

VII. STANDING COMMITTEES**A. Academic and Student Affairs Committee**

in Joint Session with

B. Finance, Audit and Facilities Committee**Proposed Fiscal Year 2013 Operating and Capital Budgets and Tuition 2012-2013****INFORMATION ITEM**

The proposed Fiscal Year 2013 (FY13) Operating and Capital Budgets and Tuition for 2012-13 will be presented as an *information* item in May and will come back to the Board of Regents for *action* in June. The budgets are proposals only, as they may undergo significant technical or policy adjustments in the interim.

BACKGROUND

The information item will preview the proposed action item coming to the Board of Regents in June. At that time, the Board of Regents will be asked to take the following actions:

1. Adopt the FY13 Operating Budget;
2. Establish tuition rates for all tuition categories for the 2012-13 academic year;
3. Approve certain fee increases for implementation during FY13; and,
4. Adopt the FY13 Capital Budget.

Attachment

Executive Summary – DRAFT Fiscal Year 2013 (FY13) Operating Budget, Tuition Item, and Capital Budget

Executive Summary – DRAFT Fiscal Year 2013 (FY13) Operating Budget, Tuition Item, and Capital Budget

The proposed operating and capital budgets presented in this information item mark the beginning of UW Board of Regents discussions related to the FY13 budget. This year, the DRAFT FY13 operating budget, tuition item, and capital budget are presented in one comprehensive draft, rather than several items. In June, Regents will take action on the entire package; **changes from the draft item to the final item will be highlighted during presentation and discussed** at the June 7 meeting. Changes to this draft item may be the result of technical corrections and policy updates at the request of Regents. Significant elements of this draft budget are summarized below:

- The first section of this draft contains the proposed, draft FY13 operating budget. While the proposed FY13 budget **does not contain a significant new state funding reduction**, our state general fund appropriation for FY13 remains nearly half of its FY09 value. Expenses and revenues for all UW units, auxiliary, academic and central, are presented in the first section.
- The second section is a compilation of proposed tuition rates, financial aid policy, and other related information. This section is intended to provide stakeholders with relevant information to move toward final tuition recommendations at the June 7, 2012 meeting of the Board of Regents.
- The final section of this item highlights capital budget recommendations for FY13, the state capital budget proposal, and a revised articulation of the “One Capital Plan.” UW administration presented all future capital needs in one comprehensive list for the first time last year. Note that the plan contains the UW Administration’s recommendations for 2013-15 State Capital Biennial Budget requests.

Timeline:

- | | |
|--------------------------------|--|
| Thursday, May 3, 2012: | Information Item: <i>Draft</i> Operating Budget, Tuition Item, and Capital Budget |
| Thursday, June 7, 2012: | Action Item: Operating Budget, Tuition Item, and Capital Budget |

ATTACHMENT

SECTION 1: OPERATING BUDGET

Operating Budget - Revenues and Expenditures by Fund and Category

Budgeted revenues and expenditures for the coming fiscal year are \$5.9 billion, a 4.4 percent increase over the prior fiscal year. **Per statutory authorization in the 2011-13 biennial state operating budget, tuition operating fee revenue presented below assumes a 16 percent resident undergraduate tuition increase.**

TABLE 1: Revenues and Expenditures by Area	FY 2013 Proposed	FY 2012 Adopted*	Change FY12 to FY13 (\$)	Change FY12 to FY13 (%)
University Operating Resources				
State General Fund	209,465,000	212,197,000	(2,732,000)	-1%
Tuition Operating Fee Revenue	516,045,000	463,500,000	52,545,000	11%
Use of Fund Balance for Temporary Expenditures	0	14,310,000	(14,310,000)	-
Designated Operating Fund	72,350,000	66,442,000	5,908,000	9%
Indirect Cost Recovery	233,000,000	230,000,000	3,000,000	1%
Institutional Overhead	20,000,000	17,288,000	2,712,000	16%
TOTAL REVENUES	1,050,860,000	1,003,737,000	47,123,000	5%
TOTAL EXPENDITURES	1,050,860,000	1,003,737,000		
Research Enterprise				
Grants and Contracts Direct Costs	1,164,898,000	1,150,898,000	14,000,000	1%
TOTAL REVENUES	1,164,898,000	1,150,898,000	14,000,000	1%
TOTAL EXPENDITURES	1,164,898,000	1,150,898,000		
Restricted Funds				
Gift Income & Endowment Distributions	214,255,000	192,630,000	21,625,000	11%
State Restricted Funds	8,274,000	6,949,000	1,325,000	19%
TOTAL REVENUES	222,529,000	199,579,000	22,950,000	11%
TOTAL EXPENDITURES	222,529,000	199,579,000		
UW Medicine health system (Preliminary)				
UW Medical Center	908,936,000	867,015,000	41,921,000	5%
Harborview Medical Center**	782,163,000	759,683,000	22,480,000	3%
Valley Medical Center	441,486,000	404,129,000	37,357,000	9%
NW Hospital	315,821,000	305,554,000	10,267,000	3%
UW Physicians	242,200,000	235,500,000	6,700,000	3%
Airlift NW	42,500,000	37,551,000	4,949,000	13%
UW Neighborhood Clinics	29,530,000	27,676,000	1,854,000	7%
TOTAL REVENUES	2,762,636,000	2,637,108,000	125,528,000	5%
TOTAL EXPENDITURES	2,762,636,000	2,637,108,000		
Auxiliary Activities				
Housing and Dining	81,421,000	68,680,000	12,741,000	19%
Intercollegiate Athletics	81,809,000	71,872,000	9,937,000	14%
Educational Outreach	93,406,000	85,225,000	8,181,000	10%
Parking	34,651,000	35,152,000	(501,000)	-1%
Other Auxiliary Activities	410,238,000	402,194,000	8,044,000	2%
TOTAL REVENUES	701,525,000	663,123,000	38,402,000	6%
TOTAL EXPENDITURES	701,525,000	663,123,000		
Total Revenues	5,902,448,000	5,654,445,000	248,003,000	4.39%
Total Expenditures	5,902,448,000	5,654,445,000	248,003,000	4.39%

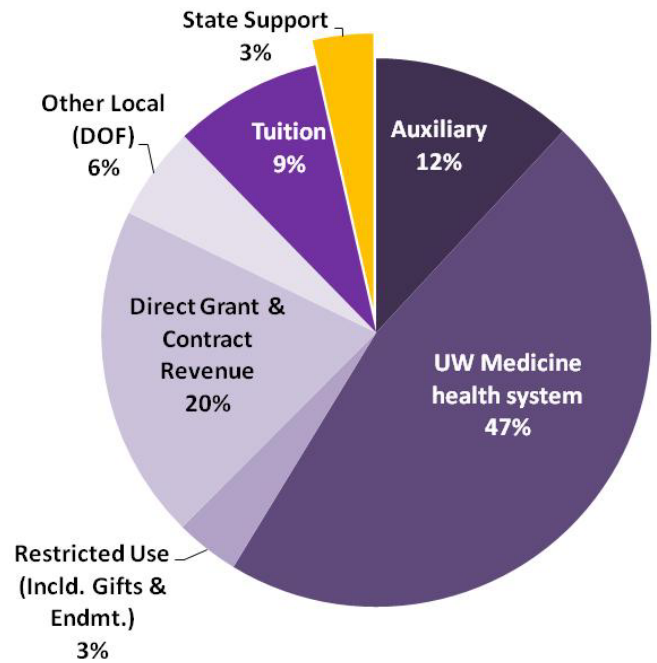
* With the exception of the health system, FY12 "adopted" reflects Regents FY12 final budget.

**Harborview Medical Center is managed by UW Medicine, but appears on King County's financial statement.

Significant Considerations for FY13

The UW's FY13 budget, combining all sources of revenue, is anticipated to be \$5.9 billion. Primary revenue sources in FY13 include those from the UW Medicine health system, federal grants and contracts, and net tuition operating fees.

Net tuition operating fees: Per statutory authorization in the 2011-13 biennial state operating budget, tuition operating fee revenue presented in Table 1 assumes a 16 percent resident undergraduate tuition increase. Under this proposal, tuition revenue would comprise 71 percent of the University's general operating fund resources (state funds plus net operating fee tuition revenue). Slow economic recovery continues to stunt the state's general fund growth, resulting in another year of depressed state support for all state agencies. While the 2012 supplemental state operating budget did not result in a significant **new** reduction of UW's state funding, the UW has nearly \$200 million less state funds than it did in FY09. In fact, state funding per student FTE has dropped significantly in five years, from \$11,540 (FY08) to \$4,855 (FY13). See Section 2, page 12, for per student funding levels.

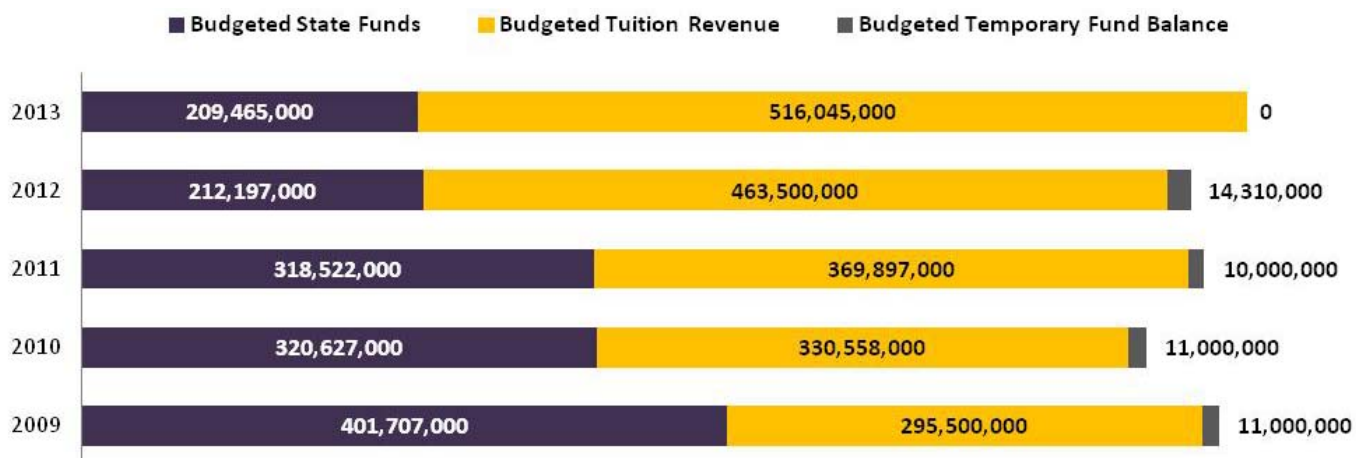


Important Policies Implicit in the FY13 Draft Budget:

1. Budget recommendations have been developed according to the priorities and principles developed during broad cross-campus consultation. Draft budget information was presented to the Faculty Senate Committee on Planning & Budgeting, the Board of Deans and Chancellors, and the Provost Advisory Committee for Students. While this consultative period was compressed, due in part to the late release of supplemental state budget, continued consultation and review with internal university constituencies will continue as we finalize the budget and tuition item for approval on June 7, 2012.
2. Under the guidelines of Activity Based Budgeting (ABB), net tuition operating fee revenue flows back to where it is produced. Additionally, on the Seattle campus, 70 percent of the net incremental revenue from tuition increases will be allocated back to the **academic units** that generate tuition operating fee revenue, while 30 percent will be allocated by the Provost for investment in critical academic and support services.
3. Research funding consists of direct research expenditures from contracts and grants and indirect cost recovery (ICR), which is also referred to as Facilities and Administrative Cost (F&A). ICR is a mechanism by which external funding agencies reimburse the UW for infrastructure costs associated with the conduct of sponsored research. In FY11, units generating ICR received roughly 34 percent of it back as research cost recovery (RCR). **Under ABB, 35 percent of ICR will be directly allocated to units managing the grants and 65 percent will be retained centrally to cover administrative and facilities costs.**

University Operating Resources

As the chart below demonstrates, state funds and net tuition operating fee revenue are used to fund university operations (see also Appendix 1). Over time, activity (academic) units have experienced growth in operating fee revenue and designated funds, while state funds have declined. In general, new state funding reductions are minimal and these are represented on Tables 3 and 4 on the next page. Importantly, this item assumes tuition rates detailed in Section 2: Tuition Item. **These rates are DRAFT RATES FOR REGENTAL CONSIDERATION.** Section 2 is intended to provide the UW community with relevant information to move toward final tuition recommendations at the June 7, 2012 meeting of the Board of Regents. **The total revenue for FY13 below still represents a shortfall of \$3,000 per student funding when compared to FY08.**



The proposed FY13 University Operating Resources budget is presented in Table 2 below. Note that increased institutional overhead is due to a conservative FY12 revenue estimate and program expansions in Educational Outreach. Tuition operating fees are, again, covered in Section 2.

TABLE 2: University Operating Resources

University Operating Resources	FY 2013 Proposed	FY 2012 Adopted
General Operating Fund		
State General Fund	209,465,000	212,197,000
Tuition Operating Fees	516,045,000	463,500,000
Use of Fund Balance for Temporary Expenditures	0	14,310,000
TOTAL REVENUES	725,510,000	690,007,000
Designated Operating Fund		
Indirect Cost Recovery	233,000,000	230,000,000
Institutional Overhead	20,000,000	17,288,000
Summer Quarter Tuition	46,600,000	40,692,000
Investment Income	15,000,000	15,000,000
Miscellaneous Fees	5,795,000	5,795,000
UWB & UWT Admin Overhead	4,755,000	4,755,000
Administrative Allowances	200,000	200,000
TOTAL REVENUES	325,350,000	313,730,000
TOTAL - UNIVERSITY OPERATING RESOURCES	1,050,860,000	1,003,737,000

Campus Budget Reductions and Tuition Allocations

Budget reduction and net tuition operating fee revenue allocations assumed in the FY13 University Operating Resources budget are summarized below. The minor state funding reduction and cost of transferring current state appropriations to the College of Engineering and School of Medicine are distributed to each campus according to current policy.

TABLE 3: DRAFT SEATTLE Budget Reductions and New Allocations for FY13

Tri-Campus Budget Changes	
FY2013 State Funding Reduction	(2,732,000)
FY2013 Permanent Fund Shift to Engineering	(3,800,000)
FY2013 Permanent Fund Shift to WWAMI	(610,000)
FY2013 Permanent Fund Shift to RIDE	(190,000)
Total FY2013 UW State Required Adjustments	(7,332,000)
Less UWB Share of \$7.3 million Cut	364,000
Less UWT Share of \$7.3 million Cut	466,000
Subtotal FY2013 UW Seattle State Req'd. Adjustments	(6,502,000)
Fixed/required Cost Increases Seattle (Appendix 2, Last Line)	(18,375,000)
Offsetting ICR Revenue Increase	3,000,000
Offsetting Institutional Overhead Increase	2,712,000
Offsetting Summer Quarter Revenue Tuition Increase	4,270,000
Offsetting Administrative Benefit Rate Covered by Provost	2,711,000
UWS TOTAL ADJUSTED REDUCTION	(12,184,000)

The total FY13 **budget reduction for the UW Seattle** campus is \$12,184,000, which includes required cost increases accounted for in Appendix 2. As shown in the table below, new net tuition operating revenue (based on the assumptions previously described) has an overall positive effect for all campuses and Seattle academic units.

TABLE 4: DRAFT TRI-CAMPUS Budget Reductions and New Allocations for FY13

CAMPUS BUDGET REDUCTIONS	
Seattle FY12 Reductions	(12,184,000)
Bothell FY12 Reductions	(364,000)
Tacoma FY12 Reductions	(466,000)
Total Budget Reductions	(13,014,000)
TOTAL INCREMENTAL TUITION ALLOCATION TO UNITS	
UW Seattle Academic Units	28,678,000
UW Seattle Provost Reinvestment Funds	12,586,000
UW Bothell	5,227,000
UW Tacoma	5,069,000
Total Incremental Revenue Allocated to Units	51,560,000
NET INCREASES BY CAMPUS	
UW Seattle	29,080,000
UW Bothell	4,863,000
UW Tacoma	4,603,000
Total UW Net Increase	38,546,000

Research Enterprise

Direct expenditures on grants and contracts are projected to increase slightly in FY13.

As our expenditures against American Recovery and Reinvestment Act (ARRA) grants will continue, but at a slower rate. ARRA-related expenditures are expected to slow this fiscal year, leading up to the final deadline that ARRA expenses can be posted. In addition, it is possible that there may be new, significant reductions in National Institutes of Health and National Science Foundation research budgets as a result of the federal budget process for this fiscal year, should federal sequestration (across-the-board agency reductions) occur in January 2013.

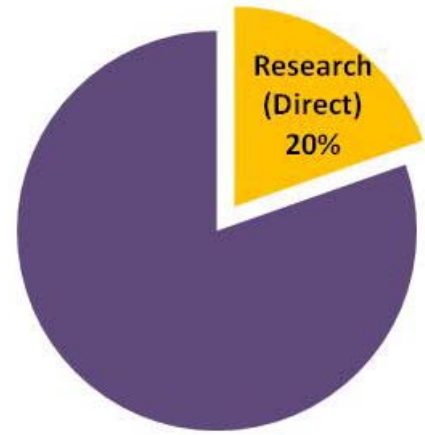


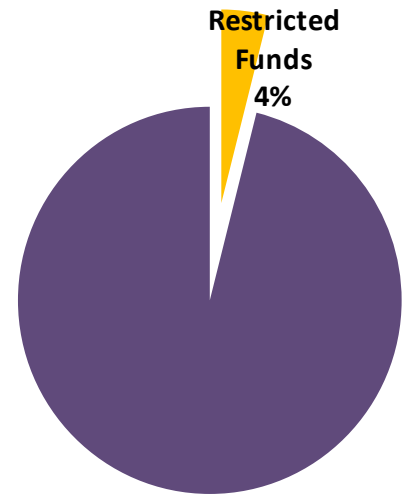
TABLE 5: Research Enterprise

	FY 2013 Proposed	FY 2012 Adopted
Revenues		
Research Enterprise		
Grants and Contracts Direct Costs	<u>1,164,898,000</u>	<u>1,150,898,000</u>
TOTAL REVENUES	1,164,898,000	1,150,898,000
TOTAL EXPENDITURES	1,164,898,000	1,150,898,000

Restricted Funds

Expenditures for nearly all gifts and state restricted funds can **only be used** for the purposes specified by the granting agency, donor or the Washington State Legislature. Thus, annual expenditures for these areas are assumed to be equal to budgeted levels.

Gift income and endowment distribution revenue presented below does not provide a comprehensive view of the outgoing years of endowment support. FY13 revenue is only representative of one year of distribution. Based on the Board of Regents' approved endowment distribution policy of 5 percent of average quarter market value, we are projecting an endowment distribution of \$105 million (which includes the 1 percent set-aside to offset endowment-related expenses in Treasury and Advancement). Gift income represents anticipated expenditures against "current use" gifts and this year, we project \$108 million in gift income.



It is interesting to note that in FY13 the combined funding in the operating budget of \$214 million from philanthropic investments surpasses funding from the State of Washington for the first time.

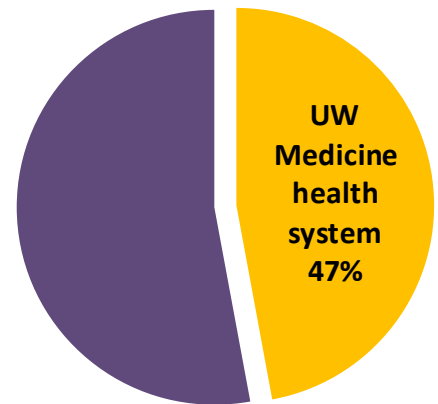
In the past, the "state restricted funds" line item was comprised only of Accident and Medical Aid account revenue, which will continue to benefit the School of Public Health for specific activities performed by the Department of Environmental Health in FY13. However, this year, there is a small appropriation from the Biotoxin Account included in this category, as well as a \$1.5 million appropriation from the Economic Development Strategic Reserve Account funds to support the new Aerospace Center (jointly run by the University of Washington, Washington State University, and other institutions).

TABLE 6: Restricted Funds

	FY 2013 Proposed	FY 2012 Adopted
Revenues		
Restricted Funds		
Gift Income & Endowment Distributions	214,255,000	192,630,000
State Restricted Funds	8,274,000	6,949,000
TOTAL REVENUES	222,529,000	199,579,000
TOTAL EXPENDITURES	222,529,000	199,579,000

UW Medicine Health System

Last year, UW administration for the first time included all seven components of the UW Medicine health system in the budget item (Table 1 on page 3 and in Table 7 below). **Please note that FY13 revenues and expenditures from the UW Medicine health system are preliminary.**



Note that FY12 adopted revenues and expenditures for the UW Medicine health system have been revised since the Regents adopted the FY12 budget in June 2011.

TABLE 7: UW Medicine health system

	FY 2013 Proposed	FY 2012 Adopted
Revenues		
UW Medicine health system (Preliminary)		
UW Medical Center	908,936,000	867,015,000
Harborview Medical Center	782,163,000	759,683,000
Valley Medical Center	441,486,000	404,129,000
NW Hospital	315,821,000	305,554,000
UW Physicians	242,200,000	235,500,000
Airlift NW	42,500,000	37,551,000
UW Neighborhood Clinics	29,530,000	27,676,000
TOTAL REVENUES	2,762,636,000	2,637,108,000
TOTAL EXPENDITURES	2,762,636,000	2,637,108,000

Auxiliary Units

The University's large, self-sustaining auxiliary business enterprises (Educational Outreach, Housing and Food Services, Intercollegiate Athletics, and Parking and Transportation Services) are all financially stable and growth is expected in FY13. Increases assumed in revenue projections below were separately reviewed and approved by the Board.

"Other Auxiliary Activities" include internal service units (Stores, Motor Pool, Publication Services, etc.), Student Government, Recreational Sports, and course fee revenue.

The University charges institutional overhead to all of these units to recover the cost of central services utilized by these academic enhancement and support activities. Institutional overhead revenue is presented in Appendix 2.

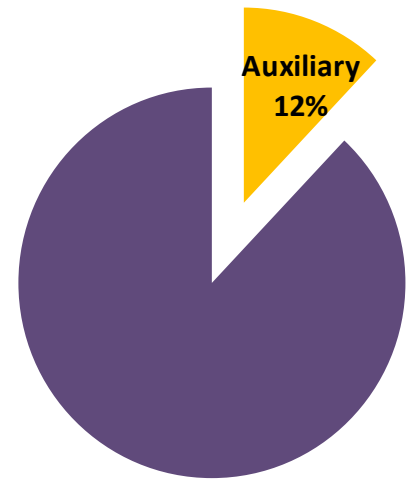


TABLE 8: Auxiliary Units

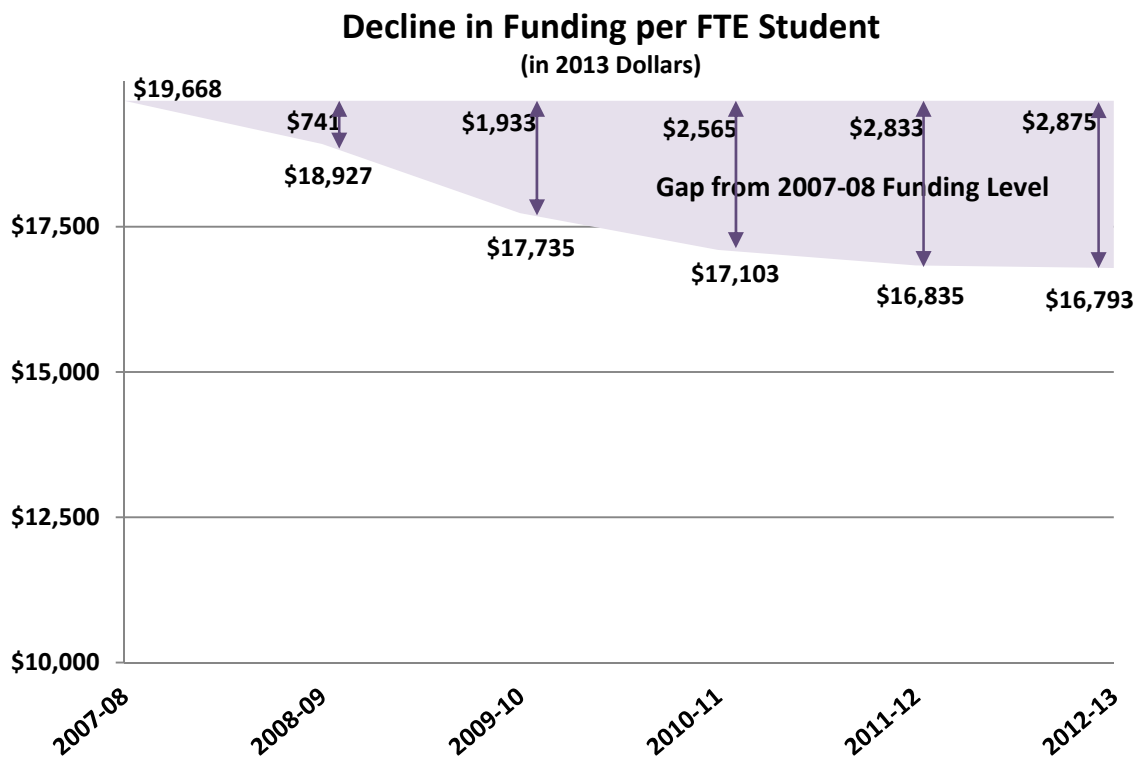
Revenues	FY 2013 Proposed	FY 2012 Adopted
Auxiliary Activities		
Housing and Dining	81,421,000	68,680,000
Intercollegiate Athletics	81,809,000	71,872,000
Educational Outreach	93,406,000	85,225,000
Parking	34,651,000	35,152,000
Other Auxiliary Activities	410,238,000	402,194,000
TOTAL REVENUES	701,525,000	663,123,000
TOTAL EXPENDITURES	701,525,000	663,123,000

SECTION 2: TUITION ITEM

DRAFT Tuition Item

This section is intended to provide the campus community with relevant information to move toward final tuition recommendations at the June 7, 2012 meeting of the Board of Regents. Per statutory authorization in the 2011-13 biennial state operating budget, tuition operating fee revenue presented in Table 1 assumes a 16 percent resident undergraduate tuition increase. However, this section provides an array of policy options and implications to prepare the campus community for informed conversations.

First, an examination of funding per student FTE reveals that our students are supported nearly \$3,000 less than they were in FY08, due to declining state funding and increasing enrollments. Interestingly, over the last ten years, UW degree production in Science, Technology, Engineering and Mathematics has increased 60 percent and these programs are comparatively more expensive to deliver.



The gap in funding raises the question: Has the quality of a UW education suffered in tandem and if so, how might we reverse these effects?

- Since 2008, the number of faculty FTE funded from Central Operating Budgets declined 7 percent. During that same period, student FTE increased 8 percent.
- At the same time that the number of faculty decreased, the proportion of faculty who are tenured or tenure-track has also decreased – from 50.2 percent to 47.6 percent. In 2008, tenured and tenure-track faculty taught 60 percent of undergraduate course sections and last year, they taught 54 percent.
- Since 2006, the average class size in 100 level courses grew from 48 to 61 and the average class size in 300 level courses grew from 37 to 42. The dramatic change in the average class size of 100 level courses reflects a reduction in the number of course sections of 14 percent and an increase in the number of students enrolled of 10 percent.
- In 2009, the UW employed 1,546 TAs per quarter on average. This academic year, the UW employs an average of 1,474 TAs per quarter.

Permanent new resources must be provided to hire both more faculty and more teaching assistants, growing class sizes must be considered, additional course sections must be offered to students wishing to graduate in a timely manner, and erosion of tenured and tenure track faculty lines must be stopped. To that end, the following resident undergraduate rates are under consideration:

TABLE 9: Resident Undergraduate Tuition Rate Ranges

	Undergraduate Resident Tuition Increase for 2012-13		
	14%	16%	18%
Tuition Rate*	\$11,110	\$11,305	\$11,500
Net Revenue Increase	\$30.3 m	\$34.6 m	\$39.0 m
Incremental Aid Required	\$8.7 m	\$10.0 m	\$11.5 m
Net Revenue After Aid	\$21.6 m	\$24.6 m	\$27.5 m

* Does not include mandatory fees

Incremental new net tuition operating fee revenue should be used to stabilize the academic mission of the UW. Quality is of paramount concern, and new revenue can be used to hire more TAs and replace faculty who have not been replaced during this budget crisis. This will make it possible both to open more course sections and to provide improved course experiences.

A number of other services have also been cut drastically over the past two years, and increased net tuition operating fee revenue will also be used to restore some of those services. The libraries can begin to address cuts in collections, Student Life can increase the availability of mental health counseling to students, writing centers can be further restored, and career advising can be strengthened so that students can optimize the career returns on their educational investment.

Financial Aid Policy

There are a number of ways in which tuition policy is intertwined with financial aid policy. UW policy requires that an amount equal to four percent of the total resident portion of tuition charged to all students be used for tuition waivers – three-fourths of these waivers are awarded on the basis of need and one-fourth on the basis of merit. In addition, the State requires that the UW use an amount equal to five percent of total tuition revenue collected for financial aid. Both the waivers and the legislated financial aid set-aside are collected from the tuition paid by both resident and non-resident students but are awarded only to residents.

In addition, waivers that represent foregone revenue help many students pay for tuition. The largest group of these waivers is automatically awarded to students with graduate service appointments. Finally, given recent repeated double-digit tuition increases, the UW has used a portion of incremental revenue from undergraduate residents for aid to undergraduate residents. It is recommended that 30 percent of incremental revenue from the tuition increase for 2012-13 be used for financial aid. This is consistent with the practice of many other institutions, including the University of California schools. If this recommendation is followed, assuming a 16 percent tuition increase, we expect the following aid profile for 2012-13.

Table 10: 2012-13 Tuition-Based Aid and Waivers Representing Foregone Tuition Revenue

2012-13 Institutional Aid		Undergraduate		Graduate/Professional		Total
		Resident	Non-Resident	Resident	Non-Resident	
3% need waivers, 1% merit waivers, 5% set-aside	From Group:	\$25,070,000	\$10,474,000	\$7,263,000	\$5,830,000	\$48,637,000
	To Group:	\$32,537,000	\$0	\$16,100,000	\$0	\$48,637,000
Additional Aid		\$22,260,000	\$0	\$0	\$0	\$22,260,000
Total Aid from Tuition Revenue		\$54,797,000	\$0	\$16,100,000	\$0	\$70,897,000
Waivers - Foregone Revenue		\$2,673,300	\$2,746,500	\$8,319,300	\$55,846,500	\$69,585,600
Total Tuition-Related Financial Aid		\$57,470,300	\$2,746,500	\$24,419,300	\$55,846,500	\$140,482,600
Tuition-Related Financial Aid as Percentage of Total Tuition Charged		20.1%	1.7%	28.0%	45.5%	21.3%

Peer Comparisons

How does undergraduate resident tuition compare to those of our peers? As shown in Table 10, the UW has one of the lowest rates among the Global Challenge State (GCS) peers and among the *US News and World Report* (USNWR) top ten public universities.

TABLE 11: PROJECTED Peer Resident Undergraduate Tuition Rate Ranges

Undergraduate Resident	2011-12	2012-13*
University of Washington	10,574	11,305
Global Challenge State Peer Average	11,858	12,450
US News Top Ten Public Average	11,645	12,227

* Peer projections are based on a 5% increase; the UW's projection is based on a 16% increase.

TABLE 12: CURRENT Undergraduate Resident Tuition Rate Peer Comparisons

UNDERGRADUATE RESIDENT	HECB-24	GCS	USNWR
	Tuition and Fees	Tuition and Fees	Tuition and Fees
Cornell University State Statutory Colleges	25,401		
University of Pittsburgh Main Campus	16,132		
University of California Davis ⁸	13,860	13,860	13,860
University of Santa Barbara ⁹			13,595
University of Illinois Chicago	13,458		
University of Michigan ⁴	13,437	13,437	13,437
University of Kentucky	13,437		
University of California San Diego ⁷	13,202	13,202	13,202
University of California Irvine	13,122	13,122	
Rutgers, State University of New Jersey		12,754	
University of Minnesota Twin Cities	13,022		
University of California Berkeley ¹			12,835
Michigan State University	12,769		
University of California Los Angeles ²	12,686	12,686	12,686
University of Massachusetts		12,612	
University of Virginia ³	11,576	11,576	11,576
University of Connecticut		10,660	
University of Washington¹⁰	10,574	10,574	10,574
University of Cincinnati Main Campus	10,419		
Ohio State University Main Campus	9,735		
University of Wisconsin Madison ¹⁰	9,671		9,671
Georgia Institute of Technology ⁶			9,652
University of Arizona	9,286		
University of Colorado Boulder and Denver		9,152	
University of Iowa	9,128		
University of Hawaii at Manoa	9,100		
University of Missouri Columbia	8,989		
University of Maryland College Park and Baltimore		8,655	
Texas A&M University Main Campus	8,421		
University of North Carolina ⁵	7,009		7,009
University of New Mexico Albuquerque	5,809		
University of Utah	5,702		
University of Florida	5,657		
Average	11,264	11,858	11,645
Ranking	13 of 25	10 of 12	8 of 11

Notes:

1. Comparison group definitions: HECB-24, Higher Education Coordinating Board 24; GCS, Global Challenge States; USNWR, US News & World Report.
2. Tuition and Fees refers to mandatory fees, for example, at the UW mandatory fees include Services & Activities, Technology Fee, IMA Bond Fee, FR Fee, and U-Pass.
3. Numbers 1-10 indicate the current US News & World Report ranking for research universities in the peer set.

REVISED TABLE 13: 2012-13 Proposed Tuition Rates

Note: These are draft rates for discussion

2012-13 Proposed Tuition Rates						
Tuition Category	Resident			Nonresident		
	Percent Increase	Dollar Increase	Tuition	Percent Increase	Dollar Increase	Tuition
Undergraduate	16.0%	1,559	11,305	6.0%	1,630	28,860
Graduate Tier I	10.0%	1,210	13,280	3.0%	750	25,690
Graduate Tier II	8.0%	1,010	13,620	3.0%	760	26,240
Graduate Tier III	6.0%	790	13,930	3.0%	780	26,790
Master of Library and Information Science ¹	5.4%	710	13,930	5.4%	1,560	30,490
Master of Social Work	10.0%	1,330	14,600	3.0%	780	26,930
Master of Public Health	10.0%	1,420	15,660	10.0%	2,890	31,800
College of Built Environments	0.0%	0	15,770	0.0%	0	34,500
Master of Public Affairs ²	10.0%	1,590	17,450	0.0%	0	31,320
Nursing Master and Doctor of Nursing Practice	10.0%	1,950	21,430	0.0%	0	38,550
Doctor of Pharmacy	15.0%	2,990	22,940	15.0%	5,560	42,610
Master of Business Administration (<i>incoming</i>)	4.0%	1,020	26,530	4.0%	1,500	39,080
Master of Business Administration (<i>continuing</i>)	4.0%	990	25,510	2.0%	740	37,580
Law (JD)	12.0%	3,090	28,870	5.0%	1,990	41,840
Master of Laws (LLM)	12.0%	1,790	16,720	5.0%	1,580	33,180
Dental Professional (year 1)	20.0%	5,310	31,870	5.0%	2,470	51,940
Dental Professional (years 2,3,4)	15.0%	3,840	29,460	5.0%	2,470	51,940
Medical Professional (MD)	10.0%	2,470	27,190	4.5%	2,420	56,120
Post Bacc/Non-Matric - ug courses only	16.0%	1,559	11,305	6.0%	1,630	28,860
Post Bacc/Non-Matric with any grad course	6.0%	790	13,930	3.0%	780	26,790
UW Bothell and UW Tacoma						
Bothell Master of Nursing (<i>Tier II</i>)	8.0%	1,010	13,620	3.0%	760	26,240
Bothell Master of Business Administration (<i>incoming</i>)	0.0%	0	21,720	0.0%	0	28,330
Bothell Master of Business Administration (<i>continuing</i>)	4.0%	840	21,720	2.0%	560	28,330
Tacoma Master of Nursing (<i>Tier II</i>)	8.0%	1,010	13,620	3.0%	760	26,240
Tacoma Master of Business Administration (<i>incoming</i>)	4.5%	820	18,970	0.0%	0	31,570
Tacoma Master of Business Administration (<i>continuing</i>)	4.6%	790	18,150	0.0%	0	31,570
2012-13 Proposed New Tuition Categories						
College of the Environment graduate programs ³	12.9%	1,550	13,620	5.2%	1,300	26,240
College of Education Doctor of Education & PhD (<i>was Tier I</i>)	12.9%	1,550	13,620	5.2%	1,300	26,240
College of Education Master of Education & Master in Teaching (<i>was Tier II</i>)	8.0%	1,010	13,620	3.0%	760	26,240
Master of Chemical Engineering (<i>was Tier III</i>)	25.6%	3,360	16,500	0.0%	0	26,010
Master of Material Science and Engineering (<i>was Tier III</i>)	25.6%	3,360	16,500	0.0%	0	26,010

¹MLIS program has been moved to EO and is closed to new enrollments.

²The Master of Public Affairs previously had different rates for incoming and continuing students; that tuition structure has been discontinued.

³Includes programs in: Aquatic and Fishery Science, Atmospheric Studies, Climate Science, Earth & Space Sciences, Forest Resources, Forest Resources/Economics, Geological Sciences, Geophysics, Oceanography, Marine Affairs. The Masters programs in Earth & Space Sciences, Forest Resources, and Marine Affairs were in Tier II; all others were in Tier I.

UW Bothell and UW Tacoma						
Tuition Category	Resident			Nonresident		
	Percent Increase	Dollar Increase	Total Tuition	Percent Increase	Dollar Increase	Total Tuition
Bothell Master of Nursing (<i>Tier II</i>)	8.0%	1,010	13,620	3.0%	760	26,240
Bothell Master of Business Administration (<i>incoming</i>)	0.0%	0	21,720	0.00%	0	28,330
Tacoma Master of Nursing (<i>Tier II</i>)	8.0%	1,010	13,620	3.0%	760	26,240
Tacoma Master of Business Administration (<i>incoming</i>)	4.5%	920	18,970	0.00%	0	31,570
Post Baccalaureate / Non Matriculated taking undergraduate courses will continue to be charged as undergraduates						
Post Baccalaureate / Non Matriculated taking at least on graduate course will be charged at Tier III						

For information, tuition categories are organized in the Tier Structure as follows:

Current 2011-12 Tuition Category Structure	
Tuition Categories	
All campuses	Undergraduate
All campuses	Graduate Tier I
All campuses	Graduate Tier II
All campuses	Graduate Tier III
Information School	Master of Library and Information Science
School of Social Work	Master of Social Work
School of Public Health	Master of Public Health
School of Law	Master of Laws (LLM) and Law (JD)
College of Built Environments	Masters of Architecture, Landscape Architecture, Urban Planning, Real Estate, Construction Management
Evans School of Public Affairs	Master of Public Affairs (cohort model)
School of Nursing	Nursing Master and Doctor of Nursing Practice
School of Pharmacy	Doctor of Pharmacy
School of Medicine	Medical Professional (<i>MD</i>)
Foster School of Business, UW Bothell, UW Tacoma	Master of Business Administration (cohort model)
School of Dentistry	Dental Professional (<i>DDS</i>)
Tier I	
All colleges/schools	PhD programs not specified below
All colleges/schools	Master degrees not specified below
Tier II	
School of Social Work	PhD of Social Work
	Master of Science in Earth and Space Sciences
	Master of Forest Resources
College of the Environment	Master of Marine Affairs [GTTL] and Master of Marine Affairs
College of Education	All master degrees and PhD
School of Medicine	Nonprofessional masters
School of Dentistry	Master of Science and PhD
UW Bothell	Master of Nursing, Master of Arts in Policy Studies
UW Tacoma	Master of Nursing
Tier III	
College of Engineering	All masters and doctorate (PhD)
School of Nursing	Master of Science and PhD in Nursing Science
School of Public Health	Master of Science and PhD of Public Health
UW Tacoma	Master of Science Computing and Software Systems

2012-13 Proposed Fee Increases Requiring Legislative Authorization

Under terms of Initiative 1053, all agency fee increases (including tuition) must receive legislative approval prior to implementation. This approval is currently provided in Section 603 of the **enacted biennial budget**. The language includes a specific increase level for undergraduate resident tuition. For all other fee categories, the Board of Regents is authorized to increase fees “by amounts judged reasonable and necessary by the governing board.”

Tuition rates for state-subsidized academic programs, service and activities fees, technology fees, and others are specifically approved by the Regents. For fee increases that are implemented under authority that the Regents have delegated to the President and Provost, the Regents must determine that fee increases in those categories are reasonable and necessary.

Fee increases associated with housing, dining, and other required fees were separately reviewed and approved by the Board and are included in the projection for Auxiliary Units.

SECTION 3: CAPITAL BUDGET

Capital Budget

The proposed FY13 UW Capital Budget summarizes new capital works to be funded by local funds, UW debt, state bonds, UW Building Account funds, and other externally funded projects. In addition, UW administration prepared a revised edition of the UW's One Capital Plan, which summarizes major short, mid, and long term space and capital needs for the 2013-15 biennium as well as the next ten years; this document is appended to the item as Appendix 3. Please note that technical adjustments or other policy decisions may influence these projections; final budget numbers will be presented to UW Regents in June.

Fiscal Year 2013 Capital Budget

Final legislative action on two capital budget bills – a bond authority bill and a “Washington Works” bill are reflected in the state funding information and UW Building account information in this section. The final state budgets devote \$26.8 million in **new** State Building Construction Account funds for construction of UW Bothell Phase 3 and design of the Burke Museum. Additionally, \$4.3 million of State Toxics Control Account funds and \$700,000 of Building Construction Account funds were appropriated for soil remediation at UW Tacoma.

Descriptions of each project in the FY13 capital budget follow this section.

Overall, it is important to continue to view state capital resources as a critical component of the UW's capital resource planning, but the ability of the public to fund major capital investments will remain very limited for the foreseeable future. As we bring greater rigor and clarity to our long range academic program and campus infrastructure needs, and identify those components most critical to success in both the short and long term, our capital needs will continue to require much more than the State can reasonably support.

Acquisition

UW Bothell Strategic Real Estate Investments

Placeholder for potential future real property acquisitions supports UW Bothell's rigorous identification of operating and capital resources required to support their framework for growth towards 6,000 student FTE.

Infrastructure

Emergent Planning Studies

Support for key planning resources in response to external regulatory and review of impacts to UW physical development priorities.

Landscape Planning Framework

Planning associated with identification and preliminary prioritization of major UW Seattle campus landscape improvement projects, ranging from analysis of open spaces supporting academic and research use, entrance and edges design, wayfinding and signage, historic buildings and landscape survey, and other topics, contributing to West of 15th and Campus Master Plan efforts as well as to ongoing stewardship of the campus landscape.

Resilient UW Plan

Effective Emergency Response Planning has advanced continuously at the UW and now includes a business continuity component and new state-of-the-art emergency operations center in the UW Tower. To continue the ongoing high level of emergency response planning, new steps can be taken to significantly improve the UW's ability to absorb a major disaster event and quickly recover.

UW Preventative Facility Maintenance

Included as a budget shift from capital to operating resources in the 2009-11 state capital appropriation, the 2011-13 appropriation continued the 2009-11 precedent by providing \$12,912,500 for the UW's preventative facility maintenance operating budget in FY13 funded from the UW Building Account.

UW Seattle Campus Master Plan Initiative

A critical initiative as UW Seattle begins the process of developing a new physical development vision, internally and with neighbors and local/regional regulatory officials.

UW Tacoma Groundwater and Soil Remediation

The ability of University of Washington Tacoma (UWT) to provide the capacity necessary to meet their mandates for higher education opportunity in the South Puget Sound Region is tied to future capital investments including renovation, new building, real estate acquisition, but, of equal importance, ongoing remediation of soil and groundwater contamination within Tacoma's historic rail corridor and manufacturing district in the lower Pacific Avenue neighborhood.

Instruction

Burke Museum Renovation

The Burke Museum has continued to receive support from the State Legislature, first for the Predesign phase, and during the recently completed 2012 legislative session, for the Design phase of the planned comprehensive renovation of the 1962, approximately 70,000 gross square foot, natural history laboratory and museum building on the UW Seattle campus.

CoEnv – Anderson Hall Renovation

UW requested that the Governor's Office of Financial Management adjust the 2011-2013 Anderson Hall Renovation appropriation and allow us to use those funds to meet UW's most pressing minor capital repair needs – roof repair and fire and life safety improvements. The Governor and the State Legislature did not support this Supplemental Capital Budget request.

UW Bothell Phase 3

In response to the Governor's questions prior to the start of the recent state legislation session regarding the highest-priority "shovel-ready" UW capital projects, the UW Bothell Phase 3 project site work design is complete, entitled, and shovel ready. Approximately six months after the start of the Site Work phase, UW would be able to bid, award, and procure the building construction shortly thereafter. Construction phase funding for the UW Bothell Phase 3 classroom building project has been one of the UW's highest state capital budget request priorities..

Research

Core Research Facilities – MHSC 6th Floor Renovation

A priority of the UW Core Research Facilities Master Plan, this project will support increased core research capacity by consolidation of decentralized facilities and will enhance operational efficiencies and improve the quality of research.

Core Research Facilities – MHSC I Wing

A priority of the UW Core Research Facilities Master Plan, this project will relocate and consolidate the key core research facilities administrative activities on the UW Seattle campus resulting in significant operational efficiencies serving core research and adding additional core research capacity.

Core Research Facilities – Vista I

A priority of the UW Core Research Facilities Master Plan, Phase I of a 20-year capital plan will meet the projected core research facilities 10-year census projections in a state-of-the-art, efficient, centralized facility to cost-effectively serve the needs and improve the quality of health and life science research on the UW Seattle campus.

Core Research Facilities – Western Building

A priority of the UW Core Research Facilities Master Plan, this project will add additional core research census holding and operational support area to the UW National Primate Research Center at the Western Building. The core research facilities at the Western Building provide critical support to UW research activities including research at UW School of Medicine's South Lake Union facilities.

Fluke Hall CoE Research Relocation

In response to state legislation from the 2011-13 biennial session, the development and consolidation of the UW Center for Commercialization's Incubator research activities and associated improvements to UW's Micro Fabrication Facility in the former Washington Technology Center's Fluke Hall on the UW Seattle Campus is expected to require the relocation of College of Engineering research activities to new locations on the UW Seattle campus.

Fluke Hall Renovation – C4C and MFF

In response to state legislation from the 2011-2013 biennial session, we are developing the UW Center for Commercialization's Incubator research laboratory and office areas, and associated improvements to UW's central Micro Fabrication Facility, serving UW Seattle's clean room research needs, in the former Washington Technology Center's 1990, 73,000 gross square foot Fluke Hall.

Student Life

House of Knowledge Longhouse

The Intellectual House will provide a multi-service learning and gathering space for Native American students, faculty and staff, and others of various cultures and communities to come together in a supporting and welcoming educational environment. Fundraising efforts have been impacted by the Great Recession. The project proposes using the available funding and move forward with the first phase in FY13, with a building and its surrounding landscape serving as a community gathering place.

UW Police Station Relocation

The UW Police Department will be relocated from its current facility in the Bryants Building on Portage Bay as a consequence of the UW's anticipated agreement to make available this property for use as a public open space, in mitigation of WSDOT's planned SR-520 Lake Washington Bridge project. The project remains in active early planning stages of development.

2013-15 (FY14 & FY15) State Capital Budget Request

The proposed FY13 capital budget is summarized on the following page. UW administration also seeks approval to begin work on the UW's 2013-15 state capital budget submission. In this budget submission, the UW will ask for state approval, and in some cases, state funds, to support projects in major infrastructure system renewal, building infrastructure and minor capital repairs, Denny Hall renovation, Lewis Hall renovation, Tacoma Groundwater and Soil Remediation, Health Sciences T-Wing health sciences education building design, Health and Life Sciences research building design, and Engineering Research renovation. Please review Appendix 3: One Capital Plan, for more information.

2015-25 One Capital Plan

The revised One Capital Plan shows total planned expenditures trending upward, primarily in response to completion of additional academic and infrastructure precinct program and capital plans, while the capital investment portfolio targets remain approximately consistent: 25 percent infrastructure, 25 percent instruction, and 40 percent research.

With the exception of UW-Bothell and UW-Tacoma, instructional program capital investments are increasingly focused on repurposing existing and older facilities, while improving operating efficiencies, which include improvements in energy, water resources, human resources/IT technologies, and increasingly centralized operating models. Research program capital investments are increasingly focused on developing new, flexible, and extreme operationally efficient buildings. Infrastructure program capital investments are promoting energy cost-reduction, reliability; enhanced resilient for business continuity, and are anticipating the shift, in many cases, to more virtual learning environments.

The One Capital Plan will be amended should any technical adjustments or other policy decisions influence draft projections; a final draft will be presented to UW Regents in June.

Table 14: FY13 Capital Budget - Please Review Appendix 3, "One Capital Plan," for More Comprehensive, Long-term Project Plans

Program Category	Description	UW Building Account	State Building Constn. Account	Local Funds	Potential Debt	TOTAL
Acquisition	UW Bothell Strategic Real Estate Investments	-	-	-	5,000,000	5,000,000
Infrastructure	UW Seattle Campus Master Planning Initiative			175,000		175,000
	Emergent Planning Studies	-	-	50,000	-	50,000
	Landscape Framework Planning	-	-	375,000	-	375,000
	Resilient UW Plan	-	-	100,000	-	100,000
	UW Preventative Facility Maintenance	12,912,500	-	-	-	12,912,500
	UW Tacoma Groundwater and Soil Remediation	-	5,000,000	-	-	5,000,000
Instruction	Burke Museum Renovation	-	3,500,000	-	-	3,500,000
	CoEnv - Anderson Hall Renovation	-	-1,553,000	-	-	-1,553,000
	UW Bothell Phase 3	12,963,000	19,887,000	-	30,000,000	62,850,000
Research	Core Research Facilities - MHSC 6th Floor Renovation	-	-	900,000	-	900,000
	Core Research Facilities - MHSC I Wing	-	-	3,200,000	-	3,200,000
	Core Research Facilities - Vista I	-	-	13,500,000	-	13,500,000
	Core Research Facilities - Western Building	-	-	5,600,000	-	5,600,000
	Fluke Hall CoE Research Relocation	-	-	4,500,000	-	4,500,000
	Fluke Hall Renovation - C4C and MFF	-	-	6,000,000	-	6,000,000
Student Life	House of Knowledge Long House	-	-	1,400,000	-	1,400,000
	UW Police Department Relocation	-	-	25,000,000	-	25,000,000
Total Proposed Capital Investments		25,875,500	26,834,000	60,800,000	35,000,000	148,509,500

**Appendix 1
Proposed Budget
University Operating Resources for Fiscal Year 2013**

	FY 2013 Proposed	FY 2012 Adopted	Comment
<u>REVENUES</u>			
State General Fund	209,465,000	212,197,000	
Net Tuition Operating Fee *	516,045,000	463,500,000	
Designated Operating Fund	72,350,000	66,442,000	
Institutional Overhead	20,000,000	17,288,000	
Indirect Cost Recovery	233,000,000	230,000,000	
Subtotal: Ongoing University Operating Revenues	1,050,860,000	989,427,000	
Use of Fund Balance for Temporary Expenditures	0	14,310,000	
TOTAL REVENUES	1,050,860,000	1,003,737,000	
<u>EXPENDITURES</u>			
Adjusted Base Budget	989,339,000	976,869,000	
<u>UW Seattle Budget Reductions:</u>			
FY 2013 Total Reductions	(12,094,000)		
Ruckelshaus Center Funds Transfer to WSU	(90,000)		
Subtotal for UW Seattle Unit Budget Reductions	(12,184,000)		
<u>UW Bothell Budget Reductions</u>			
FY 2013 Reductions	(364,000)		
Subtotal for UW Bothell Budget Reductions	(364,000)		
<u>UW Tacoma Budget Reductions</u>			
FY 2013 Reductions	(466,000)		
Subtotal for UW Tacoma Budget Reductions	(466,000)		
TOTAL BUDGET REDUCTIONS	(13,014,000)		
<u>Incremental Tuition Allocation to Academic Units</u>			
UW Seattle Academic Units	28,678,000		
UW Bothell	5,227,000		
UW Tacoma	5,069,000		
Subtotal	38,974,000		
<u>Incremental Tuition Allocations to the Provost</u>			
Strategic Investments	9,875,000		
Benefit Cost increases to Administrative Units	2,711,000		
Subtotal	12,586,000		
<u>Other Adjustments</u>			
Required Cost Increases/Adjustments	12,175,000		See Appendix 2
ABB Indirect Cost Recovery Allocation Change	6,200,000		
Legislative Directives	4,600,000		See Appendix 2
Subtotal	22,975,000		
SUBTOTAL: CORE EDUCATION EXPENDITURES	1,050,860,000		
Use of Fund Balance	0		
TOTAL EXPENDITURES	1,050,860,000		

* Sum of net tuition operating fee projection and interest income.

Appendix 2
Required Cost Increases/Adjustments for Fiscal Year 2013

Item	FY 2013 Change
<u>Institutional Budgets</u>	
Utilities:	
Electricity	1,200,000
Natural gas	(250,000)
Water/sewer	285,000
Solid waste disposal	(142,000)
Power Plant	20,000
UW Tower Data Center Electricity	280,000
Conservation Loan Payments (ESCO Projects)	100,000
Conservation Measures	350,000
<hr/>	
Subtotal utilities:	1,843,000
 Other institutional budgets:	
Property rentals-general	253,000
University Risk Financing	1,004,000
Transportation subsidy	200,000
Mainframe Financing agreement	(540,000)
Previous Commitments to Deans/VPs	3,000,000
Molecular Engineering Building O&M	650,000
Administrative Unit Benefit Rate Change	2,711,000
UW Bothell increase to ICR	(160,000)
Summer quarter cost increase	474,000
UW Bothell - FY13 Net Summer Qtr Tuition	562,000
UW Tacoma - FY13 Net Summer Qtr Tuition	602,000
UW Educational Outreach offset for TA's	200,000
<hr/>	
Subtotal other institutional budgets:	8,956,000
 <u>Debt Service</u>	
HUB Renovation Commitment	1,376,000
<hr/>	
Subtotal Debt Service	1,376,000
 Subtotal Required Cost Increases	 12,175,000

Appendix 2, continued
Required Cost Increases/Adjustments for Fiscal Year 2013

Item	FY 2013 Change
<u>ABB Indirect Cost Recovery Policy Allocation</u>	
FY 2013 Projected ICR change to units	6,200,000
<hr/>	
Subtotal Policy Application	6,200,000
Subtotal Indirect Cost Recovery	6,200,000
<u>Legislative Directives</u>	
WWAMI Spokane Ramp Up	610,000
RIDE Spokane Ramp Up	190,000
College of Engineering Enrollment Support	3,800,000
<hr/>	
Subtotal Legislative Actions	4,600,000
TOTAL REQUIRED COST INCREASES/ADJUSTMENTS	22,975,000
REQUIRED COST INCREASES FOR SEATTLE	18,375,000

UW 10 Year Capital Plan - Proposed Funding by Wave and Program Use

- DRAFT FOR DISCUSSION -

UW Office of Planning and Budgeting

Wave / Program Use		Proposed FY 2013 Capital Budget				Proposed 2013-2015 Capital by Fund Source					Potential 2015-25 Capital by Fund Source				
Project Name	Total Funding (\$,000)	State	BldgAcct	Local	Debt	State	BldgAcct	Local	Partners	Debt	State	BldgAcct	Local	Partners	Debt
I															
Acquisition															
UW Bothell Strategic Real Estate Investment	15,000	-	-	-	5,000	-	-	-	-	-	10,000	-	-	-	-
Infrastructure															
CoEnv Precinct Plan	100	-	-	-	-	-	-	100	-	-	-	-	-	-	-
Emergent Planning Studies	200	-	-	50	-	-	-	75	-	-	-	-	75	-	-
Landscape Framework Planning	750	-	-	375	-	-	-	375	-	-	-	-	-	-	-
Major Infrastructure - System Renewal Projects	79,500	-	-	-	-	14,500	-	-	-	-	45,000	-	-	20,000	-
Major Infrastructure - UW District Energy Resource Center	97,500	-	-	-	-	2,200	-	-	-	-	25,800	-	-	-	69,500
Minor Capital Repair - Building Infrastructure Improvements	524,500	-	-	-	-	64,700	32,000	-	-	-	267,800	160,000	-	-	-
Minor Capital Repair - Program Improvements	141,000	-	-	-	-	-	-	17,500	-	-	-	-	123,500	-	-
Resilient UW Plan	225	-	-	100	-	-	-	125	-	-	-	-	-	-	-
UW Preventative Facility Maintenance	142,913	-	12,913	-	-	-	26,000	-	-	-	-	104,000	-	-	-
UW Seattle Campus Master Plan Initiative	2,700	-	-	175	-	-	-	525	-	-	-	-	2,000	-	-
UW Tacoma Groundwater and Soil Remediation	72,500	5,000	-	-	-	-	-	-	-	-	67,500	-	-	-	-
Instruction															
Burke Museum Renovation	52,200	3,500	-	-	-	-	-	-	-	-	14,000	-	-	34,700	-
Classroom Improvements - Undergrad Classroom/UW IT/Health Sciences Ad	12,000	-	-	-	-	-	-	2,000	-	-	-	-	10,000	-	-
CoEnv - Anderson Hall Renovation	20,947	(1,553)	-	-	-	-	-	-	-	-	22,500	-	-	-	-
UW Bothell Phase 3	62,850	19,887	12,963	-	30,000	-	-	-	-	-	-	-	-	-	-
Research															
Core Research Facilities - MHSC 6th Floor Renovation	900	-	-	900	-	-	-	-	-	-	-	-	-	-	-
Core Research Facilities - MHSC I Wing	3,200	-	-	3,200	-	-	-	-	-	-	-	-	-	-	-
Core Research Facilities - Vista I	83,500	-	-	13,500	-	-	-	-	-	70,000	-	-	-	-	-
Core Research Facilities - Western Building	5,600	-	-	5,600	-	-	-	-	-	-	-	-	-	-	-
Fluke Hall CoE Research Relocation	15,000	-	-	4,500	-	-	-	10,500	-	-	-	-	-	-	-
Fluke Hall Renovation - C4C and MFF	28,500	-	-	6,000	-	-	-	22,500	-	-	-	-	-	-	-
Student Life															
House of Knowledge Longhouse	1,400	-	-	1,400	-	-	-	-	-	-	-	-	-	-	-
UW Police Department Relocation	25,000	-	-	25,000	-	-	-	-	-	-	-	-	-	-	-
	1,387,985	26,834	25,876	60,800	35,000	81,400	58,000	53,700	-	70,000	452,600	264,000	135,575	54,700	69,500
II															
Acquisition															
UW Seattle Strategic Real Estate Investment	65,000	-	-	-	-	-	-	-	-	35,000	-	-	-	-	30,000
UW Tacoma Strategic Real Estate Investment	17,500	-	-	-	-	2,500	-	-	-	-	15,000	-	-	-	-
Athletics															
ICA Basketball Operations and Practice Center	30,000	-	-	-	-	-	-	-	30,000	-	-	-	-	-	-
ICA Soccer Grandstand and Related Support Facilities	16,000	-	-	-	-	-	-	-	-	-	-	-	16,000	-	
ICA Team Operations Building for Track and Field and Soccer	8,000	-	-	-	-	-	-	-	-	-	-	-	8,000	-	

Wave / Program Use Project Name	Total Funding (\$,000)	Proposed FY 2013 Capital Budget				Proposed 2013-2015 Capital by Fund Source				Potential 2015-25 Capital by Fund Source					
		State	BldgAcct	Local	Debt	State	BldgAcct	Local	Partners	Debt	State	BldgAcct	Local	Partners	Debt
Clinic															
UWMC Expansion - Future Phases	97,000	-	-	-	-	-	-	26,000	-	71,000	-	-	-	-	-
Housing															
UW Seattle Student Housing - North Campus - Haggett Hall Renovation	70,500	-	-	-	-	-	-	-	-	-	-	-	-	-	70,500
UW Seattle Student Housing - North Campus - Hansee Hall Renovation	47,400	-	-	-	-	-	-	-	-	-	-	-	-	-	47,400
UW Seattle Student Housing - North Campus - McCarty Hall Renovation	62,300	-	-	-	-	-	-	-	-	-	-	-	-	-	62,300
UW Seattle Student Housing - North Campus - McMahon Hall Renovation	94,000	-	-	-	-	-	-	-	-	-	-	-	-	-	94,000
UW Seattle Student Housing - West Campus - New Center	78,000	-	-	-	-	-	-	-	-	78,000	-	-	-	-	-
UW Seattle Student Housing - West Campus - New Terry	55,000	-	-	-	-	-	-	-	-	55,000	-	-	-	-	-
Infrastructure															
Enterprise Information System	110,000	-	-	-	-	-	-	-	-	5,000	-	-	-	-	105,000
Metropolitan Tract Recapitalization Plan	200,000	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000
UW Burke Gilman Trail Development	30,000	-	-	-	-	-	-	7,000	-	-	-	-	16,000	7,000	-
UW Seattle Parking - E12 Improvements	3,010	-	-	-	-	-	-	3,010	-	-	-	-	-	-	-
UW Tacoma Station - Prairie Line Trail	4,400	-	-	-	-	-	-	2,400	-	-	-	2,000	-	-	-
Vista "Corridor" Open Space Improvements	2,500	-	-	-	-	-	-	-	2,500	-	-	-	-	-	-
Instruction															
CAS - Denny Hall Renovation	56,000	-	-	-	-	56,000	-	-	-	-	-	-	-	-	-
CAS - Lewis Hall Renovation	20,000	-	-	-	-	2,500	-	-	-	-	17,500	-	-	-	-
CAS - Padelford Renovation	25,050	-	-	-	-	-	-	50	-	-	25,000	-	-	-	-
CAS and CoE - Anthropology/ERC Building Renovation	27,750	-	-	-	-	-	-	-	-	-	27,750	-	-	-	-
CAS Renewal Program I - Communications Building	8,900	-	-	-	-	-	-	-	-	-	8,800	-	100	-	-
CoE - Mechanical Engineering Building - Repurpose Renovation	25,000	-	-	-	-	-	-	-	-	-	25,000	-	-	-	-
CoEnv - Renovation	35,050	-	-	-	-	-	-	50	-	-	3,000	-	-	10,000	22,000
Health Sciences Education I - T-Wing Addition	99,400	-	-	-	-	12,500	-	-	-	-	25,000	-	-	25,000	36,900
Health Sciences Education II - T Wing Renovation	89,000	-	-	-	-	-	-	-	-	-	30,000	-	-	10,000	49,000
Libraries - Sand Point Building 5 - Archival Storage	7,600	-	-	-	-	250	-	-	-	-	7,350	-	-	-	-
Life Sciences Building I - Research and Instructional Greenhouse	24,050	-	-	-	-	-	-	-	-	-	2,500	-	50	5,000	16,500
MHSC Renovation - D&C Core - Office Repurpose	49,025	-	-	-	-	-	-	25	-	-	-	-	25,000	7,000	17,000
Research															
CAS - Guthrie Addition	115,125	-	-	-	-	-	-	75	-	-	15,000	-	-	50,050	50,000
CAS - Kincaid Hall Renovation	48,500	-	-	-	-	-	-	200	-	-	-	-	5,000	5,000	38,300
CAS - Life Sciences Building I	240,050	-	-	-	-	-	-	50	-	-	-	-	-	215,000	25,000
CoE - Interdisciplinary Education and Research Center I - West of 15th	310,350	-	-	-	-	350	-	-	-	-	25,000	-	-	260,000	25,000
CoE - UW Engineering Research Renovation	15,600	-	-	-	-	15,600	-	-	-	-	-	-	-	-	-
CoEnv Research Vessel	10,000	-	-	-	-	-	-	1,500	3,000	-	-	-	-	5,500	-
Health and Life Sciences - Hitchcock West	220,000	-	-	-	-	17,600	-	-	-	-	-	-	5,000	80,400	117,000
Innovation Collaboration Center - West of 15th Ave	55,000	-	-	-	-	350	-	-	-	-	6,000	-	-	30,000	18,650
MHSC Renovation - D Wing - Dental School Improvements	18,575	-	-	-	-	-	-	75	-	-	-	-	-	14,000	4,500
Portage Bay Research Building No. 1	270,250	-	-	-	-	-	-	-	250	-	20,000	-	-	160,000	90,000
Student Life															
UW Bothell Student Activities Center	27,800	-	-	-	-	-	-	-	-	-	-	-	-	-	27,800
	2,788,685	-	-	-	-	107,650	-	40,435	35,750	244,000	252,900	-	37,150	916,950	1,153,850

Wave / Program Use Project Name	Total Funding (\$,000)	Proposed FY 2013 Capital Budget				Proposed 2013-2015 Capital by Fund Source					Potential 2015-25 Capital by Fund Source				
		State	BldgAcct	Local	Debt	State	BldgAcct	Local	Partners	Debt	State	BldgAcct	Local	Partners	Debt
III															
Athletics															
ICA Dempsey Indoor Facility Parking Garage	4,300	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ICA Graves Hall Renovation	8,500	-	-	-	-	-	-	-	-	-	-	-	8,500	-	
ICA Gymnastics Training Facility	4,200	-	-	-	-	-	-	-	-	-	-	-	-	-	
ICA Sand Volleyball Facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ICA Softball Press Box Upgrades and Grandstand Roof and Expansion	3,500	-	-	-	-	-	-	-	-	-	-	-	3,500	-	
ICA Track and Field Grandstands	4,000	-	-	-	-	-	-	-	-	-	-	-	4,000	-	
Clinic															
MHSC Renovation - AA Wing	5,745	-	-	-	-	-	-	-	-	-	-	-	-	5,745	
UWMC Expansion - Future	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Infrastructure															
Portage Bay Research Building No. 1 - Structured Parking Modifications	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
UW Bothell Major Infrastructure Projects	10,500	-	-	-	-	-	-	-	-	-	10,500	-	-	-	
UW Tacoma Major Infrastructure Projects	26,000	-	-	-	-	-	-	-	-	-	26,000	-	-	-	
Instruction															
CAS - Eagleson Hall Renovation	12,000	-	-	-	-	-	-	-	-	-	12,000	-	-	-	
CAS - Fine Arts District	100,250	-	-	-	-	-	-	-	-	-	50,000	-	250	50,000	
CAS - Hutchinson Hall Renovation	30,000	-	-	-	-	-	-	-	-	-	30,000	-	-	-	
CAS Academic Building - Repurpose Renovation	48,000	-	-	-	-	-	-	-	-	-	48,000	-	-	-	
CAS Renewal Program II - Gowen and Raitt Halls	10,000	-	-	-	-	-	-	-	-	-	9,750	-	250	-	
CAS Renewal Program III - Smith Hall	6,550	-	-	-	-	-	-	-	-	-	6,350	-	200	-	
CAS Renewal Program IV - Thompson Hall	5,000	-	-	-	-	-	-	-	-	-	5,000	-	-	-	
CAS Renewal Program V	10,000	-	-	-	-	-	-	-	-	-	10,000	-	-	-	
CAS Renewal Program VI	6,000	-	-	-	-	-	-	-	-	-	6,000	-	-	-	
CoBE - Gould Hall Court Addition	5,000	-	-	-	-	-	-	-	-	-	-	-	5,000	-	
CoE - Computer Science & Engineering Building II	190,000	-	-	-	-	-	-	-	-	-	-	-	170,000	20,000	
CoEduc - Miller Hall Renovation	44,000	-	-	-	-	-	-	-	-	-	44,000	-	-	-	
Computer Science & Engineering - Multiple Building Renovation	62,000	-	-	-	-	-	-	-	-	-	20,000	-	-	42,000	
Health Sciences Education III - T Wing Renovation	77,000	-	-	-	-	-	-	-	-	-	38,500	-	-	10,000	
Health Sciences Education IV - T Wing Renovation	44,000	-	-	-	-	-	-	-	-	-	25,000	-	-	19,000	
MHSC Renovation - B Wing	20,150	-	-	-	-	-	-	-	-	-	-	-	150	20,000	
Robinson Center	5,000	-	-	-	-	-	-	-	-	-	-	-	-	5,000	
UW Bothell Phase 4	68,000	-	-	-	-	-	-	-	-	-	68,000	-	-	-	
UW Tacoma Phase 4	79,500	-	-	-	-	-	-	-	-	-	79,500	-	-	-	
Research															
CAS - Life Sciences Building II	165,250	-	-	-	-	-	-	-	-	-	15,000	-	250	-	
CoE - Interdisciplinary Education and Research Center II - West of 15th	150,000	-	-	-	-	-	-	-	-	-	-	-	150,000	-	
CoE - Molecular Engineering Phase II	65,000	-	-	-	-	-	-	-	-	-	-	-	65,000	-	
Core Research Facilities - Vista II	92,500	-	-	-	-	-	-	-	-	-	-	-	2,500	90,000	
Foegen West	120,000	-	-	-	-	-	-	-	-	-	-	-	10,000	110,000	
Health and Life Sciences - Hitchcock East	10,000	-	-	-	-	-	-	-	-	-	10,000	-	-	-	
MHSC Renovation - H Wing - Research Repurpose	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
MHSC Renovation - H&G Core - Office Repurpose	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Wave / Program Use Project Name	Total Funding (\$,000)	Proposed FY 2013 Capital Budget				Proposed 2013-2015 Capital by Fund Source					Potential 2015-25 Capital by Fund Source					
		State	BldgAcct	Local	Debt	State	BldgAcct	Local	Partners	Debt	State	BldgAcct	Local	Partners	Debt	
MHSC Renovation - I Wing - Office & Education Repurpose	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Portage Bay Research Building No. 2	250	-	-	-	-	-	-	-	-	-	-	-	250	-	-	
Portage Bench Research Center - UW/NOAA/Partners	250	-	-	-	-	-	-	-	-	-	-	-	-	250	-	
SOM - South Lake Union Phase 3.2	147,000	-	-	-	-	-	-	-	-	-	-	-	12,800	-	134,200	
SOM - South Lake Union Phase 3.3	190,000	-	-	-	-	-	-	-	-	-	-	-	16,500	-	173,500	
Student Life																
Daycare Center Expansion	4,500	-	-	-	-	-	-	-	-	-	-	-	-	-	4,500	
UW Tacoma Student Union - Phase 1	7,500	-	-	-	-	-	-	-	-	-	-	-	-	-	7,500	
	1,861,445	-	-	-	-	-	-	-	-	-	-	513,600	-	40,650	535,750	592,945
	6,038,115	26,834	25,876	60,800	35,000	189,050	58,000	94,135	35,750	314,000	1,219,100	264,000	213,375	1,507,400	1,816,295	

Proposed FY 2013 Capital Budget, Operating Budget, and Tuition Item

Paul Jenny
Vice Provost, Planning & Budgeting

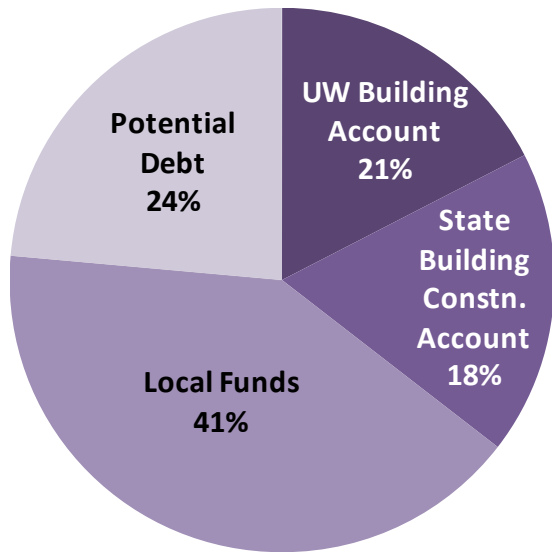
May 3, 2012

PRESENTATION OVERVIEW

- I. The Proposed Item is structured differently than this presentation, which is arranged as follows:
 - i. Capital Budget (FY13, 2013-15 State, Ten Year Capital Plan)
 - ii. Operating Budget
 - iii. Tuition Item
 - iv. Questions
 - v. Student Testimony
- II. Anticipate Regental action June 7, 2012 after continued discussion with students/faculty/staff and policy direction from leadership/Regents

CAPITAL BUDGET

FY13 UW CAPITAL BUDGET OVERVIEW



Begins on page 19 of F-9b, summary table on Page 23

- \$26.8 million in NEW state bonds
- \$25.8 million building account appropriations
- \$60.8 million in local fund expenditures
- \$35 million potential new debt

- Bothell Phase 3, Bothell real estate investments, Tacoma groundwater & soil remediation
- Seattle core research facilities
- Seattle master planning

2013-15 STATE CAPITAL BUDGET REQUEST

Presented in Appendix 3: One Capital Plan

- Seattle infrastructure system renewal and building infrastructure and minor capital repairs
- Denny Hall renovation
- Lewis Hall renovation
- Tacoma groundwater and soil remediation
- Health Sciences T-Wing instruction and research building design
- Seattle health and life sciences research building design
- Seattle engineering research renovation

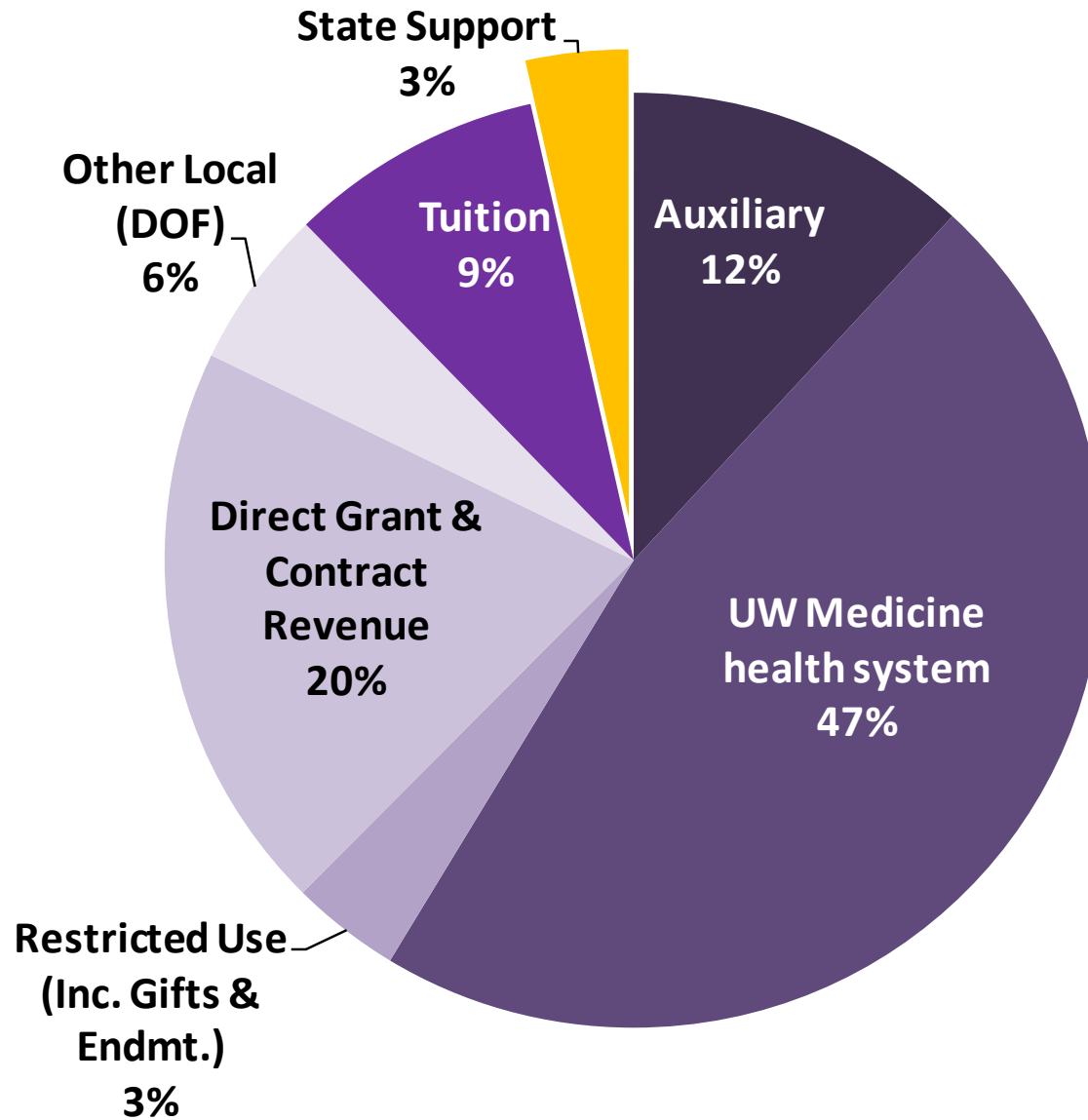
ONE CAPITAL PLAN

Presented in Appendix 3: One Capital Plan

- **Continuously revise** One Capital Plan, increasing transparency and cohesiveness of capital investments
- **Consistent capital investment portfolio targets:** 25% infrastructure, 25% instruction, and 40% research
- Seattle instructional program capital investments involve repurposing existing, older facilities, and improving operating efficiencies
- Research program increasingly focused on developing new, flexible, and operationally efficient buildings
- Infrastructure projects promote **energy cost-reduction** and accommodation of **virtual learning environments**

OPERATING BUDGET

FY13 REVENUES AND EXPENDITURES = \$5.9 BILLION



UNIVERSITY OPERATING RESOURCES

- Central budget for core education support comprises state funds, tuition revenue, and “designated operating funds” (indirect cost recovery, summer quarter revenue, institutional overhead, etc.)
 - New reduction in state funds was minimal
 - Net tuition operating fee revenue assumes statutorily authorized 16% resident undergraduate tuition increase
 - Resulting cut calculations are on page 6 of F-9b

UNIVERSITY OPERATING RESOURCES

Tri-Campus Budget Changes

FY2013 State Funding Reduction	(2,732,000)
FY2013 Permanent Fund Shift to Engineering	(3,800,000)
FY2013 Permanent Fund Shift to WWAMI	(610,000)
FY2013 Permanent Fund Shift to RIDE	(190,000)

Total FY2013 UW State Required Adjustments (7,332,000)

Less UWB Share of \$7.3 million Cut	364,000
Less UWT Share of \$7.3 million Cut	466,000

Subtotal FY2013 UW Seattle State Req'd. Adjustments (6,502,000)

Fixed/required Cost Increases Seattle (Appendix 2, Last Line)	(18,375,000)
Offsetting ICR Revenue Increase	3,000,000
Offsetting Institutional Overhead Increase	2,712,000
Offsetting Summer Quarter Revenue Tuition Increase	4,270,000
Offsetting Administrative Benefit Rate Covered by Provost	2,711,000

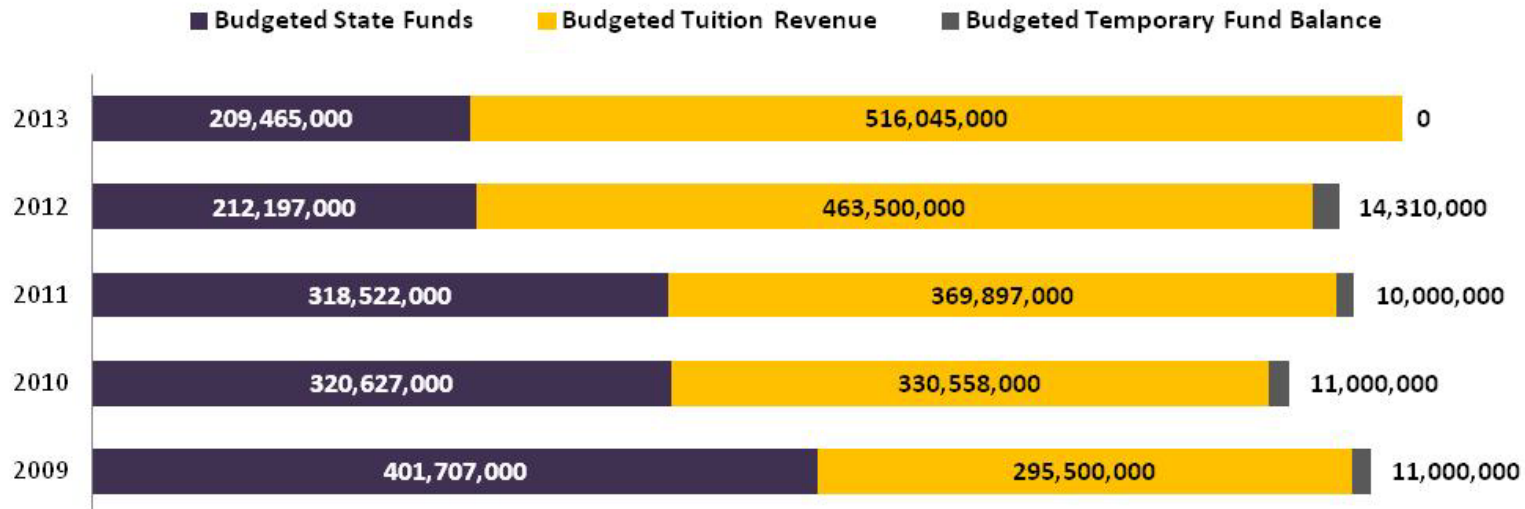
UWS TOTAL ADJUSTED REDUCTION (12,184,000)

UNIVERSITY OPERATING RESOURCES

Seattle fixed/required cost increases are detailed in Appendix 2, page 26 of F-9b

- Major required cost increases include:
 - Utility Increases (\$1.8 million)
 - Risk Financing Pool (\$1 million)
 - Previous Commitments to Deans/VPs (\$3 million)
 - Benefit Expenses for Administrative Units (\$2.7 m)
 - HUB Renovation Commitment (\$1.4 million)

UNIVERSITY OPERATING RESOURCES



- Total general operating fund (GOF) revenue will be higher than FY09; however
- Total GOF revenue for FY13 still represents a shortfall in *per student FTE* funding of \$3,000 when compared to FY08

RESEARCH & RESTRICTED FUNDS

Revenues	FY 2013 Proposed	FY 2012 Adopted
Research Enterprise		
Grants and Contracts Direct Costs	1,164,898,000	1,150,898,000
TOTAL REVENUES	1,164,898,000	1,150,898,000
TOTAL EXPENDITURES	1,164,898,000	1,150,898,000
Restricted Funds		
Gift Income & Endowment Distributions	214,255,000	192,630,000
State Restricted Funds	8,274,000	6,949,000
TOTAL REVENUES	222,529,000	199,579,000
TOTAL EXPENDITURES	222,529,000	199,579,000

- Direct research expenditures (non-ARRA) are expected to grow in FY13, barring sequestration
- Endowment distributions now reflect 1% used to fund Treasury and Advancement expenses
- State Restricted includes \$1.5M for new, joint Aerospace Center

UW MEDICINE HEALTH SYSTEM - PRELIMINARY

Revenues	FY 2013 Proposed	FY 2012 Adopted
UW Medicine health system (Preliminary)		
UW Medical Center	908,936,000	867,015,000
Harborview Medical Center	782,163,000	759,683,000
Valley Medical Center	441,486,000	404,129,000
NW Hospital	315,821,000	305,554,000
UW Physicians	242,200,000	235,500,000
Airlift NW	42,500,000	37,551,000
UW Neighborhood Clinics	29,530,000	27,676,000
TOTAL REVENUES	2,762,636,000	2,637,108,000
TOTAL EXPENDITURES	2,762,636,000	2,637,108,000

- Preliminary revenues and expenditures from the UW Medicine health system represent 47% of the UW's FY13 budget
- Moderate growth expected in all areas of the health system

AUXILIARY UNITS

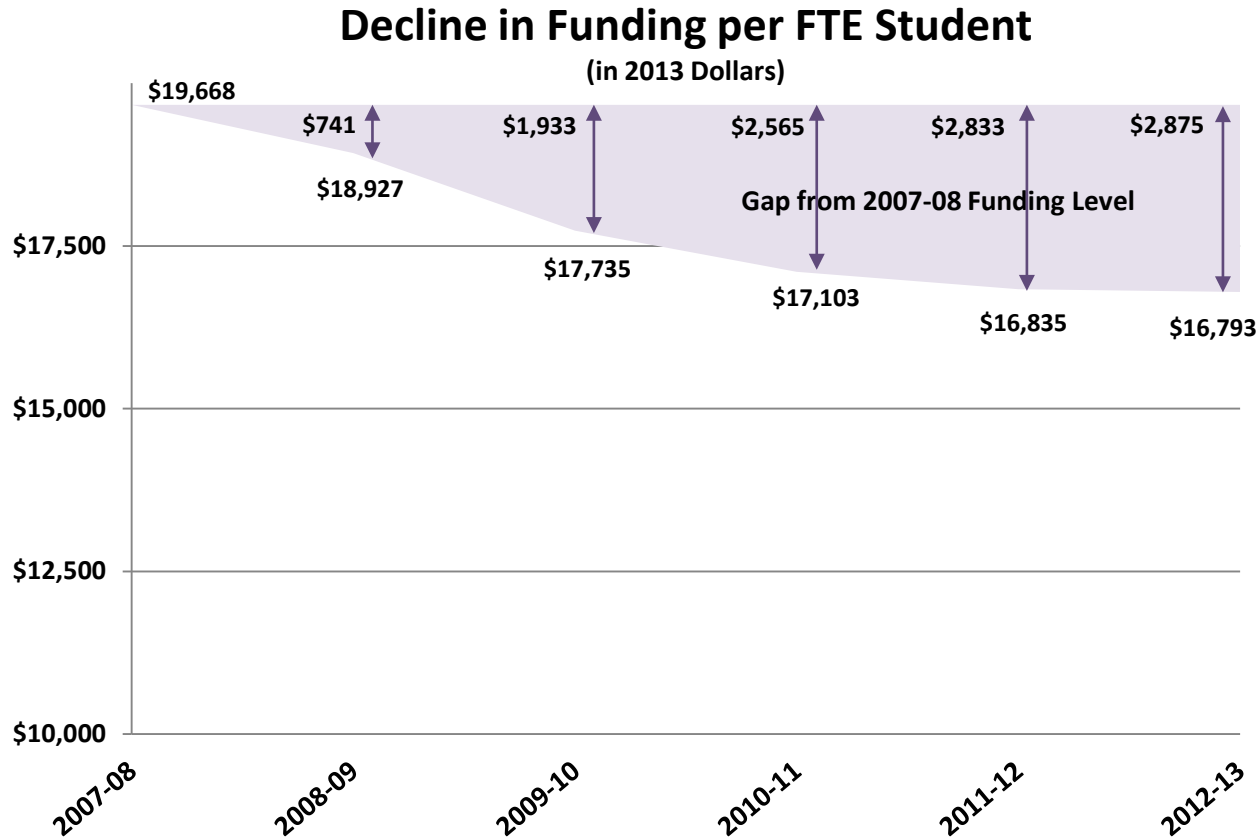
Revenues	FY 2013 Proposed	FY 2012 Adopted
Auxiliary Activities		
Housing and Dining	81,421,000	68,680,000
Intercollegiate Athletics	81,809,000	71,872,000
Educational Outreach	93,406,000	85,225,000
Parking	34,651,000	35,152,000
Other Auxiliary Activities	410,238,000	402,194,000
TOTAL REVENUES	701,525,000	663,123,000
TOTAL EXPENDITURES	701,525,000	663,123,000

- “Other auxiliary activities” include internal service units (stores, motor pool, publication services, etc.), student government, recreational sports, and course fee revenue

CAPITAL/OPERATING BUDGET QUESTIONS

TUITION ITEM

FUNDING TRENDS



- Funding per FTE is \$3,000 less than it was in FY08, due to declining state funding and increasing enrollments
- Over the last ten years, comparatively more expensive STEM degree production increased 60%

EDUCATIONAL QUALITY AND STUDENT EXPERIENCE

- Since 2008:
 - Faculty FTE funded from University Op Resources declined 7% while student FTE increased 8%
 - Proportion of tenure-track faculty decreased from 50.2% to 47.6%
 - In 2008, tenure-track faculty taught 60% of undergrad courses while last year, they taught 54%
- Since 2006, the average 100-level class size grew from 48 to 61; the average 300-level class size from 37 to 42
- In 2009, the UW employed about 1,550 TAs per quarter; this year, the UW employs an average of 1,475 TAs per quarter

TUITION PROPOSAL – RESIDENT UNDERGRADS

- Last May, Regents considered a two-year tuition proposal of 20% and 16% for resident undergraduates, citing significant biennial reductions applied to both fiscal years
- State biennial budget authorized two 16% resident undergraduate tuition increases; revenue assumptions in the UW Operating Budget include new revenue from a 16% increase

	Undergraduate Resident Tuition Increase for 2012-13		
	14%	16%	18%
Tuition Rate*	\$11,110	\$11,305	\$11,500
Net Revenue Increase	\$30.3 m	\$34.6 m	\$39.0 m
Incremental Aid Required	\$8.7 m	\$10.0 m	\$11.5 m
Net Revenue After Aid	\$21.6 m	\$24.6 m	\$27.5 m

* Does not include mandatory fees

2011-13 BIENNIAL BUDGET BILL NOTES

“Overall, 2011-13 biennial state appropriations to the public colleges and universities are \$658.5 million (23.6 percent) below the level appropriated in the 2009-11 biennium. Approximately \$376.4 million of this reduction will be offset by tuition increases. Revenue from tuition increases are assumed to be 16 percent per year at the University of Washington...”

<http://leap.leg.wa.gov/leap/budget/lbns/2011he.pdf>

TUITION PROPOSAL – PEER COMPARISONS

- When comparing the UW resident undergraduate **tuition & fee** rate to peers (current and inflated for 2012-13) the UW rate remains average

Undergraduate Resident	2011-12	2012-13*
University of Washington	10,574	12,385
Global Challenge State Peer Average	11,858	12,450
US News Top Ten Public Average	11,645	12,227

* Peer projections are based on a 5% increase; the UW's projection is based on a 16% increase and contains an estimate of fees (\$1,080).

- Peer tuition rates for 2012-13 are estimates and we intend to update these projections as additional information is available

See page 15 of F-9b, table 12 for more specific peer tuition rate information

TUITION PROPOSAL – GRAD/PROF, NONRES UG

2012-13 Proposed Tuition Rate	Resident	Nonresident
Undergraduate	11,305	28,864
Graduate Tier I	13,280	25,690
Graduate Tier II	13,620	26,240
Graduate Tier II	13,930	26,790

- Nonresident undergrad increase is incorrectly listed as 10% - the actual increase is 6% - the tuition rate (in \$) is correct as listed
- Other graduate/professional categories are increasing from 0% to 15%
- Proposed tuition rates may be adjusted further given new technical information or policy direction

Please review page 16 of F-9b, table 13 for a comprehensive list of all tuition changes

TUITION PROPOSAL – NEW INVESTMENTS

- Last June, Regents redirected half of new incremental revenue from resident undergraduates to financial aid and half to undergraduate schools and colleges to increase course access
- This year, we propose new tuition revenue support:
 - Additional enrollment slots in Computer Science & Engineering
 - Significant new investments in Biology, Chemistry, Math, and English, with smaller, but still consequential, investments in Physics
 - Continued on next page

TUITION PROPOSAL – NEW INVESTMENTS

- Hire new TAs and make permanent TA positions currently funded with temporary funds
- Hire new tenure-track faculty
- Expand Writing Center programming/support
- Expand career and mental health counseling
- Continue to fund all SNG *eligible* students (State funding leaves many without a grant) and move toward peer institutions' return-to-aid levels (approximately 30%)

2012-13 PROJECTIONS OF REVENUE VS. AID

- Under this proposal, undergraduates will continue to contribute disproportionately to total tuition revenue, but also consume more institution-based aid

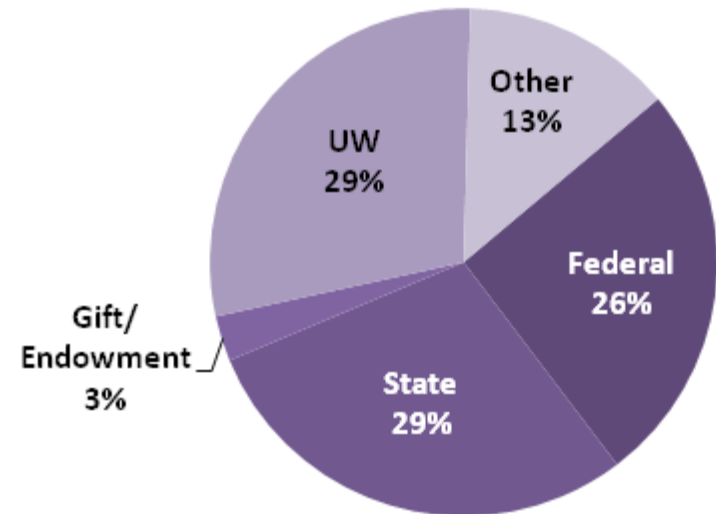
2012-13 Institutional Aid		Undergraduate		Graduate/Professional		Total
		Resident	Non-Resident	Resident	Non-Resident	
3% need waivers, 1% merit waivers, 5% set-aside	From Group:	\$25,070,000	\$10,474,000	\$7,263,000	\$5,830,000	\$48,637,000
	To Group:	\$32,537,000	\$0	\$16,100,000	\$0	\$48,637,000
Additional Aid		\$22,260,000	\$0	\$0	\$0	\$22,260,000
Total Aid from Tuition Revenue		\$54,797,000	\$0	\$16,100,000	\$0	\$70,897,000
Waivers - Foregone Revenue		\$2,673,300	\$2,746,500	\$8,319,300	\$55,846,500	\$69,585,600
Total Tuition-Related Financial Aid		\$57,470,300	\$2,746,500	\$24,419,300	\$55,846,500	\$140,482,600
Tuition-Related Financial Aid as Percentage of Total Tuition Charged		20.1%	1.7%	28.0%	45.5%	21.3%

- **Total return to aid for resident undergraduates will likely increase from 17.8% to 20.1%**
- Graduate assistants consume a disproportionate amount of tuition waivers (**foregone revenue**)

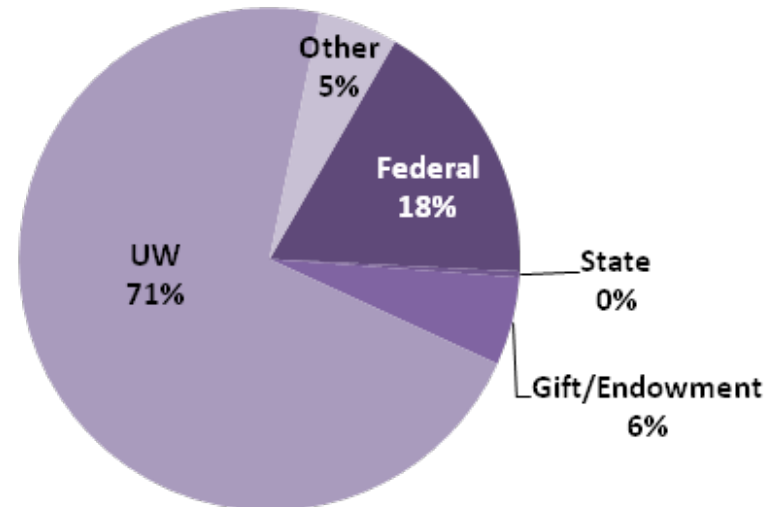
2011-12 SOURCES OF AID BY STUDENT CATEGORY

- Sources of aid for resident undergrads varies significantly compared to grad/prof students
- UW will become increasingly dependent on gift/endowment support for financial aid as the state isn't able to fund SNG program to "policy level"
- UW now provides as much aid for resident undergrads as the State of Washington

Undergraduate Residents



Graduate/Professional Students



NEXT STEPS

- May item is intended to inform campus policy discussions in advance of Regents' June 7 meeting
- PACS, SCPB, BoDC, and others will continue meeting to discuss proposed budgets and tuition item
- On June 9, 2012, Regents will take action on a revised item; revisions will be highlighted and discussed thoroughly during presentation

TUITION ITEM QUESTIONS

Charles Plummer, GPSS President Conor McLean, ASUW President

Why is tuition increasing?

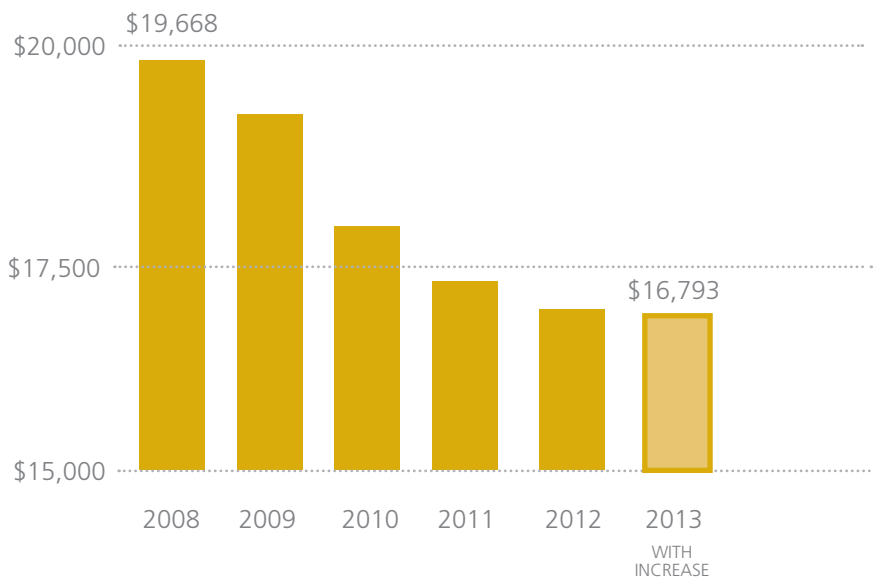
The University of Washington and all Washington public higher education institutions have seen a gradual decline in state funding over the past 20 years with a dramatic drop in the past few years. State funding for the University of Washington has decreased by nearly 50 percent since 2009.

Last year, the Legislature adopted a higher education budget for the 2011-13 biennium that included a \$217 million cut in state funds for the University of Washington compared to the prior biennium. The budget also assumed that the University of Washington would increase tuition by 16 percent a year for the next two years to partially offset these cuts.

When the legislature passed a supplemental budget in April 2012 to deal with additional projected revenue shortfalls, the budget included no additional major cuts to higher education. This was a pivotal step toward stabilizing the UW's budget situation and prevented even greater impacts on UW students, faculty and staff. However, the budget did not reduce the cuts that were enacted last year. Thus, the planned second-year tuition increase of 16 percent is now being considered for adoption.

Even with a legislatively authorized 16% tuition increase, funding per student at the UW will still be \$3,000 lower than it was in 2008.

TOTAL FUNDING PER STUDENT



How much will it cost to go to the UW if tuition is increased?

Tuition rates for the 2012-13 academic year are currently under consideration by the Board of Regents. Budget recommendations are being presented in May, and the Board will formally adopt new tuition rates in June. It is anticipated that the 16 percent legislatively authorized increase will be a starting point for resident undergraduate tuition rates (see table below), although a range of tuition rate increases is being presented for discussion.

2011-2012 Tuition + Fees	Dollar Increase	2012-2013 Tuition	Mandatory Fees	Total 2012-13 Tuition + Fees
\$10,574	\$1,559 (16%)	\$11,305	\$1,080	\$12,385

How will the tuition increase help students?

8,500

Continue the 8,500 low-income resident Washington undergraduate student paying no tuition and fees next year through preservation of the Husky Promise.

2,000

Continue the 2,000 middle-income students who will see increases in their grant awards to help mitigate the impacts of a new tuition increase.

+

Increase funding for writing and tutoring centers to ensure students have the help they need to succeed in their classes.

More student slots in engineering and computer science programs to ensure qualified students have access to these important majors.

Increase the number of "gateway" courses in biology, math, chemistry, physics and English to help students graduate on time.

How does UW tuition compare?

National trends indicate that public universities will increase tuition as state funding declines. Despite a 16 percent tuition increase, the University of Washington 2012-2013 rates are expected to be about at the average of its peers.

2012-2013 Proposed Tuition + Fees

University of Washington (with 16% increase)	\$12,385
Global Challenge State Peer Average (est.)	\$12,450

Peer projections are based on a 5% increase

UW tuition rate includes: State Operating Fee and State Building Fee.
 UW mandatory fees include: Student and Activity Fee, IMA, Hall Health, Technology Fee.
 The U-PASS was also added as a new, mandatory fee in 2011-12.

Questions and Answers About Proposed UW Tuition Rates

May 3, 2012

Q: I heard the legislature didn't cut higher education this year. Why does the University need to raise tuition again?

A: The University of Washington and all Washington public higher education institutions have seen a gradual decline in state funding over the past 20 years with a dramatic drop in the past few years. State funding for the University of Washington has decreased by nearly 50 percent since 2009.

Last year, the legislature adopted a higher education budget for the 2011-13 biennium that included a \$217 million cut in state funds for the University of Washington compared to the prior biennium. The budget also assumed that the University of Washington would increase tuition by 16 percent a year for the next two years to partially offset these cuts.

When the legislature passed a supplemental budget in April 2012 to deal with additional projected revenue shortfalls, the budget included no additional major cuts to higher education. This was a pivotal step toward stabilizing the UW's budget situation and prevented even greater impacts on UW students, faculty and staff. However, the budget did not reduce the cuts that were enacted last year. Thus, the planned second-year tuition increase of 16 percent is now being considered for adoption.

Even with a legislatively-authorized 16 percent tuition increase for 2012-13, funding per student at the UW will still be \$3,000 lower than it was in 2008.

Q: How much more will tuition be next year?

A: Tuition rates for the 2012-13 academic year are currently under consideration by the Board of Regents. Budget recommendations are being presented in May, and the Board will formally adopt new tuition rates in June. It is anticipated that the 16 percent legislatively authorized increase will be a starting point for resident undergraduate tuition rates, although a range of tuition rate increases is being presented for discussion.

Q: Last year, UW increased undergraduate resident tuition by 20 percent. Where is all this money going?

A: In the 2011 session, the legislature granted university Boards of Regents and Trustees the ability to set their own resident undergraduate tuition rates. Any institution choosing to raise tuition over legislatively-authorized levels (16 percent for the UW) was required to meet certain conditions, including providing greater financial aid to low and middle-income students. The University of Washington Board of Regents used this authority to raise undergraduate tuition 20 percent—4 percent more than the legislatively-authorized level.

The revenue generated from last year's resident undergraduate tuition increase went towards back-filling some of the cuts in state funding. Additional revenue went towards expanding student financial aid and improving student services. The increase allowed the UW to:

- Preserve the Husky Promise Program. Over 8,500 low-income students continue to pay no tuition and fees next year through the Husky Promise program;
- Expand financial aid to an additional 2,000 middle-income students who typically do not qualify for grant assistance;
- Add course sections to high demand classes to ensure students get the classes they need to graduate on time; and
- Re-open writing and tutoring centers to improve support services for students

Q: Who has been involved in the budget and tuition setting process? Was there any opportunity for public or student input?

A: Initial budget recommendations were developed in cross-campus consultation with a variety of stakeholder groups, including faculty and students:

- *Faculty Senate Committee on Planning and Budgeting* (which includes representation from ASUW and GPSS student leadership) advises the administration and informs the Faculty Senate on long-range planning, preparation of budgets, and distribution of funds.
- *Board of Deans and Chancellors* share with the President and the faculty the responsibility for the governance of the University. They meet on a regular basis under the co-chairmanship of the Provost to consider a variety of matters of educational and administrative interest including the annual budget.

- *Provost's Advisory Committee for Students (PACS)* advises and makes recommendations to the UW administration on preparation of budgets, tuition levels, state policy proposals, financial aid proposals, long-range planning, distribution of funds and admissions and enrollment management.

In addition, the Board of Regents has held two open public meetings on campus to gather faculty, student and staff input on the budget. Information gathered from these meetings will help inform budget and tuition decisions.

Continued consultation and review with university stakeholders will continue as we finalize the budget and tuition item for approval on June 7, 2012.

Q: How will UW tuition compare with similar universities?

A: At this point it is difficult to predict exactly how UW undergraduate resident tuition will compare. Many peer institutions are engaging in the same process the UW is and have not adopted final rates. In other cases, legislative sessions have not yet concluded. From initial publicly available data, we project that a 16 percent increase in undergraduate resident tuition will place the UW just below the average of its official Global Challenge State (GCS) peer universities.

Q: Are there more non-resident and international students at the UW than students from Washington?

A: The UW is a proudly public institution, and our enrollment mix has always favored students from the state of Washington. Eighty percent of University of Washington undergraduates are from Washington State. This year, the University is returning to its normal commitment of a minimum of 4,000 Washington residents in the freshman class at the Seattle campus. In addition to helping create a diverse student body, non-resident students pay about two and a half times what resident students pay in tuition (anticipated to be approximately \$31,000 next year), which provides additional revenue to help mitigate state budget reductions and ensure that resident undergraduate tuition is lower than it would otherwise have to be.

Q: Why doesn't the UW use the millions of research dollars it brings in each year to help solve its budget problems?

A: Our faculty's prowess in competing for research grants helps drive \$3 billion in economic impact for the state of Washington each year, which accounts for over 22,000 direct and indirect jobs. When top faculty compete and win federal and industry research grants, these funds can be spent only on the research project itself. Federal law prohibits using the monies for other university needs.

Student tuition and taxpayer support are what pay primarily for what we call “core educational expenses” which contribute to faculty salaries, provide financial aid, improve access to high-demand degrees, ensure enrollments, etc. When state funding declines, not only does our teaching enterprise suffer, but we also risk losing top faculty who win these job-producing research awards.

Q: Why doesn't the UW use money it raises in private donations to help deal with the budget crisis?

A: During the last private fund-raising campaign which ended in 2008, the University was fortunate to raise more than \$2.8 billion, and while it made a terrific difference in so many important ways, it cannot be applied to offset budget cuts or mitigate their impacts. Like the research dollars the University receives, spending of private philanthropic dollars is directed by the wishes of each of our donors. The vast majority of these private gifts are directed to specific purposes such as professorships, scholarships or capital projects like the new Foster School of Business building, Paccar Hall. We are also fortunate to receive gifts into the University's endowment — gifts whose principal cannot be spent. Annual earnings from the endowment do supplement the University's annual budget, providing over \$50 million of support to the UW core education enterprise in 2011.

Q: If the University is facing such a dire budget shortfall, why are you renovating Husky Stadium?

A: The UW's Athletic department receives no state funding, and there are no state dollars, no University funds, and no tuition or student fee dollars whatsoever going to support intercollegiate athletics, either in operations or in capital expenditures. The stadium renovation is being funded with a combination of athletic department revenues generated from ticket sales and major gifts from supporters of intercollegiate athletics.

Husky Stadium is in significant need of repair and upgrade. The football program generates the vast majority of all Athletic Department revenues, so renovating Husky Stadium is an investment that will pay dividends to all athletic programs at the UW for many years to come.