the accounts maintained for UW Medicine or UW.

(b) Subject to the terms of Section 9.3, throughout the Term, the Board shall have total control over the application of the District Revenues and the use of District Assets and shall, in exercising such control, ensure that all District Revenues and District Assets are applied exclusively for the benefit of the District Healthcare System, with the understanding that such funds and assets may be used only:

(i) to pay District Liabilities (including payment of the outstanding Bonds and any other Indebtedness) as and when they become due and payable in accordance with their terms;

(ii) to establish, build and maintain reserves, in amounts required to meet Bond covenants and other obligations and as deemed appropriate by the Board;

(iii) to fund integration activities authorized under Article VI;

(iv) to support the ongoing operation of the District Healthcare System as well as its future growth and development by allowing the District to expand patient care as contemplated by Section 6.6;

(v) to cover all expenses related to the operation of the District Healthcare System;

(vi) to cover expenses of the District's operation (as distinguished from the operation of the District Healthcare System) consistent with the principles of Section 9.3; and

(vii) with respect to the proceeds (including investment proceeds) of District Bonds, for the purposes for which the District issued such Bonds.

(c) Pending the disbursement of District Revenues, the Board shall cause such monies, as directed by the Valley CEO, to be invested in investments permitted by public entities and consistent with past practices of the District. UW and the District recognize that there are different statutory frameworks in place under Washington law governing how available funds may be invested by public hospital districts subject to the PHD Act and UW as an agency of the State. The Board shall take appropriate action to ensure that the District Revenues are only invested in accordance with the rules applicable to the District.

(d) The Board shall cause financial records to be established and maintained, in reasonable detail, to evidence the segregation of the District Assets (including the District Revenues) from the assets and revenues of UW, UW Medicine or any of the other Component Entities. The District may, at any time, review and/or audit, as permitted under Section 4.7(b), such books and records to verify the requisite segregation of assets and liabilities.

(e) Nothing in this Section is, however, intended to prohibit UW and the District from entering into the integration activities pursuant to Article VI.

(f) The District acknowledges that it has delegated control over the application and use of the District Revenues and the District Assets to the Board during the Term of this Agreement. Accordingly, all revenues and/or funds generated as a result of District activities, including Bond proceeds, will be considered part of the corpus of the District Assets and will be applied by the Board for the purposes set forth in Section 5.2(b). The District will not have the right to acquire or Transfer any District Assets, since such rights have been vested in the Board; provided, however, that, pursuant to the terms of this Agreement, certain acquisitions and Transfers of assets require not only Board approval but also the approval of the District's Board of Commissioners. Furthermore, to the extent that the Board, in the exercise of its vested powers, provides for the acquisition or Transfer of assets, the District's Board of Commissioners agrees, at the Board's request, to take all necessary actions on its part in order to permit such decisions to be implemented and, in so acting, the District's Board of Commissioners

has not relinquished its powers, but instead has elected to exercise them to allow the Board to discharge the duties delegated to it under this Agreement. The preceding sentence does not however obligate the District's Board of Commissioners to so proceed, if the action to be taken is one requiring separate approval of the District's Board of Commissioners, and the District's Board of Commissioners, in the exercise of their independent judgment, choose not to support the recommended course of action.

## **ARTICLE VI INTEGRATION OF DISTRICT HEALTHCARE SYSTEM**

UW and the District shall observe the principles set forth in this Article VI in pursuing joint cost savings, efficiencies and improved medical care when integrating the District Healthcare System into UW Medicine. To achieve the goals of this Strategic Alliance, the District Healthcare System will be managed as an integral component entity of UW Medicine.

### **6.1 Overarching Goal of Integration**

One of the Strategic Alliance's primary objectives is to have the District Healthcare System be operated as a component entity of UW Medicine during the Term. UW and the District will each use its best efforts to facilitate such integration. The integration activities will be implemented through the collaborative efforts of the District Healthcare System and UW Medicine. Without limiting the generality of the foregoing, the Parties commit that they will:

- (a) share Confidential Information, as contemplated by Section 6.2, in order to permit the necessary strategic planning to occur to facilitate the integration activities;
- (b) participate in collaborative planning processes to align their delivery of Healthcare Services and an array of clinical programs;
- (c) contract jointly for Shared Support Services pursuant to Section 6.4;
- (d) engage in Clinical Integration Activities between the District Healthcare System, and one or more of the Component Entities pursuant to Section 6.4; and
- (e) integrate to achieve improved patient care quality and access and improved efficiencies.

### **6.2 Confidential Information**

In order to achieve the Strategic Alliance's objectives, UW Medicine and the District agree to make available to the other, throughout the Term, Confidential Information regarding its healthcare system. The Confidential Information exchanged between the parties shall be used solely for purposes of pursuing the objectives of the Strategic Alliance. Neither the District nor the Board will withhold Confidential Information regarding the District Healthcare System, even though such information is otherwise Confidential Information, since the sharing of such Confidential Information is critical to the integration of the District Healthcare System with UW Medicine. UW Medicine will not withhold its Confidential Information to the extent that the disclosure thereof is critical to achieving the integration of the District Healthcare System into

UW Medicine. The District and UW acknowledge that both Parties are subject to the Washington Public Records Act, and may be obligated to disclose documents when it receives a public records request. Should any Public Records Act request for Confidential Information be received by either Party, it will provide the other Party with notice to enable that Party to seek a protective order or other judicial relief. This paragraph supersedes the provisions of that certain Mutual Non-Disclosure and Confidentiality Agreement, dated January 18, 2011, between UW and the District.

### **6.3 Strategic Planning; Annual Budgets**

(a) As soon as is reasonably practicable after the Effective Date, the UW Medicine CEO will enlist the Valley CEO and the Senior Executive Team and appropriate executives and staff at UW Medicine to initiate the integration of the District Healthcare System into UW Medicine consistent with the UW Medicine Strategic Plan. The UW Medicine Strategic Plan is intended to give overall direction to the specific initiatives to be pursued within the District Healthcare System and to provide for the desired alignment of clinical, research and teaching programs between the Parties. The UW Medicine Strategic Plan may be amended, from time to time, to take into account new developments. Notwithstanding the foregoing, the UW Medicine Strategic Plan will not incorporate terms that are inconsistent with, or that take away, the specific benefits conferred upon the District and the District Healthcare System by this Agreement.

(b) Furthermore, to further integrate the activities of the District Healthcare System with those of the other Component Entities and promote appropriate and necessary program growth, the Board and the Senior Executive Team will participate in UW Medicine's comprehensive and ongoing strategic planning and capital planning and budgeting processes. This process will include aligning the District Healthcare System's programs, resource allocations and services with those of the other UW Medicine Component Entities.

(c) The Valley CEO and his/her Senior Executive Team will also prepare Annual Budgets with reasonable detail, and comparable with the similar budgets prepared by the other UW Medicine Component Entities.

(d) The Annual Budgets shall be prepared in accordance with the timeline used for the UW Medicine budget calendar, and shall be subject to the approval of the Board and the UW Medicine CEO in consultation with the UW Medicine Board.

### **6.4 Integration Activities**

(a) **Special Definitions.** For purposes of this Agreement and this Section 6.4, the following terms have the meanings assigned below:

"*At Cost*" means, with respect to any Shared Support Services provided by one Component Entity to another, an amount equal to the actual costs incurred in providing such services, determined in accordance with GASB, computed on a consistent basis, subject to the following special rules: (i) to the extent that such Shared Support Services are provided by the service provider to one or more Component Entities (such as would be the case if the services were rendered by UW Medicine for and on behalf of the District and one or more of the other

Component Entities), consistent methods shall be applied by UW Medicine in allocating costs among the serviced entities, so as to ensure that each entity is treated no less favorably than another; (ii) if such Shared Support Services are provided by persons who do not work exclusively in rendering services for and on behalf of the other Component Entities, reasonable methods shall be adopted by the service provider to ensure an appropriate allocation of such employee's time between all recipients of the employee's services, with appropriate records maintained to evidence that the allocations have been made on a reasonable and equitable basis; and (iii) overhead allocations are permissible, subject to demonstration that they relate to reasonable costs, and have been fairly allocated among the Component Entities benefiting from such services.

**"Business Integration Activity"** means any alignment and integration of the business and activities of the District Healthcare System with one or more of the other Component Entities, including but not limited to activities related to patient safety, quality metrics, compliance activities, business planning processes, and strategic planning, where there is no sharing of either revenues or expenses between such entities.

**"Clinical Integration Activity"** means an alignment of the clinical activities and programs of the District Healthcare System with one or more of the other Component Entities and potentially with others, through the creation of new or expanded programs providing for patient care, where there is a sharing of revenues and expenses among the participating entities.

**"Material Transaction"** means, with respect to either a Shared Support Service or Clinical Integration Activity, any proposed activity falling within one or more of the following criteria: (i) it requires, or is projected to call for, the District Healthcare System to expend \$25 million or more in any 12-month period or \$50 million or more over the proposed life of the activity; (ii) it cannot be implemented fully unless the participants secure a "certificate of need" from the Washington State Department of Health; or (iii) it involves the sale, contribution, leasing, licensing, conveyance or other disposition of District Assets having a value in excess of 5% of the District's total assets as reflected on its most recent annual financial statements.

**"Shared Support Services"** means the delivery of goods and/or services through one or more of the UW Medicine Component Entities. Such Shared Support Services may relate to shared administrative, technical and other support services. Furthermore, an additional defining characteristic is that each such arrangement provides for the participants to share costs related to the Shared Support Services, but does not involve the sharing of revenues with respect to such Shared Support Services.

(b) **Origination of Ideas; Refinement of Proposals.** UW and the District acknowledge that potential opportunities for integration may be generated from a variety of sources, including but not limited to: (i) the executives of the Component Entities; (ii) the senior executive teams, employees, consultants, advisors and vendors of the Component Entities; (iii) while it remains in existence, the OIOC established under Section 6.4(h); and (iv) the executive leadership of UW Medicine. Proposed integration opportunities will be screened, evaluated, refined, documented and processed pursuant to such protocols as may be established from time to time by the UW Medicine CEO.

(c) **General Requirements.** No integration proposal, irrespective of its form, will be implemented until:

- (i) the terms of the proposal have been documented in written form;
- (ii) the Valley CEO and ultimately the UW Medicine CEO approve its implementation; and
- (iii) the Valley CEO and ultimately the UW Medicine CEO have determined that the participants' involvement in the integration proposal can be reasonably funded out of their respective available resources.

(d) **Shared Support Services.** In addition to the general requirements of Section 6.4(c), before implementing a proposed Shared Support Service, where either the District Healthcare System or one of the other Component Entities provides such services for the benefit of one or more of the other Component Entities, the following additional requirements must be met:

- (i) the service provider agrees to render the services At Cost;
- (ii) the service provider treats the District Healthcare System no less favorably than it treats any of the other Component Entities; and
- (iii) the service provider agrees to be held to the same standard care expected of a reasonably prudent person providing similar services in the King County, Washington area.

If one or more of the requirements noted above cannot be satisfied, the terms of the proposal may nonetheless be implemented if the terms upon which it is to be provided are disclosed to and separately approved by (A) the Board and (B) if the proposed Shared Support Services would constitute a Material Transaction, the District's Board of Commissioners.

(e) **Clinical Integration Activities.** In addition to the general requirements of Section 6.4(c), before implementing a proposed Clinical Integration Activity, the following additional requirements must be met:

- (i) the documentation includes the information itemized in Section 6.4(f);
- (ii) the participants share in the revenues and expenses in proportion to the relative values of their respective contributions to the activity (whether consisting of cash, property and/or services), as the values of such contributions have reasonably been determined by the Valley CEO and the UW Medicine CEO; and
- (iii) the Valley CEO and the UW Medicine CEO have each confirmed that, in their respective opinions, the terms of the Clinical Integration Activities are equitable to the participants.

If one or more of the requirements noted above cannot be satisfied, the terms of the proposal may nonetheless be implemented if the terms upon which it is to be provided are disclosed to and separately approved by (A) the Board and (B) if the proposed Clinical Integration Activity would constitute a Material Transaction, the District's Board of Commissioners.

(f) **Documentation of Clinical Integration Activities.** Each of the Clinical Integration Activities will be documented in writing and address the following in either a business plan or a written agreement:

(i) the identification of all participants to the arrangement and a statement of the purposes and objectives of the arrangement;

(ii) the manner in which the activity is to be governed by the participants, including an itemization of all matters requiring approval of the participants before being implemented;

(iii) the relative contributions of the participants to the activity, whether consisting of cash, property, services, staffing support or some combination thereof, as well as the values assigned to such contributions and the respective obligations of the participants to contribute additional capital to the activity, separate and above the capital contributions;

(iv) the manner in which the revenues and expenses of the activity are to be allocated among the participants;

(v) any periodic reports to be prepared and distributed to report on the financial performance of the activity, including but not limited to required financial statements, tax returns as applicable, and status reports; and

(vi) such other provisions as are normal and customary for initiatives similar to the proposed activity.

(g) **Unwinding.** Since one of the Strategic Alliance's primary objectives is to achieve integration, neither UW nor the District may, at any time during the Term, take action to unwind integration activities without first securing the approval of the other, which approval may be granted, denied, or granted subject to conditions in the other Party's discretion.

(h) **Establishment and Operation of OIOC.** As soon as reasonably practicable after the Effective Date, the UW Medicine CEO will establish a management committee, to be designated as the "Operational Integration Oversight Committee," consisting exclusively of management representatives (the "**OIOC**"). The OIOC will be charged with the responsibility of reviewing the potential integration activities identified on **Exhibit 6.4(h)** and proposed pursuant to Section 6.3(a) to determine whether to recommend to the UW Medicine CEO the implementation of any of such proposals. No later than June 30, 2012, the OIOC shall provide its initial report, including recommendations, to the UW Medicine CEO. It is contemplated that the OIOC will remain in existence for the first three years after the formation of the Strategic Alliance to provide ongoing input regarding the advisability of pursuing various



integration proposals, but it will be left to the discretion of the UW Medicine CEO to decide how long the OIOC shall remain in place to provide advice regarding proposed integration activities. The Board will be periodically briefed on the work of the OIOC.

(i) **Separate Clinical or Support Services.** To the extent that either the District Healthcare System or one of the other Component Entities provides, for the benefit of the other, clinical or support services (not falling within the other terms of this Section 6.4), the service provider shall be entitled to reimbursement At Cost for such services or upon such other terms as are mutually acceptable to the Valley CEO and the UW Medicine CEO.

## **6.5 Core Clinical Services**

The UW recognizes the particular community services mission of the District and agrees to retain the institutional identity in a manner that, to the extent funds are available, achieves the aims of the District to meet its community obligations identified in its mission statement. Consistent with the UW Medicine Strategic Plan and the community obligations of the District, core clinical services will be maintained and opportunities for increased efficiencies explored as needed to improve access, reduce duplication and improve overall cost effective value of services. Expansion, contraction, or relocation of services will be completed within the overall context of the UW Medicine Strategic Plan and the community needs and obligations of the District. In furtherance of such objective, the Board will not eliminate any of the clinical services referenced on **Exhibit 7.1(a)(ix)** unless such elimination is approved by the District's Board of Commissioners or otherwise permitted by the terms of such exhibit.

## **6.6 New Ventures**

The District Healthcare System is intended to serve as the primary vehicle through which Healthcare Services are rendered to individuals residing within the District. Accordingly, if at any time during the Term there is perceived to be a need to expand the scope of existing, or to add new, Healthcare Services located within the District Service Area, UW and the District intend, to the fullest extent possible, to have such Healthcare Services be incorporated into and be rendered as a part of the District Healthcare System, unless such services are already provided directly or indirectly by a Component Entity of UW Medicine through ownership or contract or arise pursuant to the evolution of such services. If the Valley CEO and the Board do not wish to pursue the new venture, but UW Medicine wishes to proceed independent of the District Healthcare System, UW Medicine may not pursue such new venture until it has first received the approval of the District's Board of Commissioners.

## **6.7 Unwinding of Integration**

(a) If the decision is made to not extend this Agreement, or in the event of the earlier termination of this Agreement, no later than 30 days from the occurrence of a termination event under Section 10.2, UW and the District shall confer to establish a plan for unwinding integration activities, so that the District Healthcare System can operate on a separate stand alone basis, with its own employees, and not dependent upon UW Medicine or any of the other Component Entities, upon the expiration of the Term, without disruption of services or impairment of patient care and safety. The Parties shall work in good faith to devise the

necessary transition plan and to achieve the necessary unwinding of integrated activities and services. However, in lieu of unwinding all such integrated activities, UW and the District may, upon mutually acceptable terms, provide for some integrated services to remain in place after expiration of the Term or to allow one or more of the Parties to provide desired services on a post-termination basis as approved by the Valley CEO and the UW Medicine CEO.

(b) At any time from two years prior to the expiration of the Term until a decision to extend the Term is reached, no contracts may be entered into that commit the District Healthcare System to obligations surviving the termination or expiration of the Term except to the extent that such obligations are incurred in the ordinary course of business, and are terminable by the District without liability no later than 180 days after delivery of a termination notice from the District, unless approved in advance by the Valley CEO or his or her designee; provided, however, this restriction will not apply to any action otherwise previously approved by the District's Board of Commissioners;

(c) The cost of unwinding integrated activities shall be borne equitably by the District and UW Medicine. The Valley CEO and the UW Medicine CEO will instruct their respective staffs to estimate the costs of unwinding integrated activities and proposing an equitable allocation of the unwinding costs, after taking into account all relevant factors, including but not limited to the participants' relative benefits from participating in the integrated activities, the difficulties in unwinding the integration, and the cost of establishing new stand alone operations with comparable functionality. If, for whatever reason, the Valley CEO and the UW Medicine CEO cannot agree upon either the proper allocation of the unwinding expenses or the method of unwinding the integration, the matter may be submitted, by either Party, for dispute resolution under this Agreement.

## **ARTICLE VII RESERVED POWERS**

### **7.1 District-Reserved Powers**

(a) Notwithstanding anything in this Agreement to the contrary, none of the following actions may be taken by or on behalf of the District Healthcare System by either the Board or the UW Medicine CEO, unless first approved by the District's Board of Commissioners:

(i) the Transfer or Encumbrance of any Material Asset of the District Healthcare System; provided, however, that the foregoing shall not apply to purchase money security interests as long as such Encumbrances are created in connection with the acquisition of property, equipment, machinery, or other tangible or intangible acquisitions, whose acquisitions has been approved in the Annual Budgets or separately approved by either the District's Board of Commissioners or the Board pursuant to authority otherwise granted under this Agreement;

(ii) the decision to expend for annual capital improvements, equipment expenditures, or other significant acquisitions an amount greater than two times the average annual amount of capital expended for such purposes during the period from

2005 through 2010, adjusted annually, starting in 2012, by an amount equal to the change in the CPI Index from the first day of the prior year through the last day of the prior year;

(iii) the exercise of the District's statutory power to raise revenues by the levy of Regular Property Taxes on taxable property within the District's boundaries; provided, however, the District is subject to the requirements of Section 9.1;

(iv) relocation of the Hospital or the creation of any other new acute-care hospital facilities that are on a new site within the District Service Area (this prohibition does not relate to clinics but only to hospital facilities);

(v) change in any bed license applicable to the Hospital that would result in a reduction in licensed bed capacity;

(vi) the sale or transfer of any bed license or certificates of need or other hospital licenses applicable to the District Healthcare System to another entity;

(vii) the incurrence of Indebtedness except as otherwise permitted by Section 4.18(a) and as long as such Indebtedness does not exceed the amounts permitted under Section 7.1(a)(ii);

(viii) the issuance of Bonds by the District, which actions may be taken only by resolutions duly adopted by the District's Board of Commissioners; provided, however, the District has committed itself to incur Indebtedness and issue, or cause to be issued, Bonds as and to the extent required to fund the expenses referenced in Section 4.18(c);

(ix) any event eliminating core clinical services unless the elimination of such services is permitted within the terms of **Exhibit 7.1(a)(ix)**; and

(x) any amendment to this Agreement or the provisions of any of the exhibits attached hereto, except as otherwise provided in this Agreement (the terms of all such exhibits having been incorporated herein by reference).

(b) The District's Board of Commissioners may exercise its statutory and other common law powers to:

(i) levy Regular Property Taxes as and to the extent contemplated by this Agreement, subject to the qualifications of Section 9.1;

(ii) sponsor educational or other outreach programs (not involving patient care) designed to encourage overall wellness and preventive health initiatives within the District Service Area so long as these programs are not duplicative of other programs already in place and recognizing that such activities are to be conducted pursuant to the terms of this Agreement rather than separately conducted by the District's Board of Commissioners in some other manner; provided, further, that this does not preclude the District Healthcare System from offering similar programs and, should it elect to do so, the District and Board will, in good faith, coordinate their efforts to make

them available to the public with a view to achieve the optimal impact given the limited resources each makes available for such services; and

- (iii) preserve and protect its rights under this Agreement.

## **7.2 Limitations on District Activities**

(a) Notwithstanding anything in this Agreement to the contrary, none of the following actions may be taken by and on behalf of the District Healthcare System either by the Board or the District, unless approved in writing by the UW Medicine CEO after consultation with the UW Medicine Board:

- (i) the establishment of a new facility, including a Healthcare Facility in the District Service Area;

- (ii) any activity requiring a Certificate of Need;

- (iii) the District shall not, outside of the Strategic Alliance, offer or directly or indirectly provide or invest in Healthcare Services within the District Service Area; provided, however, that this restriction will not prohibit the District from sponsoring the programs referenced in Section 7.1(b)(ii);

- (iv) the Transfer of any Material Assets of the District Healthcare System;

- (v) any amendment to this Agreement or the provisions of any of the exhibits attached hereto, except as otherwise provided in this Agreement (the terms of all such exhibits having been incorporated herein by reference); and

- (vi) the District's Board of Commissioners may not approve, by resolution or otherwise, or recommend the approval of, any plan to de-annex, or to otherwise remove from the District, any portion of the District, unless a showing has been made to the UW Medicine CEO that such action does not adversely impact the tax base of the District or the District's ability to service its outstanding Bonds and to comply with all of the covenants, representations and warranties made in connection with the issuance thereof.

(b) The UW may take any action to preserve and protect its rights under this Agreement.

## **ARTICLE VIII REPRESENTATIONS AND WARRANTIES**

### **8.1 District's Representations and Warranties**

The District represents and warrants to UW that the statements contained in this Article VIII are correct and complete as of the date of this Agreement and will be true as of the Effective Date as if each such representation and warranty were remade as of the Effective Date:

(a) **Organization and Authority.** The District is a municipal corporation duly organized, validly existing, and in good standing under the laws of the State of Washington. Subject to obtaining the consent of the District's Board of Commissioners, the District has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. As of the Effective Date, the execution and delivery of this Agreement by the District and the consummation by the District of the transactions contemplated by this Agreement shall have been duly authorized by all requisite corporate action of the District, including, but not limited to, approval of the transaction by the District's Board of Commissioners and any creditor whose consent is required by contract or law and shall constitute the valid and binding obligations of the District enforceable in accordance with its terms.

(b) **Noncontravention.** Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated by this Agreement, shall (i) violate any statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any Governmental Body, to which the District or the District Assets is subject or any provision of the charter or bylaws of the District; or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any Party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, lien, security interest, or other arrangement to which the District is a Party or by which the District is bound or to which any of the District Assets is subject (or result in the imposition of any security interest upon any of its assets). Except as is otherwise expressly set forth in this Agreement, the District does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Governmental Body in order for the Parties to consummate the transactions contemplated by this Agreement.

(c) **Compliance with Law; Litigation.** The District is in compliance with all applicable laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of all Governmental Bodies. There is no action, suit, proceeding, or investigation in progress or pending before any Governmental Body, and there is no threat thereof against or relating to the District or its properties, assets, or business, nor, to the knowledge of the District, is there any basis for any such claim, suit, or other proceeding. There is no suit, action, investigation, or other proceeding commenced, pending, or, to the knowledge of the District, threatened against, or affecting the District in any Governmental Body, in which it is sought to restrain, prohibit, or otherwise adversely affect the ability of the District to perform any or all of the obligations required of it under this Agreement or the consummation of the transactions contemplated by this Agreement.

(d) **Program Exclusion.** Neither the District or any of its employees, agents, officers, directors, or managers:

(i) Have been convicted of a criminal offense related to, or are currently sanctioned, excluded, proposed for exclusion, or otherwise ineligible to participate in, any federal or state funded health care program, including but not limited to Medicare and Medicaid programs; and

(ii) Have not otherwise been excluded from doing business with the Federal government as provided in the list maintained by the United States General Services Administration or the Department of Health and Human Services Office of Inspector General.

## 8.2 UW's Representations and Warranties

UW hereby represents and warrants to the District, that each of the following representations and warranties is true and correct as of the date hereof and will be true and correct as of the Effective Date.

(a) **Organization and Authority.** UW is an agency of the State of Washington, validly existing and in good standing under the laws of the State of Washington. UW has all requisite power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. As of the Effective Date, the execution and delivery of this Agreement by UW and the consummation by UW of the transactions contemplated by this Agreement shall have been duly authorized by all requisite action of UW, including, but not limited to, approval of the transaction by the UW's Board of Regents and any creditor whose consent is required by contract or law and shall constitute the valid and binding obligations of UW enforceable in accordance with its terms.

(b) **Noncontravention.** Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated by this Agreement, shall (i) violate any statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any federal, state, local, or foreign governments, governmental agency, or court (collectively, the "**Governmental Bodies**") to which UW or the UW Assets is subject or any provision of the charter or bylaws of UW; or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any Party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, lien, security interest, or other arrangement to which UW is a Party or by which UW is bound or to which any of the UW Assets is subject (or result in the imposition of any security interest upon any of its assets). Except as is otherwise expressly set forth in this Agreement, UW does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Governmental Body in order for the Parties to consummate the transactions contemplated by this Agreement.

(c) **Compliance with Law; Litigation.** UW is in compliance with all applicable laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of all Governmental Bodies. There is no action, suit, proceeding, or investigation in progress or pending before any Governmental Body, and there is no threat thereof against or relating to UW or its properties, assets, or business, nor, to the knowledge of UW, is there any basis for any such claim, suit, or other proceeding. There is no suit, action, investigation, or other proceeding commenced, pending, or, to the knowledge of UW, threatened against or affecting UW in any Governmental Body, in which it is sought to restrain, prohibit, or otherwise adversely affect the ability of UW to perform any or all of the obligations required of it under this Agreement or the consummation of the transactions contemplated by this Agreement.

(d) **Program Exclusion.** Neither UW Medicine, nor any of its other Component Entities engaged in providing patient care, nor any of their respective employees, agents, directors or managers:

(i) have been convicted of a criminal offense related to, or are currently sanctioned, excluded, proposed for exclusion, or otherwise ineligible to participate in, any federal or state funded health care program, including but not limited to Medicare and Medicaid programs; and

(ii) have not otherwise been excluded from doing business with the Federal government as provided in the list maintained by the United States General Services Administration or the Department of Health and Human Services Office of Inspector General.

## **ARTICLE IX ADDITIONAL COVENANTS**

### **9.1 Exercise of Tax Levy Authority**

(a) The District, pursuant to the authority vested in it under RCW 70.44.060(6), may, from time to time, raise revenues by levying annual Regular Property Taxes on all taxable property within the District subject to certain constitutional and statutory limitations. The exercise of this statutory Regular Property Tax levy authority is reserved exclusively to the District and may not be exercised by the Board, even though the Board is vested with the authority to manage and operate the District Healthcare System throughout the Term. In addition, the District agrees, covenants represents and warrants that it shall:

(i) maintain its Regular Property Taxes against taxable property within the District's boundary (subject to constitutional and statutory limits) at such levels as are necessary to ensure that, at no time, there is a breach of, or an event of default under, any of the District's outstanding Bonds or the covenants contained in the District resolutions pertaining to such Bonds, and that the District will not take any other action, whether or not related to tax levies, which results in, or could reasonably be expected to result in, the breach or an event of default under any of the outstanding Bonds or bond covenants;

(ii) not take action to reduce the current level of tax support for the District's services and care, unless each of the following conditions is satisfied:

(A) such action does not result, nor is it reasonably expected to result, in causing the District Healthcare System to operate at a deficit during any fiscal year;

(B) such action does not result, nor is it reasonably expected to result, in reducing the level of care or scope of services then offered by the District Healthcare System to the public, including its support for charity cases, indigents, and the uninsured, as well as its delivery of services, at historical levels for all other patients; and

(C) such action does not result, nor is it reasonably expected to result, in the withdrawal or a downgrade in the credit rating of any outstanding District Bonds by any nationally recognized statistical rating organization.

(b) Certain of the District's outstanding Bonds are "limited tax" general obligation Bonds. The District has irrevocably covenanted in its resolutions authorizing the issuance of such Bonds to include in its budget and to make annual levies of Regular Property Taxes within the constitutional and statutory tax limitations provided by law without a vote of the electors of the District upon all property within the District subject to taxation in amounts that, together with any other money legally available therefor, should be sufficient to pay the principal of and interest on such Bonds as the same shall become due. The District has irrevocably pledged its full faith, credit and resources to the annual levy and collection of such Regular Property Taxes and for the prompt payment of such principal and interest.

(c) Notwithstanding the terms of Section 9.1, the District's Board of Commissioners will retain the discretion as to whether to increase annually, subject to applicable constitutional and statutory limits, the Regular Property Taxes to be levied upon taxable property within the District without voter approval. No later than March 1 of each year, the District's Board of Commissioners shall advise the Valley CEO and the Board as to its decisions regarding the Regular Property Taxes to be levied in the upcoming year. Providing such notice will permit the Board to take such decision into account in establishing the Annual Budgets for the District Healthcare System for the following fiscal year. Nothing in this section is intended, however, to relieve the District of its obligations under Section 9.1(a)(i).

## **9.2 Good Faith Compliance Efforts**

Neither the District's Board of Commissioners nor UW Medicine shall, directly or indirectly, take actions that (i) arrogate to itself any of the power, authority, privileges or rights vested in the Board or (ii) are intended to circumvent, undermine, or otherwise frustrate the purposes for which the Strategic Alliance was organized. The District will, upon the reasonable request of the UW Medicine CEO, amend the District's Bylaws, mission statement, or contractual arrangements, if such action is necessary in order to synchronize the terms of those agreements with the commitments of the District in this Agreement. Notwithstanding the foregoing, the exercise by either the District's Board of Commissioners or UW of the rights reserved to them in Article VII or elsewhere in this Agreement shall not be deemed to be a violation of this Section 9.2.

## **9.3 Revenues to Support District Activities**

(a) To permit the District to pursue its separate activities (i.e., activities not related to the operation of the District Healthcare System), the Board shall, at the District's request, remit funds to the District's Board of Commissioners to permit timely payment of the following expenditures, as and when incurred:

(i) the compensation and expense reimbursements to which the Commissioners of the District are entitled under applicable law, including amounts related to ongoing education;



(ii) the funds needed to permit the District's Board of Commissioners to exercise their respective rights and discharge their obligations as such rights and obligations are itemized in **Exhibit 3.10(c)**;

(iii) the funds needed by the District to support community outreach programs for general health awareness and preventative care pursuant to the rights reserved under Section 7.1(b)(ii), which expenditures will be in amounts comparable to similar expenditures in the years preceding the Strategic Alliance's creation;

(iv) the funds needed by the District to protect its interests under this Agreement (including, without limitation, to exercise its review and audit rights under Section 4.7); and

(v) the funds necessary to pay the debt service on, and satisfy other financial obligations with respect to, District Indebtedness and Bonds.

(b) No later than 60 days prior to the beginning of each fiscal year of the District Healthcare System, the District's Board of Commissioners shall deliver, or cause to be delivered, to the Valley CEO a budget of its projected expenditures (for which remittances from the District Healthcare System are expected under Section 9.3(b)) for the upcoming fiscal year and, if the fiscal year does not end on December 31, and for the period between the end of the fiscal year and December 31. Such information will be used by the Board to prepare the statutory expenditure budget required by RCW 70.44.060(6), as well as the operating budgets to be included in the Annual Budgets. The District's right to receive District Revenues to cover Section 9.3 expenses will, during each fiscal period, be limited to the budgeted amounts set forth for such fiscal period, except to the extent that expenditures in excess of such amounts are either approved by action of the Board or are needed to preserve the District's rights pursuant to Section 9.3(a)(iv).

#### **9.4 Private Letter Ruling Request**

The District has filed, or expects to shortly file, a private letter ruling request with the IRS seeking a determination that the District's participation in the Strategic Alliance will not adversely affect the tax-exempt status of the District's outstanding Bonds. Until the District receives such determination from the IRS, the Board will not permit the District Healthcare System to become party to any revenue-sharing arrangement with any of the other Component Entities.

### **ARTICLE X TERM, TERMINATION AND WIND UP**

#### **10.1 Term**

The term of this Agreement (the "***Term***") shall commence as of the Effective Date and shall continue until December 31, 2026; provided, however, that with the approval of the District's Board of Commissioners and UW Medicine, the Term may be extended for each of two successive 15-year periods. In order to extend the Term for either of the two 15-year extensions, the District's Board of Commissioners and UW Medicine must agree in writing to the extension

no later than two years prior to the expiration of the then-existing Term of the Strategic Alliance. Furthermore, the Term may be terminated prior to the date set forth for its expiration pursuant to the occurrence of certain termination events identified in Section 10.2.

## **10.2 Termination Events**

This Agreement will terminate prior to the expiration of its Term (as defined in Section 10.1) upon the first to occur, if any, of the following events:

- (i) the written election of the District and UW to mutually terminate this Agreement;
- (ii) the written election of the District to terminate this Agreement if there has been a UW Event of Default and such UW Event of Default has not been cured within the grace period provided for in Section 10.3;
- (iii) the written election of UW to terminate this Agreement if there has been a District Event of Default, and such District Event of Default has not been cured within the grace period provided in Section 10.4; or
- (iv) the written election of the District or UW following the occurrence of a Triggering Event.

The date upon which any termination under this Section 10.2 is effective shall be the date stipulated in the election notice giving rise to such termination; provided, however, that such termination shall not be effective earlier than 180 days after written notice has been given of the election to terminate this Agreement has been given, unless the Parties jointly consent in writing to an earlier termination date.

## **10.3 Default by UW**

The following occurrences shall each be deemed to be an Event of Default by UW (each a "***UW Event of Default***") (whatever the reason for such UW Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, or order of any court or any order, rule, or regulation of any administrative or governmental body):

- (i) UW defaults in the performance of, or breaches, any covenant or warranty of UW in this Agreement, and such default or breach continues for a period of 180 days after written notice has been given to UW specifying such default or breach in reasonable detail and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder;
- (ii) UW, pursuant to or within the meaning of any Bankruptcy Law, (A) commences a voluntary case, (B) consents to the entry of an order for relief against it in an involuntary case, (C) consents to the appointment of a custodian of it or for all or substantially all of its property, or (D) makes a general assignment for the benefit of its creditors; or

(iii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (A) is for relief against UW in an involuntary case, (B) appoints a custodian of UW or for all or substantially all of its property, or (C) orders the liquidation of UW; and the order or decree remains unstayed and in effect for 90 consecutive days.

#### **10.4 Default by the District**

The following occurrences shall each be deemed to be an Event of Default by the District (each a "***District Event of Default***") (whatever the reason for such District Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, or order of any court or any order, rule, or regulation of any administrative or governmental body):

(i) the District defaults in the performance of, or breaches, any covenant or warranty of the District in this Agreement, and such default or breach continues for a period of 180 days after written notice has been given to the District specifying such default or breach in reasonable detail and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder;

(ii) the District, pursuant to or within the meaning of any Bankruptcy Law, (A) commences a voluntary case, (B) consents to the entry of an order for relief against it in an involuntary case, (C) consents to the appointment of a custodian of it or for all or substantially all of its property, or (D) makes a general assignment for the benefit of its creditors;

(iii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (A) is for relief against the District in an involuntary case, (B) appoints a custodian of the District or for all or substantially all of its property, or (C) orders the liquidation of the District; and the order or decree remains unstayed and in effect for 90 consecutive days; or

(iv) the District Healthcare System, in whole or in substantial part, is taken by execution or other process of law directed against the District, or is taken upon or subject to any attachment by any creditor of the District, if such attachment is not discharged within 90 days after being levied.

#### **10.5 Triggering Events**

The following shall each constitute a triggering event (a "***Triggering Event***") under this Agreement:

(i) the District Healthcare System operates below budgeted operating income levels for three or more consecutive years;

(ii) the District fails to comply with relevant Internal Revenue Service rules related to tax-exempt status of existing or future bonds;

(iii) the District fails to receive a favorable determination from the IRS in response to its request for a private letter ruling that the District's participation in the Strategic Alliance will not adversely affect the tax-exempt status of the District's outstanding Bonds;

(iv) the District is in default or fails to meet of any of its bond covenants and such event of default is not cured within the notice and grace periods provided for in the applicable bond documents pursuant to which Bonds were issued; or

(v) the existence or continuation of the Strategic Alliance established through this Agreement is prohibited by applicable laws or is in violation of any court or governmental order, decree, judgment or other declaration of relief and such court or governmental action is final and binding and is not subject to appeal, by either the District, UW Medicine or both of them.

## **10.6 Disputes Regarding Events of Default**

If either Party should give written notice of an Event of Default against the other, and the recipient of such notice contests the existence of such Event of Default, such recipient may refer the matter for resolution pursuant to the dispute resolution provisions of Section 13.11. During the period that such matter is being resolved through such mechanisms, the Party alleging the Event of Default may not terminate this Agreement. Notwithstanding the foregoing, such Party may nonetheless seek injunctive or other special relief if, in such Party's judgment, such action is necessary to preserve the value of the District Healthcare System from irreversible damages or to prevent irreparable harm to either Party, and such action may be taken without the need of posting bond or other collateral.

## **10.7 Winding-Up Procedures**

The following provisions shall apply to the expiration or termination of this Agreement, irrespective of whether such occurs upon the expiration of a stated Term or pursuant to any of the termination provisions of this Article X:

(a) **Cooperation.** The Parties agree to cooperate fully with each other to achieve an orderly transfer of the management of the District Healthcare System, so that the District can effectively and safely operate the District Healthcare System in a manner that ensures continuity of patient care and compliance with all applicable laws, regulations, and licensing, accreditation, and contractual requirements. To the extent permitted by contract or law, all rights under contracts, permits, licenses, certificates of need, and other intangible assets as are necessary to allow the continued operation of the District Healthcare System shall be conveyed to and vested in the District; provided, however, in no event will permits, licenses or certificates of need be obtained in the name of any party other than the District, unless a determination has been made in advance that such permits, licenses and certificates of need can be transferred, without undue difficulty or expense, to the District upon the termination of this Agreement.

(b) **Transition Plan.** During the period between the date of receipt of any written notice to terminate this Agreement and the actual effectiveness of the termination, the

Parties shall cooperate to develop a plan, including the steps to be taken to unwind integration activities ("**Transition Plan**") to effectuate the transfer of the operation of the District Healthcare System to the District or such other person or persons designated by the District as a successor manager of the District Healthcare System. During the Transition Period, the Board will continue to have the oversight functions, and UW Medicine the managerial rights, as set forth in this Agreement and will continue to provide such services until the end of the Transition Period. If, for whatever reason, there are delays in implementing the Transition Plan, so as to confer total control over the District Healthcare System without interruption of patient care, the Parties may extend, on a temporary basis, the Term of this Agreement, with the Board to continue its oversight of the District Healthcare System as provided for herein, in order to ensure continuity of care and patient safety.

## **ARTICLE XI CLOSING CONDITIONS**

### **11.1 District Closing Conditions**

Notwithstanding anything herein to the contrary, the obligations of the District to enter into this Agreement are subject to the fulfillment, on or prior to the Closing, of the following conditions precedent, unless (but only to the extent) waived in writing by the District at the Closing:

(a) **UW Representations and Warranties.** The representations and warranties of UW contained in this Agreement shall be true and correct when made and as of the Closing. All of the terms, covenants, and conditions of this Agreement to be complied with or performed by UW on or before the Closing pursuant to the terms hereof shall have been duly complied with and performed.

(b) **Regulatory Approvals.** All regulatory consents and approvals required in connection with the execution, delivery, and performance of this Agreement by UW shall have been obtained or made by UW when so required, including such evidence as is satisfactory to the District that entering into the Strategic Alliance does not violate applicable federal or state antitrust laws and rules.

(c) **Consents, Approval and Authorizations.** All consents, approvals and authorizations of third parties necessary in connection with the performance of this Agreement shall have been obtained.

(d) **Actions and Proceedings.** No action or proceeding before a court or any other Governmental Body shall have been instituted or threatened to restrain or prohibit the transactions contemplated in this Agreement, and no Governmental Body shall have taken any other action or made any request of any Party hereto as a result of which the District reasonably and in good faith deems it inadvisable to proceed with the transactions herein.

(e) **Insolvency.** UW shall not (i) be in a receivership or dissolution; (ii) have made any assignment for the benefit of creditors; (iii) have admitted in writing its inability to pay its debts as they mature; (iv) have been adjudicated a bankrupt; or (v) have filed a petition in involuntary bankruptcy, a petition or answer seeking reorganization, or an agreement with

creditors under the Federal Bankruptcy Law or any other similar law or statute of the United States or any state, nor shall any such petition have been filed against UW.

(f) **Due Diligence.** The District shall have completed its own due diligence investigation of UW, the results of which shall have been deemed satisfactory in the discretion of the District no later than the Closing.

(g) **Approval of Board of Commissioners.** The District's Board of Commissioners has, by resolution duly adopted, approved the District's execution, delivery, and performance of this Agreement.

## **11.2 Conditions Precedent to Obligations of UW**

Notwithstanding anything herein to the contrary, the obligations of the UW to enter into this Agreement are subject to the fulfillment, on or prior to the Closing, of the following conditions precedent, unless (but only to the extent) waived in writing by the UW at the Closing:

(a) **The District Representations and Warranties.** The representations and warranties of the District contained in this Agreement shall be true and correct when made and as of the Closing. All of the terms, covenants, and conditions of this Agreement to be complied with or performed by the District on or before the Closing pursuant to the terms hereof shall have been duly complied with and performed.

(b) **Regulatory Approvals.** All regulatory consents and approvals required in connection with the execution, delivery, and performance of this Agreement by UW shall have been obtained or made by UW when so required, including such evidence as is satisfactory to the UW that entering into the Strategic Alliance does not violate applicable federal or state antitrust laws and rules.

(c) **Consents, Approval and Authorizations.** All consents, approvals and authorizations of third parties necessary in connection with the performance of this Agreement shall have been obtained.

(d) **Actions and Proceedings.** No action or proceeding before a court or any other Governmental Body shall have been instituted or threatened to restrain or prohibit the transactions contemplated in this Agreement, and no Governmental Body shall have taken any other action or made any request of any Party hereto as a result of which UW reasonably and in good faith deems it inadvisable to proceed with the transactions herein.

(e) **Insolvency.** The District shall not (i) be in a receivership or dissolution; (ii) have made any assignment for the benefit of creditors; (iii) have admitted in writing its inability to pay its debts as they mature; (iv) have been adjudicated a bankrupt; or (v) have filed a petition in involuntary bankruptcy, a petition or answer seeking reorganization, or an agreement with creditors under the Federal Bankruptcy Law or any other similar law or statute of the United States or any state, nor shall any such petition have been filed against the District.

(f) **Due Diligence.** UW shall have completed its own due diligence investigation of the District, the results of which shall have been deemed satisfactory in the discretion of UW no later than the Closing.

(g) **Approval of Board of Regents.** UW's Board of Regents has approved the UW's execution, delivery, and performance of this Agreement.

### **11.3 Closing; Effective Date**

UW and the District shall each use best efforts to complete requisite due diligence investigations and to satisfy, if possible, the conditions precedent to its obligations to close this Strategic Alliance so that the Strategic Alliance can be effective as of July 1, 2011, the first day of the new fiscal year for UW Medicine and its Component Entities. The Parties intend to close the transaction as soon as possible after the conditions precedent to their obligations has been satisfied. The date on which such conditions have been satisfied or, if applicable, waived by the Parties, in accordance with their respective rights under Article XI, is herein referred to as the "*Effective Date*."

## **ARTICLE XII INDEMNIFICATION**

### **12.1 District's Duty to Indemnify**

District agrees to defend, indemnify, and hold UW and UW Medicine and their respective regents, officers, employees, agents or representatives harmless for any and all losses, claims, damages, costs or expenses, including reasonable attorney or consultant fees ("*Claims*") arising from the negligent acts or omissions of District, its employees, agents, or officers in the performance of duties imposed by this Agreement. This indemnification shall not apply to the extent that the claim, suit, damage, or liability is caused by the negligent, reckless or intentionally tortious acts or omissions of UW, UW Medicine or their respective regents, officers, employees, agents or representatives.

### **12.2 UW's Duty to Indemnify**

UW agrees to defend, indemnify, and hold the District and its commissioners, officers, employees, representatives or agents harmless for any and all Claims arising from the negligent acts or omissions of UW, UW Medicine, their regents, officers, employees, agents, or representatives acting under this Agreement. This indemnification shall not apply to the extent that the claim, suit, damage, or liability is caused by the negligent, reckless or intentionally tortious acts or omissions of the District or its commissioners, officers, employees, representatives, or agents.

**ARTICLE XIII  
MISCELLANEOUS**

**13.1 Amendment and Waiver**

This Agreement may be amended only with the prior written consent of the District and UW. The waiver of any right, condition or covenant of this Agreement by either Party shall be effective only if and to the extent that the same shall be in writing and signed by such Party. Without limiting the foregoing, no express or implied consent to or waiver of any breach or default by a Party in the performance of such Party's obligations under this Agreement shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance by such Party of the same or any other obligations of such Party under this Agreement. Failure on the part of any Party to complain of any act or omission of the other Party or to declare any Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such non-complaining Party of its rights with respect to the failure of the other Party to comply with its obligations under this Agreement. No course of dealing between and among the Parties will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Party under or by reason of this Agreement.

**13.2 Notices**

All notices, requests, demands, claims, and other communications hereunder shall be in writing and shall be deemed duly given when personally delivered, one business day after being sent by reputable overnight courier service (charges prepaid), or when faxed (so long as such faxed message is that same day sent by reputable overnight courier (charges prepaid)) to the intended recipient as set forth below:

If to the District:

Public Hospital District No. 1 of King County  
P.O. Box 50015  
Renton, WA 98058-5015  
Attention: Superintendent

with a copy (which shall not constitute notice) to:

Perkins Coie LLP  
1201 Third Avenue, Suite 4800  
Seattle, WA 98101-3266  
Attention: George M. Beal

If to the Board:

Valley Board  
P.O. Box 50015  
Renton, WA 98058-5015  
Attention: Valley CEO



If to UW:

CEO, UW Medicine  
Executive Vice President for Medical Affairs  
and Dean of the School of Medicine, University of Washington  
University of Washington  
1959 N.E. Pacific Street  
Box 356350  
Seattle, WA 98105  
Attention: CEO, UW Medicine

with a copy (which shall not constitute notice) to:

Washington State Attorney General's Office  
4333 Brooklyn Avenue NE, 18<sup>th</sup> Floor  
Seattle, WA 98195  
Attention: Division Chief

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

### **13.3 Expenses**

All fees and expenses incurred in connection with this Agreement including, without limitation, all legal, accounting, financial advisory, consulting, and all other fees and expenses of third Parties involving the negotiation and effectuation of the terms and conditions of this Agreement and the transactions contemplated hereby and thereby, shall be the obligation of the respective Party incurring such fees and expenses.

### **13.4 Binding Agreement; Assignment**

This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns; provided, however, that neither this Agreement nor any of the rights, interests, or obligations hereunder may be assigned by either Party without the other Party's prior written consent.

### **13.5 Entire Agreement**

This Agreement and along with the exhibits attached hereto, which are incorporated herein by this reference, constitutes the entire agreement between the Parties and supersede any prior understandings, agreements, or representations by or between the Parties, written or oral, which may have related to the subject matter hereof in any way.

### **13.6 Severability**

If any provision of this Agreement or the application of such provision, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement shall continue in full force and effect and the application of such provision to

other persons or circumstances shall be interpreted so as to effect the intent of the Parties to the maximum extent possible. The Parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that shall achieve, to the extent possible, the economic, business, and other purposes of such void or unenforceable provision.

### **13.7 Other Remedies**

Except as otherwise expressly provided for herein, any and all remedies in this Agreement expressly conferred upon a Party shall be deemed cumulative with and not exclusive of any other remedy conferred by this Agreement, or by law or equity upon such Party, and the exercise by a Party of any one remedy shall not preclude the exercise of any other remedy.

### **13.8 Governing Law; Jurisdiction.**

This Agreement shall be governed by the laws of the State of Washington without giving effect to any choice of law or conflict of law provision (whether of the State of Washington or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Washington. The parties to this Agreement hereby submit to the exclusive jurisdiction of the federal and state courts located in Seattle, Washington.

### **13.9 No Third Party Beneficiaries**

This Agreement shall not confer any rights or remedies upon any person or entity other than the Parties to this Agreement and their respective successors and permitted assigns.

### **13.10 Counterparts**

This Agreement may be executed in one or more facsimiles or counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts or facsimiles have been signed by each of the Parties and delivered to the other Party, it being understood that all Parties need not sign the same counterpart.

### **13.11 Dispute Resolution**

(a) **Mediation.** Except as otherwise provided in this Agreement, in the event the Parties are unable to resolve a dispute relating to the terms of this Agreement through good faith efforts, either of the Parties may, at any time, submit such dispute to mediation before a mutually agreed upon mediator and follow the procedures directed by the mediator.

(b) **Arbitration.** Either Party may, at any time, request in writing that a dispute under this Agreement be submitted for resolution through binding arbitration if any mediation commenced by the Parties pursuant to Section 13.11(a) fails to resolve the dispute. Furthermore, the Parties are not required to proceed first with mediation; however, if one Party requests arbitration under this paragraph, the other may, within 10 days of the receipt of the written demand for arbitration, respond by demanding that the dispute be first mediated, in which event the arbitration request will be suspended until the parties have first attempted to resolve the dispute through mediation. Any arbitration initiated under this paragraph shall take place in

Seattle, Washington with an arbitrator agreed upon by the Parties. In the event that an arbitrator cannot be agreed upon within 10 business days, the arbitrator shall be designated by Judicial Dispute Resolution, LLC ("**JDR**") or if JDR does not then exist, by a successor organization to be agreed upon by the Parties. The JDR Rules shall be binding as to procedure, and fees and expenses of arbitration shall be borne equally by the parties. The arbitrator's decision will be considered to be a final and binding decision by the Parties. The Parties expressly agree to be bound by and to comply with a decision so long as the decision is in compliance with state and federal law.

(c) **Appeal Related to Compliance with Law.** If either Party asserts that it is not bound to comply with a decision because the decision is not compliant with state or federal law (a "**Legality Issue**"), the Party seeking enforcement of the decision may initiate an appeal of the Legality Issue by giving written notice of appeal to the other Party. Each Party will select one arbitrator and the two arbitrators will select a third arbitrator within 10 business days after written notice of appeal. The panel of three arbitrators will determine whether the decision is in compliance with state and federal law. If the decision is found to be in compliance, the Parties expressly agree to be bound by and to comply with the decision. If the decision is found not to be in compliance with state and federal law, any Party may initiate a new arbitration proceeding according to the procedures described in section 13.12(b) above, except that the Parties will select a different arbitrator. The fees and expenses of appeal shall be borne equally by the Parties.

(d) **Qualifications.** Any arbitrator selected must be an individual with the education, background, experience and expertise germane to the dispute being submitted to the arbitrator for resolution. Any arbitrator must not have a conflict of interest with any Party to this Agreement.

(e) **Confidentiality and Attorneys' Fees.** All facts and other information relating to any arbitration arising under this Agreement shall be kept confidential to the fullest extent permitted by law. Each Party shall pay its own attorneys' fees and expenses..

### **13.12 No Strict Construction**

The language used in this Agreement will be deemed to be the language jointly chosen by the Parties hereto to express their mutual intent, and no rule of strict construction will be applied against any Person.

### **13.13 Survival**

The provisions of Section 6.2 Confidential Information and Article XII. Indemnification shall survive the termination of this Agreement.

*[Signature page to follow]*

IN WITNESS WHEREOF, UW and the District have executed this Agreement as of the date set forth above.

Public Hospital District No. 1 of King  
County, a municipal corporation

By: \_\_\_\_\_  
Richard Roodman, Superintendent

UW Medicine, on behalf of UW

By: \_\_\_\_\_  
Paul G. Ramsey, MD  
CEO, UW Medicine  
Executive Vice President  
for Medical Affairs,  
Dean, School of Medicine,  
University of Washington

## EXHIBIT 1.1

### DEFINITIONS

As used in this Agreement, the Exhibits and Schedules, if any, the following capitalized terms have the meanings set forth below unless the context clearly indicates otherwise. For purposes of this Agreement, terms not defined in this Agreement shall be defined as provided in the Act, and all nouns, pronouns, and verbs used in this Agreement shall be construed as masculine, feminine, neuter, singular, or plural, whichever shall be applicable.

"**Agreement**" means this Strategic Alliance Agreement as defined in the preamble to this Agreement, as amended or restated from time to time, in accordance with the terms of this Agreement and applicable law.

"**Annual Budgets**" means, with respect to the District Healthcare System, the annual operating and capital budgets prepared by the Valley CEO for approval by the Board.

"**At Cost**" is defined in Section 6.4(a).

"**Bankruptcy Law**" means Title 11 of the U.S. Code, or any similar federal or State law for the relief of debtors.

"**Board**" means the Board of Trustees constituted under Article III for the purpose of governing the business and affairs of the District Healthcare System.

"**Board Bylaws**" means the Board Bylaws attached to this Agreement as **Exhibit 3.13**.

"**Board of Commissioners**" means the Board of Commissioners elected to govern the operation of the District pursuant to the applicable provisions of the PHD Act.

"**Board Compensation Committee**" is defined in Section 3.8(a).

"**Bond**" means, with respect to the District, any bond, note or other evidence of Indebtedness, including, without limitation, (i) special fund revenue bonds, revenue warrants, or other revenue obligations within the meaning of RCW 70.44.060(5)(a), (ii) general obligation bonds within the meaning of RCW 70.44.060(5)(b), (iii) interest-bearing warrants within the meaning of RCW 70.44.060(5)(c), and (iv) executory conditional sales contracts within the meaning of RCW 70.44.260.

"**Business Integration Activity**" is defined in Section 6.4(a).

"**Cause**" means, with respect to any of the Commissioner Trustees, (a) the conviction, admission by consent of guilt, or plea of *nolo contendere* to fraud, embezzlement, or a similar felony involving misappropriation of funds in connection with the business of either the District Healthcare System or the District; (b) any willful or grossly negligent, material breach by such Commissioner Trustee of any of the Commissioner Trustee's material obligations or duties as a Trustee under this Agreement, in a manner that materially and adversely affects the District

Healthcare System and that is not substantially cured within 60 days (or in the process of being cured within 60 days and is substantially cured within 120 days) after receipt by such Trustee of written notice with respect thereto from the Board; or (c) failure to comply with the UW Medicine's Policy on Professional Conduct; or (d) violation of the state ethics in public services act.

"**Claims**" is defined in Section 12.1.

"**Clinical Integration Activity**" is defined in Section 6.4(a).

"**Code**" means the Internal Revenue Code of 1986, as now in existence or hereafter amended (including any successor federal income tax legislation) from time to time. Any reference to any specific provision or the Regulations thereunder shall be deemed to refer also to any successor provisions thereto.

"**Commissioner**" means any person who, at the time of reference, has been duly elected to serve as a Commissioner of the District.

"**Commissioner Trustee**" is defined in Section 3.2(a).

"**Component Entity**" means, with respect to UW Medicine, (i) each of the component organizations identified in Recital B (excluding CUMG and SCCA); (ii) the District Healthcare System; and (iii) each entity providing healthcare services to the public, or services ancillary thereto, that may be Controlled by UW subsequent to the date of this Agreement.

"**Confidential Information**" means, with respect to either UW Medicine or the District, confidential and proprietary information relating to its financial and business plans, financial performance, dealings with Third Parties, and other information treated as valuable trade secrets or confidential, including but not limited to information concerning the entity's operations, pricing, financing, technology, marketing strategies, employment and compensation arrangements, facility designs, and agreements to which such entity is a party. The term "Confidential Information" also includes information of Third Parties, which such Third Parties have contractually obligated such entity to maintain confidentiality, subject to limited disclosure rights. "Confidential Information" does not include any information which (i) at the time of disclosure or thereafter is generally available to and known by the public (other than as a result of a disclosure in violation of this Agreement), (ii) was available on a non-confidential basis from a source other than the source providing such information, which source is not and was not bound by a confidentiality agreement with the disclosing entity, or (iii) has been independently acquired or developed by either Party without violating any of the obligations of this Agreement. Notwithstanding the foregoing, if information regarding either UW Medicine or the District becomes public by virtue of a public records request, such information, after such disclosure, is not considered to be Confidential Information, even if it otherwise falls within the scope of the term as defined herein.

"**Control**" (including the terms "**Controlling**," "**Controlled by**" and "**under Common Control with**") means, with respect to any Person, the possession, directly or indirectly, of the power to direct the policies and management of such Person, whether through ownership of voting securities, by contract or otherwise.

"**CPI Index**" means the Consumer Price Index for All Urban Consumers, All Items (base year 1982-1984 = 100) published by the United States Department of Labor, Bureau of Labor Statistics, All City Average. If the Bureau of Labor Statistics substantially revises the manner in which the CPI is determined, an adjustment shall be made in the revised index which would produce results equivalent, as nearly as possible, to those which would be obtained hereunder if the CPI were not so revised. If the CPI becomes unavailable to the public because publication is discontinued, or otherwise, the Parties shall substitute therefor a reasonably comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by a governmental agency, major bank, other financial institution, university or recognized financial publisher.

"**District**" means Public Hospital District No. 1 of King County, a Washington public hospital district, d/b/a Valley Medical Center.

"**District Assets**" means, as of the date in question, property, rights, contracts, including but not limited to real property, personal property, intellectual property, contractual rights, of the District, whether such assets are wholly-owned, jointly held, licensed and/or leased.

"**District Event of Default**" is defined in Section 10.4.

"**District Healthcare Practitioners**" is defined in Section 4.11(a).

"**District Healthcare System**" includes all of the healthcare facilities and services rendered by the District (as currently in place), together with all other healthcare facilities and services, wherever located, hereafter acquired by the District or any other municipal corporation, political subdivision or tax-exempt charitable organization, the primary function of which is to operate healthcare facilities or provide healthcare services on behalf of the District; notwithstanding the foregoing, and for purposes of clarity, the separate operations of the Component Entities of UW Medicine do not come within the meaning of the term "**District Healthcare System**."

"**District Physicians**" means those physicians having medical staff privileges at Valley Medical Center, whether such physicians are employed by the District or work independently or by contract with the District.

"**District Revenues**" means, with respect to the District, all revenues, income, gains, interests, earnings, loan proceeds, Bond proceeds, tax receipts or other available sources of funds, however characterized, received by the District, including District Revenues attributable to the ownership and management of the District Healthcare System pursuant to the terms of this Agreement.

"**District Service Area**" means the geographic area delineated on **Exhibit 3.2(b)**, which area is not identical to the geographic boundaries of the District.

"**Effective Date**" means the date on which the Term of this Agreement commences as stipulated in Section 11.3.

"**Encumbrance**" means, with respect to the District Healthcare System, the granting of any Lien on, pledge, mortgage, hypothecation, or other similar transaction granting to any third party a Lien against any of the District Assets.

"**Event of Default**" means either a District Event of Default or UW Event of Default.

"**GASB**" means generally accepted accounting principles applied on a consistent basis in effect on the date thereof as set forth in the opinions and pronouncements of the Governmental Accounting Standards Board. The Governmental Accounting Standards Board ("**GASB**") is the independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments. Established in 1984 by agreement of the Financial Accounting Foundation ("**FAF**") and 10 national associations of state and local government officials, the GASB is recognized by governments, the accounting industry, and the capital markets as the official source of generally accepted accounting principles ("**GAAP**") for state and local governments.

"**Governmental Body**" means any government or political subdivision or department thereof, any governmental or regulatory body, commission, board, bureau, agency, or instrumentality, or any court or arbitrator or alternative dispute resolution body, in each case whether federal, state, local, or foreign.

"**Healthcare Facility**" means any hospital, surgery center, rehabilitation facility, skilled care facility, nursing home, assisted living facility, primary care clinic, urgent care clinic, medical and surgical specialty clinics, physical therapy facility, pharmacy, or other physical location, however designated, staffed by physicians, nurses and/or other licensed medical professionals, for the purpose of providing healthcare, rehabilitative or other health related services to the public.

"**Healthcare Services**" means, for purposes of the Strategic Alliance, the delivery of healthcare services through Healthcare Facilities located within the District Service Area.

"**Hospital**" means the District's full-service hospital on its 44-acre campus located in Renton, Washington, together with any other similar facility that may be established by the District during the Term.

"**Indebtedness**" means any indebtedness for borrowed money and all guarantees of such indebtedness.

"**IRS**" means the Internal Revenue Service.

"**Liability**" or "**Liabilities**" means all debts, claims, liabilities, obligations, interests, damages, and expenses of every kind and nature, whether known or unknown, liquidated or unliquidated, direct or indirect, absolute, accrued, contingent, or otherwise, regardless of when such debt, claim, liability, obligation, interest, damage, or expense arose or might arise.

"**Lien**" means any mortgage, pledge, lien, security interest, claim, voting agreement (including any conditional sale agreement, title retention agreement, restriction, or option having



substantially the same economic effect as the foregoing), or encumbrance of any kind, character, or description whatsoever.

**"Material Assets"** means, with respect to the District, and as of the date of the determination, (i) any District Asset having a fair market value, as reasonably estimated by the Valley CEO, equal to or greater than 5% of the District's total assets, as reflected in the District's most recent annual financial statements; (ii) any portion of the District's existing primary campus located in Renton, Washington; or (iii) any of the District's existing clinics.

**"OIOC"** is defined in Section 6.4(h).

**"Parties"** means UW and the District.

**"Person"** means any natural person, partnership (whether general or limited), trust, estate, association, corporation, custodian, nominee, or any other individual or entity in its own or any representative capacity, in each case, whether domestic or foreign, a limited liability company, or any other legal entity.

**"PHD Act"** means Chapter 70.44 RCW.

**"Regular Property Tax"** means the ad valorem tax provided by law without a vote of the electors of the District upon all property within the District subject to taxation.

**"Regulations"** means the Income Tax and Administrative Procedure Regulations promulgated under the Code, as amended from time to time.

**"Replacement Commissioner Trustee"** is defined in Section 3.5(b).

**"Senior Executive Team"** means such executive officers with oversight responsibilities for the primary business activities of the District Healthcare System (including but not limited to finance, operations, human resources, facilities, information systems, legal), with such titles and having such delegated powers and responsibilities, as may be established by the Valley CEO from time to time. Such executive positions shall consist of vice president level employees or such other assistants thereto as the Valley CEO classifies as senior executive level personnel.

**"Shared Support Services"** is defined in Section 6.4(a).

**"State"** means the State of Washington.

**"Strategic Alliance"** means the strategic alliance between UW and the District created by this Agreement providing, among other things, for the administration and operation of the District Healthcare System and protocols for establishing Business Integration Activities, Shared Support Services, and Clinical Integration Activities, as well as those related to the pursuit of new Clinical growth and expansion within the District Service Area as authorized under Section 6.6.

**"UW Medicine Strategic Plan"** means the strategic plan adopted by UW Medicine from time to time to coordinate its business and affairs.

"**Subsidy Bond**" means, with respect to the District, any Bond issued as a "build America bond" under Section 54AA of the Code, or under any other provisions of the Code or other federal law that creates, in the determination of the District, a substantially similar direct-pay subsidy program.

"**Tax-Exempt Bond**" means, with respect to the District, any Bond the interest on which is excludable from gross income for federal income tax purposes under the Code.

"**Term**" is defined in Section 10.1.

"**Transfer**" means, with respect to the District Healthcare System, the conveyance, sale, exchange, lease, assignment, or other transfer or disposition, however characterized, of any of the District Assets; provided, however, that leases executed in the ordinary course of business do not constitute Transfers for purposes of this Agreement.

"**Transition Plan**" is defined in Section 10.7(b).

"**Triggering Event**" is defined in Section 10.5.

"**Trustees**" is defined in Section 3.2.

"**Union**" means, with respect to the District Healthcare System, UFCW Local 21, SEIU 1199 NW, OPEIU Local 8, IUOE Local 286, and/or any other union representing employees working within the District Healthcare System, at any time prior to or during the Term.

"**UW**" means the University of Washington, an agency in the State of Washington.

"**UW Assets**" means, as of the date in question, property, rights, contracts, including but not limited to real property, personal property, intellectual property, contractual rights, of UW, whether such assets are wholly-owned, jointly held, licensed and/or leased.

"**UW Event of Default**" is defined in Section 10.3.

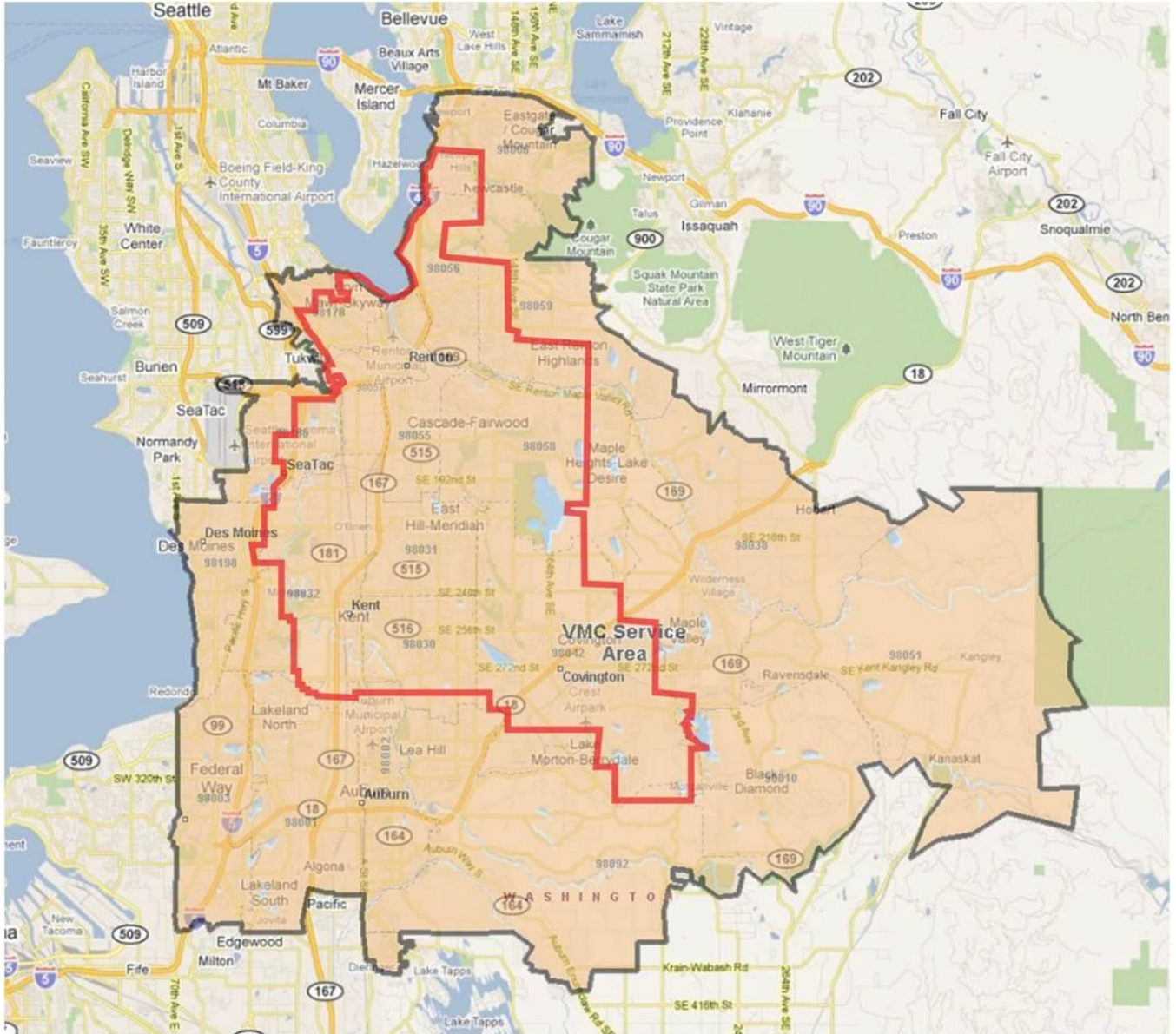
"**UW Medicine**" is defined in Recital B.

"**UW Medicine Board**" means the board established by UW to provide guidance and advice to the Board of Regents, the President, and the CEO/EVPMA/Dean regarding the operation and governance of UW Medicine.

**EXHIBIT 3.2(b)**

**DELINEATION OF BOUNDARIES FOR DISTRICT AND DISTRICT SERVICE AREA**

The tan area represents the boundaries of the District Service Area, while the boundaries of the District are delineated by the red lines.



**EXHIBIT 3.10(c)**

**ALLOCATION OF STATUTORY OBLIGATIONS OF DISTRICT<sup>1</sup>**

	Action	RCW	Power / Obligation		
			Retained by BOC <sup>2,3</sup>	Delegated to Board <sup>4,5</sup>	Jointly Shared
1.	Adopting rules (bylaws) governing the BOC's transaction of business.	70.44.050	X		
2.	Appointing, removing or fixing the compensation of the District superintendent.	70.44.070(1)	X		
3.	Establishing the time to hold regular meetings of the District's commissioners.	42.30.070	X		
4.	Designating the District treasurer by resolution; if the treasurer is appointed by resolution, fixing the amount, terms and conditions of a bond to protect the District against loss.	70.44.171		X <sup>6</sup>	
5.	If the treasurer is appointed by resolution, designating the bank(s) in the state into which District funds are to be deposited.	70.44.171		X <sup>6</sup>	
6.	Approving the amount and type of surety bond or securities (in lieu of a surety bond) to be filed or deposited by the bank with the District treasurer and directing the District treasurer to deposit moneys into special funds of the District.	70.44.171		X <sup>6</sup>	
7.	Designating an officer of the District to sign warrants or checks.	42.24.180		X <sup>6</sup>	

<sup>1</sup> The Column entitled "Action" of Exhibit 3.10(c) itemizes the various statutory obligations of the District, and the columns to the right show whether such obligations are to be discharged by action taken by the District's Board of Commissioners, by the Strategic Alliance's Board, or whether such duties are to be shared, in some manner, between those governing bodies. It does not, nor is it intended to, illustrate the various powers of the Strategic Alliance's Board that it may exercise separately and that are not directly tied to statutory obligations imposed upon the District.

<sup>2</sup> "BOC" means the District Board of Commissioners.

<sup>3</sup> All of the powers and obligations referenced in this column are those to be performed by the BOC and that have not been delegated to the Board for performance under the Strategic Alliance Agreement.

<sup>4</sup> The obligations referenced in this column relate to the duties currently being performed by the District but that have, pursuant to the Strategic Alliance Agreement, been delegated to the Board for performance.

<sup>5</sup> Historically, the BOC has arranged for the duties in this column to be performed through the District's employees under the supervision of the Superintendent. Because such employees will continue to provide such services for and on behalf of the District Healthcare System, such employees will continue to discharge such duties, in the manner currently provided, unless and until the Board determines, in its judgment, that the duties should be discharged in some other manner.

<sup>6</sup> The parties intend, at least initially, that the Board will follow the resolutions adopted by the BOC with regard to this obligation.

	Action	RCW	Power / Obligation		
			Retained by BOC <sup>2,3</sup>	Delegated to Board <sup>4,5</sup>	Jointly Shared
8.	Authorize the issuance of warrants or checks in payment of claims before the District has acted to approve the claims; provided that the District provides for its review and approval at the next regularly scheduled public meeting.	42.24.180		X	
9.	Calling for a general or special election to increase the number of commissioners to five or seven.	70.44.053	X		
10.	Canceling the District's registered or interest-bearing warrants not presented within one year of the date of call or other warrants not presented within one year of issue.	39.56.040		X	
11.	Authorizing the filing of a bankruptcy petition under Chapter 9 of the federal Bankruptcy Act.	39.64.050	X		
12.	Adopting an accounting plan and payroll procedures to meet federal requirements for excluding payments made on account of sickness from the meaning of "wages" under federal old age and survivor's insurance.	41.48.160		X	
13.	Redistricting the District into five or seven commissioner districts.	70.44.054	X		
14.	Abolishing commissioner districts and permitting candidates for the board to reside anywhere in the District; calling for a general or special election to reestablish commissioner districts.	70.44.042	X		
15.	Setting the amounts to be paid District officers or employees: (1) as reimbursement for the use of personal automobiles or other transportation equipment in connection with officially assigned duties; or (2) in lieu of actual expenses incurred for lodging, meals or other purposes.	42.24.090		X <sup>6</sup>	
16.	Allowing reasonable advance payments of travel expenses for District officials and employees.	42.24.120		X <sup>6</sup>	
17.	Establishing a revolving fund to be used solely for advance payment of travel expenses for District officials and employees.	42.24.130		X <sup>6</sup>	
18.	Providing reimbursement to volunteers: (1) at a nominal rate for normally incurred expenses in lieu of compensation; or (2) at a nominal amount of compensation per unit of voluntary service.	49.46.065		X <sup>6</sup>	

	Action	RCW	Power / Obligation		
			Retained by BOC <sup>2,3</sup>	Delegated to Board <sup>4,5</sup>	Jointly Shared
19.	Creating (a) a procedure to determine whether the District should pay for the defense costs of a suit against a District officer, employee or volunteer if this person's acts or omissions were found to be within (or in good faith purported to be within) the scope of his or her official duties and (b) a procedure to approve District payment for any monetary judgment against a District officer, employee or volunteer who was within (or in good faith purported to be within) the scope of his or her official duties.	4.96.041(2)	X <sup>7</sup>	X <sup>8</sup>	
20.	Creating a procedure through which the District agrees to pay an award for punitive damages imposed on a District officer, employee or volunteer who has been represented at the expense of the District under the provisions of RCW 4.96.041(1).	4.96.041(4)	X <sup>7</sup>	X <sup>8</sup>	
21.	Specifying the reasons why and the extent to which compiling a current index of certain public records would be "unduly burdensome" or "interfere with agency operations."	42.56.070(4)			X <sup>9</sup>
22.	Adopting the District's annual budget and fixing the final amount of expenditures for the coming year and	70.44.060(6)		X	
23.	Annually, on or before November 15, hold a public hearing on the proposed budget and adopt the budget as finally determined and fix the final amount of expenditures for the ensuing year.	70.44.060(6)	X		
24.	Levy regular property tax annually.	70.44.060(6)	X		
25.	Providing for an increase in regular property tax revenue.	84.55.120	X		
26.	Imposing an emergency medical services levy.	84.52.069(3)	X		

<sup>7</sup> The BOC retains the power to determine these matters as it relates to actions taken by the Board of Commissioners, and persons who are acting in their capacity as employees of the District as distinguished from those serving as employees of the District Healthcare System.

<sup>8</sup> The Board has the power to take such actions as it relates to officers, employees or volunteers providing services for and on behalf of the District Healthcare System.

<sup>9</sup> The BOC and the Board each possesses this authority as it relates to public records maintained separately by such body for the conduct of its business.

	Action	RCW	Power / Obligation		
			Retained by BOC <sup>2,3</sup>	Delegated to Board <sup>4,5</sup>	Jointly Shared
27.	Providing for the issuance of general obligation bonds to acquire, construct or improve a hospital or other health care facilities. RCW 70.44.060(5) authorizes a district to incur debt. RCW 70.44.060(5)(b) authorizes a district to pay off debt through the issuance of general obligation bonds. If the debt will cause the District to exceed the limits set out in RCW 39.36.020(2)(a)(i), the BOC must pass a resolution calling for an election to obtain voter approval.	70.44.060(5)	X <sup>10</sup>		
28.	Providing for the issuance of revenue bonds to purchase, lease, condemn, or otherwise acquire, construct, develop, improve, extend, or operate any land, building, facility, or utility.	35.41.030	X <sup>10</sup>		
29.	Providing for the use of a regular property tax limit factor of 101% or less.	84.55.0101	X		
30.	Providing for the issuance of refunding bonds without an election (1) in order to pay or discharge all or any part of an outstanding series or issue of bonds, including any redemption premiums or interest thereon, in arrears or about to become due, and for which sufficient funds are not available, (2) when necessary or in the best interest of the public body to modify debt service or reserve requirements, sources of payment, covenants, or other terms of the bonds to be refunded, or (3) in order to effect a saving to the public body.	39.53.020	X <sup>10</sup>		
31.	Financing public improvements using community revitalization financing.	39.89.030(1)	X <sup>10</sup>		
32.	Allowing the exchange of fixed rate debt for variable rate debt ("a swap agreement).	39.96.030(2)(a)	X <sup>10</sup>		

<sup>10</sup> The BOC retains this power but, at the same time, has made certain contractual commitments to the UW to exercise such power in order to permit the District Healthcare System to be operated as provided for in the Strategic Alliance Agreement. Such commitments are set forth in Sections 4.11, 4.18 and 9.1 of the Strategic Alliance Agreement.

	Action	RCW	Power / Obligation		
			Retained by BOC <sup>2,3</sup>	Delegated to Board <sup>4,5</sup>	Jointly Shared
33.	When issuing bonds as physical instruments, the bonds shall be printed, engraved, lithographed, typed, or reproduced and the manual or facsimile signatures of both a designated officer and chairperson of the BOC or chief executive shall be included on each bond.	39.46.060	X		
34.	Call a special election for the purpose of submitting to the qualified voters of the District a proposition or propositions to levy taxes in excess of its regular property taxes.	70.44.060(6)	X		
35.	For the purpose of levying District taxes, budgets or estimates of the amounts to be raised by taxation on the assessed valuation of the property in the city or district, through their chair and clerk, or secretary, make and file such certified budget or estimates with the clerk of the county legislative authority on or before the thirtieth day of November.	84.52.020	X		
36.	Approval of pension plan or 403(b) or 457 plan amendments.	N/A		X	
37.	Calling for a special election.	29A.04.330(2)	X		
38.	Supporting or opposing a ballot measure.	42.17.130(1)			X <sup>11</sup>
39.	Supporting or opposing an initiative to the Legislature.	42.17.190(4)(a)			X <sup>11</sup>
40.	Petitioning the Public Disclosure Commission to make the reporting provisions of RCW Chapter 42.17 (relating to campaign financing and financial activities of elected public officials and agencies) <u>applicable</u> to a district, its commissioners, and candidates for commissioner when the district has less than 1,000 registered voters as of the date of the most recent general election in the district.	42.17.405(3)	X		
41.	Exercising the right of eminent domain.	70.44.060(2)	X		
42.	Acquiring a hospital or other health care facility; constructing a hospital or other health care facility; making additions, improvements or extensions to a hospital or other health care facility.	70.44.110			X <sup>12</sup>

<sup>11</sup> Each of the BOC and the Board possess this authority.

<sup>12</sup> The BOC and the Board each have certain powers with respect to taking of the actions enumerated in these items. See Sections 4.19, 5.2(f) and 7.1(a) of the Strategic Alliance Agreement.



	Action	RCW	Power / Obligation		
			Retained by BOC <sup>2,3</sup>	Delegated to Board <sup>4,5</sup>	Jointly Shared
43.	Providing for the execution of executory conditional sales contracts. If the proposed contract will cause the District to exceed the limits set out in RCW 39.36.020, the BOC must pass a resolution calling for an election to obtain voter approval.	70.44.260	X		
44.	Selling and conveying real property of the District at a public or private sale.	70.44.300(1)			X <sup>12</sup>
45.	Leasing or renting real property of the District.	70.44.310			X <sup>12</sup>
46.	Selling or otherwise disposing of surplus personal property of the District.	70.44.320			X <sup>12</sup>
47.	Designating a District office holder or employee to enter bids on the District's behalf for the purchase of federal equipment, supplies, materials, or other property (real or personal). Authorizing this designated person to make any down payment or payment in full that is required in connection with this bidding.	39.32.070		X	
48.	Entering into performance-based contracts for energy equipment and supplies under RCW Chapter 39.35A.	39.35A.040		X	
49.	Waiving competitive bidding requirements when awarding contracts for public works <u>and</u> contracts for purchases.	39.04.280(2)(a)		X	
50.	Implementing the use of the small works roster.	39.04.155(2)(b)		X	
51.	Annexing contiguous territory into a district after the board has received a petition for annexation.	70.44.200(4)	X		
52.	Initiating annexation by calling for an election for the annexation of adjacent territory into a district.	70.44.210	X		
53.	Moving ahead with annexation by calling for a special election (after the public hearing under RCW 70.44.210),	70.44.220	X		
54.	Withdrawing an area from the District; reannexing a previously withdrawn area back into the District.	70.44.235(2) and (3)	X <sup>13</sup>		
55.	Initiating the process for withdrawing territory from the District under the provisions of RCW Chapter 57.28.	57.28.035	X <sup>13</sup>		

<sup>13</sup> The BOC retains its power over the annexation issues, but the exercise thereof is subject to the restrictions in Section 7.2(a)(vi) of the Strategic Alliance Agreement.

	Action	RCW	Power / Obligation		
			Retained by BOC <sup>2,3</sup>	Delegated to Board <sup>4,5</sup>	Jointly Shared
56.	Moving ahead with withdrawing territory from the District by adopting findings of fact (after the public hearing required by RCW 57.28.050).	57.28.050	X <sup>13</sup>		
57.	Submitting approval of the consolidation of two or more contiguous districts to the voters in a general or special election.	35.10.410	X		
58.	Dividing an existing district into two new districts.	70.44.350			X
59.	Entering into an interlocal agreement with local and state governmental bodies in Washington State, local and state governmental bodies in other states, federal governmental bodies, and Indian tribes recognized by the federal government.	39.34.030(2)			X
60.	Delegating a labor matter to any civil service commission or personnel board similar in scope, structure and authority to the Washington Personnel Resources Board created under RCW Chapter 41.06.	41.56.100		X	

**EXHIBIT 3.13**  
**BOARD BYLAWS**

**BYLAWS  
OF THE  
DISTRICT HEALTHCARE SYSTEM BOARD  
(hereinafter "Valley Board")**

These Bylaws constitute a part of that certain Strategic Alliance Agreement, dated July 1, 2011, (the "*Strategic Alliance Agreement*") by and between the University of Washington, an agency of the State of Washington, acting through one of its component organizations, UW Medicine ("*UW Medicine*"), and Public Hospital No. 1 of King County, a Washington public hospital district (the "*District*") regarding the governance and operation of the District's healthcare system (the "*District Healthcare System*"). Capitalized terms not separately defined in these Bylaws have the meaning assigned to such terms in the Strategic Alliance Agreement.

**ARTICLE I  
BOARD**

Section 1.1    Authority

(a) Pursuant to the terms of the Strategic Alliance Agreement, the District Healthcare System shall be governed by a Board of Trustees (hereinafter the "*Valley Board*" or "*Board*"), provided that the Board may not act or fail to act in any manner that is contrary to the Strategic Alliance Agreement. All actions taken by the Board shall be for, on behalf of, and in the name of the District.

(b) Without limiting the generality of the foregoing, the Board shall have the power and authority to take the following actions on behalf of the District Healthcare System to provide for high quality and safe patient care:

(i) determine the objectives and policies pertinent to the delivery of safe, high-quality, efficient patient care services of the District Healthcare System consistent with the UW Medicine Strategic Plan;

(ii) approve and adopt policies pertaining to the admission of patients to the in-patient, out-patient, short stay, and emergency services of the District Healthcare System;

(iii) assure that the medical staff and hospital/clinic administration maintain mechanisms for continued assessment of the quality and safety of patient care and ongoing performance improvement and provide reports to the Board;

(iv) approve the appointment and delineation of clinical privileges for members of the medical staff under applicable provisions of approved medical staff bylaws, policies and procedures;

(v) approve the credentialing of allied health practitioners;

(vi) approve bylaws, policies and procedures of the District Healthcare System's medical and dental staffs;

(vii) provide oversight regarding the effective use of Healthcare System resources;

(viii) review and approve the Annual Budgets;

(ix) review and approve the annual goals established for the District Healthcare System to be used for directing performance and awarding incentive compensation to certain of the District's employees;

(x) review and monitor reports on the District Healthcare System's operating income and expenditures, utilization of services, and patient statistics;

(xi) assist in securing additional sources of income to maintain the District Healthcare System as a leading provider of healthcare services to the public;

(xii) incur Indebtedness with respect to the District Healthcare System as permitted by Section 4.17 of the Strategic Alliance Agreement;

(xiii) review recommendations for the development, acquisition, management and operation of Healthcare Facilities within the District Service Area, consistent with the UW Medicine Strategic Plan, to meet the needs of the community served;

(xiv) approve the selection and termination of the Valley CEO and evaluate the performance of the Valley CEO annually in conjunction with the UW Medicine CEO; and

(xv) approve the selection of an external auditor, subject to the approval of the UW Medicine CEO.

(c) The Board shall operate the District Healthcare System in material compliance with the licensing laws, rules, and regulations of the State and Medicare and Medicaid laws, rules, and regulations, as well as in compliance with all applicable federal and State environmental laws, rules, and regulations. The Board shall not cause or permit the District Healthcare System to be used in any way that violates any law, ordinance, or governmental regulation or order. The Board shall be responsible for complying with all laws applicable to the District Healthcare System, as in effect on the date hereof or as may be subsequently enacted. If the enactment or enforcement of any law, ordinance, regulation, or code during the Term requires any changes to the operation of the District Healthcare System during the Term, the Board shall take such necessary actions in order to effectuate such changes, at the expense of the District.

(d) The Board may, in carrying out its responsibilities, seek counsel, guidance, advice, and other appropriate services, from healthcare professionals, management

specialists, and others with professional expertise. Any such expenses shall be included within the Annual Budget of the District Healthcare System.

### Section 1.2 Board Composition

The District Healthcare System shall be governed by a multi-member Board, whose members (collectively the "**Trustees**") will be comprised of:

(a) the five Commissioners serving on the District's Board of Commissioners, subject to the qualifications provided in Section 1.4(a) (collectively, the "**Commissioner Trustees**");

(b) five individuals residing within the District Service Area (**Exhibit 1.2(b)** shows the boundaries of the District and the District Service Area), at least three of whom must also reside within the boundaries of the District, identified through the nominating procedures described in Section 3.4 of the Strategic Alliance Agreement, and appointed by the UW Medicine CEO in consultation with the UW Medicine Board (collectively, the "**Community Trustees**"); and

(c) two individuals identified and appointed by the UW Medicine CEO in consultation with the UW Medicine Board, who currently serve on, or were formerly members of, one of the boards of a Component Entity of UW Medicine or of the UW Medicine Board, and the UW Medicine CEO or an individual designated by the UW Medicine CEO as his or her representative to the Board (collectively, the "**UW Medicine Designated Trustees**").

### Section 1.3 Appointment of Community Trustees

(a) In order to select the initial slate of Community Trustees, within 30 days of the Effective Date, the mayors of the cities within or partially within the District will be asked to submit nominations for open positions to the UW Medicine CEO. In addition, within 30 days of the Effective Date, any person residing within the District Service Area may nominate himself or herself or another person residing within the District Service Area for open positions to the UW Medicine CEO. The UW Medicine CEO, in consultation with the UW Medicine Board, will have up to six months after the Effective Date to appoint the Community Trustees from the initial slate of Community Trustees; it is, however, the expectation that substantially all of such appointments will be made within 90 days after the Effective Date.

(b) After appointment of the initial Community Trustees, nominations for open positions for Community Trustees may be provided by existing members of the Board (including outgoing Trustees), past and former members of a board of a component of UW Medicine, and other persons within the District Service Area with whom UW Medicine may consult. Nominations for these open positions must be submitted to UW Medicine (i) no later than six months before a position for a Community Trustee becomes available due to the normal expiration of the terms of office, or (ii) within 60 days after a vacancy in a Board position held by a Community Trustee or a UW Medicine Designated Trustee, and whether such vacancy is due to death, removal or another cause. If UW Medicine (acting through the UW Medicine CEO in consultation with the UW Medicine Board), in its sole discretion, does not receive appropriately qualified candidates for the slate of open positions or subsequent open positions for

a Community Trustee, UW Medicine may actively solicit such nominations from other individuals.

#### Section 1.4    Terms: Staggered Board

(a) Each Commissioner Trustee is, by virtue of being a Commissioner, entitled to serve as an *ex officio* voting member of the Board without the approval of, or action taken by, either the Board or UW Medicine, except as otherwise provided in this Section 1.4(a) and as qualified by Section 1.10(b). Any change in the identity of the Commissioners will result in an automatic simultaneous change in the Commissioner Trustees, effective when the changes in the Commissioner positions occur as a matter of law. However, if, at any time during the Term, the District has more than five Commissioners, the Commissioners, voting separately, shall determine which of the incumbent Commissioners are entitled to hold the five positions allocated to Commissioners under Section 1.2(a). In no event may there be more than five Commissioner Trustees on the Board. In addition, if the size of the District's Board of Commissioners should, at any time during the Term, be reduced to three Commissioners, the number of Commissioners serving as Commissioner Trustees shall be reduced to three, effective immediately when the size of the District's Board of Commissioners is, as a matter of law, reduced to three Commissioners.

(b) The UW Medicine CEO or an individual who has been designated by the UW Medicine CEO as his or her representative to the Board, will serve as an *ex officio* voting member of the Board, with no term limitation. Such designation may, however, be changed at any time by action taken by the UW Medicine CEO, and will be effective when written notice of such action is provided to the other Trustees on the Board.

(c) The remaining seven Trustee seats are divided into three classes, with staggered terms, to preserve continuity for Board operations. Except for the initial terms for such classes of Trustees (which are set forth below), each of these classes will provide for the designated class members to serve for a four-year term, with their successors to be appointed and in place upon the expiration of such four-year term. Initially, the first class of Board members (three Trustees) will be comprised of three Community Trustees and each will have a two-year term, the second class (two Trustees) will be comprised of one UW Medicine Designated Trustee and one Community Trustee and each will have a four-year term, and the third class (two Trustees) will be comprised of one UW Medicine Designated Trustee and one Community Trustee and each will have a six-year term.

(d) Following their initial terms, each Community Trustee may serve on the Board for two additional successive four-year terms. No Community Trustee may serve more than three successive terms. Otherwise, there are no restrictions upon the number of consecutive terms that a Trustee may serve. In order to serve as a Community Trustee, the individual must be a resident of the District or District Service Area as required by Section 1.2(b) at the time of his or her initial appointment, and at the beginning of any new term of office. If any Community Trustee ceases to reside within the District or District Service Area during his or her tenure of office, such individual shall be replaced by a substitute no later than six months after he or she no longer resides within the District or District Service Area.

### Section 1.5 Exercise of Powers; Delegation of Authority

The Board shall have overall oversight responsibility for operation of the District Healthcare System. Consistent with these By-Laws and the Strategic Alliance Agreement, the Board may, by duly-adopted resolutions, delegate to others, including its officers, employees, agents, and representatives, the performance of its authority, powers, privileges and rights granted to it by the Strategic Alliance Agreement, as the Board deems appropriate, except for the following, each of which must be approved separately by Board action:

- (a) approval of the Annual Budgets of the District Healthcare System;
- (b) approval of the appointment and termination of the Valley CEO recommended by the UW Medicine CEO, after consultation with UW Medicine Board;
- (c) removal of a Commissioner Trustee for Cause pursuant to the terms of Section 1.10 (which action is not permitted without concurrent approval of the UW Medicine CEO);
- (d) any commitment of the District Healthcare System to expend, or commit to expend, an amount exceeding the level that has been delegated by the Board; and
- (e) the approval of any Shared Support Service or Clinical Integration Activity for which Board approval is required under Section 6.4 of the Strategic Alliance Agreement.

### Section 1.6 Board Year

The Board year, including Board member appointments and Board officer terms, shall be from July 1 to June 30.

### Section 1.7 Meetings and Notice

(a) Regular meetings of the Board shall be held at least quarterly, the dates of which shall be determined by the chairperson at least one month in advance, and notice of which shall be given in accordance with Chapter 42.30 RCW. All regular meetings shall be held at the principal place of business of the District Healthcare System unless otherwise set forth in the notice for the meeting.

(b) Special meetings may be called by the chairperson at any time, or by a majority of the members of the Board, provided that written notice to all Board members and to others as required by Chapter 42.30 RCW shall be given not less than twenty-four hours prior to the meeting, stating the time, place and business to be transacted at the meeting. All special meetings shall be held at the principal place of business of the District Healthcare System unless otherwise set forth in the notice for the meeting.

(c) Except as otherwise specified in these Bylaws, all meetings of the Board and its committees shall be conducted in accordance with the latest revision of Roberts Rules of Order.



(d) If a Trustee is outside of the state of Washington at the time of a meeting of the Board or any meeting of a committee designated by the Board, the Trustee, upon approval by the Chairperson, may participate in such meeting through use of a conference phone or similar communications equipment, so long as all of the Trustees participating in such meeting can hear and communicate with one another. Participation in a meeting pursuant to this paragraph constitutes presence in person at such meeting.

#### Section 1.8 Quorum

(a) A majority of the Trustees shall constitute a quorum for the transaction of business at any Board meeting. If less than a quorum is present at a meeting, the meeting may be adjourned in accordance with Chapter 42.30 RCW.

(b) A majority of the Trustees appointed to any committee shall constitute a quorum for the transaction of business at any meeting of the committee. If less than a quorum is present at a meeting, the meeting may be adjourned in accordance with Chapter 42.30 RCW.

#### Section 1.9 Manner of Acting

If a quorum is present when the vote is taken, the act of the majority of the Trustees present at a Board or committee meeting shall be the act of the Board or the committee, except as provided in Article IX.

#### Section 1.10 Removal

(a) The UW Medicine CEO, in consultation with the UW Medicine Board, may, at any time and for any reason, remove a Community Trustee or a UW Medicine Designated Trustee; provided, however, that the UW Medicine CEO, in consultation with the UW Medicine Board, must promptly appoint a substitute Trustee having the requisite position qualifications.

(b) A Commissioner Trustee may be removed from the Board only for "Cause" as defined in the Strategic Alliance Agreement, and as determined by both the UW Medicine CEO and the Board. Either the UW Medicine CEO or the Board may initiate the process to remove a Commissioner Trustee. No such action shall be taken unless (i) the affected Commissioner Trustee has been given at least 30 days prior written notice of the intended action, together with an explanation of the grounds for his or her proposed removal, and (ii) the affected Commissioner Trustee has had an opportunity to appear before the Board and the UW Medicine CEO to be heard and explained why there is not "Cause" for removal. Should a Commissioner Trustee be removed for Cause, the remaining Commissioner Trustees, acting by a majority vote thereof, shall promptly designate a successor Commissioner Trustee (who need not be a Commissioner of the District and is referred to as a "**Replacement Commissioner Trustee**") to hold the position of the removed Commissioner Trustee. Such Replacement Commissioner Trustee shall have the right to remain on the Board until the Commissioner who has been removed for Cause is no longer a Commissioner of the District, at which time the new Commissioner will occupy the position. The removal of any Commissioner Trustee will not, in and of itself, have any impact upon the right of such removed Commissioner Trustee to remain

in his or her capacity as a Commissioner of the District. Any Replacement Commissioner Trustee is likewise subject to removal for "Cause" on the same basis as a Commissioner Trustee.

## **ARTICLE II BOARD OFFICERS**

### Section 2.1    Number; Appointment; Term

The officers of the Board shall be members of the Board and shall consist of a chairperson, vice chairperson, and such other officers as the Board may deem advisable. The UW Medicine CEO shall either serve as or designate the initial chairperson and the vice chairperson, both to begin serving as of July 1, 2011 for an initial one (1) year term. Thereafter, the Board, at its first regular meeting after July 1, 2012, shall elect officers from its own members as recommended by the Nominating Committee. The terms of each officer shall be for two (2) years and until each officer's successor has been elected. No officer may serve more than three consecutive terms in the same office.

### Section 2.2    Chairperson

The chairperson of the Board shall appoint such committee members as are specified under these Bylaws; shall preside at all meetings of the Board; shall serve as an ex-officio member, without vote, on all standing and special committees, unless otherwise specified in the Bylaws; and shall perform all of the acts usually attendant upon the office of the chairperson or which may be set forth by these Bylaws or by the Board.

### Section 2.3    Vice Chairperson

During the absence of the chairperson or while he/she is unable to act, the vice chairperson shall perform the duties and exercise the powers of the chairperson.

### Section 2.4    Vacancies

In the event of a vacancy in the position of Chairperson or Vice Chairperson, from July 1, 2011 through June 31, 2012, the UW Medicine CEO shall designate a replacement. Thereafter, in the event of a vacancy, the Nominating Committee will identify and recommend a replacement candidate to the Board who, if elected, will commence a new two (2) year term unless a shorter term is agreed to by a majority of the Board.

## **ARTICLE III BOARD COMMITTEES**

### Section 3.1    Standing Committees

Except as otherwise provided, the Board, by resolution adopted by a majority of the Trustees, shall approve the appointment of the following Standing Committees: Executive Committee; Joint Conference Committee; Finance, Facilities and Audit Committee; Compensation Committee; and a Nominating Committee. The Board may by resolution of a

majority of the Board also appoint such other committees as it may from time to time deem advisable.

### Section 3.2 Executive Committee

(a) Purpose. The Executive Committee, as requested by the Valley CEO, shall review and provide strategic advice on issues for presentation to the Board and shall have the power to transact such business of the Board between regular meetings of the Board as the Board may hereafter authorize by resolution. All actions of the Executive Committee shall be reported to the full Board at its next regular meeting.

(b) Composition. The Executive Committee shall consist of a chairperson, who shall serve as the chairperson of the Executive Committee; the vice chairperson; the UW Medicine CEO or his or her designated representative to the Board; the chairperson of each standing Board Committee; and such other Board Members as the chairperson may appoint.

(c) Meetings. The Executive Committee shall meet as deemed necessary by the chairperson of the Board and/or at the request of the Valley CEO.

### Section 3.3 Finance, Facilities and Audit Committee

(a) Purpose. The Finance, Facilities and Audit Committee shall be responsible for reviewing the financial results, plans and audits of the District Healthcare System for the purpose of assessing the overall financial risks and capacities of the District Healthcare System. The Committee also has oversight over the District Healthcare System facilities.

(b) Composition. The Finance, Facilities and Audit Committee shall consist solely of Board Members as follows: at least three Board members, including the chairperson of the Committee as appointed by the chairperson of the Board; one Commissioner Trustee and one additional Board member appointed by the chairperson, all as appointed annually by the chairperson of the Board in consultation with the Valley CEO.

(c) Meetings. The Finance, Facilities and Audit Committee shall meet at the call of the chairperson. The Finance, Facilities and Audit Committee shall meet monthly, or on such other regular periodic basis as is necessary, in order to permit the regular and orderly approval of bills and warrants related to the operations of the District Healthcare System. Such action will be taken to ensure compliance with the requirements of RCW 42.24.180.

### Section 3.4 Joint Conference Committee

(a) Purpose. The Joint Conference Committee shall serve as an advisory committee to the Board by providing a forum in which representatives of the Board, medical staff and District administration, shall jointly consider District Healthcare System policy matters governing medical practice and review quality assurance reports.

(b) Composition. The voting members of the Joint Conference Committee shall consist of at least three Board members appointed annually by the chairperson of the Board, one of whom shall serve as the chairperson of this Joint Conference Committee, the chairperson

of the Board or designee, the Valley CEO, the District Executive Vice President and Chief Operating Officer, the District Medical Director, the District Chief of Staff, and one member of the medical staff nominated by the Medical Executive Committee, all as appointed annually by the chairperson of the Board in consultation with the Valley CEO. Non-voting members of the committee are the Chief Nursing Officer; three physicians on the District's medical staff; one member of the Professional Performance Committee designated by its chair; and the UW Medicine CEO or designee.

(c) Meetings. The Joint Conference Committee shall meet at the call of the chairperson, but not less than monthly.

(d) Medical Staff Credentialing and Privileging. The Joint Conference Committee shall have delegated authority from the Board to render final decisions regarding approval of medical staff initial appointments, reappointments, additions to privileges, and voluntary modifications to clinical privileges in the periods between Board Meetings. At least two Board members of the Joint Conference Committee must vote for Committee actions on approval of privileges to be valid. The Joint Conference Committee shall present its final decisions to the Board for information purposes.

Where medical and dental staff criteria for credentialing privileging are not met, medical and dental staff appointment and reappointment and professional privileging decisions shall remain with the Board.

### Section 3.5 Compensation Committee

(a) Purpose. The Compensation Committee shall annually evaluate the Incentive Compensation Program applicable to the District Healthcare System's Senior Executive Team, so long as employed by the District, and provide advice and recommendations to the Board as to the appropriate levels of compensation for the Senior Executive Team and the Valley CEO.

(b) Composition. The Compensation Committee shall consist solely of the following Board members: the chairperson of the Board who shall serve as the chair of the Compensation Committee; the vice chairperson of the Board; UW Medicine CEO or designee and two other Board Members appointed by the chairperson of the Board.

(c) Meetings. The Compensation Committee shall meet at the call of the chairperson, but no less than annually

### Section 3.6 Nominating Committee

(a) Purpose. The Nominating Committee shall, in collaboration with the UW Medicine CEO and the Valley CEO, identify and recommend to the Board the individuals to serve as Board officers pursuant to Article II.

(b) Composition. The Nominating Committee shall consist solely of the following Board members: the immediate past chairperson of the Board (initially deemed to be the chairperson of the District Board of Commissioners as of the effective date of the Strategic

Alliance Agreement), who shall serve as the chair of the Nominating Committee; the vice chairperson of the Board; and three other Board members appointed by the chairperson of the Board.

(c) Meetings. The Nominating Committee shall meet at the call of the chairperson, at least 90 days prior to the expiration of a Board officer's term and otherwise as necessary to address vacancies in Board officer positions.

### Section 3.7 Special or Ad Hoc Committees

Other special or ad hoc committees of the Board may be established by the Board by resolution adopted by a majority of the Board.

## **ARTICLE IV STANDARD OF CONDUCT FOR TRUSTEES**

(a) Each of the Trustees will owe the same duties and obligations in discharging his or her responsibilities and duties as a trustee under applicable law, including but not limited to fiduciary duties and the duties to act in good faith, with reasonable care, in a manner believed to be in the best interests of the District Healthcare System, and not for personal benefit. Each Trustee must discharge faithfully and honestly his duties and perform strictly and impartially to the best of his or her ability. Such duties and obligations are owed by the Trustee for the benefit of each of the District and UW in the furtherance of their respective interests under this Agreement. Each Trustee must comply with UW Medicine's Policy on Professional Conduct, the Ethics in Public Service Act, RCW Chapter 42.52 and RCW Chapter 42.20 and all other duties and obligations owed by a public officer under the laws of the state of Washington. The District and UW may each separately take action to preserve and protect their rights under this Agreement.

(b) To the extent that any Trustee serves in a representative capacity on behalf of either UW or the District, such individual may, when exercising the rights reserved to UW or the District, as the case may be, exercise such rights as directed by the Party for whom such individual serves in a representative capacity, and in doing so will not be deemed to have breached any duty, fiduciary or otherwise, owed by such individual as a Trustee.

## **ARTICLE V INTERESTS OF TRUSTEES AND OFFICERS**

### Section 5.1 Compensation of Board and Board Committee Members

No Board member or any member of any committee appointed by the Board shall receive any compensation for services rendered in his/her capacity as a Board or committee member. However, nothing herein shall be construed to preclude any Board member from receiving compensation from UW Medicine or the District Healthcare System for other services actually rendered, a per diem for attending District Healthcare System Board meetings, or reimbursement for expenses incurred for serving as a Board member or in any other capacity, all in accordance with established District Healthcare System practices and procedures, Chapter 42.52 RCW, and RCW 43.03.050 and 43.03.060, as now existing or hereafter amended. Notwithstanding the

foregoing, under no circumstances may a Commissioner Trustee receive any compensation or payments for serving on the Board, or any committee thereof, to the extent not permitted by Chapter 70.44 RCW.

#### Section 5.2    Conflict of Interest

(a)    No Trustee or any person appointed by the Board in any capacity may act as an agent for any person or organization where such an act would create a conflict of interest with the terms of the person's service to the Board.

(b)    The Ethics in Public Service Act, Chapter 42.52 RCW, shall apply to any Trustee and to any person appointed by the Board in any capacity.

(c)    The Board will adopt and maintain specific policies to assure that potential conflicts of interest are identified and steps taken to avoid actual or apparent conflicts in the conduct of the District Healthcare System's business affairs.

### **ARTICLE VI MEDICAL STAFF**

#### Section 6.1    General

The Board holds the Medical Staff organization accountable for establishing and maintaining standards of medical care in the District Healthcare System. The Medical Staff Bylaws, policies and procedures, including but not limited to the appeals process, in effect immediately prior to the effective date of the Strategic Alliance Agreement shall continue to apply, subject to subsequent amendment under the provisions of Section 6.5 below.

#### Section 6.2    Medical Staff

For purposes of this Article, the words "Medical Staff" shall include all physicians and dentists who are authorized to attend patients in any District Healthcare System facility or other medical care activity administered by the District Healthcare System, and may include such other professionals as the Medical Staff Bylaws designate.

#### Section 6.3    Organization of the Medical Staff

The Board shall approve the organization of the Medical Staff so as to discharge those duties and responsibilities assigned to it by the Board, including but not limited to the following:

(a)    To monitor the quality and safety of medical care and performance improvement initiatives in the District Healthcare System and make recommendations to the Board so that all patients treated at any of the facilities, departments or services of the District Healthcare System receive high quality medical care;

(b)    To recommend to the Board, or where appropriate, to the Joint Conference Committee, the appointment or reappointment of an applicant to the Medical Staff, the clinical privileges such applicant shall enjoy, and action deemed necessary in connection with any

member of the Medical Staff, to assure that at all times there shall be a high quality of professional performance of all persons authorized to practice in the District Healthcare System;

(c) To establish specific policies and procedures governing actions of members of the Medical Staff.

#### Section 6.4 Medical Executive Committee

As set forth in the Medical Staff Bylaws, the Medical Executive Committee is the governing committee of the Medical Staff organization. The Medical Executive Committee shall establish and maintain a framework for self-government and a means of accountability to the Joint Conference Committee, in accordance with the medical staff structure approved by the Board. It shall concern itself primarily with the quality of medical care within the District Healthcare System. It shall receive and act upon all medical staff committee reports and make recommendations regarding medical staff status and privileges to the Board or, where an expedited process is appropriate, to the Joint Conference Committee. It shall represent the Medical Staff and provide the means whereby issues concerning the Medical Staff may be discussed both within the Medical Staff organization and with the Joint Conference Committee and management of the District Healthcare System.

#### Section 6.5 Medical Staff Bylaws

The Medical Executive Committee shall recommend revisions of the existing Medical Staff Bylaws, policies and procedures to the Board. When such revisions are adopted by the Board, they shall become effective and part of the Bylaws, policies and procedures of the Medical Staff.

#### Section 6.6 Appointment to the Medical Staff and Assignment of Clinical Privileges

Appointments and reappointments to the Medical Staff shall be made in accordance with the appointment and reappointment procedures set forth in the Medical Staff Bylaws. Upon recommendation of the Medical Staff Committee, the Board, or where an expedited process is appropriate, the Joint Conference Committee may appoint to membership on the Medical Staff, physicians, dentists, and other professionals who meet the personal and professional qualifications prescribed in the Medical Staff Bylaws. Appointment to the Medical Staff carries with it full responsibility for the treatment of individual patients subject to such limitations as may be imposed by the Board or the Bylaws, policies and procedures of the Medical Staff.

Whenever the Joint Conference Committee does not concur in a Medical Staff Committee recommendation relative to Medical Staff appointment, reappointment or the granting of clinical privileges, said recommendation shall be referred to the Board for decision.

#### Section 6.7 Appointment and Reappointment Requirements

Each person initially appointed to membership on the Medical Staff shall be provided with a current copy of the Bylaws, policies and procedures and shall submit to the Medical Director a signed written statement agreeing to abide by them. Each member of the Medical Staff shall as a minimum be required to:

(a) Provide care and supervision to all patients within the District Healthcare System for whom such Medical Staff member has responsibility;

(b) Abide by the Board Bylaws, the Medical Staff Bylaws, policies and procedures, and the policies and directives in force during the time such person is a member of the Medical Staff;

(c) Accept committee assignments and such other duties and responsibilities as may be reasonably assigned by the Joint Conference Committee or the Medical Staff organization.

## **ARTICLE VII INDEMNIFICATION**

### Section 7.1    Generally

(a) Subject to the qualifications contained in this Article VII, the District using the District assets shall indemnify and hold harmless each person who was, is or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any threatened, pending or completed action, suit, claim or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (a "*proceeding*"), by reason of the fact that he or she is or was a Trustee or an officer of, employee of, or physician holding an administrative position with the District Healthcare System (an "*indemnitee*"), whether the basis of a proceeding is alleged action in an official capacity while serving in such role or as a director or officer of any other organization or entity at the request of the Board.

(b) The indemnification provided by this Section 7.1 shall be from and, against all losses, claims, damages (compensatory, exemplary, punitive or otherwise), liabilities and expenses (including attorneys' fees, costs, judgments, fines, ERISA excise taxes or penalties, amounts to be paid in settlement and any other expenses) actually and reasonably incurred or suffered by the indemnitee in connection with the proceeding, and the indemnification shall continue as to an indemnitee who has ceased to be a Trustee and shall inure to the benefit of the indemnitee's heirs, executors and administrators. The right to indemnification conferred in this Article VII shall be a contract right.

(c) Notwithstanding the foregoing, no indemnification shall be provided to any indemnitee for acts or omissions of the indemnitee finally adjudged to be: intentional misconduct or a knowing violation of law, conduct of the indemnitee finally adjudged to be in violation of the standards set forth in Article IV; any action conducted outside of the scope of his/her duties set forth in Section 1.1; or any conduct as to which the Board is prohibited by applicable law from indemnifying the indemnitee (the "*indemnification standards*").

(d) The right of the indemnitee to receive a recovery pursuant to this Article VII shall be reduced: (i) to the extent the indemnitee is indemnified and compensated other than pursuant to terms of these Bylaws; and (ii) to the extent that the indemnitee receives a recovery pursuant to any insurance policy maintained by the Board or any other party for the benefit of the indemnitee.



(e) To obtain indemnification, indemnitee shall promptly submit to the Board a written request, including such documentation and information as is reasonably available to indemnitee and is reasonably necessary to determine whether and to what extent indemnitee is entitled to indemnification.

#### Section 7.2 Determination that Indemnification is Proper

If and to the extent that under applicable law or otherwise the Board must make a determination that the indemnitee has met the indemnification standards, any such determination must be made by: (i) a majority of a quorum of disinterested Trustees acting by resolution duly adopted by such Trustees, or (ii) if such disinterested Trustees are unable to adopt such a resolution, by independent legal counsel selected by the disinterested Trustees. For purposes of this Section 7.1(c), "disinterested Trustee" shall mean a Trustee who does not have a personal interest in the determination of entitlement to indemnification. "Independent legal counsel" shall mean a law firm or a member of a law firm that is not presently, nor has been in the past three years, retained to represent: (i) the Board, the District Healthcare System, or indemnitee in any matter material to either party, or (ii) any other party to the proceeding giving rise to the claim for indemnification. In any such determination of indemnitee's entitlement to indemnification: (a) indemnitee shall initially be presumed in all cases to be entitled to indemnification, (b) indemnitee may establish a conclusive presumption of any fact necessary to such a determination by delivering to the Board a declaration made under penalty of perjury that such fact is true and (c) unless the Board shall deliver to indemnitee written notice of a determination that indemnitee is not entitled to indemnification within sixty (60) days of the Board's receipt of indemnitee's initial written request for indemnification, such determination shall conclusively be deemed to have been made in favor of the Board's provision of indemnification and the Board agrees not to assert otherwise.

#### Section 7.3 Advancement of Expenses

The right to indemnification conferred in this Article shall include the right to be paid the expenses incurred in defending any proceeding in advance of its final disposition (an "*advancement of expenses*"). An advancement of expenses shall be made upon delivery to the Board of an undertaking (an "*undertaking*"), by or on behalf of the indemnitee, committing to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that the indemnitee is not entitled to be indemnified. Notwithstanding the foregoing, no such advance and expenses is permitted if the claim brought against the indemnitee is one brought by the Board on behalf of the District Healthcare System, until such time as it has been finally determined that the indemnitee is entitled to such indemnification under the terms of Section 7.1.

#### Section 7.4 Right of Indemnitee to Bring Suit

If a claim under Sections 7.1 or 7.3 is not paid in full by the Board within 60 days after a written claim has been received by the Board, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 20 days, the indemnitee may at any time thereafter bring suit against the Board to recover the unpaid amount of the claim. If successful in whole or in part, in any such suit or in a suit brought by the Board to recover an

advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of litigating the suit. The indemnitee shall be presumed to be entitled to indemnification under this Article upon submission of a written claim (and, in an action brought to enforce a claim for an advancement of expenses, when the required undertaking has been tendered to the Board) and thereafter the Board shall have the burden of proof to overcome the presumption that the indemnitee is so entitled.

#### Section 7.5 Nonexclusivity of Rights

The right to indemnification and the advancement of expenses conferred in this Article shall not be exclusive of any other right that any person may have or hereafter acquire under any statute or otherwise. Notwithstanding any amendment or repeal of this Article, or of any amendment or repeal of any of the procedures that may be established by the Board pursuant to this Article, any indemnitee shall be entitled to indemnification in accordance with the provisions of this Article and those procedures with respect to any acts or omissions of the indemnitee occurring prior to the amendment or repeal.

#### Section 7.6 Insurance, Contracts and Funding

The Board may cause the District to maintain insurance, at the District's expense, on behalf of any person required or permitted to be indemnified pursuant to these Bylaws against any expense, liability or loss, whether or not the Board would have the authority or right to indemnify the person against the expense, liability or loss under applicable law. The Board may enter into contracts with any director, officer, partner, trustee, employee or agent of the District Healthcare System in furtherance of the provisions of this Section and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of the amounts as may be necessary to effect indemnification as provided in this Article.

#### Section 7.7 Indemnification of Employees and Agents of the District Healthcare System

In addition to the rights of indemnification set forth in Section 7.1, the Board may, by action of the Board, grant rights to indemnification and advancement of expenses to agents or any class or group of agents of the District Healthcare System (a) with the same scope and effect as the provisions of this Section with respect to indemnification and the advancement of expenses of the Trustees; (b) pursuant to rights granted or provided by the PHD Act or other applicable law; or (c) as are otherwise approved by the Board, provided such indemnification is permitted under applicable law.

### **ARTICLE VIII AUXILIARY ORGANIZATIONS**

#### Section 8.1 General

Organizations auxiliary to the District Healthcare System may be established only under bylaws approved by the Board. Such bylaws must, at a minimum, define the purpose, organizational structure, officers, procedures for conducting business, reporting requirements, and the amendment procedures. Notwithstanding the foregoing, Volunteers in Action, a non-

profit entity that provides volunteer services to the District is grandfathered and does not require Board approval.

Section 8.2    Bylaws

The approved bylaws of the auxiliary organization and any amendments thereto, shall be kept as a permanent record by the Board and filed with the minutes of Board meetings at which said bylaws or amendments thereto were approved by Board.

Section 8.3    Oversight by Board

An approved auxiliary organization's relationship with the District Healthcare System shall be subject to the oversight of the Valley CEO who will keep the Board informed of the organization's activities.

**ARTICLE IX  
AMENDMENTS**

These Bylaws will be reviewed annually and updated as needed. Except as provided below, changes in these Bylaws, whether amendments, additions, deletions or replacements, may be made by a two-thirds (2/3rds) vote of the entire Board at a meeting of which prior notice of the meeting and the proposed action shall have been given. Notwithstanding the foregoing, no amendments may be made to the following Sections without the prior written consent of UW Medicine and the District's Board of Commissioners: Article IV and Sections 1.1(a), (b) and (c); 1.2; 1.3, 1.4, 1.5, 1.10 and 7.2. In addition, if at any time UW and the District's Board of Commissioners approve amendments to Sections 3.1, 3.2, 3.3, 3.4, 3.5, 3.6 and 3.7 of the Strategic Alliance Agreement, such amendments shall automatically be deemed, to the extent inconsistent with the terms hereof, to amend the corresponding paragraphs of these Bylaws.

**EXHIBIT 6.4(h)**

**LIST OF POTENTIAL INTEGRATION ACTIVITIES**

The following list of potential integration and/or education and training possibilities is not intended to be a firm commitment by either party on any specifically suggested activity, or is this list intended to be seen as an exclusive or exhaustive list of such possibilities. Rather, the following is merely to be seen as illustrative of the types of activities the parties may explore as they advance the guiding principles of the Strategic Alliance Agreement:

- Secondary care access from primary care clinics
- Rheumatology
- Pain Center
- Cardiology and Cardiothoracic Surgery
- Obstetrics/High Risk OB and Neonatal ICU
- Stroke Center
- Family Medicine
- Behavioral Health
- Long Term Acute Care
- Genetic Counseling, including REI
- Senior Care/Geriatrics
- Emergency Medicine
- Cost Containment Strategies and Best Practices
- Recruitment and Retention of Physicians and other Providers
- Information Technology Platforms and Processes
- Quality Assurance and Risk Management

## **EXHIBIT 7.1(A)(IX)**

### **DELINEATION OF CORE CLINICAL SERVICES**

As contemplated by the Agreement, the District Healthcare System is intended to provide a broad array of Healthcare Services to address the needs of the residents within the District Service Area, in a manner similar to what one would expect of similarly-situated community hospitals. Accordingly, except as otherwise provided below, the Board will ensure that all of the following services are available through the District Healthcare System throughout the Term, unless (i) the elimination of any line of service is authorized by the District's Board of Commissioners or (ii) the continued offering of such line of services is not necessary due to the "market out" exception noted below:

#### **In-Patient Services**

- Surgical Services--other
- Medical Services--other
- Neurosurgery
- Neurology
- Obstetrics
- Gynecology
- Cardiology
- Gastroenterology
- Vascular Surgery
- General Surgery
- Pulmonary Medicine
- Endocrinology
- Urology
- Oncology
- Infectious Diseases
- Otolaryngology
- Nephrology
- Trauma
- Orthopedics

#### **Outpatient Services**

- Emergency Medicine
- ATU, PACU
- Breast Health
- Outpatient Surgery
- Radiation Oncology
- Maternal Fetal Medicine
- Angio-Cath, EEG, EKG, Cardiac Rehab, Outpatient Vascular Services
- Outpatient Imaging (Radiology, CT, MRI, PET, Ultrasound)

- Occupational Therapy/Physical Therapy/Speech Therapy/Respiratory Therapy
- Sleep Medicine
- Nuclear Medicine
- Pathology

### **Clinic-Provided Services**

- General and Vascular Surgery
- Neurology
- Epilepsy
- Neurosurgery
- Ophthalmology
- Nephrology
- Rheumatology
- Occupational Medicine
- Primary Care Services
- Family Medicine Residency
- Urgent Care
- Maternal Fetal Medicine
- Nurse Midwives
- Laborists
- Wound Clinic

### **Marketing Out Exception**

Notwithstanding the foregoing, UW and the District recognize that future changes in the delivery of healthcare services to the public may render it economically impractical or unnecessary, due to advances in medical technology and health sciences, to continue offering one or more of the listed lines of services. Accordingly, if one or more of the identified lines of services are no longer commonly and routinely provided by similarly-situated community hospitals located within the greater Puget Sound area, the Board will have no obligation to ensure that such line of service is then offered through the District Healthcare System.

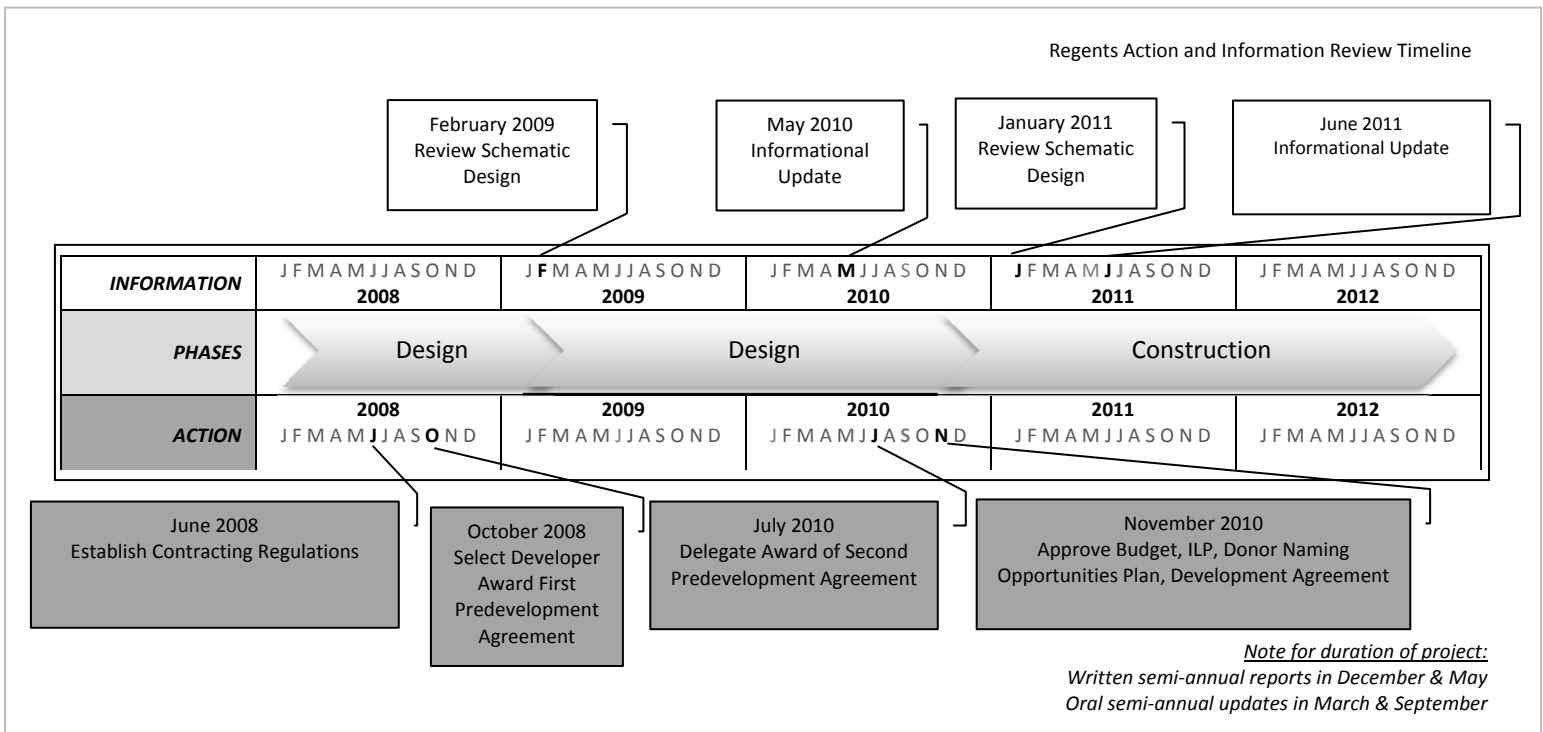
VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

*In Joint Session with*

B. Finance, Audit and Facilities Committee

Husky Stadium Renovation – Informational Update



INFORMATION:

At the November 2010 Board of Regents meeting, Intercollegiate Athletics committed to return with a project status update prior to further obligating the University to the Developer. The purpose of this informational update is to discuss the current project status as well as discuss the authorizations needed to be given to the Developer to continue the project and meet the agreed-upon schedule. The development agreement signed December 15, 2010 gave the Developer approval to commence with the Design Phase, which is the preparation of design and construction drawings for the project; the Design Phase ends June 30, 2011. The University must give the Developer written authorization to proceed with the subsequent phases, and intends to do so following the June 9, 2011 meeting, for the first two items:

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

*In Joint Session with*

### B. Finance, Audit and Facilities Committee

#### Husky Stadium Renovation – Informational Update (continued p. 2)

- Pre-Construction Phase by July 1, 2011 to keep the project on schedule and preserve pricing agreements made by the Developer; this work includes ordering and committing to purchase materials for the project.
- Construction Phase (limited) by June 13, 2011 to authorize the Developer to construct early site work of relocated and temporary site utilities in preparation for work on the stadium, taking advantage of the slower time on campus as well as the more favorable weather.
- Construction Phase (complete) by November 7, 2011 to start actual construction of the Stadium. Intercollegiate Athletics will return with a project update prior to authorizing this phase.

#### PROJECT DESCRIPTION:

The Husky Stadium Renovation project, using a Developer-led delivery model, will renovate, replace and add to the existing facility to correct structural and building code deficiencies, meet current Americans with Disabilities Act (ADA) standards for accessibility and upgrade the fan experience.

#### PREVIOUS REGENTS ACTIONS:

June 2008	Approve Developer Process
October 2008	Select Developer and Award First Predevelopment Agreement with Hines Interests Limited Partnership
July 2010	Delegate Authority to Sign Predevelopment Agreement with Wright Runstad
November 2010	Adopt the project budget for the Husky Stadium Renovation at \$250,000,000 and approve use of the Internal Lending Program (ILP) for up to \$250,000,000 for design, construction, capitalized interest, and other project costs; approve the Donor Naming Opportunities Plan; and delegate authority to the president to sign a Development Agreement with Wright Runstad & Company



## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

*In Joint Session with*

### B. Finance, Audit and Facilities Committee

## Husky Stadium Renovation – Informational Update (continued p. 3)

### PROJECT SCOPE:

The general work elements of the Husky Stadium Renovation project include:

- complete demolition and reconstruction of the lower bowl and south side stands;
- construct new 70,000 sf football operations support building integrated into the west end zone;
- implement premium seat program located primarily in the new south stands with suites, club seats, and the Don James Center located in the existing north stands;
- remove track and lower the field by four feet to optimize proximity and sightline values, there will be no view obstructed seats;
- construct a 200 space parking garage below the south side stands; and
- achieve sustainable (LEED) initiatives and ADA accessibility.

### PROJECT SCHEDULE:

Predevelopment (Schematic Design)	September – October 2010
Regents meeting to approve the project	November 18, 2010
Development Agreement executed	December 1, 2010
Design Development	December – January 2011
Construction Documents	February – June 2011
Start construction	November 7, 2011
Games played at Qwest Field	2011 Apple Cup and 2012 season
Construction complete	August 2013
Occupancy	September 2013

### CURRENT PROJECT STATUS:

The development team has been working on the construction documentation phase of the project as the design is being completed and drawings prepared in preparation of final subcontract bidding and awarding of subcontracts. The Final Supplemental Environmental Impact Statement (SEIS) has been prepared and is being reviewed and the Master Use Permit (MUP) application has been submitted the City of Seattle. Approval of both of these is anticipated to be in June 2011.

**VII. STANDING COMMITTEES****A. Academic and Student Affairs Committee**

*In Joint Session with*

**B. Finance, Audit and Facilities Committee****Tuition Setting Authority – Informational Update****INFORMATION:**

This item is a follow up to the proposed operating and capital budgets presented to the Regents as an information item on May 12, 2011. The legislature had not agreed to a final budget for the 2011-13 biennium at that time, therefore, to facilitate Regental decision-making on tuition and financial aid for the upcoming fiscal year, the May 12 information item assumed that UW state general fund appropriation figures contained in the Washington State Senate's engrossed budget would prevail during conference negotiations.

Since that time, the Legislature passed the Higher Education Opportunity Act (E2SHB 1795), which grants the UW Regents tuition setting authority for all students absent caps. In response, this tuition flexibility item outlines an array of financial aid and tuition rate considerations for resident undergraduate students. Note that all other nonresident undergraduate and graduate/professional tuition rates will continue to be approved by the Regents, and are presented on the final page of this item exactly as they were in May. This item focuses exclusively on the University's largest tuition revenue generating population – resident undergraduate students.

Rates for resident undergraduate students, as well as all graduate and professional and nonresident undergraduate students, will be adopted during a special meeting of the Board of Regents expected to be held on June 30, 2011.

# University of Washington

## TUITION FLEXIBILITY

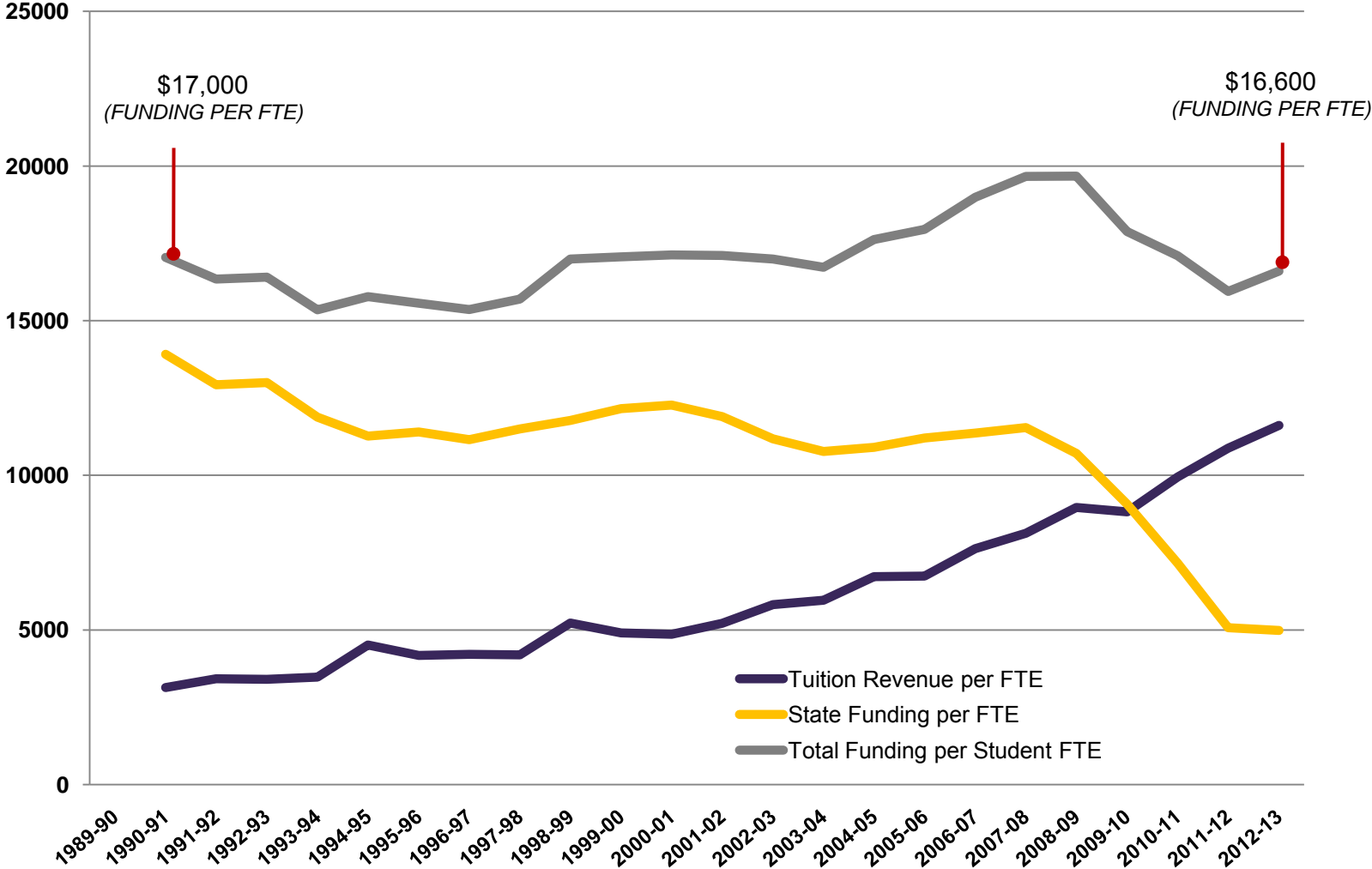
### Fiscal Year 2012

Paul Jenny, Vice Provost, Planning & Budgeting  
Kay Lewis, Director, Student Financial Aid

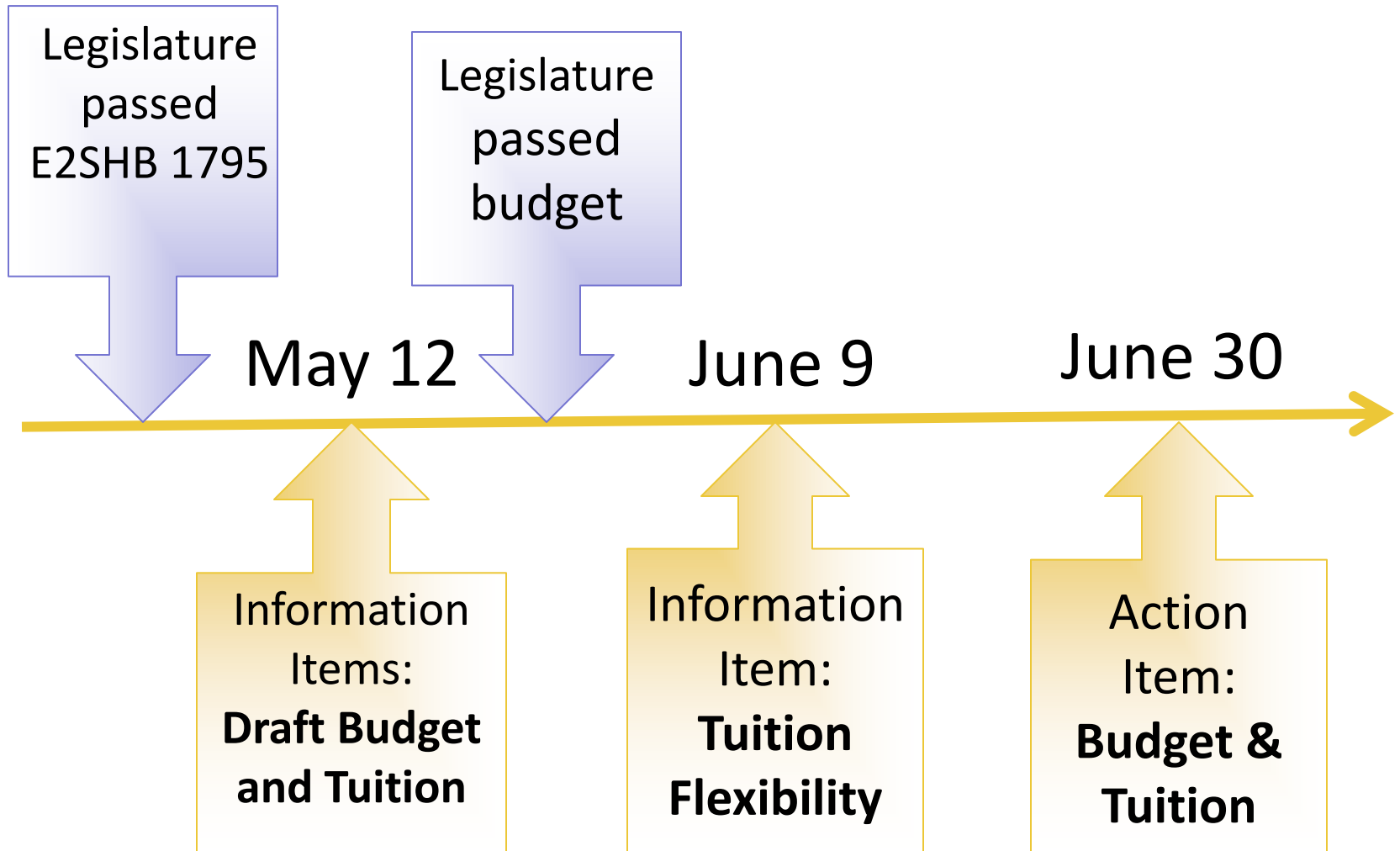
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# TUITION-SETTING CONTEXT

**State and Tuition Funding per FTE**  
(in 2013 Dollars)



# FY12 BUDGET AND TUITION ITEM TIMELINE



# TUITION FLEXIBILITY

# TUITION AND FINANCIAL AID OVERVIEW

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- **HB 1795 grants Regents** the ability to set tuition without caps imposed by the Legislature.
- This presentation assumes that **Regents exercise tuition flexibility** and raise resident undergraduate tuition rates over the Senate's 16 percent increase cap.
- The Legislature prioritized **State Need Grant funding to cover a 16% increase at the UW**. The SNG is nationally recognized as one of the most steadfast commitments a state has made to need-based financial aid.

# E2SHB 1795 OVERVIEW

## *Tuition Setting Authority*

- **Comprehensive tuition setting authority** for a four-year period starting in 2011-12; tuition setting authority with caps until 2017-18
- **Resident enrollment:** Requires the UW enroll at least the same number of resident freshman undergraduate students each academic year as enrolled in 2009-10

## *Financial Aid Commitment*

- **Increase in return-to-aid:** If the UW triggers flexibility, operating fee set-aside on all tuition revenue increases to **5 percent**
- **Increase in aid to middle class:** If flexibility is exercised, the bill requires that we provide funding assistance to students at certain income brackets to mitigate the **difference between the maximum SNG and tuition rate** as well as for students who apply for aid after the Husky Promise cutoff date
- **Tax credit promotion and marketing campaign**



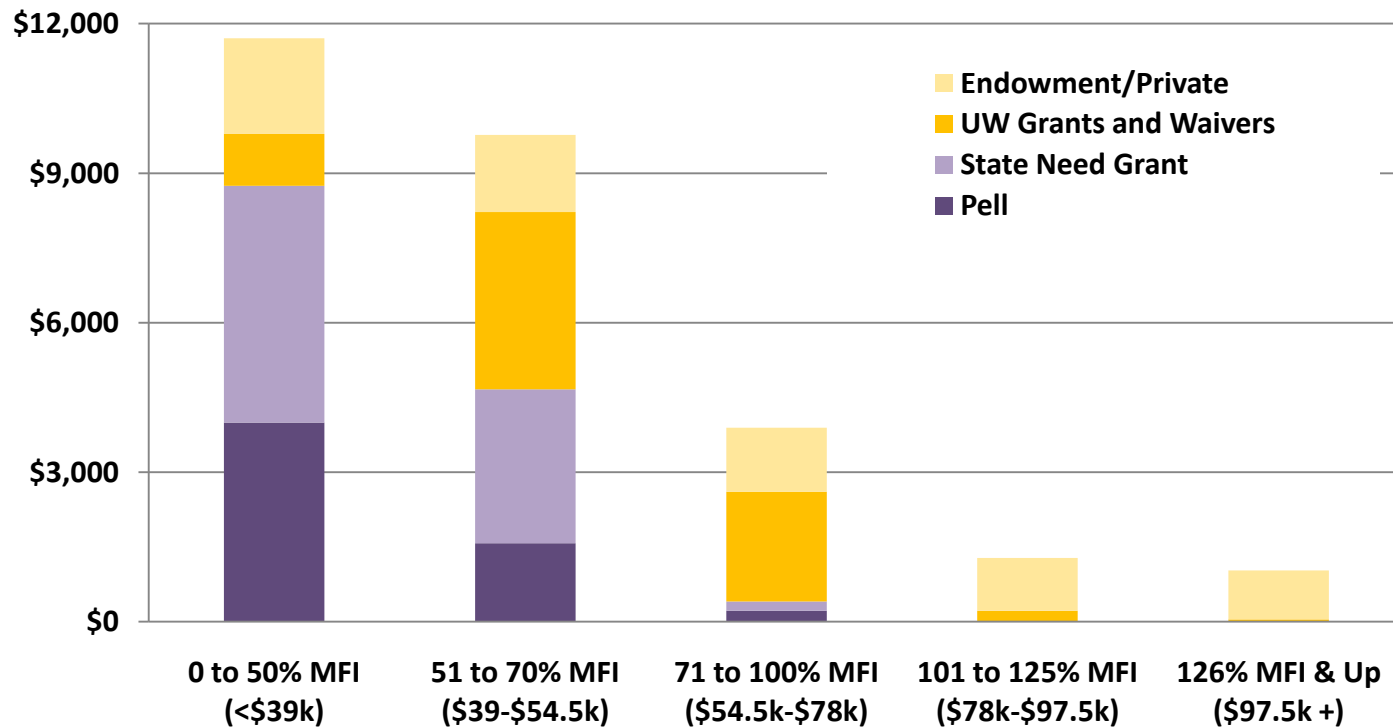
# WHAT IS OUR CURRENT FINANCIAL AID STRUCTURE?

## In 2010-11:

32% of undergraduates received Pell Grants

26% of undergrad residents received State Need Grants

27% of undergrad residents were Husky Promise eligible



Note: MFI incomes shown are for a family of four.

# TUITION RATE OPTIONS – RESIDENT UNDERGRADS

Note that all other tuition rates were included in your May budget item and will be included in your June 30 budget item.

RESIDENT UNDERGRAD	2011-12		2012-13*	
2011-12 Increase	Tuition Rate	Increase	Tuition Rate	Increase expressed as a percent and dollar
<b>16%</b>	\$9,422	\$1,300	\$10,835	<b>+16%</b> (or \$1,508)
<b>20%</b>	\$9,746	\$1,624	\$11,208	<b>+16%</b> (or \$1,559)
<b>22%</b>	\$9,909	\$1,787	\$11,395	<b>+16%</b> (or \$1,585)

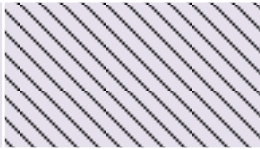
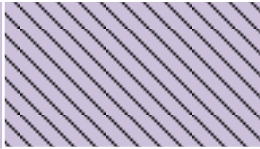
\* During the 2011-12 academic year, UW administration will work with faculty, students and staff on a proposal to introduce differential undergraduate tuition rates for the 2012-13 academic year. In addition, note that any further erosion in state funding may necessitate higher increases.

# COMPARISON TO PEER TUITION & FEE RATES

YEAR	PEER GROUP	RESIDENT UG TUITION & FEES	NON-RESIDENT UNDERGRAD TUITION & FEES
2010-11	GLOBAL CHALLENGE + U MICH	\$10,887	\$30,790
	<b>UNIVERSITY OF WASHINGTON</b>	<b>\$8,701</b>	<b>\$25,329</b>
2011-12	GLOBAL CHALLENGE + U MICH	\$11,700	\$33,100
	<b>UNIVERSITY OF WASHINGTON (20%)</b>	<b>\$10,571</b>	<b>\$28,055</b>

Note: To compare to peers, the total tuition & fees charged must be used. For 2010-11, tuition was \$8,122 but total tuition & fees was \$8,701.

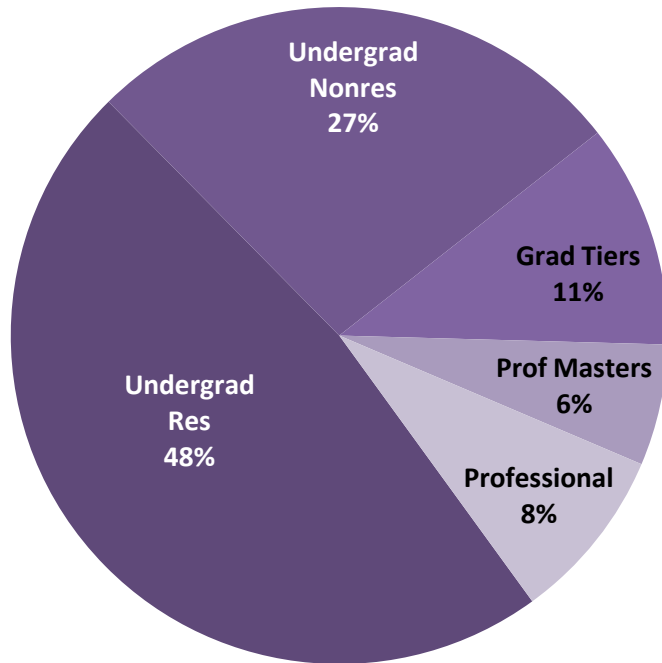
# REVENUE AND FINANCIAL AID ESTIMATES

2011-12 Undergraduate Residents	Tuition Increase		
	16%	20%	22%
Set-Aside (3.5%-5%)	\$11.7 M	\$17.2 M	\$17.3 M
Net Tuition Revenue	\$213.8 M	\$221.2 M	\$224.9 M
Additional Revenue to Aid		\$3.7 M	\$5.6 M
Additional Revenue to Academy		\$3.7 M	\$5.6 M
% to Aid	12.3%	15.6%	16.1%

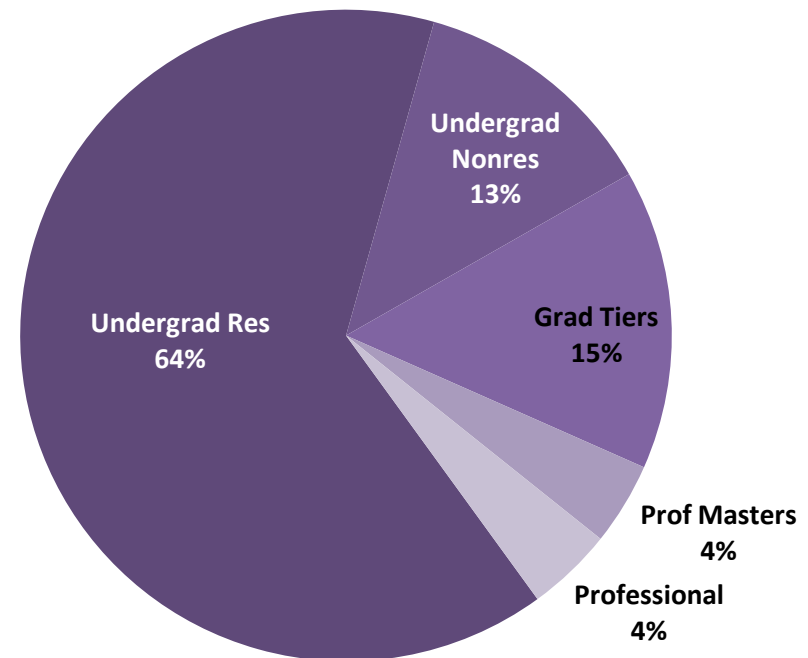
# 2011-12 PROJECTIONS BY TUITION CATEGORY

Resident undergraduates provide the majority of tuition revenue, but nonresident undergraduates contribute disproportionately to revenue

Net Operating Fee Revenue



Enrollment



**Draft projected total net tuition revenue is \$457M**

# NEW UNDERGRAD INCREMENTAL REVENUE

## Policy Question:

How much of the incremental revenue generated by a tuition increase above 16% should be directed back to **undergraduate educational units to enhance educational quality** and how much should be diverted to **undergraduate financial aid**?

**Incremental revenue** could be split numerous ways; UW administration **recommend a 50% split** between **financial aid** and **academic (programmatic) investments**. This would be 50% of ~\$7.4 million with a 20% tuition increase or of ~\$11.1 million with a 22% increase.

# NEW UNDERGRAD INCREMENTAL REVENUE

## *Financial Aid Investment*

How much incremental revenue should go to **financial aid to minimize the impact on lower and middle income students?**

If **50%** of incremental revenue associated with a 20% increase (**\$3.7 million**) is diverted to **financial aid**, the tuition increase for our neediest students is covered and the effective **increase for ALL resident undergraduate students is reduced to an AVERAGE 16%**

Additionally, we estimate that **an additional 800-1,000 students** could be awarded grants of up to **\$4,000**

# NEW UNDERGRAD INCREMENTAL REVENUE

## *Undergrad Academic Investment*

How much incremental revenue should be invested on the academic side to **enhance students' educational experience?**

If **50%** of incremental revenue associated with a 20% increase (**\$3.7 million**) is invested in academics, the UW could:

- Add course section offerings by at least 75 in **high demand** areas, serving **2,000 to 2,500 students**
- Provide access to currently closed or highly curtailed **writing and learning centers**, which could accommodate **15,000 to 20,000 student visits**



# STUDENT DEBT ANALYSIS

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**MEDIAN undergraduate student debt is still 0** as less than 50 percent (46.5 percent) of graduating undergraduates in 2009-10 borrowed to fund all or a portion of their education

While our students continue to borrow 15 percent less than the national average of \$23,000, the average loan debt for UW students has increased from **\$17,800 in 2008-09** to **\$19,500 in 2009-10**

# GET PROGRAM NOTE

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State Relations and OPB are working with the State Actuary to determine how the **GET program could be affected by tuition flexibility**

Current GET accounts **remain unchanged** and actuarial analysis indicates that **GET is a solvent, solid investment**

The GET program could evolve as tuition rates between Washington institutions grow more divergent