



April 26, 2012

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

WEDNESDAY, MAY 2, 2012

**5:30 p.m. President's Residence DINNER FOR REGENTS,
AND OTHER GUESTS**

THURSDAY, MAY 3, 2012

**8:30 to 9:55 a.m. 142 Gerberding Hall FINANCE, AUDIT AND FACILITIES
COMMITTEE: Regents Smith (Chair), Jewell,
Shanahan, Simon**

**10:00 to 11:35 a.m. 142 Gerberding Hall ACADEMIC AND STUDENT AFFAIRS
COMMITTEE: Regents Harrell (Chair), Ayer,
Cole, Gates, Knowles**

in Joint Session with

**FINANCE, AUDIT AND FACILITIES
COMMITTEE: Regents Smith (Chair), Jewell,
Shanahan, Simon**

**11:45 a.m. to 12:45 p.m. 142 Gerberding Hall ACADEMIC AND STUDENT AFFAIRS
COMMITTEE: Regents Harrell (Chair), Ayer,
Cole, Gates, Knowles**

**1:00 p.m. Petersen Room REGULAR MEETING OF BOARD OF
Allen Library REGENTS**

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1.1/205-12
5/3/12



UNIVERSITY OF WASHINGTON
BOARD OF REGENTS

Finance, Audit and Facilities Committee
Regents Smith (Chair), Jewell, Shanahan, Simon

May 3, 2012
8:30 to 9:55 a.m.
142 Gerberding Hall

1. **Report of Contributions – February and March 2012** **INFORMATION** F-1
Walter G. Dryfoos, Associate Vice President, Advancement Services
Connie Kravas, Vice President, University Advancement
2. **Grant and Contract Awards Summary – January and February 2012** **ACTION** F-2
Ana Mari Cauce, Provost and Executive Vice President
3. **Actions Taken Under Delegated Authority** **INFORMATION** F-3
Richard Chapman, Associate Vice President, Capital Projects Office
4. **2012 Audit Plans – KPMG and Peterson Sullivan** **INFORMATION** F-4
Richard Cordova, Executive Director, Internal Audit
5. **Fluke Hall Renovation – Adopt Project Budget, Authorize Use of Alternative Public Works General Contractor/Construction Manager (GC/CM) and Delegate Authority to Award GC/CM Contract** **ACTION** F-5
Eric C. Smith, Director, Major Capital Projects, Capital Projects Office
Paul Jenny, Vice Provost, Planning and Budgeting
6. **University of Washington Investment Committee (UWINCO) Update** **INFORMATION** F-6
Keith Ferguson, Chief Investment Officer, Treasury Office
7. **2011 Internal Audit Results** **INFORMATION** F-7
Richard Cordova
8. **Executive Session**
(to review the performance of a public employee.)
(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.)

9. **Enterprise Risk Management Annual Report** **INFORMATION** F-8
V’Ella Warren, Senior Vice President and Treasurer of the
Board of Regents
Ana Mari Cauce
10. **Executive Session**
(to consider the selection of a site or the acquisition of real
estate by lease or purchase when public knowledge regarding
such consideration would cause a likelihood of increased
price.)
(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.)
11. **Other Business**



**UNIVERSITY OF WASHINGTON
BOARD OF REGENTS**

Academic and Student Affairs Committee
Regents Harrell (Chair), Ayer, Cole, Gates, Knowles

In Joint Session with

Finance, Audit and Facilities Committee
Regents Smith (Chair), Jewell, Shanahan, Simon

**May 3, 2012
10:00 to 11:35 a.m.
142 Gerberding Hall**

1. **Proposed Fiscal Year 2013 Operating and Capital Budgets and Tuition 2012-2013** **INFORMATION** F-9
 Paul Jenny, Vice Provost, Planning and Budgeting

2. **Integrated Sponsorship Initiative** **INFORMATION** A-9
 Randy Hodgins, Vice President, Office of External Affairs
 Key Nuttall, Assistant Vice President, University Marketing

3. **Executive Session**
 (to review the performance of a public employee.)

4. **Other Business**



UNIVERSITY OF WASHINGTON
BOARD OF REGENTS

Academic and Student Affairs Committee
Regents Harrell (Chair), Ayer, Cole, Gates, Knowles

May 3, 2012
11:45 a.m. to 12:45 p.m.
142 Gerberding Hall

1. **Academic and Administrative Appointments** ACTION A-1
Ana Mari Cauce, Provost and Executive Vice President
2. **Revision to Resolution: Federal Contracts – Officers of the University** ACTION A-2
Mary Lidstrom, Vice Provost for Research
Jeffrey Cheek, Associate Vice Provost for Research, Compliance and Operations
James Poland, Facility Security Officer
3. **Division of Spanish and Portuguese Studies – Establishment of the Doctor of Philosophy in Hispanic Studies Degree Program** ACTION A-3
James Antony, Associate Vice Provost and Associate Dean, The Graduate School
Anthony Geist, Professor and Chair, Division of Spanish and Portuguese Studies
Donald Gilbert-Santamaria, Associate Professor, Division of Spanish and Portuguese Studies
4. **Department of Global Health – Establishment of the Doctor of Philosophy in Global Health Degree Program** ACTION A-4
James Antony
Emmanuela Gakidou, Professor, Department of Global Health
Stephen Gloyd, Professor of Health Services; Associate Chair, Department of Global Health
Kenneth Sherr, Assistant Professor, Department of Global Health; Director of Implementation Science, Health Alliance International
5. **Establishment of the Doctor of Education at UW Tacoma** ACTION A-5
James Antony
Ginger MacDonald, Professor, Education Program; Associate Vice Chancellor for Academic Affairs, UW Tacoma
Karen Landenburger, Professor and Director, Education Program, UW Tacoma

6. **Establishment of the Master of Health Informatics and Health Information Management** **ACTION** A-6
James Antony
Gretchen F. Murphy, Senior Lecturer, Department of Health Services
7. **Academic Performance/Student Outcomes** **INFORMATION** A-7
Ed Taylor, Dean and Vice Provost, Undergraduate Academic Affairs
Carol Diem, Director of Institutional Analysis, Office of Planning and Budgeting
Catharine H. Beyer, Research Scientist, Office of Educational Assessment
8. **Student Perspectives for Differential Tuition Policy Discussions** **INFORMATION** A-8
Kelsey E. Knowles, Regent
Michael Kutz, Student, Provost’s Advisory Committee for Students
Ashoat Tevosyan, Student, Provost’s Advisory Committee for Students
9. **Other Business**



AGENDA

BOARD OF REGENTS University of Washington

May 3, 2012
1:00 p.m.

Petersen Room, Allen Library

(Item No.)

- I. **CALL TO ORDER**
- II. **ROLL CALL: Assistant Secretary Shelley Tennant**
- III. **CONFIRM AGENDA**
- IV. **REPORT OF THE CHAIR OF THE BOARD OF REGENTS: Regent Blake**
- V. **REPORT OF THE UNIVERSITY PRESIDENT: President Young**
- VI. **CONSENT AGENDA**

Approval of Minutes of Meeting of March 8, 2012

Approval of Minutes of Special Meeting of April 5, 2012

Revision to Resolution: Federal Contracts – Officers of the University A-2

Division of Spanish and Portuguese Studies – Establishment of the Doctor of Philosophy in Hispanic Studies Degree Program A-3

Department of Global Health – Establishment of the Doctor of Philosophy in Global Health Degree Program A-4

Establishment of the Doctor of Education at UW Tacoma A-5

Establishment of the Master of Health Informatics and Health Information Management A-6

Grant and Contract Awards Summary – January and February 2012 F-2

Fluke Hall Renovation – Adopt Project Budget, Authorize Use of Alternative Public Works General Contractor/Construction Manager (GC/CM) and Delegate Authority to Award GC/CM Contract F-5

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

Academic and Administrative Appointments (Action) A-1

Academic Performance/Student Outcomes (Information only) A-7

Student Perspectives for Differential Tuition Policy Discussions (Information only) A-8

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

Proposed Fiscal Year 2013 Operating and Capital Budgets and Tuition 2012-2013 (Information only) F-9

Integrated Sponsorship Initiative (Information only) A-9

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

Report of Contributions – February and March 2012 (Information only) F-1

Actions Taken Under Delegated Authority (Information only) F-3

2012 Audit Plans – KPMG and Peterson Sullivan (Information only) F-4

University of Washington Investment Committee (UWINCO) Update (Information only) F-6

2011 Internal Audit Results (Information only) F-7

Enterprise Risk Management Annual Report (Information only) F-8

VIII. OTHER BUSINESS**Reports to the Board:****Student Leaders:****ASUW President – Mr. Conor McLean****GPSS President – Mr. Charles Plummer****ASUW Tacoma President – Ms. Ally Molloy****ASUW Bothell President – Mr. Frederic Sawyer Hensen****Faculty Senate Chair – Professor Susan Astley****Alumni Association President – Ms. Susan Wilson Williams****IX. DATE FOR NEXT REGULAR MEETING: Thursday, June 7, 2012****X. ADJOURNMENT**

OFFICIAL MINUTES

MINUTES

BOARD OF REGENTS University of Washington

May 3, 2012

The Board of Regents held its regular meeting on Thursday, May 3, 2012, beginning at 1:00 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 Blake called the meeting to order at 1:20 p.m.

ROLL CALL

Assistant Secretary Tennant called the roll. Present were Regents Blake (presiding), Ayer, Cole, Gates, Harrell, Jewell, Knowles, Shanahan, Smith; President Young, Provost Cauce, Ms. Warren, Ms. Goldblatt; ex officio representatives: Mr. McLean, Mr. Plummer, Ms. Williams.

Absent: Regent Simon, Professor Astley

CONFIRM AGENDA

The agenda was confirmed as presented.

REPORT OF THE CHAIR OF THE BOARD OF REGENTS: Regent Blake

Regent Blake reported the Board of Regents recently held the second of two special meetings to hear public comment and input from students, faculty, staff, and other members of the University community, about tuition and the University's budget. She thanked the Regents who attended and offered her special thanks to the many people who took the time to come to the meetings and share their thoughts and opinions with Regents on tuition and budget issues.

The Governor recently signed Substitute House Bill 2313, effective on June 7, 2012. This bill mandates a time for public comment at each meeting of the Board of Regents. Starting at the June meeting the Board will be allotting time for public comment near the beginning of each regular meeting of the Board. There will be information posted on the Board web site regarding signing up to participate. Regent Blake said Board members look forward to hearing input from the University community.

Regent Blake invited Regent Knowles to introduce the three finalists for 2012-13 Student Regent position. Regent Knowles explained the finalists were selected by a committee co-chaired by ASUW and GPSS, comprised of representatives from major campus constituencies, and from UW Bothell and Tacoma campuses. Many students applied for the position. Following a thorough interview process the committee selected three finalists for the Governor's consideration. The three finalists introduced themselves:

- Rai Nauman Mumtaz, a masters student in Interdisciplinary Studies from UW-Tacoma, a former ASUWT President;
- Christopher M. Jordan, from the Evans School of Public Affairs, with an undergraduate degree in Political Science from UW Seattle, will be a first year Law student next year;
- Ivan Barron, a doctoral student in Education, UW Seattle undergraduate degree in Political Science, a former ASUW Vice President.

Regent Blake thanked the three finalists for attending, said the selection process is now in the Governor's hands, and Regents look forward to working with one of them in the future.

Regent Blake invited President Young to deliver his report.

REPORT OF THE UNIVERSITY PRESIDENT: President Young

The President told the Regents about meetings and events he attended since the last Board meeting.

- American Association of Universities meetings in Washington, D.C.;
- Pac-12 CEO Group meeting;
- Traveled to attend Dawg Days in the Desert;
- Participated in HuskyFest activities at UW Seattle including opening ceremonies, an alumni appreciation event, Earth Day celebration, parents' coffee, and the first annual Dare to Dream fundraiser to benefit the Dream Project;
- Boeing Annual Recognition Breakfast for scholarships;
- Mary Gates Endowment dinner;
- Brain Salon with I-LABS attended by "brain investigators" from all over the country;
- National Sciences Foundation site visit to the Center for Sensorimotor Neural Engineering;
- UW leadership retreat on Bainbridge Island;
- UW Futures Committee meetings;
- Community speaking engagements: University District Chamber of Commerce, Puget Sound Regional Council, the Unemployed Nation Hearing;
- UW Retirement Association where he delivered a scholarly lecture;
- Continued to meet with higher education leaders, including the Council of Presidents, Community College presidents, and a visit to Western Washington University;
- C4C (Center for Commercialization) celebration of six new startups;
- Met with Finance & Facilities staff on Staff Appreciation Day;

May 3, 2012

- Continued regular meetings with the Faculty Senate, ACRE, UWINCO, and area business leaders.

The President listed the University's many recent honors and awards, beginning with honors accorded to members of the Board of Regents. Bill Gates Sr. will receive the Woodrow Wilson Award for Public Service and Sally Jewell will receive the Woodrow Wilson Award for Corporate Citizenship.

President Young described recent faculty awards:

- Three faculty members were elected to the National Academy of Sciences:
 - Professor James Bardeen and Professor Ann Nelson, from Physics;
 - From Genome Sciences, Professor Evan Eichler, whose work has been in the news recently in conjunction with identifying gene mutations linked to autism risks.
- Larry Corey, President and Director at the Fred Hutchinson Cancer Research Center and UW Professor of Laboratory Medicine, was elected to the prestigious American Academy for Arts and Sciences.
- Three UW faculty were named Guggenheim Fellows:
 - Professor Ellis Goldberg, Political Science
 - Assistant Professor Huck Hodge, Music
 - Professor Richard Olmstead, Biology

The President told the Regents about honors and awards received by students:

- Two students were named Goldwater Scholars, one of the nation's top awards for students in the STEM disciplines:
 - Michael Bocek, Biochemistry
 - Raymond Zhang, Computer Engineering & Biology
- A team of students from the Computer Science & Engineering Department won the 2012 National Collegiate Cyber Defense Competition – the second year in a row that a team from UW has won this national competition. The winning team was coached by Jake Appelbaum, a staff research scientist, and was advised by Melody Kadenko, the Program Director.

President Obama selected thirteen individuals to receive the Presidential Medal of Freedom, the highest civilian honor given by the United States. Two of the distinguished recipients are UW graduates:

- William Foege, who was responsible for devising the strategy that eradicated smallpox in the 1970s, and who continues to make significant contributions to global health.
- Gordon Hirabayashi will receive the medal posthumously. He openly defied the forced relocation and internment of Japanese Americans during World War II, refusing to obey the internment order as a UW student. He ultimately went to prison for his refusal, but was vindicated four decades later when his conviction was overturned.

UW's Business Diversity Program won, for the second time, the NW Minority Supplier Council's Public Agency of the Year award.

On Thursday, June 7, the University community celebrates its annual award winners at the Awards of Excellence Ceremony. The distinguished list of this year's awardees is headlined by internationally acclaimed architect Steven Holl who has been named UW's 2012 Alumnus Summa Laude Dignatus.

The President praised UW Creative Communications, which includes mailing services, publications, copy services, and web design. After several years of struggling financially, this self-sustaining unit, along with the rest of Finance & Facilities, adopted the LEAN model of process improvement. As a result, the unit is breaking even financially and has created a business model that is efficient and cost-effective for campus customers. This achievement has been detailed in the latest issue of *In-plant Graphics*, the primary publication for private and public organizations with print plants. The President distributed copies of the article.

President Young displayed the newly-published UW Alumni Directory, issued to commemorate the University's 150th anniversary. The Directory will connect alumni to the University. He thanked the Alumni Association for their efforts producing this publication.

The President introduced UW's Director of Federal Relations, Christy Gullion, and asked her to provide a report and update from UW's Office of Federal Relations in "the other Washington." The following documents are attached:

- Biographical and contact information for Christy Gullion, Director of Federal Relations
- Federal Legislative Agenda, University of Washington, Fiscal Year 2013
- Sequestration: What it Means and How it Could Affect Federal Research Funding
- Federal Update, April 2012

Ms. Gullion reported on the federal legislative agenda and the activities in the Office of Federal Relations. She outlined the priorities for fiscal year. The main focus is on the budget and appropriations. She described advocacy efforts within Washington's delegation to assure healthy funding for research agencies. Efforts of the Office were focused on educating delegates about the impact of cuts on research to universities, and of cuts to federal financial aid on students.

Later this year, following the November elections, Ms. Gullion expects Congress to take on a number of very large legislative issues including appropriations, deficit reduction, debt ceiling limit, limiting the negative impacts of the sequester, and tax extenders expiring at the end of the calendar year. She predicts a fast-paced working environment dealing with large issues at the end of this year.

Ms. Gullion reported on other relevant issues in Congress. One particular issue is surface transportation reauthorization (legislation authorizing funding for highway and transit programs). This legislation could affect transit services provided by campus to faculty, staff, and students, and the University's working relationships with King County Metro

Transit, and potential impacts to their services. This could also affect the Transportation Research Center at UW, which is authorized through that legislation.

She mentioned monitoring the political discussion about extending the interest rate reduction on Stafford student loans. Congress may take action before July when the interest rate is set to increase from 3.4% to 6.8%.

Cyber security is an important issue in D.C., with bills moving through Congress that offer unique opportunities for research universities and students entering the cyber security field, including the possible availability of grant funding.

Her office is following activity in rule-making processes which might affect reporting requirements on research grants. Federally funded projects are required to be fiscally transparent. Changes to the reporting requirements could be potentially burdensome, necessitating revisions of current systems.

Ms. Gullion said the largest issue in D.C. is the sequester, which provides for automatic spending cuts beginning in January and over the next nine years.

Questions and discussion followed Ms. Gullion's report.

Regent Blake invited Regent Knowles to say a few words about the upcoming Student Budget Roundtable. Regent Knowles told the Regents this event would offer students from all three campuses the chance learn more about the proposed 2012-13 budget and the opportunity to engage with Paul Jenny and the Office of Planning & Budgeting. The Roundtable will be held on May 23, from 3:00 to 4:00 p.m.

CONSENT AGENDA

Regent Blake noted there were nine 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 Gates, the Board voted to approve the nine items on the consent agenda as shown below:

Minutes for the Meeting of March 8, 2012

Minutes for the Special Meeting of April 5, 2012

Revision to Resolution: Federal Contracts – Officers of the University (Agenda no. A-2)

It was the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve an update to a resolution passed on May 13, 2010 regarding security of classified information related to Federal contracts with the

University of Washington. The recent membership changes on the Board of Regents necessitate this proposed update to the resolution.

See Attachment A-2.

Division of Spanish and Portuguese Studies – Establishment of the Doctor of Philosophy in Hispanic Studies Degree Program (Agenda no. A-3)

It was the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents grant authority to the graduate faculty of the Division of Spanish and Portuguese Studies, in the College of Arts and Sciences at the University of Washington, Seattle, WA, to offer the Doctor of Philosophy (Ph.D.) in Hispanic Studies degree program, effective Autumn Quarter, 2012. The tuition will be set at Graduate Tier I. The degree program will have provisional status with a review to be conducted by the Graduate School in the 2017-2018 academic year. At such time that continuing status is granted, a ten-year review cycle would begin.

See Attachment A-3.

Department of Global Health – Establishment of the Doctor of Philosophy in Global Health Degree Program (Agenda no. A-4)

It was the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents grant authority to the graduate faculty of the Department of Global Health, in the School of Public Health and the School of Medicine at the University of Washington, Seattle, WA, to offer the Doctor of Philosophy (Ph.D.) in Global Health degree program with emphases in Metrics and Implementation Science, effective Autumn Quarter 2012. The tuition will be set at Graduate Tier III. The degree program will have provisional status with a review to be conducted by the Graduate School in the 2017-2018 academic year. At such time that continuing status is granted, a ten-year review cycle would begin.

See Attachment A-4.

Establishment of the Doctor of Education at UW Tacoma (Agenda no. A-5)

It was the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents grant authority to the Education Program at the University of Washington Tacoma to offer the Doctor of Education (Ed. D.) in Educational Leadership degree program, effective Summer Quarter 2013. This practice doctorate program will be supported by tuition and fees, and will not require additional state funds. The degree program will have provisional status with a review to be scheduled for the 2018-2019 academic year. At such time that continuing status is granted, a ten-year review cycle would begin.

See Attachment A-5.

Establishment of the Master of Health Informatics and Health Information Management (Agenda no. A-6)

It was the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents grant authority to the Department of Health Services in the School of Public Health to offer the Master of Health Informatics and Health Information Management degree program, effective Autumn Quarter 2012. This will be a self-sustaining program offered in coordination with UW Professional and Continuing Education (PCE). The degree program will have provisional status with a review to be scheduled for the 2017-2018 academic year. At such time that continuing status is granted, a ten-year review cycle would begin.

See Attachment A-6.

Grant and Contract Awards Summary – January and February 2012 (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 January 2012, in the amount of \$56, 624,990, and in February 2012, in the total amount of \$65,080,230.

See Attachment F-2.

Fluke Hall Renovation – Adopt Project Budget, Authorize Use of Alternative Public Works General Contractor/Construction Manager (GC/CM) and Delegate Authority to Award GC/CM Contract (Agenda no. F-5)

It was the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents:

- 1) Adopt a project budget of \$28.5 million for the Fluke Hall Renovation project;
- 2) Authorize the use of the General Contractor/Construction Manager (GC/CM) Alternative Public Works contracting method; and
- 3) Delegate authority to the President to award a GC/CM contract.

See Attachment F-5.

STANDING COMMITTEES

ACADEMIC AND STUDENT AFFAIRS COMMITTEE: Regent Harrell Chair

Regent Blake invited Regent Harrell to provide a report from the Academic and Student Affairs Committee meeting.

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

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

See Attachment A-1.

Academic Performance/Student Outcomes (Agenda no. A-7) (Information only)

Regent Harrell said she found the report about academic performance and student outcomes to be interesting and insightful. During the presentation Regents learned about institutional and departmental approaches to measuring learning outcomes at the UW. The institutional aspect looked at focused studies of teaching and learning. From the departmental side, Regents learned 1) the importance of having clear learning goals and measures, 2) curricular mapping and review, and 3) the importance of performance-based measures. The report described capstone courses, portfolio assessment, and other authentic student work used to assess learning.

Graduation rates at UW continue to be favorable, including relative to UW's peer institutions.

See Attachment A-7.

Student Perspectives for Differential Tuition Policy Discussions (Agenda no. A-8) (Information only)

Regent Harrell reported on a presentation led by Regent Knowles on differential tuition policy. The discussion included a request by students for the opportunity to give feedback and input into differential tuition decision making. Students presented a set of considerations and criteria to examine if differential tuition is to be implemented, including the importance of clear metrics and a recommendation to use student college councils across the University to obtain departmental input. These councils should link to, and be modeled on, the Provost's Advisory Council for Students (PACS), which is now considered a best practice.

See Attachment A-8.

FINANCE, AUDIT AND FACILITIES COMMITTEE: Regent Smith, Chair

Regent Blake invited Regent Smith to provide a report from the Finance, Audit and Facilities Committee meeting.

Regent Smith reported the Committee reviewed the Fluke Hall renovation plan, approved the project budget, authorized the use of Alternative Public Works General Contractor/Construction Manager (GC/CM), and delegated authority to award the GC/CM contract.

Report of Contributions – February and March 2012 (Agenda no. F-1) (Information only)

The total gifts received in February 2012, was \$12,795,685, and in March 2012, was \$14,700,770, the total year-to-date is \$248,366,395.

See Attachment F-1.

Actions Taken Under Delegated Authority (Agenda no. F-3) (Information only)

See Attachment F-3.

2012 Audit Plans – KPMG and Peterson Sullivan (Agenda no. F-4) (Information only)

See Attachment F-4.

University of Washington Investment Committee (UWINCO) Update (Agenda no. F-6) (Information only)

See Attachment F-6.

2011 Internal Audit Results (Agenda no. F-7) (Information only)

The Committee received a report from the Internal Auditor. Regent Smith said he was pleased to note the auditors found internal controls were adequate for financial reporting purposes, operations, and compliance in the departments that were reviewed. Exceptions were minor and largely related to inadequate management oversight as opposed to any fundamental deficiencies in the departments, or the University, of a systemic nature.

See Attachment F-7.

Enterprise Risk Management Annual Report (Agenda no. F-8) (Information only)

Regent Smith said Regents received a “very complete” report on Enterprise Risk Management, and noted he was impressed with the scope of the process, saying identification of risks was outstanding. He is hopeful that the mitigation planning, implementation, and metrics ultimately will be of the same quality as the front-end of the process.

See Attachment F-8.

Joint Session

ACADEMIC AND STUDENT AFFAIRS COMMITTEE: Regent Harrell, Chair
FINANCE, AUDIT AND FACILITIES COMMITTEE: Regent Smith, Chair

Integrated Sponsorship Initiative (Agenda no. A-9) (Information only)

See Attachment A-9.

Proposed Fiscal Year 2013 Operating and Capital Budgets and Tuition 2012-2013
(Agenda no. F-9) (Information only)

Regent Smith said Paul Jenny presented a report of budget and tuition proposals to the Joint Committee. Regent Smith stressed these proposals were preliminary and could change significantly for policy or technical reasons. At next month's meeting the Board will be asked to approve the capital and operating budgets and set tuition and fee rates. In the interim, Regents expect to hear significant input from various constituencies to inform their decision. The proposed 16% undergraduate resident tuition increase is very significant, but Regent Smith said it is important to note the total funding per student will be \$3,000 less than it was in 2008. This tuition rate will bring the UW to the average of its peer group, but still at a competitive level.

Regent Cole called the Board's attention to the fact that funding for state support for students has decreased from \$12,000 per FTE to \$4,500 in just a few years. He noted this as a "radical change, in the wrong direction."

Regent Gates lamented the loss of UW's ability to say its tuition rates are less than the average of its peer institutions, and called this a "huge loss."

See Attachment F-9.

OTHER BUSINESS: REPORTS TO THE BOARD OF REGENTS

Regent Blake invited student leaders from Bothell and Tacoma to join the Board at the table.

ASUW President: Mr. Conor McLean

Mr. McLean said although many of ASUW's activities focus on advocacy, ASUW also provides services and programming for Seattle campus students. The annual spring concert will be held in the Alaska Airlines Arena, and is expected to sell out. During HuskyFest, ASUW hosted a concert in the tent on Red Square attended by over one thousand students.

Mr. McLean thanked the Provost and President for reconsidering the location of the new UW Police Department precinct based on concerns expressed by students and other community members.

He announced an event for tri-campus student leaders to facilitate an effective transition from current to newly-elected student leaders. There will also be a meet-and-greet social event for student leaders to meet with University administrators and other key people.

Mr. McLean commented on the possible tuition increase in the proposed 2012-13 budget, saying students have expressed concern and surprise about a potential tuition increase despite the legislature not cutting additional funds to the University in the supplemental budget. He stressed the need for education and outreach to students about the budget

before the June meeting of the Board. He said he is pleased that a budget roundtable discussion will be held. The Provost's Advisory Committee and student leaders will work with the Provost and Vice Provost for Planning & Budgeting to continue a dialogue about the budget.

GPSS President: Mr. Charles Plummer

Mr. Plummer echoed Mr. McLean's comments about the budget process, saying he is looking forward to continued productive conversations.

GPSS elected its 2012-13 leaders.

GPSS adopted a resolution supporting the UAW 4121 bargaining team, Academic Student Employees, and urged the administration to come to a quick and fair agreement. He hopes for a multi-year contract which would allow the UW to once again be more competitive when attracting graduate students.

Mr. Plummer thanked Provost Cauce for including students in the initial policy development for a proposed international student fee. He looks forward to continued productive conversation about this issue. He thanked the Deans of the Foster School of Business, Arts & Sciences, and the Evans School of Public Affairs for embracing and setting up student college councils.

Mr. Plummer, with approval of the Board Chair, introduced Mr. Adam Sherman, GPSS President-elect for 2012-13. Mr. Sherman reported to the Board about federal lobbying activities. UW is a founding member of SAGE (Student Advocates for Graduate Education), a coalition of graduate students from large public research universities who advocate for graduate education, research funding, and other issues critical to graduate and professional students. Mr. Sherman praised the work of UW's Federal Relations team. He told the Regents about the recent SAGE "Day on the Hill" in Washington, D.C., also attended by Regent Knowles. Lobbying efforts focused on three main issues – immigration, specifically the visas allowing students to come to the U.S. to study and those that allow them to stay here and work after graduation; federal research grants and taxation of federal research grants and fellowships; and student indebtedness. While in D.C., they met with many representatives from the Washington state delegation.

ASUW Tacoma President: Ms. Ally Molloy

Regent Blake welcomed Ms. Ally Molloy, the newly-appointed ASUW Tacoma President. Ms. Molloy reported on activities at UW Tacoma.

ASUW Tacoma plans to hold an open public forum to discuss the student leadership transition and how to be of service to the students. They held a "rock the vote" event to promote voting in both student and national elections. The Student Technology Fee Committee will conduct its annual process to allocate the fee funds to various student technology needs. UW Tacoma sponsored a College Civics Forum with the former Washington Secretary of State, Sam Reed, presenting the topic "Why We Vote."

Ms. Molloy said work continues on ASUWT's constitution and by-law changes. A student committee reviewed the constitution and proposed changes, which passed through the ASUWT Senate, and were sent to the student body for voting. The committee is currently working on changes to the by-laws.

Ms. Molloy said meetings were held with students to get their input about a potential student union building. The campus is considering whether a parking garage or a student union building would be more important for students.

ASUWT elections are underway with a "huge turnout" for the President position.

To prepare for final exams, ASUWT will sponsor an "Exam Cram" with extended library hours and energy drinks provided to students.

ASUW Bothell President: Mr. Frederic Sawyer Hensen

Mr. Hensen announced the Governor signed the "jobs bill" which includes funding for many projects including the new Science and Academic building at UW Bothell. Construction is scheduled to begin as early as July 1.

On Saturday, May 19, UW Bothell will sponsor a 5K walk and run to raise money to fund student scholarships.

Two finalists from UW Bothell attended the 2012 U.S. Imagine Cup. One team worked with Microsoft Kinect software to teach abstract math concepts visually and interactively. The second team created a computer game system to teach younger audiences about communicable diseases.

Chris McRae, a UW Bothell senior studying society ethics and human behavior, is the 2012 Edward E. Carlson Student Leadership Award recipient for his work with the student veterans association. UW Bothell was named a "veterans friendly" campus this year. Mr. McRae's research deals with veterans' readjustment and PTSD.

Mr. Hensen discussed the University's proposed budget from a UWB perspective. He said UW Bothell has a greater proportion of students who are eligible for, and have access to, financial aid. He expects a backlash from students, but believes this shows students are engaged and he hopes their energy can be re-directed to the legislature and citizens of the state to impact change for increased funding for the University.

Faculty Senate Chair: Professor Susan Astley

Professor Astley was unable to attend the meeting. In her stead, Regent Blake welcomed Professor Marcia Killien, the Secretary of the Faculty, to provide remarks to the Board.

Dr. Killien described the role of the Secretary of the Faculty and faculty governance. The Secretary of the Faculty is involved in aspects of governance that extend beyond the Senate. The position is elected by the faculty at large to serve a five-year term. Dr. Killien's wide-ranging responsibilities include administration of the Office of Shared

Governance and Office of University Committees. She supervises office staff members who provide support to the Senate and faculty committees. She maintains official records of the University related to faculty responsibilities. The Secretary maintains official records of adjudications, and is keeper of faculty code. In that role she advises faculty, deans, chairs, and administrators on the rights, responsibilities, and processes outlined in the faculty code and how the code affects various parts of the University. The Secretary has a role in dispute management and resolution, offering individual consultation and advice, working in collaboration with the University Ombudsman, UCIRO (University Complaint Investigation and Resolution Office), unit administrators and Academic Human Resources to resolve conflicts. If needed, she works with the Conciliation Board toward informal dispute resolution, and if still needed, she manages the formal adjudication process.

Dr. Killien reflected on the status of shared governance. The Faculty Code was established in 1956. The preamble talks about the unique challenges of this complex organization and its management and says, “We will be successful if we have a common purpose, understanding, and good faith.”

She praised the very positive working relationships with the new President and Provost to enable effective shared governance.

Alumni Association President: Ms. Susan Wilson Williams

Ms. Wilson Williams thanked President Young for highlighting the 150th year Alumni Directory and announced each Regent would receive a copy. Goals for the directory project were to produce a memorable product to honor the university on its 150th anniversary and to update alumni records with accurate information. To that end there were 91,000 updates of residential information, 47,000 employment records, 37,000 email addresses, 11,000 phone numbers, and 22,000 cell phone numbers.

UW Impact and the UWAA’s legislative action group are preparing an end-of-session scorecard to highlight legislative voting records. They are also preparing a report to members with highlights of the successes and future goals of program. They plan to administer questionnaires to gubernatorial and legislative candidates about their positions on higher education funding.

Ms. Wilson Williams reported on Alumni Association events. The Alumnae Board recently held a Rhododendron Tea at the President’s residence. The Alumnae Board will hold a Mother’s Day Scholarship Brunch on May 12 at the Grand Hyatt. Actor and UW Drama alumna, Jean Smart, will be the keynote speaker.

In conjunction with HuskyFest, UWAA hosted an alumni appreciation event in the tent on Red Square. Music was provided by School of Music faculty. The event was well-attended and received positive feedback.

At Commencement, UW alumni will provide support to graduating students as they serve as guardians of the gonfalon flags held by student gonfalonieres.

Expanding opportunities for involvement in alumni clubs throughout the country, there will be Husky summer barbeques in New York and Washington, D.C. UWAA will host Husky night at a Mariners game in July.

DATE FOR NEXT MEETING

Regent Blake announced the next regular meeting of the Board will be held on Thursday, June 7. The meeting will begin at noon.

Regents have received information from the Board Office regarding commencements and other activities in June.

ADJOURNMENT

The regular meeting was adjourned at 2:50 p.m.



Joan Goldblatt
Secretary of the Board of Regents

Approved at the meeting of the Board on June 7, 2012.

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 that the Board of Regents approve the appointments to the University faculty and administration as presented on the attached list.

Attachment

Academic and Administrative Appointments

ADMINISTRATIVE APPOINTMENTS

Administration

Office of the President

Trosvig, Kelli M.

**Vice President, UW Information Technology,
effective 3/16/2012**

Degrees:

- MHA, 1994, University of Washington
- BA, 1992, University of Washington

College of Built Environments

College of Built Environments

Schaufelberger, John Edgar

Interim Dean, Built Environments, effective 6/16/2012

Continuing Appointments:

- Professor, Construction Management
- Chair, Construction Management

Degrees:

- PhD, 1971, University of Illinois
- MSCE, 1970, University of Illinois
- Bachelor Of Electrical Engineering, 1964, University of Idaho

College of Arts and Sciences

Department of Germanics

Ames, Eric Christopher

Acting Chair, Germanics, effective 12/16/2012

Continuing Appointment:

- Associate Professor, Germanics

Degrees:

- PhD, 2000, University of California (Berkeley)
- MA, 1993, University of Washington
- BA, 1991, Dartmouth College

School of Dentistry

School of Dentistry

Berg, Joel H.

Dean, Dentistry , effective 8/15/2012

Continuing Appointment:

- Professor, Pediatric Dentistry

Degrees:

- MS, 1985, University of Iowa
- DDS, 1983, University of Iowa
- BA, 1978, Yeshiva University

University of Washington, Bothell

Nursing Program, Bothell

Allen, David G.

Director, Nursing, Bothell, effective 9/1/2012

Degrees:

- MS, 1981, University of Wisconsin
- BS, 1979, University of Wisconsin
- PhD, 1975, University of Iowa
- MA, 1971, University of Iowa
- BA, 1970, Colorado State University

ENDOWED APPOINTMENTS

College of Built Environments

Department of Architecture

Loveland, Joel Eugene

Mithun/Russell Family Foundation Endowed Professor in Sustainability, effective 7/1/2012

Continuing Appointments:

- Professor, Architecture
- Director, Built Environments

Degrees:

- Master Of Architecture, 1980, University of California (Los Angeles)
- BArch, 1974, Arizona State University

Simonen, Kathrina Lois

Mithun/Russell Family Foundation Endowed Professor in Sustainability, effective 7/1/2012

Continuing Appointment:

- Assistant Professor, Architecture

Degrees:

- Master Of Architecture, 1992, University of California (Berkeley)
- MS, 1991, University of California (Berkeley)
- BS, 1989, University of Colorado (Boulder)

College of Arts and Sciences

Department of Economics

Eicher, Theo Stefan

Castor Professorship In Economics, effective 7/1/2012

Continuing Appointment:

- Professor, Economics

Degrees:

- PhD, 1994, Columbia University
- MPHIL, 1993, Columbia University
- MA, 1991, Columbia University
- BA, 1985, Grinnell College

Khalil, Fahad Ahmed

Castor Professorship In Economics, effective 7/1/2012

Continuing Appointment:

- Professor, Economics

Degrees:

- PhD, 1991, Virginia Polytechnic Institute and State University
- MA, 1988, Virginia Polytechnic Institute and State University
- BS, 1985, University of Dacca (Bangladesh)

Lawarree, Jacques Paul

Castor Professorship In Economics, effective 7/1/2012

Continuing Appointments:

- Professor, Economics
- Chair, Economics

Degrees:

- PhD, 1990, University of California (Berkeley)
- BA, 1984, University of Liege (Belgium)
- MA, 1984, University of Liege (Belgium)

Department of Political Science

Lovell, George Ivan

Harry Bridges Endowed Chair In Labor Studies, effective 7/1/2012

Continuing Appointment:

- Associate Professor, Political Science

Degrees:

- PhD, 1997, University of Michigan
- MA, 1990, University of North Carolina
- BA, 1987, Tufts University

College of the Environment

School of Environmental and Forest Sciences

Pacheco De Resende, Fernando

Weyerhaeuser Professorship in Paper Science and Engineering, effective 2/13/2012

Continuing Appointment:

- Assistant Professor, School of Environmental and Forest Sciences

Degrees:

- PhD, 2009, University of Michigan (Ann Arbor)
- MS, 2008, University of Michigan (Ann Arbor)
- MS, 2003, State University of Campinas (Piracicaba)
- BS, 2000, State University of Campinas (Piracicaba)

School of Medicine

Department of Medicine

Wurfel, Mark Matsuo

David J. Pierson, MD Endowed Professorship in Pulmonary and Critical Care Medicine, effective 3/1/2012

Continuing Appointment:

- Associate Professor without Tenure, Medicine

Degrees:

- MD, 1997, Cornell University
- PhD, 1995, Rockefeller University
- BA, 1989, University of Michigan

Department of Pediatrics

Bamshad, Michael Joseph

Allan And Phyllis Treuer Endowed Chair In Genetics And Development, effective 4/1/2012

Continuing Appointments:

- Professor without Tenure, Pediatrics
- Adjunct Professor, Genome Sciences
- Adjunct Professor, Medicine

Degrees:

- MA, 1991, University of Kansas
- MD, 1989, University of Missouri
- BA, 1988, University of Missouri

Flynn, Joseph Thomas

Dr. Robert O. Hickman Endowed Chair in Pediatric Nephrology, effective 4/1/2012

Continuing Appointment:

- Professor without Tenure, Pediatrics

Degrees:

- MS, 2003, Albert Einstein College of Medicine
- MD, 1987, State University of New York (Syracuse)
- AB, 1983, Hamilton College

Department of Surgery

Reyes, Jorge Dionisio

Roger K. Giesecke Distinguished Professorship in Transplant Surgery, effective 1/1/2012

Continuing Appointment:

- Professor without Tenure, Surgery

Degrees:

- MD, 1979, Federal University of Minas Gerais (Brazil)
- BA, 1975, Federal University of Minas Gerais (Brazil)

University of Washington, Tacoma

Institute of Technology, Tacoma

Baiocchi, Orlando

UWT Endowed Professorship in Engineering Systems, effective 9/16/2012

Continuing Appointment:

- Professor, Institute of Technology, Tacoma

Degrees:

- PhD, 1976, University College (UK)
- MSC, 1971, Federal University of Rio de Janeiro (Brazil)
- BSC, 1962, University Federal Do Riogrande Do Sul (Brazil)

Chung, Weon Sam

UWT Endowed Professorship in Information Systems and Information Security, effective 9/16/2012

Continuing Appointment:

- Associate Professor, Institute of Technology, Tacoma

Degrees:

- PhD, 1995, University of South Florida
- MS, 1985, Korea Advanced Institute of Science and Technology
- BS, 1983, Kyungpook National University (Korea)

NEW APPOINTMENTS

College of Arts and Sciences

Department of Asian Languages and Literature

Jesty, Justin

Assistant Professor, Asian Languages and Literature, effective 9/16/2012

Prior UW Appointment:

Lecturer Part-Time, Asian Languages and Literature

Degrees:

- MA, 2010, University of Chicago
- PhD, 2010, University of Chicago
- BA, 1996, Oberlin College

Department of Chemistry

Cossairt, Brandi Michelle

Assistant Professor, Chemistry, effective 9/16/2012

Degrees:

- PhD, 2010, Massachusetts Institute of Technology
- BS, 2006, California Institute of Technology

Department of Economics

Heath, Rachel

Assistant Professor, Economics, effective 12/10/2011

Prior UW Appointment:

Acting Assistant Professor, pending Ph.D., Economics

Degrees:

- PhD, 2012, Yale University
- MPHIL, 2008, Yale University
- MA, 2007, Yale University
- BS, 2005, Duke University

Yang, Mu-Jueng

Acting Assistant Professor, pending Ph.D., Economics, effective 9/16/2012

Degrees:

- PhD - Expected, 2012, University of California (Berkeley)
- Diploma, 2006, University of Bonn (Germany)

Department of Geography

Bergmann, Luke Robert

Assistant Professor, Geography, effective 1/31/2012

Degrees:

- PhD, 2012, University of Minnesota
- MA, 2006, University of Minnesota
- BS, 2002, Duke University

Department of Germanics

Mergenthaler, Volker Oliver

Visiting Professor, Germanics, effective 3/16/2012

Prior Non-UW Appointment:

Professor, Philipps-Universitaet Marburg, Marburg,
Germany

Degrees:

- PhD, 1999, Eberhard-Karls-University (Germany)
- MA, 1996, Eberhard-Karls-University (Germany)

Department of Political Science

Long, James Dunaway IV

**Acting Assistant Professor, pending Ph.D., Political Science,
effective 9/16/2012**

Degrees:

- PhD - Expected, 2012, University of California (San Diego)
- MSC, 2004, University of London (UK)
- BA, 2003, College of William and Mary

Department of Romance Languages and Literature

Arduini, Beatrice

**Assistant Professor, Romance Languages and Literature,
effective 9/16/2012**

Prior Non-UW Appointment:

Lecturer in Italian, University of Massachusetts-Amherst

Degrees:

- PhD, 2008, Indiana University
- MA, 2005, Indiana University
- BA, 2002, Universita Degli Studi di Milano

Jackson School of International Studies

Williams, Nathalie Elizabeth

**Assistant Professor, International Studies, joint with
Sociology, effective 9/16/2012**

Degrees:

- PhD, 2009, University of Michigan
- BSC, 1998, University of Puget Sound

School of Drama

Mihaylova, Stefka

Assistant Professor, Drama, effective 9/16/2012

Prior UW Appointment:

Lecturer Full-Time, Drama

Degrees:

- PhD, 2008, Northwestern University
- MA, 2001, Central European University (Budapest)
- BA, 2000, Sofia University
- MA, 2000, Sofia University

School of Dentistry

Department of Oral Medicine

Pizzigatti Correa, Maria Elvira

Visiting Professor, Oral Medicine, effective 2/1/2012

Prior Non-UW Appointment:

Professor of Oral Pathology, University of Campinas,
Brazil

Degrees:

- PhD, 2005, University of Campinas (Brazil)
- MSC, 1995, University of Campinas (Brazil)
- BDental Surgery, 1986, University of Campinas (Brazil)

College of Engineering

Department of Civil and Environmental Engineering

Jessup, Andrew Thomas

**APL Professor without Tenure, Civil and Environmental
Engineering, effective 3/16/2012**

Prior UW Appointment:

Affiliate Professor, Civil and Environmental Engineering

Degrees:

- PhD, 1990, Massachusetts Institute of Technology
- Master Of Sanitary Engineering, 1988, Massachusetts
Institute of Technology
- Bachelor of Science Engineering, 1980, University of
Michigan

Department of Electrical Engineering

Al-Awami, Ali

**Visiting Assistant Professor, Electrical Engineering, effective
5/28/2012**

Prior Non-UW Appointment:

Assistant Professor, Electrical Engineering, King Fahd
University of Petroleum & Minerals

Degrees:

- PhD, 2010, University of Washington
- MSC, 2004, King Fahd University of Petroleum &
Minerals
- BSC, 2000, King Fahd University of Petroleum &
Minerals

Department of Materials Science and Engineering

Yang, Jihui

**Associate Professor, Materials Science and Engineering,
effective 12/16/2011**

Prior UW Appointment:

Acting Associate Professor, Materials Science and
Engineering

Degrees:

- PhD, 2000, University of Michigan (Ann Arbor)
- MS, 1993, Wayne State University
- MS, 1991, University of Oregon
- BS, 1989, Fudan University (China)

Department of Mechanical Engineering

Muraishi, Shinji

**Visiting Assistant Professor, Mechanical Engineering,
effective 1/10/2012**

Prior Non-UW Appointment:

Assistant Professor, Metallurgy and Ceramics Science,
Tokyo Institute of Technology

Degrees:

- PhD, 2002, Tokyo Institute of Technology (Japan)
- MSC, 1999, Tokyo Institute of Technology (Japan)
- BS, 1997, Tokyo Institute of Technology (Japan)

College of the Environment

Department of Atmospheric Sciences

Swann, Abigail

**Assistant Professor, Atmospheric Sciences, joint with Biology,
effective 9/16/2012**

Degrees:

- PhD, 2010, University of California (Berkeley)
- MA, 2005, Columbia University
- BA, 2003, University of California (Berkeley)

School of Environmental and Forest Sciences

Pacheco De Resende, Fernando

**Assistant Professor, School of Environmental and Forest
Sciences, effective 2/13/2012**

Prior UW Appointment:

Acting Assistant Professor, temporary, School of
Environmental and Forest Sciences

Degrees:

- PhD, 2009, University of Michigan (Ann Arbor)
- MS, 2008, University of Michigan (Ann Arbor)
- MS, 2003, State University of Campinas (Piracicaba)
- BS, 2000, State University of Campinas (Piracicaba)

Friday Harbor Laboratories

Moroz, Leonid Leonidovich

**Visiting Professor, Friday Harbor Laboratories,
effective 3/16/2012**

Prior Non-UW Appointment:

Professor, University of Florida, Neuroscience

Degrees:

- PhD, 1989, Russian Academy of Sciences (Russia)
- MS, 1982, Belarus State University (Belarus)

School of Medicine

Department of Anesthesiology and Pain Medicine

Dalal, Aparna Rajanikant

**Assistant Professor without Tenure, Anesthesiology and Pain
Medicine, effective 4/7/2012**

Degree:

- Bachelor of Medicine, Bachelor of Surgery (MB BS),
1997, Grant Medical College (India)

Department of Family Medicine

Evans, David Vreeland

**Assistant Professor without Tenure, Family Medicine,
effective 4/16/2012**

Prior Non-UW Appointment:

Family Physician, Madras Medical Group

Degrees:

- MD, 1993, University of Pittsburgh
- BS, 1987, Pennsylvania State University

Department of Genome Sciences

Cheong, Ka Yan

Lecturer, Full-time, Genome Sciences, effective 3/16/2012

Prior UW Appointment:

Lecturer Part-Time, Genome Sciences

Degrees:

- PhD, 2010, Johns Hopkins University
- BA, 2003, University of California (Berkeley)

Department of Medicine

Houghton, Ashley McGarry

**Associate Professor without Tenure, Medicine,
effective 3/1/2012**

Prior Non-UW Appointment:

Assistant Professor of Pulmonary and Critical Care
Medicine, University of Pittsburg School of Medicine

Degrees:

- MD, 1996, Georgetown University
- BA, 1992, Johns Hopkins University

Paski, Shirley Catherine

**Assistant Professor without Tenure, Medicine,
effective 4/1/2012**

Prior Non-UW Appointment:

Instructor of Medicine, University of Chicago Medical
Center

Degrees:

- MD, 2004, McMaster University (Canada)
- MSC, 2000, University of British Columbia (Canada)
- BSC, 1997, University of British Columbia (Canada)

Turtle, Cameron John

**Assistant Professor without Tenure, Medicine,
effective 4/1/2012**

Prior UW Appointment:

Acting Instructor, Medicine

Degrees:

- PhD, 2005, University of Queensland (Australia)
- Bachelor of Medicine, Bachelor of Surgery (MB BS),
1993, University of Sydney (Australia)

Department of Pediatrics

Denno, Donna Marie

**Associate Professor without Tenure, Pediatrics,
effective 3/1/2012**

Prior UW Appointment:

Affiliate Assistant Professor, Pediatrics

Degrees:

- MPH, 2007, University of Washington
- MD, 1991, University of Michigan
- BS, 1984, Wayne State University

Opel, Douglas John

**Assistant Professor without Tenure, Pediatrics,
effective 3/1/2012**

Prior UW Appointment:

Acting Assistant Professor, temporary, Pediatrics

Degrees:

- MPH, 2009, University of Washington
- MD, 2002, University of Chicago
- BS, 1996, Duke University

Department of Psychiatry and Behavioral Sciences

Chwastiak, Lydia A.

**Associate Professor without Tenure, Psychiatry and
Behavioral Sciences, effective 4/1/2012**

Prior Non-UW Appointment:

Associate Professor of Psychiatry, Yale University

Degrees:

- MPH, 2001, University of Washington
- MD, 1993, University of Pennsylvania
- MA, 1991, Georgetown University
- BS, 1987, Yale University

Gross, Christopher Andrew

**Assistant Professor without Tenure, Psychiatry and
Behavioral Sciences, effective 4/1/2012**

Prior Non-UW Appointment:

Staff Psychiatrist, Department of Veteran's Affairs, Puget
Sound Health Care System

Degrees:

- MD, 2001, University of Southern California
- BA, 1991, Reed College

Miller, Merry Noel

**Visiting Professor, Psychiatry and Behavioral Sciences,
effective 5/1/2012**

Prior Non-UW Appointment:

Professor, Psychiatry and Behavioral Sciences, East
Tennessee State University

Degrees:

- MD, 1983, University of Tennessee (Memphis)
- MS, 1983, University of Tennessee (Memphis)
- BS, 1975, Rhodes College

Pagulayan, Kathleen Farrell

Assistant Professor without Tenure, Psychiatry and Behavioral Sciences, effective 4/16/2012

Prior UW Appointment:

Acting Assistant Professor, temporary, Psychiatry and Behavioral Sciences

Degrees:

- PhD, 2004, University of Cincinnati
- MA, 2000, University of Cincinnati
- BA, 1997, College of The Holy Cross

Ratzliff, Anna Kristina Marguerite de Haas

Assistant Professor without Tenure, Psychiatry and Behavioral Sciences, effective 3/16/2012

Prior UW Appointment:

Acting Assistant Professor, temporary, Psychiatry and Behavioral Sciences

Degrees:

- MD, 2005, University of California (Irvine)
- PhD, 2003, University of California (Irvine)
- BS, 1994, Stanford University

Thompson, Alexander Wesley

Associate Professor without Tenure, Psychiatry and Behavioral Sciences, effective 3/16/2012

Prior UW Appointment:

Clinical Assistant Professor, Psychiatry and Behavioral Sciences

Degrees:

- MPH, 2008, University of Washington
- MD, 2001, Baylor College of Medicine
- MBA, 2001, Rice University
- BA, 1995, University of Texas (Austin)

Department of Radiation Oncology

Meyer, Juergen

Associate Professor without Tenure, Radiation Oncology, effective 5/21/2012

Prior Non-UW Appointment:

Lecturer, Physics and Astronomy, University of Canterbury

Degrees:

- PhD, 2001, Coventry University
- BSC, 1996, Coventry University
- Bachelor Of Engineering, 1996, University of Ulm (Germany)

Department of Radiology

Bastawrous, Sarah

Assistant Professor without Tenure, Radiology, effective 2/1/2012

Prior UW Appointment:

Acting Assistant Professor, temporary, Radiology

Degrees:

- Doctor of Osteopathic Medicine, 2003, Chicago College of Osteopathic Medicine
- BS, 1996, Old Dominion University

Lee, Christoph Iluk

**Assistant Professor without Tenure, Radiology,
effective 6/15/2012**

Prior Non-UW Appointment:

Clinical Instructor and Attending Physician, University of
California Los Angeles

Degrees:

- Master of Science in Health Science, 2011, University of
California (Los Angeles)
- MD, 2005, Yale University
- AB, 1998, Princeton University

Monsky, Wayne Laurence

**Associate Professor without Tenure, Radiology,
effective 3/1/2012**

Prior Non-UW Appointment:

Assistant Professor of Radiology, University of California
Davis

Degrees:

- MD, 1995, Georgetown University
- PhD, 1995, Georgetown University
- MS, 1988, Georgetown University
- BS, 1987, Syracuse University

Daniel J. Evans School of Public Affairs

Daniel J. Evans School of Public Affairs

Perez, Maria D.

Assistant Professor, Public Affairs, effective 9/16/2012

Degrees:

- PhD, 2012, Stanford University
- MA, 2009, Stanford University
- MA, 1999, Pontificia Universidad Catolica de Chile
- BA, 1998, Pontificia Universidad Catolica de Chile

School of Public Health

Department of Global Health

Downer, Ann Ellen

**Associate Professor without Tenure, Global Health, joint with
Global Health - Medicine, effective 4/1/2012**

Prior UW Appointment:

Senior Lecturer, Full-time, Global Health

Degrees:

- MS, 1984, University of Washington
- BA, 1979, Western Washington University

Department of Health Services

Johnson, Christopher Elliot

**Associate Professor without Tenure, Health Services, effective
7/1/2012**

Prior Non-UW Appointment:

Associate Professor, Health Policy and Management,
Texas A&M University

Degrees:

- PhD, 1998, University of Minnesota
- BSC, 1987, US Naval Academy

University of Washington, Bothell

Nursing Program, Bothell

Allen, David G.

Professor, Nursing, Bothell, effective 9/1/2012

Prior UW Appointment:

Professor, Psychosocial and Community Health

Degrees:

- MS, 1981, University of Wisconsin
- BS, 1979, University of Wisconsin
- PhD, 1975, University of Iowa
- MA, 1971, University of Iowa
- BA, 1970, Colorado State University

UW Bothell School of Interdisciplinary Arts and Sciences

Silva, Janelle Mellissa

Assistant Professor, School of Interdisciplinary Arts and Sciences, Bothell, effective 9/16/2012

Prior UW Appointment:

Lecturer, Full-time, School of Interdisciplinary Arts and Sciences, Bothell

Degrees:

- PhD, 2010, University of California (Santa Cruz)
- MS, 2007, University of California (Santa Cruz)
- BA, 2004, University of California (Santa Cruz)

Walsh, Camille Lorraine

Assistant Professor, School of Interdisciplinary Arts and Sciences, Bothell, effective 9/16/2012

Prior UW Appointment:

Lecturer, Full-time, School of Interdisciplinary Arts and Sciences, Bothell

Degrees:

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

University of Washington, Tacoma

Milgard School of Business, Tacoma

Mirsaidi, Mirhossein

Senior Lecturer, Full-time, Milgard School of Business, Tacoma, effective 9/16/2012

Prior UW Appointment:

Senior Lecturer, Part-time, Milgard School of Business, Tacoma

Degrees:

- MBA, 1978, Indiana University
- BA, 1975, Tehran University (Iran)

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Revision to Resolution: Federal Contracts – Officers of the University

RECOMMENDED ACTION

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve the following update to a resolution passed on May 13, 2010 regarding security of classified information related to Federal contracts with the University of Washington.

The recent membership changes on the Board of Regents necessitate this proposed update to the resolution.

BACKGROUND

A signed security agreement between the University of Washington and the Department of Defense establishes the context for classified research contracts. This agreement includes mandatory elements of the University's classified security program and guidelines for compliance. One mandatory element is the designation of key management personnel. The minimum key management personnel list is the President, Board of Regents and the Facility Security Officer. All key management personnel must either have a TOP SECRET security clearance, or be legally excluded from matters related to classified contracts.

Security clearances are conducted by the US Office of Personnel Management and a full background check may take anywhere from 60 days to 12 months. A TOP SECRET security clearance requires full disclosure of 10 years of personal data including details on family members, all residences, employment and employment relationships, all foreign travel, and a list of all contact with foreign nationals. Interviews are conducted with family members, neighbors, references and employers/employees. Cleared individuals must also participate in annual training and report all travel to foreign countries, including Canada. A full re-investigation is required every five years.

The Board of Regents passed a resolution on May 13, 2010, to amend the University's agreement with the Department of Defense to exclude the Regents from access to classified information, thereby exempting the Regents from the requirement that each voting member obtain and maintain a TOP SECRET government security clearance. That resolution created a managerial group, to which the Board delegates all of its duties and responsibility for the negotiation, execution, and administration of classified Defense Department contracts with the University of Washington. The managerial group was designated as the

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Revision to Resolution: Federal Contracts – Officers of the University (continued p. 2)

President, the Vice Provost for Research or designee, and the Facility Security Officer.

Prior to the 1994 resolution, the Department of Defense granted a waiver to the security requirement that each regent must be excluded as an individual, as opposed to the exclusion of the entire Board as a group. During the University's annual classified security program audit in April 2008, Defense Department auditors informed the Facility Security Officer that the waiver was not consistent with national policy and the administration of the National Industrial Security program at other universities. The waiver has been rescinded, resulting in the need to name each regent in the resolution.

Proposed Management Group

As detailed in the *Board of Regents Governance*, Standing Orders, Chapter 1, the President (or the President's designee) is authorized to act for the Board regarding all matters concerning grants and contracts for research.

The Vice Provost for Research has designated the Associate Vice Provost for Research Compliance and Operations as the managerial group member who provides institutional perspective and oversight for classified research and contracts at the University. The Associate Vice Provost reviews and addresses any audit findings that have institutional policy issues and serves as a back up to the Facility Security Officer.

The Facility Security Officer is the security program manager for classified research at the UW. The Facility Security Officer directs and oversees the federally mandated security measures necessary to protect national security information.

REVIEW AND APPROVALS

The resolution has been reviewed and approved by the Facility Security Officer, the Vice Provost for Research and the Associate Vice Provost for Research Compliance & Operations.

Attachment

Resolution Dated May 3, 2012

BOARD OF REGENTS
UNIVERSITY OF WASHINGTON
RESOLUTION

DATED MAY 3, 2012

Security Clearance—Officers of the University

- 1) RESOLVED, that the Board of Regents shall and does hereby designate the President, the Vice Provost for Research or her designee, and the Facility Security Officer as the managerial group of the University of Washington with regard to all matters involving classified information, including, but not limited to, the negotiation, execution, and administration of classified contracts with the University of Washington under the meaning of the National Industrial Security Program Operating Manual, and shall and does hereby delegate to the managerial group such powers as may be necessary thereto, with the President being the final authority.
- 2) RESOLVED, that the members of the University of Washington Board of Regents named below shall not require access to classified information in the possession of the University of Washington and, therefore, shall not require, shall not have, and can be effectively excluded from access to any and all classified information in the possession of the University of Washington, and these members do not occupy positions that would enable them to adversely affect the institution's performance of classified contracts or programs.

William S. Ayer (New)
Kristianne Blake
Craig W. Cole
William H. Gates
Joanne Harrell
Sally Jewell
Kelsey E. Knowles (New)
Patrick M. Shanahan (New)
Herb Simon
Orin Smith

- 3) RESOLVED, that the University shall not engage in research or other activities involving violation of:
 - a. Professional standards of academic, legal, or medical conduct;
 - b. U.S.-recognized international law; and/or
 - c. U.S. or Washington State law

ATTACHMENT

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Division of Spanish and Portuguese Studies – Establishment of the Doctor of Philosophy in Hispanic Studies Degree Program

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 of the Division of Spanish and Portuguese Studies, in the College of Arts and Sciences at the University of Washington, Seattle, WA, to offer the Doctor of Philosophy (Ph.D.) in Hispanic Studies degree program, effective Autumn Quarter, 2012. The tuition will be set at Graduate Tier I. The degree program will have provisional status with a review to be conducted by the Graduate School in the 2017-2018 academic year. At such time that continuing status is granted, a ten-year review cycle would begin.

BACKGROUND

In November, 2011, the Graduate School received a full proposal from the graduate faculty in the Division of Spanish and Portuguese Studies requesting authority to offer the Ph.D. in Hispanic Studies. Program implementation is planned for Autumn Quarter 2012. The Division anticipates enrolling between three and five students per year, with the same number graduating annually by 2017.

The Ph.D. in Hispanic Studies will provide students rigorous academic training in the history and criticism of the literatures and cultures of Spain and Latin America. The development of analytical and research skills fundamental to significant original scholarship will form the program core. The required Graduate Certificate in Public Scholarship will provide students practical skills to make their knowledge useful and accessible through an understanding of the public role of scholarship in the ongoing demographic and cultural societal changes. The Ph.D. program is designed to respond to the emerging practical realities of the academic workplace of the 21st century. The new reality is that many graduates may find themselves employed in institutions different from the University of Washington, such as regional universities, small private colleges, community colleges, and both private and public high schools. Further, training in public scholarship will allow graduates to seek employment in non-traditional areas as NGOs, governmental agencies, and the private sector.

In November, 2011, the Vice Provost and Dean of the Graduate School appointed two faculty in the field from other universities to evaluate the Ph.D. in Hispanic

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Division of Spanish and Portuguese Studies – Establishment of the Doctor of Philosophy in Hispanic Studies Degree Program (continued p. 2)

Studies proposal. Both reviewers supported approval of the proposed Ph.D. program. Each reviewer made recommendations on the proposal to which the Division responded.

On January 5, 2012, the Graduate School Council considered the Ph.D. in Hispanic Studies proposal. The Council recommended unanimously that the proposal be forwarded to the Board of Regents for review and approval.

The Vice Provost and Dean of the Graduate School and the Interim Dean of the College of Arts and Sciences have reviewed and approved the Graduate School Council's recommendation.

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Department of Global Health – Establishment of the Doctor of Philosophy in Global Health Degree Program

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 of the Department of Global Health, in the School of Public Health and the School of Medicine at the University of Washington, Seattle, WA, to offer the Doctor of Philosophy (Ph.D.) in Global Health degree program with emphases in Metrics and Implementation Science, effective Autumn Quarter 2012. The tuition will be set at Graduate Tier III. The degree program will have provisional status with a review to be conducted by the Graduate School in the 2017-2018 academic year. At such time that continuing status is granted, a ten-year review cycle would begin.

BACKGROUND

In September 2011, the Graduate School received the full proposal from the graduate faculty in the Department of Global Health requesting authority to offer a Doctor of Philosophy in Global Health degree with emphases in Metrics and Implementation Science. Program implementation is planned for Autumn Quarter 2012. The department anticipates enrolling 3 students per year, increasing enrollment to 15 by 2016, with 3 students graduating annually.

The Ph.D. in Global Health will serve students interested in measuring health outcomes and the impact of health interventions (Metrics), or determining appropriate methods to implement and scale up evidence-based health interventions (Implementation Science). It will prepare program graduates for careers in academia, international organizations, national agencies, foundations, non-governmental organizations, and businesses. The Ph.D. in Global Health is unique in that no other such program is offered by any of the public or private institutions in the world. Only 11 doctoral programs in the field of global health, of which four are in the United States, supply the faculty needed to address the increasing demand. None of the programs offer a focus on metrics and implementation science. The doctoral program would respond to community demand for health intervention accountability and benefit from graduates' ability to close the gap between research and its translation into effective health care interventions and programs.

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Department of Global Health – Establishment of the Doctor of Philosophy in Global Health Degree Program (continued p. 2)

In June, 2011, the Vice Provost and Dean of the Graduate School appointed two faculty in the field from other universities to evaluate the Ph.D. in Global Health proposal. Both reviewers supported approval of the proposed Ph.D. program. Each reviewer made recommendations on the proposal to which the Department responded. It was revised based on the recommendations.

On October 20, 2011, the Graduate School Council considered the Ph.D. 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 the Council's recommendation.

On March 13, 2012, the HECB Education Committee discussed the Ph.D. proposal. It was then considered by the full Higher Education Coordinating Board on March 29, 2012. The Board approved the Department of Global Health proposal to offer the Doctor of Philosophy in Global Health degree program at the University of Washington.

The Vice Provost and Dean of the Graduate School, the Dean of the School of Medicine, and the Dean of the School of Public Health have reviewed and approved the recommendation.

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Establishment of the Doctor of Education at 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 Education Program at the University of Washington - Tacoma to offer the Doctor of Education (Ed. D.) in Educational Leadership degree program, effective Summer Quarter 2013. This practice doctorate program will be supported by tuition and fees, and will not require additional state funds. The degree program will have provisional status with a review to be scheduled for the 2018-2019 academic year. At such time that continuing status is granted, a ten-year review cycle would begin.

BACKGROUND

In November, 2011, the Graduate School received a full proposal from the graduate faculty in the UW Tacoma Education Program requesting authority to offer the Ed. D. in Educational Leadership degree program. Implementation is planned for Summer Quarter 2013. This two-year program anticipates enrolling a cohort of 30 students every three years, with all students in the cohort graduating at the end of the three-year program.

The Ed. D. in Educational Leadership is primarily designed to serve the south Puget Sound region, where many educators find themselves in administrative positions requiring not only teaching expertise, but leadership skills, policy knowledge, and the ability to affect positive organizational change. While these individuals are often experts in their professional disciplines, today's leaders are required to exhibit skill sets and knowledge that extend beyond the professional master's degree. These leaders must employ research to improve organizational outcomes, ensure quality teaching for diverse learners, effectively assess programs, and lead local and national accreditation and accountability processes. They must be effective political advocates as well as informed fiscal and human resource managers. The proposed Ed. D. program includes three non-transcript study options: P-12 Educational Leadership, Nursing Educational Leadership, and Higher Educational Leadership. Coursework includes leadership courses, specialization courses for the three study options, and courses in research and inquiry. During the second year of study, students will participate in a practicum for leadership development. In the final year of study, students will complete a year-long, field-based capstone project.

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Establishment of the Doctor of Education at UW Tacoma (continued p. 2)

In January, 2012, the Vice Provost and Dean of the Graduate School appointed two reviewers to evaluate the Ed. D. in Educational Leadership proposal. Each reviewer identified items for faculty to address as they move to implement the degree program, including specific recommendations for the written proposal. The program provided detailed responses to each of the reviewer comments.

The Graduate School Council met on March 15, 2012, to discuss the degree proposal. The Council recommended that the program revise the written proposal to address each of the comments from the external reviewers in detail, after which the proposal should be forwarded on for final approval. The Vice Provost and Dean of the Graduate School concurred with this recommendation.

The program presented the revised proposal to the Graduate School on April 9, 2012.

The Vice Provost and Dean of the Graduate School, the UW Tacoma Chancellor, and the Provost have reviewed and approved the recommendation to approve the Doctor of Education (Ed. D.) in Educational Leadership.

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Establishment of the Master of Health Informatics and Health Information Management

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 Department of Health Services in the School of Public Health to offer the Master of Health Informatics and Health Information Management degree program, effective Autumn Quarter 2012. This will be a self-sustaining program offered in coordination with UW Professional and Continuing Education (PCE). The degree program will have provisional status with a review to be scheduled for the 2017-2018 academic year. At such time that continuing status is granted, a ten-year review cycle would begin.

BACKGROUND

In January, 2011, the Graduate School received a full proposal from the graduate faculty in the Department of Health Services requesting authority to offer the Master of Health Informatics and Health Information Management degree program. Implementation is planned for Autumn Quarter 2012. This two-year program anticipates enrolling 22 students per year, with the same number of students graduating annually by 2013.

The Master of Health Informatics and Health Information Management program will prepare individuals to be leaders in health informatics and health information management with an emphasis on legal and evidentiary electronic health records, health information management, and electronic health record business processes. Using high level management skills, graduates will be prepared to oversee organizational processes in accreditation as well as in regulatory and compliance requirements such as privacy, security, healthcare terminologies, and code systems. These individuals will support the design and development of healthcare management information systems that integrate business and operational management information, clinical health systems management information, and electronic health record information to meet strategic initiatives and advance health information technology.

In October, 2011, the Vice Provost and Dean of the Graduate School appointed two reviewers to evaluate the Master of Health Informatics and Health Information Management proposal. The reviewers both supported approval of the

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Establishment of the Master of Health Informatics and Health Information Management (continued p. 2)

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

The Graduate School Council met on February 16, 2012, to discuss the degree proposal. The Council recommended that the program revise the written proposal to address several specific comments, after which the proposal should be forwarded on for final approval. The Vice Provost and Dean of the Graduate School concurred with this recommendation.

The program presented the revised proposal to the Graduate School on March 2, 2012.

The Vice Provost and Dean of the Graduate School, the Dean of the School of Public Health, and the Provost have reviewed and approved the recommendation to approve the Master of Health Informatics and Health Information Management.

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Academic Performance/Student Outcomes

This presentation is for information only.

Learning Goals – Five Majors*

Astronomy majors will:

- Use quantitative reasoning to understand the principle findings, common applications, and current problems within Astronomy as a scientific discipline
- Be versed in the computational methods and software resources utilized by professional Astronomers
- Have experience operating modern Astronomical instrumentation and analyzing a range of experimental data
- Be able to assess, communicate and reflect their understanding of Astronomy and the results of Astrophysical experiments in both oral and written formats
- Learn in a diverse environment with a variety of individuals, thoughts and ideas.

<http://www.astro.washington.edu/undergrad/undergrad.html#goals>

At the end of their studies, graduating **Chemistry and Biochemistry** majors should:

- Have a general knowledge of the basic areas of chemistry working knowledge of at least one area. A working knowledge is demonstrated by the ability to apply formal knowledge in a problem-solving environment.
- Be proficient in basic laboratory skills (e.g., preparing solutions, chemical synthesis techniques, chemical and instrumental analysis and laboratory safety).
- Have the ability to formulate and carry out strategies for solving scientific problems.
- Have some understanding of the principles and applications of modern instrumentation, computation, experimental design, and data analysis.
- Have had the opportunity to gain experience with a research project as part of an upper level course and the opportunity to participate in active, individual laboratory research within the university or another appropriate setting.
- Have the ability to communicate scientific information clearly and precisely, both orally and in writing.
- Have the ability to read, understand, and use scientific literature.
- Have some awareness of the broader implications of chemical processes (e.g., resource management, economic factors, and ecological considerations).
- Have had the opportunity to work with others as part of a team to solve scientific problems.
- Have had an introduction to the opportunities in, and requirements for, careers available to those with training in chemistry.

<http://depts.washington.edu/chem/undergrad/departmentgoals.html>

<https://www.washington.edu/students/genocat/academic/biochem.html>

Chemical Engineering graduates must demonstrate that they can:

- Apply principles of mathematics, science, and engineering in the analysis of chemical systems
- Design and construct experiments and analyze and interpret data
- Design a system, component, or process to meet desired needs within realistic constraints such as economic, environmental, social, political, ethical, health and safety, manufacturability, and sustainability
- Function on multi-disciplinary teams
- Identify, formulate, and solve engineering problems
- Understand professional and ethical responsibility
- Communicate effectively
- Understand the impact of engineering solutions in a global, economic, environmental, and societal context
- Recognize the need for, and to engage in, life-long learning
- Know and understand contemporary issues.
- Use the techniques, skills, and modern engineering tools necessary for an engineering practice

At the end of the major, **Dance** students will:

- Understand dance as a cultural practice that reflects and impacts local communities and global cultures.
- Develop and practice analytic, evaluative, and contextual skills requisite to critical thinking, kinesthetic understanding, and personal growth.
- Develop and practice skills in rhythmic, movement and compositional analysis.
- Develop effective communication and research skills to promote and articulate a deeper understanding of dance practice and theory.
- Engage in personal assessment and reflective practices that encourage self-directed learning.
- Understand how basic principles of dance science and teaching methodologies can be applied to technical and aesthetic development.
- Recognize and expand creative, artistic, and intellectual potentials.

<http://depts.washington.edu/uwdance/undergrad.html>

Informatics student learning goals include the abilities to:

- Communicate effectively orally and in writing
- Work effectively individually and as part of a team
- Manage projects
- Innovate
- Act as a leader
- Reason quantitatively and qualitatively
- Understand the research process and its implication for information systems design and use
- Assess information needs
- Understand information behavior
- Design information systems to meet organizational and human needs
- Build working systems
- Understand, utilize and create systems using a wide-variety of information technologies
- Evaluate the impact of information technologies on people and organizations
- Understand the ethical and social dimensions of technology
- Organize and manage information

*<http://www.washington.edu/oea/pdfs/reports/AssessmentChart201113.pdf>

Assessing Teaching & Learning at the University of Washington

Institutional Approaches

Accreditation ~ NW Commission on Colleges & Universities

Regional/National Evaluation

Institutional Data & State Accountability Measures

Includes grad & retention rates and other measures
<http://www.washington.edu/admin/factbook/>

1. Focused Studies of Teaching & Learning

- 2012: UW Growth in Faculty Teaching Study (UW GIFTS)
(Inside the Undergraduate Teaching Experience, Beyer, Taylor, & Gillmore, SUNY Press, forthcoming)
- 2009: UW Senior Research Study (UW SRS)
- 2007: UW Study of Undergraduate Learning (UW SOUL)
(Inside the Undergraduate Experience, Beyer, Gillmore, & Fisher, Jossey-Bass/Anker 2007)

Surveys of Students, Alumni (1, 5, & 10 Yrs Post Grad) & Faculty

<http://www.washington.edu/oea/pdfs/reports/OEARReport1101.pdf>

Biennial Departmental Assessment Charts

Reports from UW Departments
<http://www.washington.edu/oea/pdfs/reports/OEARReport1102.pdf>

Specialized & National Studies

For example, the National Survey of Student Engagement
<http://www.washington.edu/oea/pdfs/reports/OEARReport0905.pdf>
A-7/205-12
5/3/12

Departmental Approaches

2. Learning Goals for Majors

All UW departments offering undergraduate degrees have learning goals for majors available at:
<http://www.washington.edu/oea/pdfs/reports/OEARReport1102.pdf>

Curricular Mapping & Review

Identifying where in the curriculum students learn the knowledge and develop the skills listed in the departmental learning goals

3. Performance-based Measures

Using capstone courses, portfolio assessment, national exams, projects in targeted courses, performances, and other authentic student work to assess learning

Perception-based Measures

- Aggregate course evaluations, exit surveys, focus groups, review by external/community parties & input from employer advisory boards/groups
- 2011-12 Exit Survey Initiative – helping departments create exit surveys that aid their assessment work

Information about Faculty

Research, publications, awards, specialties, and other information

UW Ten-Year Academic Review Process & National Departmental Accreditation Processes

Course-based Approaches

Classroom Assessment Techniques

Use of in-class activities and out-of-class assignments to monitor student learning.

Course Evaluations & Peer Review

- Peer review of faculty teaching
- Course evaluation ~ 13 forms suitable for a variety of kinds of courses + comment sheets
- Challenge Index ~ information from course evaluations on student perceptions of rigor

Faculty Development

- Center for Teaching and Learning
- A wide range of teaching training opportunities, including Faculty Fellows, Large Lecture Collegium, Institute for Teaching Excellence, and many others

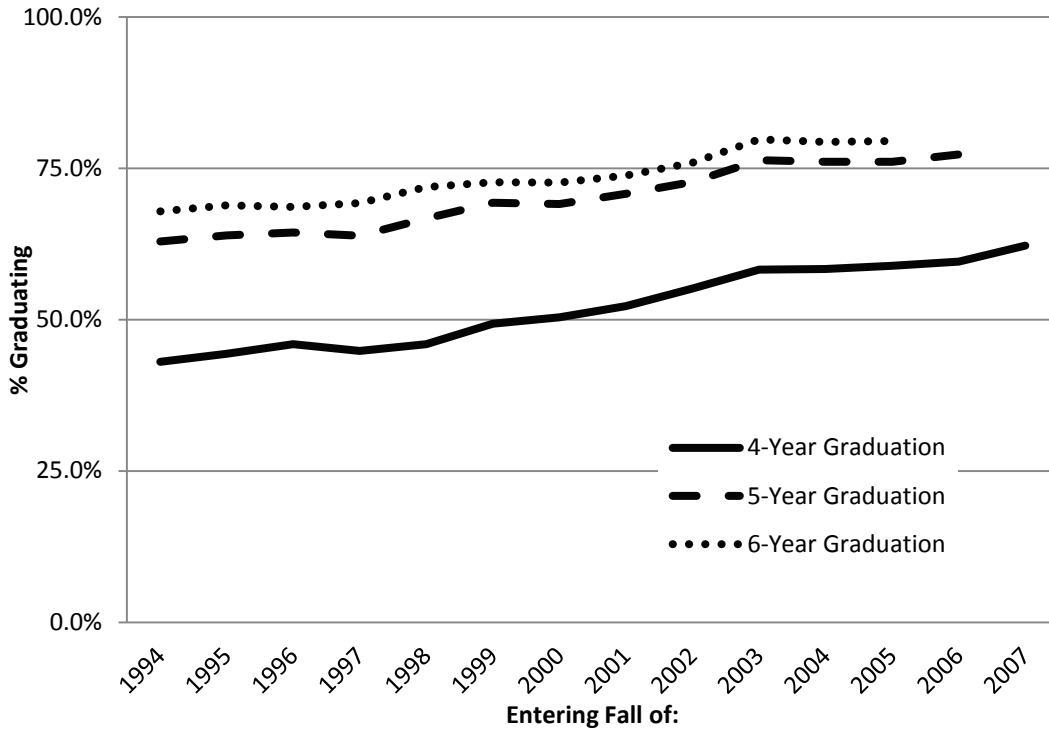
Other

Mentoring ~ Formal and Informal

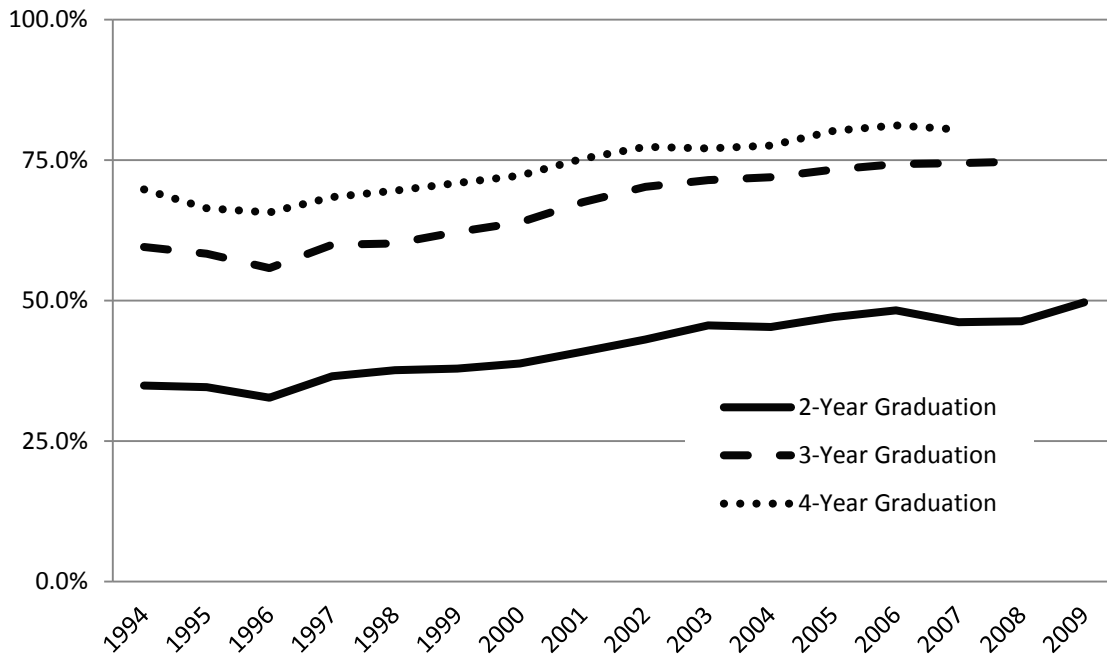
Conversations, Books, & Articles on Learning across Institutions

Conversations with Students ~ Formal and Informal

UW Seattle Freshman Graduation Rates



**UW Seattle
Community College Transfer Student Graduation Rates**

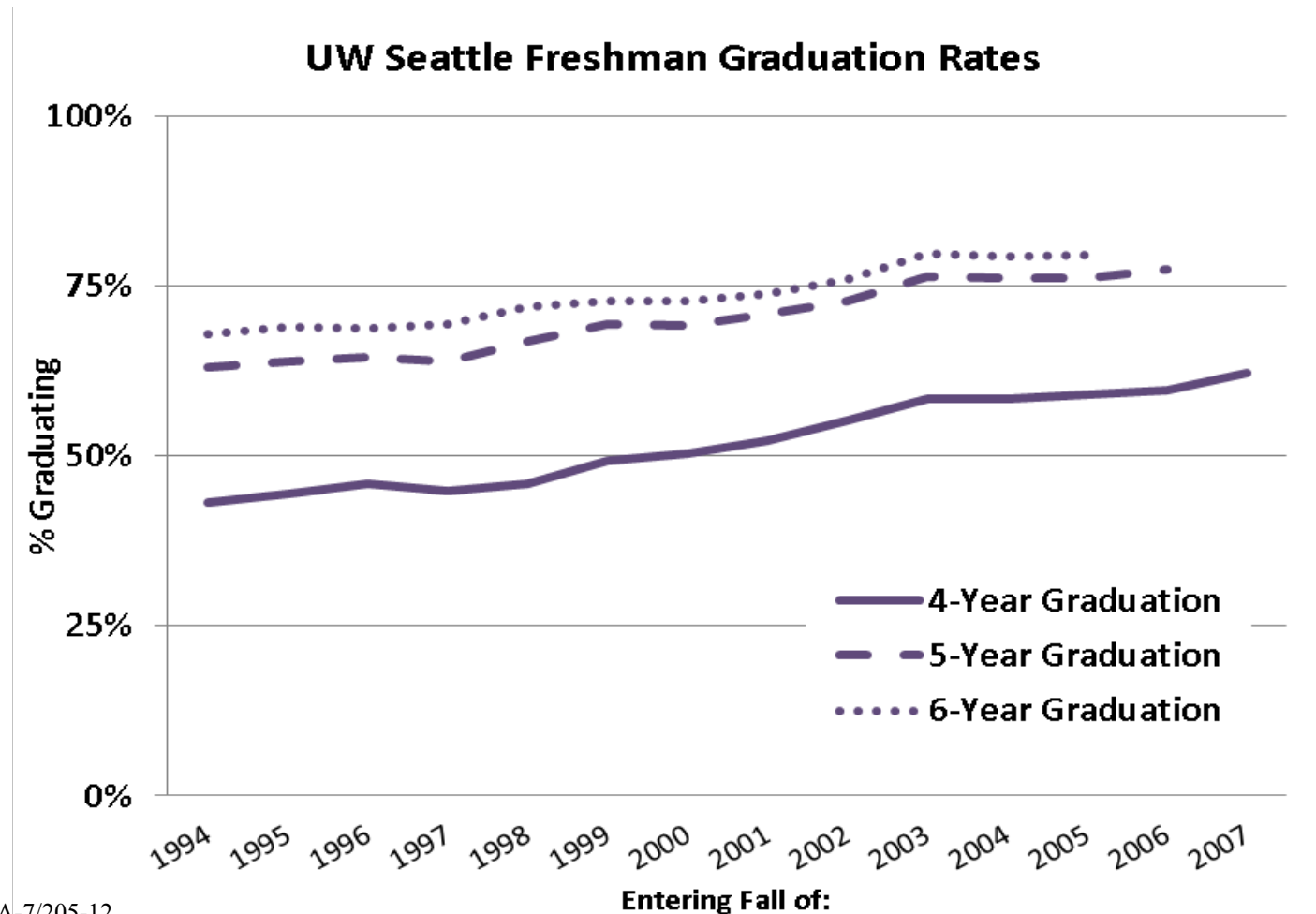


Graduation & Retention

May 3, 2012

GRADUATION & RETENTION – FRESHMAN ENTRANTS

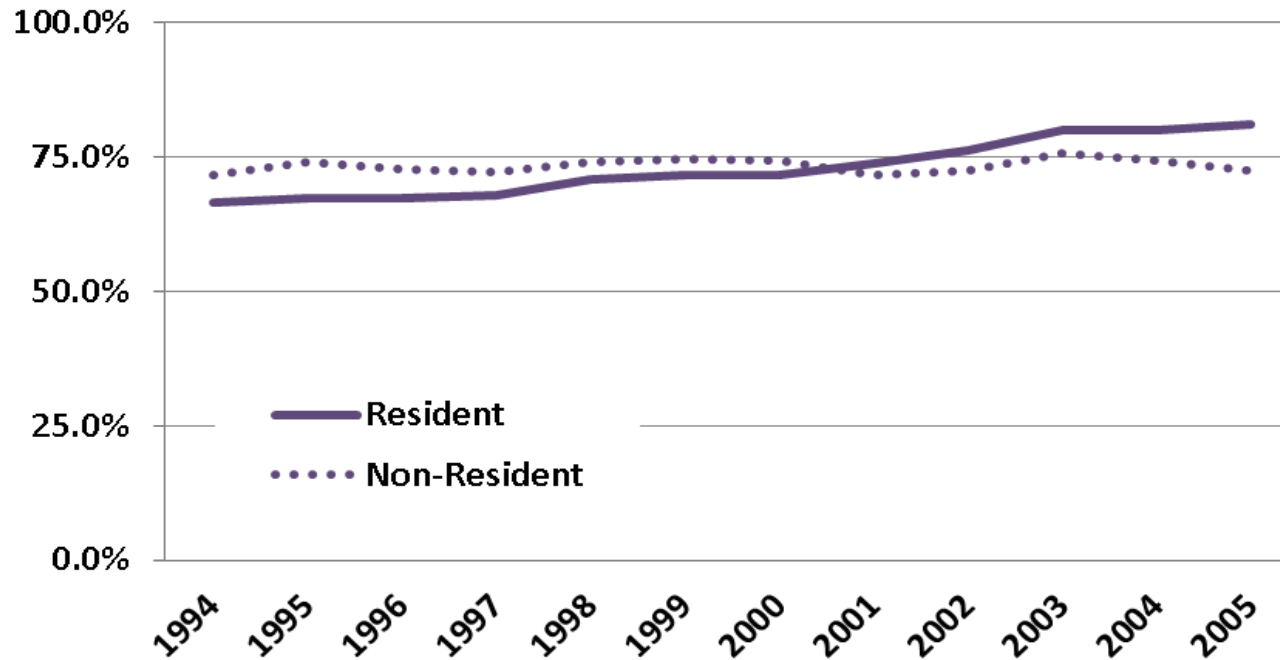
- 92% to 93% of incoming freshmen return for a second year
- 6-year graduation rate has increased to 80%



GRADUATION & RETENTION – FRESHMAN ENTRANTS

- Freshman 6-year graduation rate increased from 68% to 80%
- Residents: 66% to 81%
- Non-Residents: 72% to 73%

**6-Year Freshman Graduation Rate
Resident vs. Non-Resident Students**



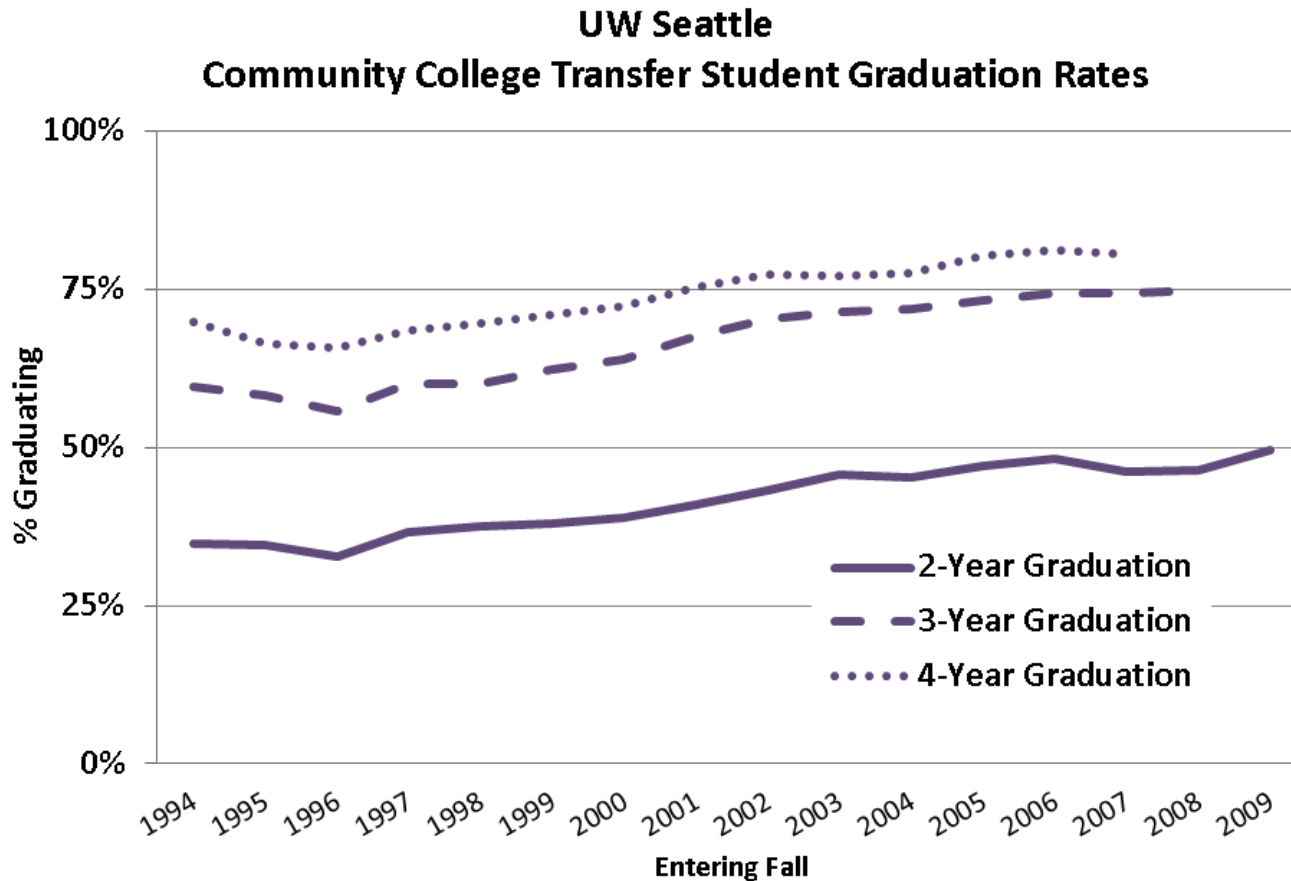
GRADUATION & RETENTION – FRESHMAN ENTRANTS

How do Pell-Eligible Students Compare?

- 1-Year Retention & 6-Year Graduation:
 - Increased at greater rate than non-Pell
 - Now equal
- 4-Year Graduation
 - Still lag

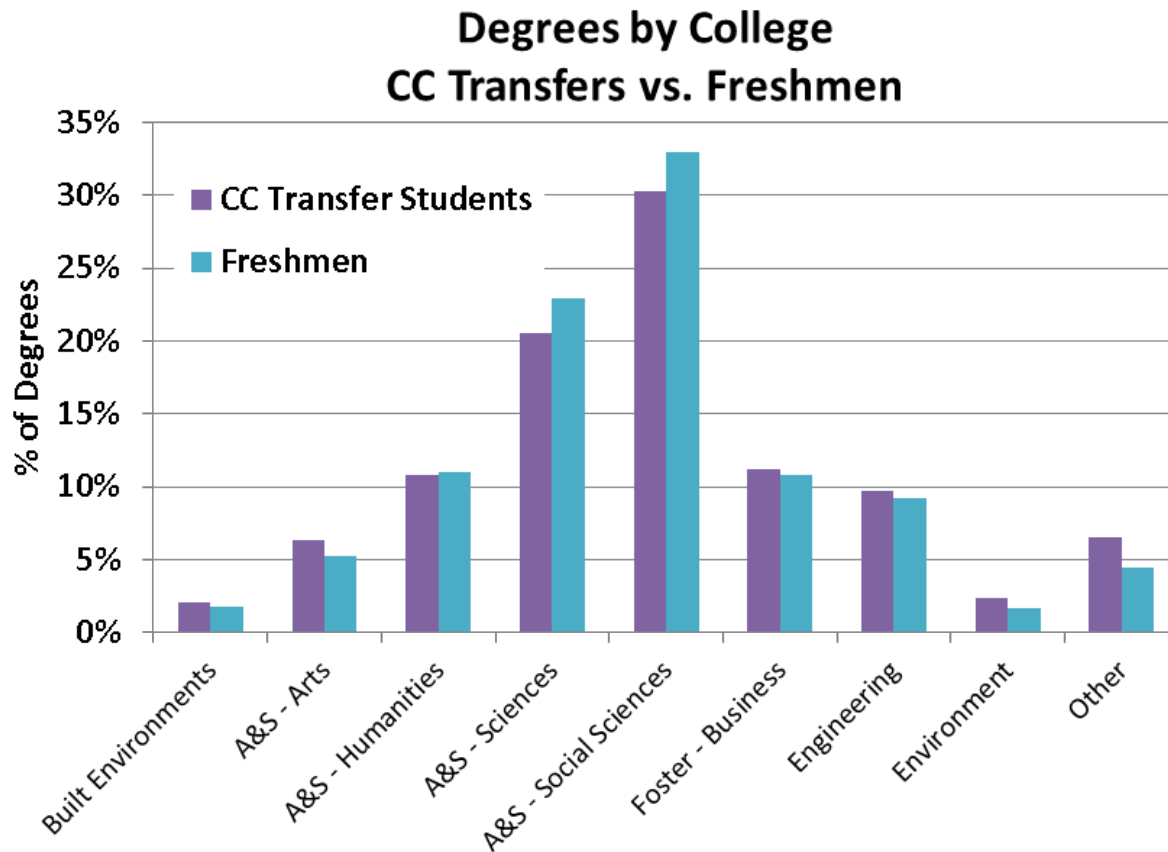
GRADUATION – CC TRANSFERS

- The 4-year graduation rate for community college transfers equals the 6-year graduation rate for students entering as freshmen



DISTRIBUTION OF DEGREES BY ENTERING STATUS

- There are no dramatic differences in the distribution of degrees between students entering as freshmen and those entering as community college transfers



VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Student Perspectives for Differential Tuition Policy Discussions

This presentation is for information only.



Student Perspectives for Differential Tuition Policy Discussions

- Kelsey E. Knowles, Regent
- Michael Kutz, Vice-Chair of the Provost's Advisory Committee for Students
- Ashoat Tevosyan, Member of the Provost's Advisory Committee for Students



Student Inclusion In the Process Is Key



- PACS Research and Discussions
- ASUW Student Senate Resolution
- College Council Pilot Program



PACS Involvement



- Case Study Research
- Met With Deans & Students On-Campus



Potential Benefits



- Increased Access to High-Demand Majors
- Departmental Flexibility to Recruit and Retain Faculty



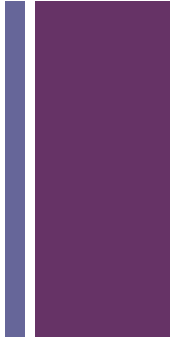
Concerns



- **Sticker Shock – University of Kansas**
- **Middle Class Access to Financial Aid**



Specific Circumstances



- Higher Marginal Costs
- Quantifiable Demand
- Capacity to Pay
- Commitment to Concrete Metrics



Shared Governance



- Formalizing College Councils
- Case Study: University of Wisconsin



As Discussions Continue...



- Regents Must Ensure New Tuition Policy Provides for Sufficient Student Involvement and Engagement

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

In Joint Session with

B. Finance, Audit and Facilities Committee

Integrated Sponsorship Initiative

For information only.

Strategy for Comprehensive Marketing Sponsorships

Board of Regents
Thursday, May 3, 2012

The Goal and Process

Determine if the University of Washington should pursue the formalization of a centrally coordinated, integrated sponsorship marketing effort.

Why explore this?

- Allows UW to set universal guidelines and standards
- Maximizes revenue for the UW in difficult budget times
- Provides a valuable resource to units that increases efficiency and revenue
- Strengthens our corporate partnerships

Over the past year conducted a university wide exploration to understand the current landscape at the UW and develop recommendations.

Corporate Partnerships at the UW

Marketing

- Corporate Partnership funds provided to support programs or events in exchange for marketing value.

Gifts

- Corporate Partnership support offered without expectation of promotional or marketing value.

R&D

- Corporate Partnership funds provided for the purpose conducting research and development activity at the UW.

Vendor/Supplier

- Corporation that supplies goods or services to the UW through a paid vendor relationship without expectation of promotional marketing value.

Note: Sponsorship Marketing does not include building naming rights.

Corporate Sponsors Currently at UW *(non-athletic)*



Recommended Strategies

Approved by President Young

1. Organize current sponsorship marketing activity.
2. Explore small number of major integrated sponsorship marketing partnerships.

Strategic Priorities

- Better manage current sponsorship activity
- Generate revenue
- Align with world-class companies whose values match the UW
- Deliver great value for the UW community - especially students
- Operate with transparency, equity, flexibility, innovation
- Support units with specialized sponsorship expertise

Sponsorship Office

Hire permanent sponsorship marketing team and build infrastructure as needed

- Report into External Affairs University Marketing group
- Director, Manager and Coordinator/Admin as needed
- To be funded by allocation of sponsorship activities
- Organize Taskforce and lead Advisory Committee
- Implement operational plan and create coordinated campus packages in targeted areas
- Longer term develop additional collaborative sponsorship opportunities

Current Activities

Asset Distribution and Ownership Principles approved by President and Provost

Sponsorship Advisory Committee

Primary role: create policy guideline recommendations for sponsorship marketing at the UW.

Status: Meetings over the next year (on-going)

Sponsorship Task Force

Primary role: Provide leadership in securing the first three key cross campus partnerships in the categories of non-alcoholic beverages, coffee and tea, and technology.

Status: Meetings over the next 6-12 months

Questions?

For more information contact:

Randy Hodgins
Vice President, External Affairs
rhodgins@uw.edu

Key Nuttall
Assistant Vice President, University Marketing
keyn@uw.edu

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Report of Contributions – February and March 2012

For information only.

Attachments

UW Foundation Report of Contributions for February 2012

UW Foundation Report of Contributions for March 2012

Report of Contributions

All Areas | February 2012

ATTACHMENT 1

ANNUAL PROGRESS BY CONSTITUENCY

School	Current Month				Year to Date			
	Gifts	Private Grants	Total	Donors ¹	Gifts	Private Grants	Total	Donors
UW Medicine	\$1,244,585	\$2,745,563	\$3,990,148	2,022	\$18,614,314	\$70,551,951	\$89,166,265	11,918
Arts and Sciences	\$555,986	\$199,158	\$755,144	1,092	\$9,873,758	\$7,222,631	\$17,096,389	9,886
Broadcast Services	\$240,935		\$240,935	721	\$6,411,505		\$6,411,505	11,203
Built Environments	\$26,642		\$26,642	71	\$1,007,890	\$5,000	\$1,012,890	757
Business School	\$484,084		\$484,084	220	\$15,437,902		\$15,437,902	3,340
Dentistry	\$72,987	\$34,337	\$107,324	97	\$1,221,203	\$55,404	\$1,276,608	1,091
Education	\$53,472	\$83,853	\$137,325	200	\$780,278	\$4,675,113	\$5,455,391	1,068
Engineering	\$596,574	\$1,850,788	\$2,447,361	208	\$8,162,117	\$6,483,984	\$14,646,101	3,530
Environment	\$69,206	\$467,866	\$537,072	344	\$3,122,559	\$4,237,799	\$7,360,357	1,928
Evans School of Public Affairs	\$31,422		\$31,422	80	\$196,213	\$474,196	\$670,409	365
Graduate School	\$50,675		\$50,675	19	\$971,747	\$859,273	\$1,831,020	224
Information School	\$119,470		\$119,470	51	\$305,791	\$182,676	\$488,467	725
Intercollegiate Athletics	\$657,872		\$657,872	433	\$20,093,666		\$20,093,666	5,948
Law	\$62,586	\$48,692	\$111,278	102	\$1,326,693	\$138,692	\$1,465,384	1,362
Libraries	\$63,637		\$63,637	679	\$874,495		\$874,495	3,228
Minority Affairs	\$31,712	\$18,400	\$50,112	130	\$908,067	\$18,400	\$926,467	585
Nursing	\$1,162,283	\$72,000	\$1,234,283	136	\$1,869,848	\$690,141	\$2,559,989	1,252
Pharmacy	\$36,078		\$36,078	140	\$833,413	\$8,840,634	\$9,674,047	1,112
President's Funds	\$21,733		\$21,733	214	\$535,841		\$535,841	1,025
Public Health	\$61,436	\$616,385	\$677,821	135	\$534,562	\$9,179,248	\$9,713,810	559
Social Work	\$168,727	\$238,492	\$407,219	136	\$1,677,213	\$842,632	\$2,519,845	603
Student Life	\$129,163		\$129,163	440	\$4,580,115		\$4,580,115	2,977
Undergraduate Academic Affairs	\$9,934	\$5,000	\$14,934	77	\$369,592	\$1,199,430	\$1,569,022	372
University Press	\$5,375		\$5,375	23	\$181,870		\$181,870	193
UW Alumni Association	\$55,078		\$55,078	1,290	\$632,334		\$632,334	11,094
UW Bothell	\$42,853	\$157,353	\$200,206	140	\$493,473	\$3,245,546	\$3,739,019	395
UW Tacoma	\$64,425		\$64,425	242	\$3,381,521	\$77,310	\$3,458,831	687
Other University Support	\$63,868	\$75,000	\$138,868	114	\$3,324,402	\$1,341,788	\$4,666,190	943
Total	\$6,182,798	\$6,612,887	\$12,795,685	8,836	\$107,722,383	\$120,321,847	\$228,044,230	68,638

MONTHLY HIGHLIGHTS

The UW received \$12.80M in total private voluntary support (\$6.18M in gifts and \$6.61M in grants) in the current month.

Areas including Broadcast Services, Business School, Education, Graduate School, Intercollegiate Athletics, Minority Affairs, Nursing, Pharmacy, Social Work, Student Life, UW Alumni Association and UW Bothell are ahead of last year's year-to-date totals.

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

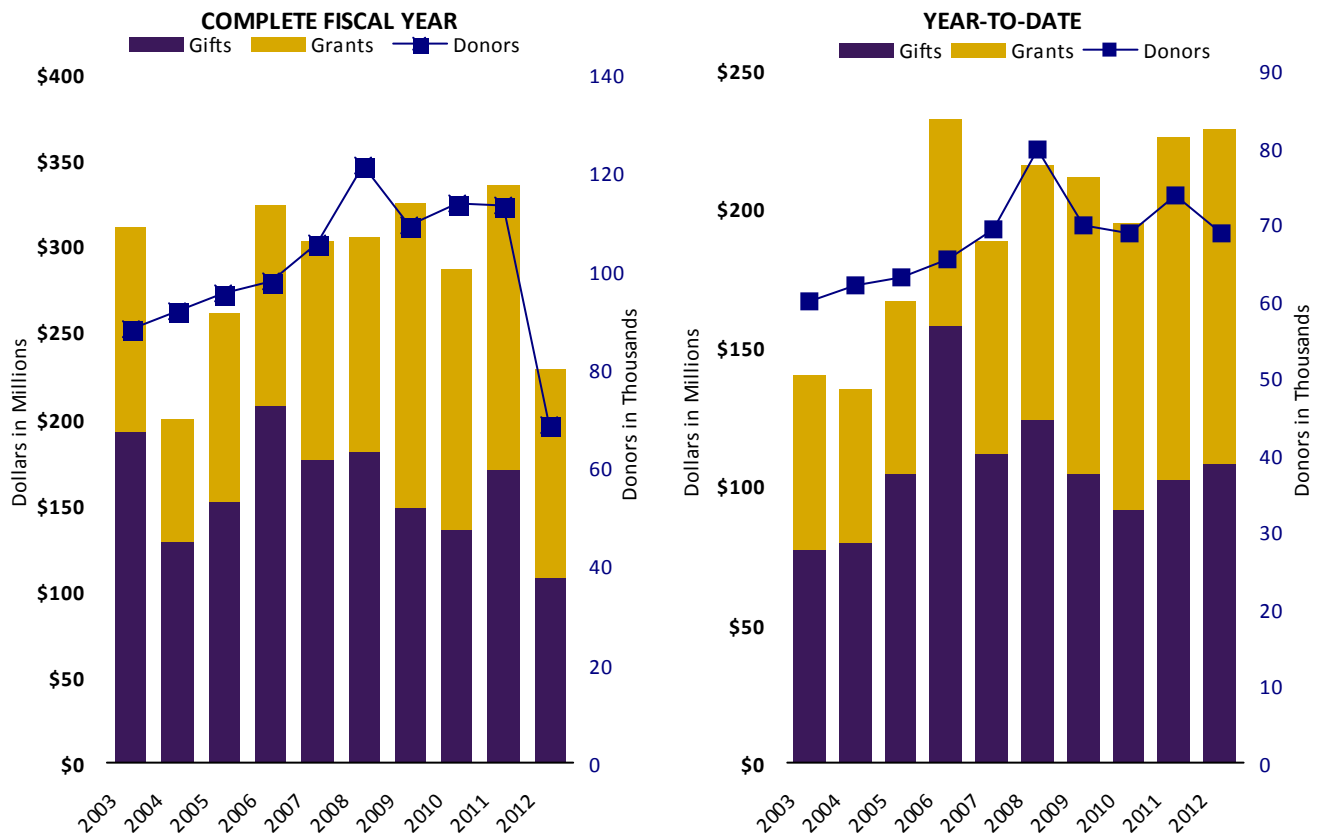
The donor total at the bottom of the chart is not a cumulative total of the rows above. The donor total is the number of unique donors who have been credited with a gift to the UW during the given time period.

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	\$3,990,148	2,022	\$89,166,265	11,918	\$96,166,214	12,467	\$127,994,691	15,832
Arts and Sciences	\$755,144	1,092	\$17,096,389	9,886	\$18,845,920	10,197	\$26,366,179	14,021
Broadcast Services	\$240,935	721	\$6,411,505	11,203	\$1,823,072	14,485	\$2,945,722	21,519
Built Environments	\$26,642	71	\$1,012,890	757	\$1,527,471	992	\$4,097,082	1,304
Business School	\$484,084	220	\$15,437,902	3,340	\$10,233,570	3,124	\$14,099,968	4,136
Dentistry	\$107,324	97	\$1,276,608	1,091	\$3,394,692	1,126	\$4,880,520	1,371
Education	\$137,325	200	\$5,455,391	1,068	\$3,517,810	829	\$4,453,458	1,322
Engineering	\$2,447,361	208	\$14,646,101	3,530	\$16,453,940	3,266	\$28,104,317	4,207
Environment	\$537,072	344	\$7,360,357	1,928	\$8,296,159	1,799	\$10,224,490	2,596
Evans School of Public Affairs	\$31,422	80	\$670,409	365	\$742,009	282	\$1,259,897	536
Graduate School	\$50,675	19	\$1,831,020	224	\$1,523,106	192	\$1,904,156	260
Information School	\$119,470	51	\$488,467	725	\$639,195	656	\$978,535	747
Intercollegiate Athletics	\$657,872	433	\$20,093,666	5,948	\$17,222,329	9,328	\$25,769,643	24,108
Law	\$111,278	102	\$1,465,384	1,362	\$3,553,797	1,190	\$3,954,968	1,671
Libraries	\$63,637	679	\$874,495	3,228	\$1,919,170	3,537	\$2,221,330	5,602
Minority Affairs	\$50,112	130	\$926,467	585	\$332,852	491	\$1,125,063	762
Nursing	\$1,234,283	136	\$2,559,989	1,252	\$1,370,138	1,179	\$2,572,650	1,476
Pharmacy	\$36,078	140	\$9,674,047	1,112	\$1,979,026	937	\$3,449,822	1,256
President's Funds	\$21,733	214	\$535,841	1,025	\$1,571,863	1,092	\$4,660,973	1,419
Public Health	\$677,821	135	\$9,713,810	559	\$18,330,774	559	\$20,982,432	728
Social Work	\$407,219	136	\$2,519,845	603	\$2,152,862	571	\$3,825,867	922
Student Life	\$129,163	440	\$4,580,115	2,977	\$3,113,046	1,815	\$24,665,211	3,351
Undergraduate Academic Affairs	\$14,934	77	\$1,569,022	372	\$1,840,202	314	\$2,135,761	545
University Press	\$5,375	23	\$181,870	193	\$1,459,250	188	\$1,525,915	215
UW Alumni Association	\$55,078	1,290	\$632,334	11,094	\$488,290	10,182	\$943,635	17,676
UW Bothell	\$200,206	140	\$3,739,019	395	\$1,212,539	318	\$1,890,127	753
UW Tacoma	\$64,425	242	\$3,458,831	687	\$3,862,299	533	\$5,207,539	798
Other University Support	\$138,868	114	\$4,666,190	943	\$2,149,425	1,687	\$2,397,723	2,095
Total¹	\$12,795,685	8,836	\$228,044,230	68,638	\$225,721,018	73,567	\$334,637,675	113,114

¹ 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
2011-2012	\$107,726,283	\$120,321,847	\$228,048,130	68,638	\$107,726,283	\$120,321,847	\$228,048,130	68,638
2010-2011	\$170,201,978	\$164,435,696	\$334,637,675	113,114	\$102,576,545	\$123,144,473	\$225,721,018	73,567
2009-2010	\$135,813,022	\$150,815,796	\$286,628,819	113,746	\$91,733,766	\$102,775,253	\$194,509,019	68,785
2008-2009	\$148,364,809	\$175,713,667	\$324,078,477	109,083	\$104,265,562	\$106,718,673	\$210,984,235	69,832
2007-2008	\$180,735,444	\$124,224,214	\$304,959,657	121,447	\$123,716,605	\$91,939,632	\$215,656,237	79,650
2006-2007	\$176,490,215	\$126,399,369	\$302,889,584	105,353	\$111,462,184	\$76,621,679	\$188,083,863	69,266
2005-2006	\$207,744,231	\$115,261,186	\$323,005,417	97,876	\$157,615,928	\$74,294,061	\$231,909,989	65,298
2004-2005	\$151,969,925	\$108,802,371	\$260,772,296	95,227	\$104,192,263	\$62,566,371	\$166,758,634	62,962
2003-2004	\$128,174,367	\$71,603,323	\$199,777,690	91,903	\$79,239,120	\$55,390,822	\$134,629,942	62,105
2002-2003	\$192,573,183	\$118,677,722	\$311,250,905	88,259	\$77,350,454	\$62,155,003	\$139,505,457	59,895

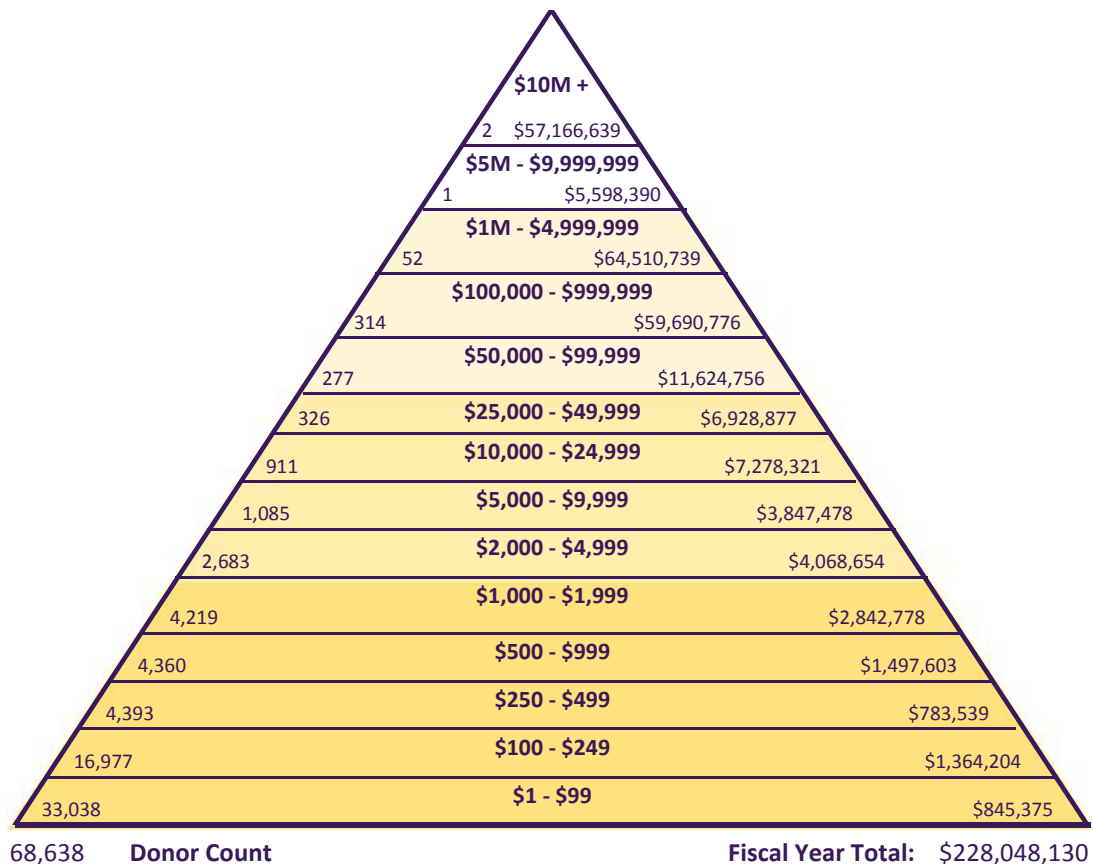
ANNUAL FUNDING THEME PROGRESS

Theme	Current Use	Year to Date	
		Endowment	Total
Student Support	\$6,549,094	\$14,475,211	\$21,024,305
Faculty Support	\$6,205,923	\$3,070,837	\$9,276,760
Program Support for Faculty and Students	\$157,446,114	\$8,165,811	\$165,611,925
Capital	\$14,625,177	\$1,335	\$14,626,512
Excellence Funds	\$16,237,758	\$1,270,871	\$17,508,629
Total	\$201,064,066	\$26,984,065	\$228,048,130

DEVELOPMENT ACTIVITY BY DONOR TYPE

Donor Type	Year to Date		Prior Year to Date		Prior Fiscal Year	
	Donors	Total	Donors ¹	Total	Donors	Total
Alumni	32,883	\$28,600,728	33,776	\$30,431,303	48,671	\$48,006,717
Corporations	1,837	\$34,141,416	1,677	\$33,062,512	2,568	\$48,099,904
Family Foundations	143	\$12,071,229	130	\$11,736,776	161	\$16,071,226
Foundations	318	\$76,732,486	337	\$75,710,252	446	\$97,547,429
Non-Alumni	33,056	\$22,883,808	37,229	\$18,574,991	60,669	\$49,015,743
Organizations	401	\$53,618,462	418	\$56,205,185	599	\$75,896,655
Total	68,638	\$228,048,130	73,567	\$225,721,018	113,114	\$334,637,675

DEVELOPMENT ACTIVITY PYRAMID



¹ 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.

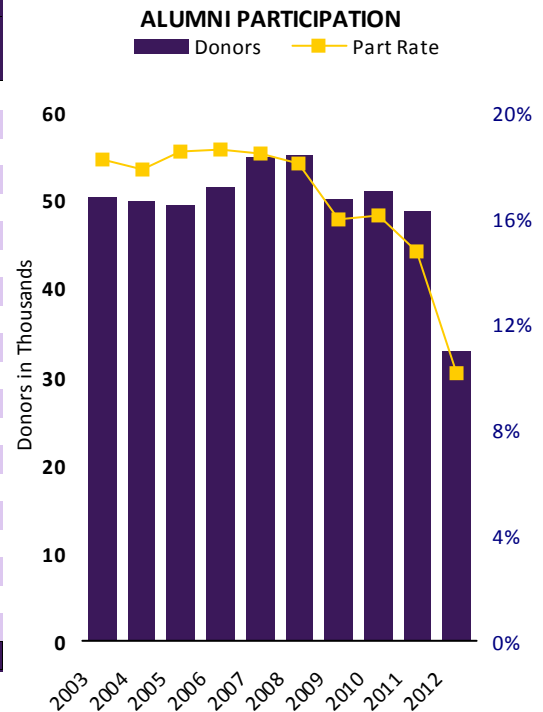
ANNUAL PROGRESS BY GIVING LEVEL

Giving Level	Alumni	Non Alumni	Family Fndns.	Corporations	Foundations	Other Orgs.	Total
\$10M +					\$38,884,128	\$18,282,511	\$57,166,639
\$5M - \$9,999,999						\$5,598,390	\$5,598,390
\$1M - \$4,999,999	\$6,470,559	\$4,328,620	\$7,128,193	\$15,472,491	\$19,258,126	\$11,852,749	\$64,510,739
\$100,000 - \$999,999	\$7,913,908	\$8,572,629	\$3,241,366	\$10,687,505	\$15,139,297	\$14,136,070	\$59,690,776
\$50,000 - \$99,999	\$2,437,206	\$2,227,060	\$752,124	\$2,759,793	\$1,779,531	\$1,669,043	\$11,624,756
\$25,000 - \$49,999	\$1,830,040	\$1,131,738	\$323,000	\$1,718,727	\$755,612	\$1,169,759	\$6,928,877
\$10,000 - \$24,999	\$2,308,598	\$1,791,186	\$399,658	\$1,709,376	\$593,422	\$476,082	\$7,278,321
\$5,000 - \$9,999	\$1,534,984	\$956,394	\$152,445	\$782,257	\$165,433	\$255,965	\$3,847,478
\$2,000 - \$4,999	\$2,061,940	\$1,174,224	\$55,945	\$558,432	\$102,284	\$115,829	\$4,068,654
\$1,000 - \$1,999	\$1,372,661	\$1,142,267	\$14,628	\$243,124	\$36,069	\$34,030	\$2,842,778
\$500 - \$999	\$801,963	\$549,617	\$3,300	\$117,481	\$11,131	\$14,112	\$1,497,603
\$250 - \$499	\$462,093	\$270,718	\$350	\$40,848	\$3,192	\$6,339	\$783,539
\$100 - \$249	\$858,929	\$453,664	\$150	\$41,400	\$3,799	\$6,262	\$1,364,204
\$1 - \$99	\$547,847	\$285,692	\$70	\$9,983	\$462	\$1,321	\$845,375
Total	\$28,600,728	\$22,883,808	\$12,071,229	\$34,141,416	\$76,732,486	\$53,618,462	\$228,048,130

Giving Level	Alumni	Non Alumni	Family Fndns.	Corporations	Foundations	Other Orgs.	Total
\$10M +					1	1	2
\$5M - \$9,999,999						1	1
\$1M - \$4,999,999	9	14	3	9	9	8	52
\$100,000 - \$999,999	66	86	14	53	52	43	314
\$50,000 - \$99,999	69	100	13	44	26	25	277
\$25,000 - \$49,999	105	95	11	56	24	35	326
\$10,000 - \$24,999	303	372	32	132	43	29	911
\$5,000 - \$9,999	424	425	25	143	27	41	1,085
\$2,000 - \$4,999	1,262	1,102	21	222	34	42	2,683
\$1,000 - \$1,999	1,863	2,061	14	219	33	29	4,219
\$500 - \$999	2,043	2,041	6	224	18	28	4,360
\$250 - \$499	2,136	2,070	1	152	12	22	4,393
\$100 - \$249	8,337	8,233	2	333	26	46	16,977
\$1 - \$99	16,266	16,457	1	250	13	51	33,038
Total	32,883	33,056	143	1,837	318	401	68,638

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	19,296	2,591	13.43%	1,772	9.18%
Arts and Sciences	148,325	13,542	9.13%	4,482	3.02%
Business School	38,811	4,700	12.11%	1,795	4.62%
Built Environments	8,372	886	10.58%	467	5.58%
Dentistry	4,598	799	17.38%	518	11.27%
Education	17,578	2,117	12.04%	475	2.70%
Engineering	33,380	3,438	10.30%	1,886	5.65%
Environment	11,457	1,136	9.92%	601	5.25%
Evans School of Public Affairs	2,773	415	14.97%	185	6.67%
Interdisc. Grad. Programs	2,239	234	10.45%		
Interschool Programs	2,406	350	14.55%		
Information School	4,882	806	16.51%	449	9.20%
Law	8,074	1,213	15.02%	756	9.36%
School of Nursing	8,737	1,289	14.75%	819	9.37%
Pharmacy	3,705	734	19.81%	636	17.17%
Public Health	4,728	517	10.93%	207	4.38%
Social Work	6,543	677	10.35%	398	6.08%
UW Bothell	8,323	517	6.21%	159	1.91%
UW Tacoma	9,481	487	5.14%	221	2.33%
Unspecified	9,066	907	10.00%		
ALL UW TOTAL	324,647	32,883	10.13%		



ALUMNI PARTICIPATION BY CONSTITUENCY (PREVIOUS FISCAL YEAR)

Area	Solicitable	To UW				To Unit			
		Year to Date		FY Total		Year to Date		FY Total	
		Donors ¹	Part Rate	Donors	Part Rate	Donors	Part Rate	Donors	PFY Final
UW Medicine	19,185	2,673	13.93%	3,576	18.64%	1,743	9.09%	2,273	11.85%
Arts and Sciences	151,787	13,796	9.09%	20,278	13.36%	4,195	2.76%	5,558	3.66%
Business School	39,725	4,916	12.38%	7,407	18.65%	1,766	4.45%	2,384	6.00%
Built Environments	8,496	939	11.05%	1,328	15.63%	401	4.72%	521	6.13%
Dentistry	4,650	824	17.72%	1,116	24.00%	484	10.41%	601	12.92%
Education	18,092	2,204	12.18%	3,180	17.58%	393	2.17%	542	3.00%
Engineering	33,868	3,452	10.19%	4,885	14.42%	1,738	5.13%	2,235	6.60%
Environment	11,635	1,133	9.74%	1,711	14.71%	483	4.15%	746	6.41%
Evans School of Public Affairs	2,747	360	13.11%	561	20.42%	118	4.30%	193	7.03%
Interdisc. Grad. Programs	2,200	218	9.91%	323	14.68%				
Interdisc. Undergrad. Programs									
Interschool Programs	2,459	365	14.84%	503	20.46%				
Information School	4,950	786	15.88%	981	19.82%	402	8.12%	464	9.37%
Law	8,186	1,166	14.24%	1,701	20.78%	651	7.95%	891	10.88%
School of Nursing	8,909	1,280	14.37%	1,709	19.18%	687	7.71%	883	9.91%
Pharmacy	3,690	684	18.54%	947	25.66%	540	14.63%	689	18.67%
Public Health	4,683	533	11.38%	736	15.72%	171	3.65%	234	5.00%
Social Work	6,753	686	10.16%	971	14.38%	337	4.99%	465	6.89%
UW Bothell	8,069	464	5.75%	803	9.95%	103	1.28%	271	3.36%
UW Tacoma	9,452	458	4.85%	772	8.17%	193	2.04%	373	3.95%
Unspecified	9,472	977	10.31%	1,540	16.26%				
ALL UW TOTAL	330,521	33,422	10.11%	48,671	14.73%				

¹ 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 ¹	Donors	Members	Non Members
UW Medicine	19,296	1,836	719	39.16%	9.47%
Arts and Sciences	148,325	18,242	4,635	25.41%	4.66%
Business School	38,811	7,038	2,081	29.57%	5.61%
Built Environments	8,372	1,079	294	27.25%	5.73%
Dentistry	4,598	975	340	34.87%	9.99%
Education	17,578	2,781	810	29.13%	6.10%
Engineering	33,380	4,380	1,215	27.74%	5.86%
Environment	11,457	1,403	355	25.30%	5.66%
Evans School of Public Affairs	2,773	322	111	34.47%	8.94%
Interdisc. Grad. Programs	2,239	211	59	27.96%	6.02%
Interdisc. Undergrad. Progra					
Interscholar Programs	2,406	532	157	29.51%	6.83%
Information School	4,882	751	244	32.49%	11.09%
Law	8,074	1,037	421	40.60%	9.59%
School of Nursing	8,737	1,287	444	34.50%	9.22%
Pharmacy	3,705	622	291	46.78%	12.88%
Public Health	4,728	390	127	32.56%	7.12%
Social Work	6,543	568	158	27.82%	7.20%
UW Bothell	8,323	705	104	14.75%	2.86%
UW Tacoma	9,481	605	94	15.54%	2.39%
Unspecified	9,066	1,818	457	25.14%	3.41%
Non-Alumni		7,795	3,783	48.53%	
Total	324,647	52,307	15,435	29.51%	

Alumni Activity

1 in 3 registrants at 2011 UW events were UWAA members
1 in 2 registrants at 2011 UW events were UW donors
7 in 10 registrants at 2011 UW events were Solicitable Alumni
1 in 50 UWAA members attended a 2011 UW event
1 in 3 2010-2011 Football/Basketball season ticket holders were UWAA members
3 in 5 UWAA members were 2010-2011 Football/Basketball season ticket holders

Top 10 Membership by Class Year

Class Year	Part. Rate	Class Year	Population
1955	22.54%	2011	1,605
1953	21.84%	1971	1,112
1954	21.45%	1973	1,077
1959	21.22%	1974	1,052
1946	21.00%	1970	1,033
1956	20.76%	1976	1,018
1958	20.17%	1972	1,016
1957	20.12%	1975	995
1950	20.06%	1977	947
1944	20.04%	1968	894

Activity Participation - Rolling 3 Year Total ³

School ²	Participants	Part. Donors	% Donors	Alum Non-Part.	Alum Non-Par Donor	% Non-Part Donor
Intercollegiate Athletics	2,282	2,234	97.90%			
UW Medicine	4,756	3,411	71.72%	21,118	3,180	15.06%
Arts and Sciences	17,427	3,583	20.56%	138,515	7,848	5.67%
Built Environments	1,860	737	39.62%	7,338	689	9.39%
Business School	7,466	1,974	26.44%	33,852	3,015	8.91%
Dentistry	2,053	822	40.04%	2,880	409	14.20%
Education	2,202	433	19.66%	16,417	889	5.42%
Engineering	3,588	1,091	30.41%	31,514	3,131	9.94%
Environment	1,618	698	43.14%	10,850	1,009	9.30%
Evans School of Public Affairs	996	346	34.74%	2,140	261	12.20%
Graduate School	412	159	38.59%	2,169	4	0.18%
Information School	834	271	32.49%	4,513	653	14.47%
Law	2,318	912	39.34%	6,467	999	15.45%
Libraries	1,365	1,321	96.78%			
Nursing	1,094	428	39.12%	8,233	1,310	15.91%
Pharmacy	454	271	59.69%	3,526	941	26.69%
Public Health	736	238	32.34%	4,052	371	9.16%
Social Work	944	309	32.73%	6,126	645	10.53%
UW Bothell	960	269	28.02%	8,490	673	7.93%
UW Tacoma	726	272	37.47%	9,903	820	8.28%

¹ Members include paid Annual Members, Lifetime Members, and TPC Level Donors

² 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.

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

Source: University of Washington Alumni Association



Report of Contributions

All Areas | March 2012

ANNUAL PROGRESS BY CONSTITUENCY

School	Current Month				Year to Date			
	Gifts	Private Grants	Total	Donors ¹	Gifts	Private Grants	Total	Donors
UW Medicine	\$3,454,660	\$3,426,182	\$6,880,842	2,527	\$22,060,154	\$73,978,133	\$96,038,287	12,981
Arts and Sciences	\$452,532	\$217,619	\$670,151	1,036	\$10,847,490	\$7,515,250	\$18,362,740	10,486
Broadcast Services	\$104,600		\$104,600	500	\$6,516,154		\$6,516,154	11,291
Built Environments	\$73,492		\$73,492	60	\$1,083,381	\$5,000	\$1,088,381	807
Business School	\$2,801,477		\$2,801,477	416	\$18,257,906		\$18,257,906	3,685
Dentistry	\$122,981		\$122,981	95	\$1,344,185	\$55,404	\$1,399,589	1,136
Education	\$97,896	\$20,000	\$117,896	147	\$868,174	\$4,695,113	\$5,563,287	1,160
Engineering	\$1,940,669	\$924,178	\$2,864,847	243	\$10,102,982	\$7,408,162	\$17,511,144	3,649
Environment	\$257,398	\$225,410	\$482,808	277	\$3,379,956	\$4,463,209	\$7,843,165	2,104
Evans School of Public Affairs	\$3,743		\$3,743	49	\$199,957	\$474,196	\$674,153	399
Graduate School	\$1,857		\$1,857	17	\$973,604	\$859,273	\$1,832,877	231
Information School	\$11,152		\$11,152	67	\$316,943	\$182,676	\$499,619	767
Intercollegiate Athletics	\$3,770,262		\$3,770,262	3,341	\$23,858,779		\$23,858,779	8,033
Law	\$113,223		\$113,223	94	\$1,439,916	\$138,692	\$1,578,607	1,435
Libraries	\$132,190		\$132,190	791	\$1,006,806		\$1,006,806	3,976
Minority Affairs	\$28,667		\$28,667	129	\$936,734	\$18,400	\$955,134	615
Nursing	\$30,941		\$30,941	132	\$1,900,789	\$690,141	\$2,590,930	1,335
Pharmacy	\$22,294		\$22,294	92	\$855,407	\$8,840,634	\$9,696,041	1,162
President's Funds	\$29,151		\$29,151	134	\$544,165		\$544,165	1,104
Public Health	\$21,516	\$245,197	\$266,714	144	\$556,128	\$9,424,445	\$9,980,573	640
Social Work	\$83,107	\$12,783	\$95,890	318	\$1,760,321	\$855,415	\$2,615,736	835
Student Life	\$921,280		\$921,280	313	\$5,501,395		\$5,501,395	3,232
Undergraduate Academic Affairs	\$12,148		\$12,148	89	\$381,740	\$1,199,430	\$1,581,170	444
University Press	\$8,100		\$8,100	7	\$189,970		\$189,970	200
UW Alumni Association	\$89,868		\$89,868	1,823	\$721,922		\$721,922	12,809
UW Bothell	\$19,914		\$19,914	103	\$513,387	\$3,245,546	\$3,758,933	450
UW Tacoma	\$79,722		\$79,722	143	\$3,461,243	\$77,310	\$3,538,553	744
Other University Support	\$15,929	\$53,260	\$69,189	210	\$3,340,331	\$1,320,048	\$4,660,379	1,112
Total	\$14,700,770	\$5,124,629	\$19,825,399	12,576	\$122,919,918	\$125,446,476	\$248,366,395	75,448

MONTHLY HIGHLIGHTS

The UW received \$19.83M in total private voluntary support (\$14.70M in gifts and \$5.12M in grants) in the current month.

Areas including Broadcast Services, Business School, Education, Engineering, Graduate School, Intercollegiate Athletics, Minority Affairs, Nursing, Pharmacy, Social Work, Student Life, UW Alumni Association and UW Bothell are ahead of last year's year-to-date totals.

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

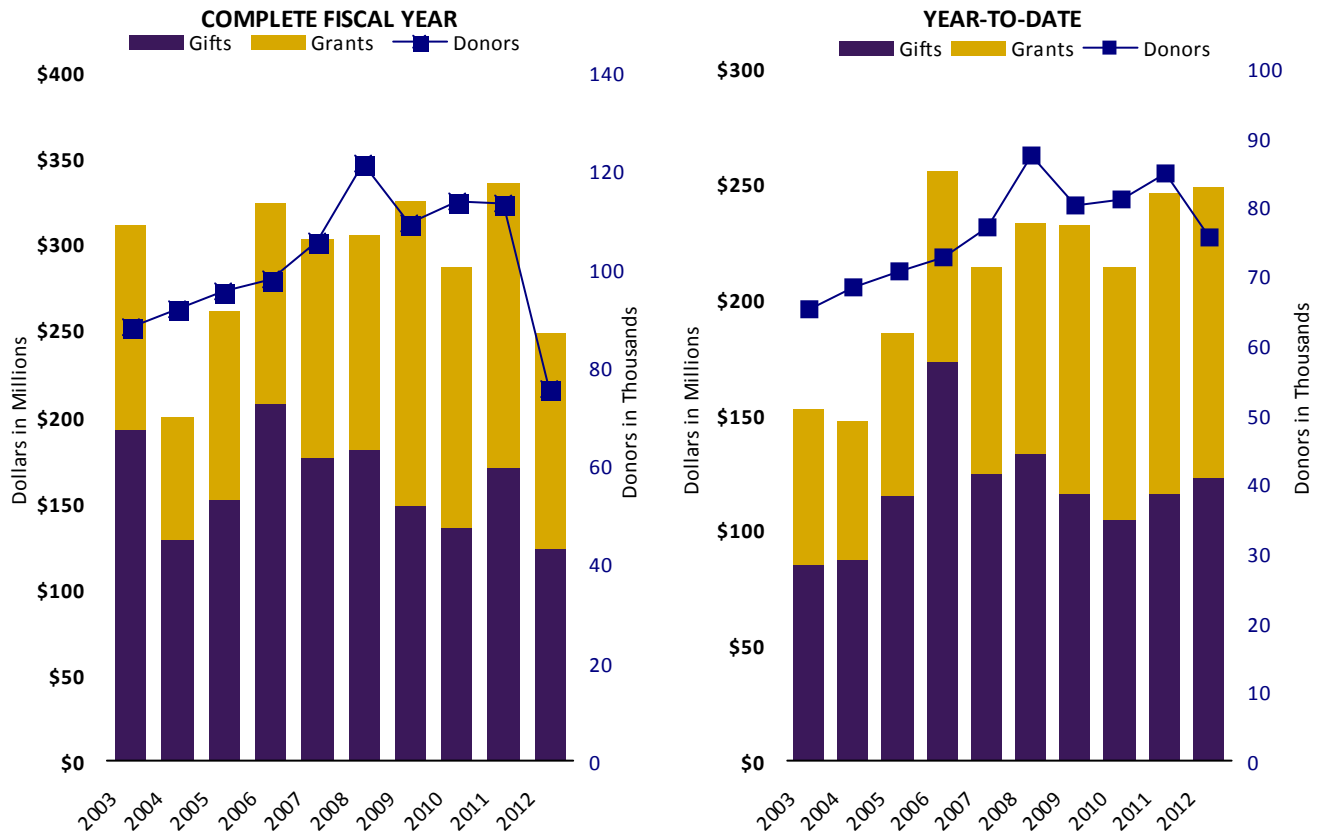
The donor total at the bottom of the chart is not a cumulative total of the rows above. The donor total is the number of unique donors who have been credited with a gift to the UW during the given time period.

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	\$6,880,842	2,527	\$96,038,287	12,981	\$101,408,957	13,674	\$127,994,691	15,832
Arts and Sciences	\$670,151	1,036	\$18,362,740	10,486	\$20,415,366	11,107	\$26,366,179	14,021
Broadcast Services	\$104,600	500	\$6,516,154	11,291	\$2,449,821	17,638	\$2,945,722	21,519
Built Environments	\$73,492	60	\$1,088,381	807	\$2,750,902	1,057	\$4,097,082	1,304
Business School	\$2,801,477	416	\$18,257,906	3,685	\$10,653,121	3,396	\$14,099,968	4,136
Dentistry	\$122,981	95	\$1,399,589	1,136	\$4,513,278	1,183	\$4,880,520	1,371
Education	\$117,896	147	\$5,563,287	1,160	\$3,570,023	914	\$4,453,458	1,322
Engineering	\$2,864,847	243	\$17,511,144	3,649	\$17,387,183	3,514	\$28,104,317	4,207
Environment	\$482,808	277	\$7,843,165	2,104	\$8,558,317	2,069	\$10,224,490	2,596
Evans School of Public Affairs	\$3,743	49	\$674,153	399	\$837,976	346	\$1,259,897	536
Graduate School	\$1,857	17	\$1,832,877	231	\$1,536,240	205	\$1,904,156	260
Information School	\$11,152	67	\$499,619	767	\$658,681	690	\$978,535	747
Intercollegiate Athletics	\$3,770,262	3,341	\$23,858,779	8,033	\$19,066,727	11,971	\$25,769,643	24,108
Law	\$113,223	94	\$1,578,607	1,435	\$3,626,453	1,320	\$3,954,968	1,671
Libraries	\$132,190	791	\$1,006,806	3,976	\$2,131,492	4,753	\$2,221,330	5,602
Minority Affairs	\$28,667	129	\$955,134	615	\$353,711	525	\$1,125,063	762
Nursing	\$30,941	132	\$2,590,930	1,335	\$1,421,779	1,288	\$2,572,650	1,476
Pharmacy	\$22,294	92	\$9,696,041	1,162	\$2,311,189	1,033	\$3,449,822	1,256
President's Funds	\$29,151	134	\$544,165	1,104	\$4,565,208	1,194	\$4,660,973	1,419
Public Health	\$266,714	144	\$9,980,573	640	\$18,766,043	611	\$20,982,432	728
Social Work	\$95,890	318	\$2,615,736	835	\$2,503,403	802	\$3,825,867	922
Student Life	\$921,280	313	\$5,501,395	3,232	\$4,117,027	2,076	\$24,665,211	3,351
Undergraduate Academic Affairs	\$12,148	89	\$1,581,170	444	\$1,854,994	395	\$2,135,761	545
University Press	\$8,100	7	\$189,970	200	\$1,467,200	196	\$1,525,915	215
UW Alumni Association	\$89,868	1,823	\$721,922	12,809	\$558,843	11,485	\$943,635	17,676
UW Bothell	\$19,914	103	\$3,758,933	450	\$1,645,830	469	\$1,890,127	753
UW Tacoma	\$79,722	143	\$3,538,553	744	\$4,019,862	610	\$5,207,539	798
Other University Support	\$69,189	210	\$4,660,379	1,112	\$2,183,501	1,747	\$2,397,723	2,095
Total¹	\$19,825,399	12,576	\$248,366,395	75,448	\$245,333,127	84,726	\$334,637,675	113,114

¹ 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
2011-2012	\$122,919,918	\$125,446,476	\$248,366,395	75,448	\$122,919,918	\$125,446,476	\$248,366,395	75,448
2010-2011	\$170,201,978	\$164,435,696	\$334,637,675	113,114	\$116,012,269	\$129,320,858	\$245,333,127	84,726
2009-2010	\$135,813,022	\$150,815,796	\$286,628,819	113,746	\$105,043,051	\$108,341,354	\$213,384,405	81,006
2008-2009	\$148,364,809	\$175,713,667	\$324,078,477	109,083	\$116,100,795	\$115,613,536	\$231,714,331	80,180
2007-2008	\$180,735,444	\$124,224,214	\$304,959,657	121,447	\$132,985,022	\$99,910,341	\$232,895,363	87,433
2006-2007	\$176,490,215	\$126,399,369	\$302,889,584	105,353	\$124,552,021	\$89,059,944	\$213,611,965	76,956
2005-2006	\$207,744,231	\$115,261,186	\$323,005,417	97,876	\$172,770,589	\$81,941,825	\$254,712,414	72,765
2004-2005	\$151,969,925	\$108,802,371	\$260,772,296	95,227	\$115,356,793	\$69,335,008	\$184,691,801	70,733
2003-2004	\$128,174,367	\$71,603,323	\$199,777,690	91,903	\$86,890,630	\$59,858,287	\$146,748,917	68,371
2002-2003	\$192,573,183	\$118,677,722	\$311,250,905	88,259	\$84,999,647	\$67,468,488	\$152,468,135	65,044

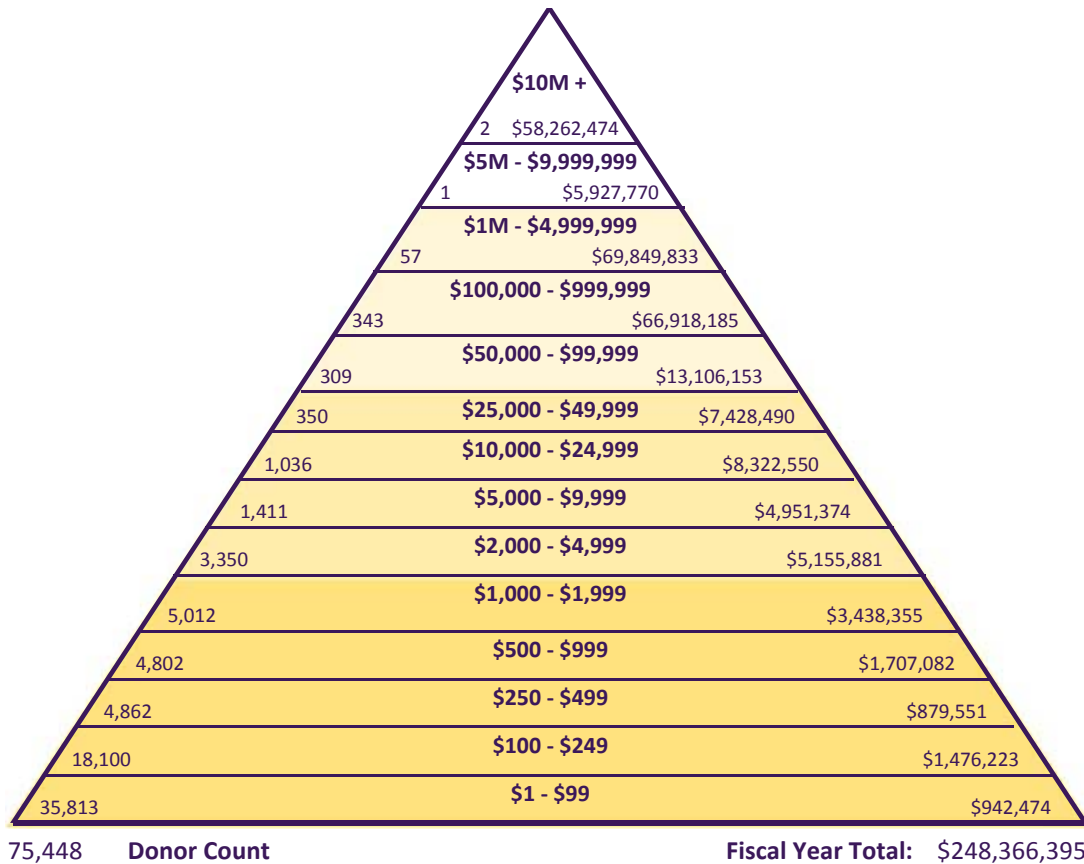
ANNUAL FUNDING THEME PROGRESS

Theme	Current Use	Year to Date	
		Endowment	Total
Student Support	\$7,631,634	\$15,438,378	\$23,070,012
Faculty Support	\$7,456,469	\$3,089,759	\$10,546,228
Program Support for Faculty and Students	\$164,641,382	\$8,833,481	\$173,474,863
Capital	\$18,323,919	\$1,385	\$18,325,304
Excellence Funds	\$20,896,998	\$2,052,990	\$22,949,988
Total	\$218,950,402	\$29,415,993	\$248,366,395

DEVELOPMENT ACTIVITY BY DONOR TYPE

Donor Type	Year to Date		Prior Year to Date		Prior Fiscal Year	
	Donors	Total	Donors ¹	Total	Donors	Total
Alumni	35,842	\$35,032,203	37,622	\$36,220,404	48,671	\$48,006,717
Corporations	2,057	\$38,631,666	1,951	\$35,701,038	2,568	\$48,099,904
Family Foundations	151	\$12,321,346	145	\$12,693,370	161	\$16,071,226
Foundations	334	\$78,475,154	365	\$77,112,824	446	\$97,547,429
Non-Alumni	36,623	\$27,531,035	44,178	\$21,869,623	60,669	\$49,015,743
Organizations	441	\$56,374,991	465	\$61,735,869	599	\$75,896,655
Total	75,448	\$248,366,395	84,726	\$245,333,127	113,114	\$334,637,675

DEVELOPMENT ACTIVITY PYRAMID



¹ 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.

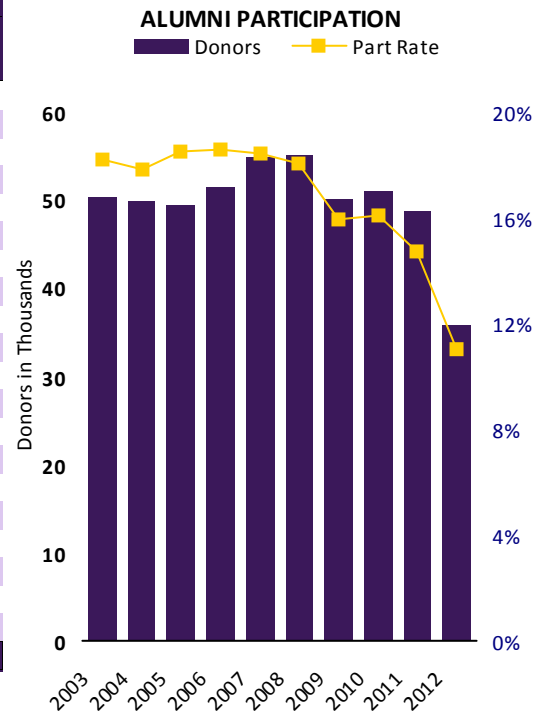
ANNUAL PROGRESS BY GIVING LEVEL

Giving Level	Alumni	Non Alumni	Family Fndns.	Corporations	Foundations	Other Orgs.	Total
\$10M +					\$38,920,588	\$19,341,886	\$58,262,474
\$5M - \$9,999,999						\$5,927,770	\$5,927,770
\$1M - \$4,999,999	\$9,709,079	\$5,316,845	\$7,128,193	\$16,109,557	\$19,622,420	\$11,963,738	\$69,849,833
\$100,000 - \$999,999	\$8,545,348	\$10,317,502	\$3,276,366	\$13,282,732	\$16,209,719	\$15,286,517	\$66,918,185
\$50,000 - \$99,999	\$2,796,869	\$2,625,869	\$965,124	\$3,177,741	\$1,963,098	\$1,577,452	\$13,106,153
\$25,000 - \$49,999	\$1,932,454	\$1,168,204	\$304,000	\$1,967,843	\$766,445	\$1,289,544	\$7,428,490
\$10,000 - \$24,999	\$2,721,844	\$2,050,720	\$399,658	\$1,986,449	\$627,113	\$536,765	\$8,322,550
\$5,000 - \$9,999	\$2,042,692	\$1,337,464	\$168,445	\$924,254	\$218,598	\$259,921	\$4,951,374
\$2,000 - \$4,999	\$2,686,133	\$1,526,356	\$58,360	\$679,896	\$88,231	\$116,904	\$5,155,881
\$1,000 - \$1,999	\$1,669,001	\$1,393,915	\$15,628	\$277,964	\$39,161	\$42,686	\$3,438,355
\$500 - \$999	\$905,151	\$644,746	\$5,001	\$124,164	\$12,111	\$15,909	\$1,707,082
\$250 - \$499	\$512,030	\$311,858	\$350	\$44,719	\$3,790	\$6,805	\$879,551
\$100 - \$249	\$909,707	\$509,714	\$150	\$45,454	\$3,467	\$7,730	\$1,476,223
\$1 - \$99	\$601,895	\$327,841	\$70	\$10,892	\$412	\$1,364	\$942,474
Total	\$35,032,203	\$27,531,035	\$12,321,346	\$38,631,666	\$78,475,154	\$56,374,991	\$248,366,395

Giving Level	Alumni	Non Alumni	Family Fndns.	Corporations	Foundations	Other Orgs.	Total
\$10M +					1	1	2
\$5M - \$9,999,999						1	1
\$1M - \$4,999,999	13	15	3	9	9	8	57
\$100,000 - \$999,999	74	93	14	61	55	46	343
\$50,000 - \$99,999	76	113	16	51	29	24	309
\$25,000 - \$49,999	111	103	10	64	24	38	350
\$10,000 - \$24,999	354	419	32	151	46	34	1,036
\$5,000 - \$9,999	554	583	27	170	34	43	1,411
\$2,000 - \$4,999	1,594	1,397	22	264	31	42	3,350
\$1,000 - \$1,999	2,222	2,455	15	249	35	36	5,012
\$500 - \$999	2,220	2,291	8	233	19	31	4,802
\$250 - \$499	2,341	2,318	1	164	14	24	4,862
\$100 - \$249	8,752	8,893	2	368	25	60	18,100
\$1 - \$99	17,531	17,943	1	273	12	53	35,813
Total	35,842	36,623	151	2,057	334	441	75,448

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	19,296	2,807	14.55%	1,864	9.66%
Arts and Sciences	148,325	14,671	9.89%	4,534	3.06%
Business School	38,811	5,201	13.40%	1,860	4.79%
Built Environments	8,372	959	11.45%	450	5.38%
Dentistry	4,598	872	18.96%	528	11.48%
Education	17,578	2,326	13.23%	493	2.80%
Engineering	33,380	3,654	10.95%	1,917	5.74%
Environment	11,457	1,264	11.03%	641	5.59%
Evans School of Public Affairs	2,773	456	16.44%	195	7.03%
Interdisc. Grad. Programs	2,239	254	11.34%		
Interschool Programs	2,406	383	15.92%		
Information School	4,882	867	17.76%	471	9.65%
Law	8,074	1,308	16.20%	766	9.49%
School of Nursing	8,737	1,374	15.73%	793	9.08%
Pharmacy	3,705	776	20.94%	653	17.62%
Public Health	4,728	587	12.42%	232	4.91%
Social Work	6,543	770	11.77%	414	6.33%
UW Bothell	8,323	579	6.96%	175	2.10%
UW Tacoma	9,481	541	5.71%	241	2.54%
Unspecified	9,066	1,074	11.85%		
ALL UW TOTAL	324,647	35,842	11.04%		



ALUMNI PARTICIPATION BY CONSTITUENCY (PREVIOUS FISCAL YEAR)

Area	Solicitable	To UW				To Unit			
		Year to Date		FY Total		Year to Date		FY Total	
		Donors ¹	Part Rate	Donors	Part Rate	Donors	Part Rate	Donors	PFY Final
UW Medicine	19,185	2,876	14.99%	3,576	18.64%	1,857	9.68%	2,273	11.85%
Arts and Sciences	151,787	15,261	10.05%	20,278	13.36%	4,518	2.98%	5,558	3.66%
Business School	39,725	5,551	13.97%	7,407	18.65%	1,866	4.70%	2,384	6.00%
Built Environments	8,496	1,033	12.16%	1,328	15.63%	429	5.05%	521	6.13%
Dentistry	4,650	905	19.46%	1,116	24.00%	506	10.88%	601	12.92%
Education	18,092	2,420	13.38%	3,180	17.58%	445	2.46%	542	3.00%
Engineering	33,868	3,744	11.05%	4,885	14.42%	1,822	5.38%	2,235	6.60%
Environment	11,635	1,313	11.28%	1,711	14.71%	611	5.25%	746	6.41%
Evans School of Public Affairs	2,747	413	15.03%	561	20.42%	140	5.10%	193	7.03%
Interdisc. Grad. Programs	2,200	247	11.23%	323	14.68%				
Interdisc. Undergrad. Programs									
Interschool Programs	2,459	383	15.58%	503	20.46%				
Information School	4,950	836	16.89%	981	19.82%	425	8.59%	464	9.37%
Law	8,186	1,311	16.02%	1,701	20.78%	726	8.87%	891	10.88%
School of Nursing	8,909	1,392	15.62%	1,709	19.18%	761	8.54%	883	9.91%
Pharmacy	3,690	757	20.51%	947	25.66%	598	16.21%	689	18.67%
Public Health	4,683	586	12.51%	736	15.72%	197	4.21%	234	5.00%
Social Work	6,753	798	11.82%	971	14.38%	414	6.13%	465	6.89%
UW Bothell	8,069	522	6.47%	803	9.95%	135	1.67%	271	3.36%
UW Tacoma	9,452	529	5.60%	772	8.17%	245	2.59%	373	3.95%
Unspecified	9,472	1,118	11.80%	1,540	16.26%				
ALL UW TOTAL	330,521	37,052	11.21%	48,671	14.73%				

¹ 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 ¹	Donors	Members	Non Members
UW Medicine	19,296	1,849	788	42.62%	10.07%
Arts and Sciences	148,325	18,362	5,040	27.45%	4.95%
Business School	38,811	7,088	2,309	32.58%	6.10%
Built Environments	8,372	1,086	307	28.27%	6.24%
Dentistry	4,598	979	382	39.02%	10.31%
Education	17,578	2,799	880	31.44%	6.70%
Engineering	33,380	4,404	1,280	29.06%	6.13%
Environment	11,457	1,407	378	26.87%	6.49%
Evans School of Public Affairs	2,773	325	116	35.69%	10.05%
Interdisc. Grad. Programs	2,239	213	61	28.64%	6.86%
Interdisc. Undergrad. Progra					
Interscholar Programs	2,406	538	176	32.71%	7.17%
Information School	4,882	755	264	34.97%	11.63%
Law	8,074	1,054	453	42.98%	10.13%
School of Nursing	8,737	1,290	466	36.12%	9.88%
Pharmacy	3,705	631	304	48.18%	13.73%
Public Health	4,728	395	134	33.92%	8.31%
Social Work	6,543	568	168	29.58%	8.40%
UW Bothell	8,323	711	111	15.61%	3.24%
UW Tacoma	9,481	615	105	17.07%	2.61%
Unspecified	9,066	1,826	553	30.28%	4.03%
Non-Alumni		8,022	4,427	55.19%	
Total	324,647	52,855	17,094	32.34%	

Alumni Activity

1 in 3 registrants at 2011 UW events were UWAA members
1 in 2 registrants at 2011 UW events were UW donors
7 in 10 registrants at 2011 UW events were Solicitable Alumni
1 in 50 UWAA members attended a 2011 UW event
1 in 3 2010-2011 Football/Basketball season ticket holders were UWAA members
3 in 5 UWAA members were 2010-2011 Football/Basketball season ticket holders

Top 10 Membership by Class Year

Class Year	Part. Rate	Class Year	Population
1955	22.68%	2011	1,621
1953	21.93%	1971	1,120
1954	21.50%	1973	1,082
1959	21.28%	1974	1,053
1946	20.90%	1970	1,046
1956	20.84%	1972	1,027
1957	20.20%	1976	1,023
1958	20.17%	1975	1,008
1950	20.13%	1977	952
1944	20.04%	1968	907

Activity Participation - Rolling 3 Year Total ³

School ²	Participants	Part. Donors	% Donors	Alum Non-Part.	Alum Non-Par Donor	% Non-Part Donor
Intercollegiate Athletics	2,609	2,558	98.05%			
UW Medicine	4,799	3,439	71.66%	21,238	3,203	15.08%
Arts and Sciences	17,592	3,618	20.57%	140,363	7,880	5.61%
Built Environments	1,870	744	39.79%	7,398	689	9.31%
Business School	7,508	1,998	26.61%	34,155	3,042	8.91%
Dentistry	2,059	825	40.07%	2,890	408	14.12%
Education	2,220	438	19.73%	16,540	894	5.41%
Engineering	3,609	1,095	30.34%	31,789	3,137	9.87%
Environment	1,627	699	42.96%	10,943	1,023	9.35%
Evans School of Public Affairs	999	346	34.63%	2,196	265	12.07%
Graduate School	417	160	38.37%	2,177	4	0.18%
Information School	841	277	32.94%	4,554	659	14.47%
Law	2,323	917	39.47%	6,496	999	15.38%
Libraries	1,388	1,346	96.97%			
Nursing	1,097	429	39.11%	8,313	1,313	15.79%
Pharmacy	457	275	60.18%	3,574	943	26.39%
Public Health	752	250	33.24%	4,104	382	9.31%
Social Work	963	326	33.85%	6,187	653	10.55%
UW Bothell	967	276	28.54%	8,694	679	7.81%
UW Tacoma	736	278	37.77%	10,159	827	8.14%

¹ Members include paid Annual Members, Lifetime Members, and TPC Level Donors

² 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.

³ 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 – January and February 2012

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.

Attachments

Grant and Contract Awards Summary for January 2012

Grant and Contract Awards Summary for February 2012

Grant and Contract Awards Summary

to

The Board of Regents

of the

University of Washington

for

January 2012

Office of Research

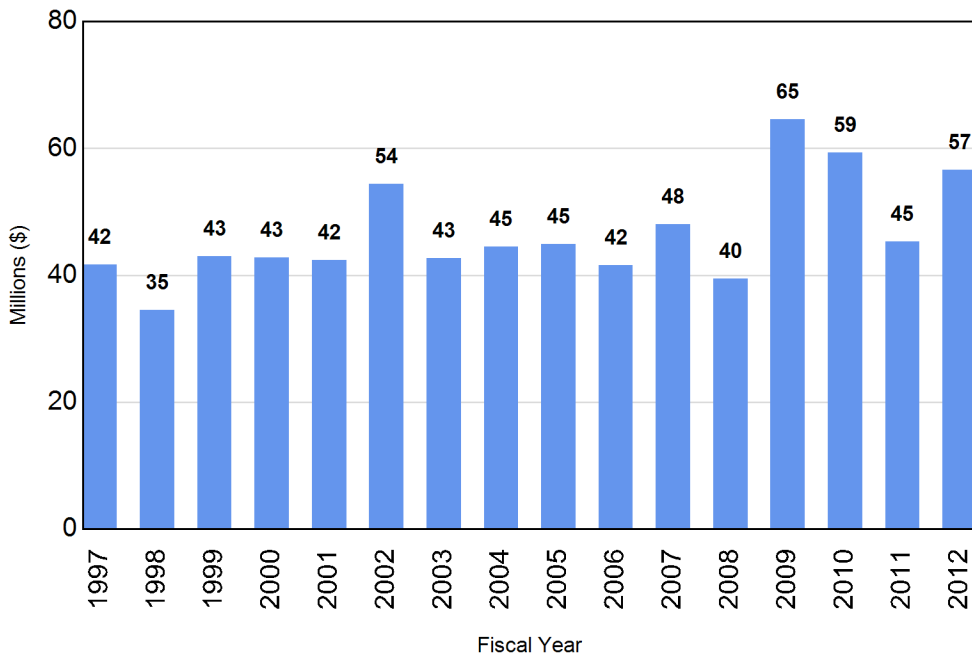
Office of Sponsored Programs

The numbers provided in this report are subject to adjustment at the time that the Annual Report of Sponsored Activity is published.
The changes would reflect modifications and additions to existing awards.

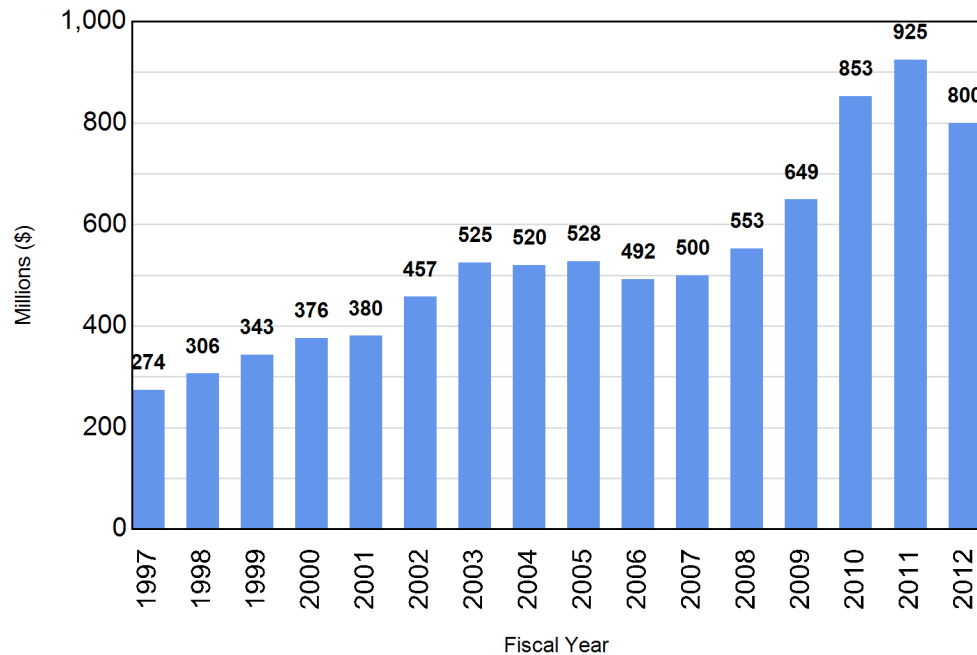
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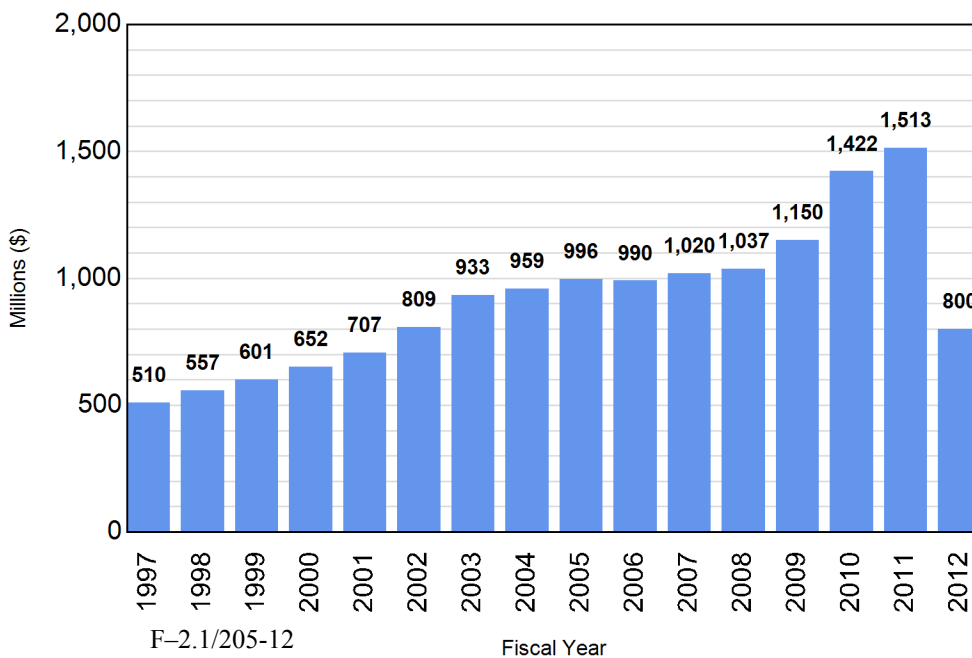
January Only
Comparison of Grant & Contract Awards



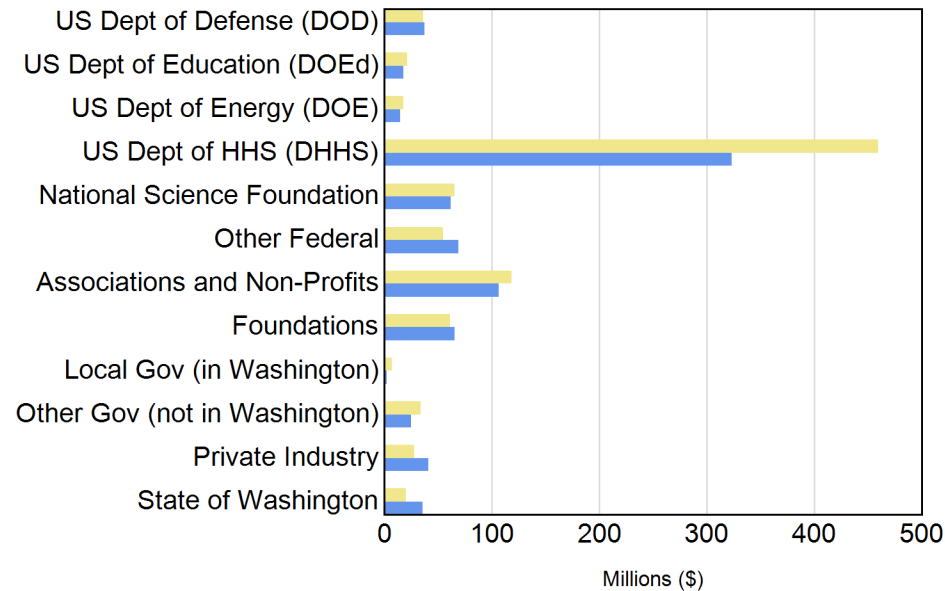
Fiscal Year to Date
Comparison of Grant & Contract Awards



Complete Fiscal Year
Comparison of Grant & Contract Awards



Fiscal Year to Date
Two-Year Comparison of Grant and Contract Awards



Summary of Grant and Contract AwardsFiscal Year 2011-2012

Month	RESEARCH AND OTHER		TRAINING		Total Grants and Contracts
	Federal	Non-Federal	Federal	Non-Federal	
July	\$ 72,776,120	\$ 30,196,740	\$ 7,642,882	\$ 2,388,481	\$ 113,004,200
August	\$ 127,093,600	\$ 38,276,540	\$ 11,366,250	\$ 954,419	\$ 177,690,800
September	\$ 141,972,200	\$ 57,712,860	\$ 8,141,800	\$ 1,267,491	\$ 209,094,400
October	\$ 64,749,740	\$ 28,930,740	\$ 4,470,465	\$ 802,690	\$ 98,953,630
November	\$ 30,235,620	\$ 49,313,150	\$ 772,264	\$ 5,337,309	\$ 85,658,350
December	\$ 24,013,190	\$ 33,453,340	\$ 392,235	\$ 1,164,378	\$ 59,023,140
January	\$ 30,346,840	\$ 25,558,800	\$ 464,989	\$ 254,364	\$ 56,624,990
FY12 to Date	\$491,187,389	\$263,442,181	\$33,250,880	\$12,169,131	\$800,049,581
FY11 to Date	\$576,773,134	\$255,176,996	\$78,973,811	\$13,869,412	\$924,793,353
Over (Under) Previous Year	(\$85,585,746)	\$8,265,185	(\$45,722,931)	(\$1,700,281)	(\$124,743,772)

Comparison of Grant and Contract Awards by Agency

Fiscal Years 2010-2011 and 2011-2012

Agency	Jul-Jan FY11	Jul-Jan FY12
US Department of Defense (DOD)	\$ 36,291,355	\$ 37,282,212
US Department of Education (DOEd)	\$ 21,142,926	\$ 18,043,049
US Department of Energy (DOE)	\$ 17,928,441	\$ 14,674,009
US Department of Health and Human Services (DHHS)	\$ 459,807,332	\$ 323,463,874
National Science Foundation (NSF)	\$ 65,581,951	\$ 61,978,716
Other Federal	\$ 54,994,941	\$ 68,996,409
Subtotal for Federal :	\$ 655,746,945	\$ 524,438,269
Associations and Non-Profits	\$ 118,290,146	\$ 106,690,983
Foundations	\$ 61,363,405	\$ 65,369,625
Local Government (in Washington)	\$ 6,890,867	\$ 2,197,552
Other Government (not in Washington)	\$ 34,187,320	\$ 24,877,173
Private Industry	\$ 28,003,274	\$ 40,984,212
State of Washington	\$ 20,311,396	\$ 35,491,768
Subtotal for Non-Federal :	\$ 269,046,408	\$ 275,611,313
Grand Total :	\$ 924,793,353	\$ 800,049,581
Amount of Increase (Decrease) :		(\$ 124,743,772)
Percent of Increase (Decrease) :		(13.5 %)

Comparison of Grant and Contract Awards by School/CollegeFiscal Years 2010-2011 and 2011-2012

School/College	Jul-Jan FY11	Jul-Jan FY12
Upper Campus		
Architecture and Urban Planning	\$ 2,013,665	\$ 525,904
Arts and Sciences	\$ 58,096,438	\$ 51,214,663
Center for Commercialization	\$ 291,264	
College of the Environment	\$ 85,880,050	\$ 97,227,715
Director of Libraries	\$ 282,381	\$ 5,336,571
Education	\$ 18,483,155	\$ 16,229,034
Educational Outreach	\$ 175,000	\$ 50,000
Engineering	\$ 67,221,503	\$ 61,794,928
Evans School of Public Affairs	\$ 1,533,314	\$ 1,664,112
Executive Vice President	\$ 236,340	\$ 19,981
Foster School of Business	\$ 1,150,823	\$ 282,543
Graduate School	\$ 929,500	\$ 3,130,591
Information School	\$ 1,613,102	\$ 3,753,880
Law	\$ 1,943,206	\$ 3,548,883
Office of Research	\$ 43,767,765	\$ 32,477,958
Provost		\$ 29,468
Social Work	\$ 14,764,996	\$ 11,893,112
Undergraduate Education	\$ 1,573,269	\$ 934,534
VP Minority Affairs	\$ 6,597,431	\$ 9,032,547
VP Student Life	\$ 20,715	\$ 46,000
Subtotal :	\$ 306,573,917	\$ 299,192,424
Health Sciences		
Dentistry	\$ 2,070,145	\$ 2,059,223
Health Sciences Admin		\$ 1,690
Medicine	\$ 455,532,536	\$ 374,130,022
Nursing	\$ 11,612,118	\$ 8,090,902
Pharmacy	\$ 12,278,280	\$ 16,688,897
Public Health	\$ 115,659,338	\$ 68,023,041
Subtotal :	\$ 597,152,417	\$ 468,993,776
Special Programs		
Alcohol and Drug Abuse Institute	\$ 3,032,140	\$ 2,228,613
CHDD Administration	\$ 4,320,852	\$ 6,416,067
Hall Health Primary Care Center	\$ 283,155	
Regional Primate Center	\$ 6,553,080	\$ 18,575,196
Subtotal :	\$ 14,189,227	\$ 27,219,876

School/College	Jul-Jan FY11	Jul-Jan FY12
Other UW Campuses		
Bothell	\$ 1,672,464	\$ 3,544,516
Tacoma	\$ 5,205,329	\$ 1,098,990
Subtotal :	\$ 6,877,793	\$ 4,643,506
Grand Total :	\$ 924,793,353	\$ 800,049,581

Summary of Grant Awards**Fiscal Year 2011-2012***Excluding private awards from Foundations, Industry, Associations and Others*

Month	RESEARCH AND OTHER		TRAINING		Total Grants
	Federal	Non-Federal	Federal	Non-Federal	
July	\$ 71,450,980	\$ 5,019,858	\$ 7,510,674	\$ 126,824	\$ 84,108,340
August	\$ 120,682,900	\$ 2,948,988	\$ 11,366,250	\$ 314,640	\$ 135,312,800
September	\$ 138,011,500	\$ 9,825,795	\$ 8,121,800	\$ 172,830	\$ 156,131,900
October	\$ 55,634,390	\$ 8,875,251	\$ 4,470,465	\$ 255,199	\$ 69,235,300
November	\$ 21,802,560	\$ 2,942,820	\$ 772,264	\$ 4,077,087	\$ 29,594,730
December	\$ 21,360,260	\$ 2,630,255	\$ 392,235	\$ 300,964	\$ 24,683,720
January	\$ 28,687,020	\$ 4,849,061	\$ 464,989	\$ 151,603	\$ 34,152,670
Year to Date	\$ 457,629,600	\$ 37,092,030	\$ 33,098,670	\$ 5,399,147	\$ 533,219,500

Summary of Grant Awards**Fiscal Year 2011-2012***Private awards from Foundations, Industry, Associations and Others*

Month	RESEARCH AND OTHER	TRAINING	Total Grants
July	\$ 21,192,800	\$ 165,382	\$ 21,358,180
August	\$ 20,388,870	\$ 425,819	\$ 20,814,690
September	\$ 37,401,440	\$ 1,061,446	\$ 38,462,890
October	\$ 15,415,300	\$ 515,275	\$ 15,930,570
November	\$ 39,275,490	\$ 901,444	\$ 40,176,930
December	\$ 21,573,510	\$ 292,047	\$ 21,865,560
January	\$ 16,251,820	\$ 8,296	\$ 16,260,110
Year to Date	\$ 171,499,200	\$ 3,369,709	\$ 174,868,900

Summary of Contract AwardsFiscal Year 2011-2012

Month	RESEARCH AND OTHER		TRAINING		Total Contracts
	Federal	Non-Federal	Federal	Non-Federal	
July	\$ 1,325,143	\$ 3,984,090	\$ 132,208	\$ 2,096,275	\$ 7,537,716
August	\$ 6,410,709	\$ 14,938,690	\$ 0	\$ 213,960	\$ 21,563,360
September	\$ 3,960,724	\$ 10,485,630	\$ 20,000	\$ 33,215	\$ 14,499,570
October	\$ 9,115,353	\$ 4,640,188	\$ 0	\$ 32,216	\$ 13,787,760
November	\$ 8,433,068	\$ 7,094,843	\$ 0	\$ 358,778	\$ 15,886,690
December	\$ 2,652,925	\$ 9,249,576	\$ 0	\$ 571,367	\$ 12,473,870
January	\$ 1,659,826	\$ 4,457,920	\$ 0	\$ 94,465	\$ 6,212,211
Year to Date	\$ 33,557,750	\$ 54,850,930	\$ 152,208	\$ 3,400,276	\$ 91,961,170

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

January 2012

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

**Office of Research
Office of Sponsored Programs**

Detail of Public Grant Awards

Federal

US Department of Health and Human Services (DHHS)

National Institutes of Health (NIH)

To: Susanne May, Assoc Professor \$ 6,169,555
 Biostatistics

For: Resuscitation Outcomes Consortium (ROC) Data Coordinating
 Center

Eff: 1/1/2012 Classified: No

National Institute of Child Health and Human Development (NICHD)

To: Virginia Berninger, Professor \$ 1,697,315
 Dept Of Education

For: Defining and Treating Written Language Disabilities

Eff: 12/15/2011 Classified: No

*Total for National Institute of Child Health and Human Development
 (NICHD):* \$ 1,697,315

Total for National Institutes of Health (NIH): \$ 7,866,870

Total for US Department of Health and Human Services (DHHS): \$ 7,866,870

Total for Federal: \$ 7,866,870

Total Public Grants: \$ 7,866,870

Detail of Private Grant Awards

Associations and Non-Profits

Educurious

To: Patricia Wasley, Professor \$ 2,198,418
Dept Of Education
For: Educurious 2
Eff: 8/1/2011 Classified: No
Total for Educurious: \$ 2,198,418

Fred Hutchinson Cancer Research Center (FHCRC)

To: Shiu-lok Hu, Professor \$ 1,018,630
Pharmaceutics
For: Targeted modification of host and proviral DNA to treat latent HIV
infection
Eff: 7/8/2011 Classified: No
Total for Fred Hutchinson Cancer Research Center (FHCRC): \$ 1,018,630

Space Telescope Science Institute (STScI)

To: Julianne Dalcanton, Professor \$ 1,244,108
Astronomy
For: HST GO-12105 - Panchromatic Hubble Andromeda Treasury
(PHAT)
Eff: 8/1/2010 Classified: No
Total for Space Telescope Science Institute (STScI): \$ 1,244,108

Total for Associations and Non-Profits: \$ 4,461,156

Foundations

The Simons Foundation

To: Evan Eichler, Professor \$ 1,835,440
Genome Sciences
For: Whole Exome Sequencing of Simons Simplex Collection Quads
Eff: 1/1/2012 Classified: No
Total for The Simons Foundation: \$ 1,835,440

Total for Foundations: \$ 1,835,440

Total Private Grants: \$ 6,296,596

Detail of Contract Awards

State of Washington

Washington State Life Sciences Discovery Fund Authority (LSDFA)

To: John Slattery, Associate Dean \$ 1,750,000
Principal Accts
For: Washington Phenotyped Biospecimen Resource
Eff: 1/1/2012 Classified: No
**Total for Washington State Life Sciences Discovery Fund Authority
(LSDFA): \$ 1,750,000**

Total for State of Washington: \$ 1,750,000

Total Contracts: \$ 1,750,000

Grand Total for all Awards \$ 15,913,466

Grant and Contract Awards Summary

to

The Board of Regents

of the

University of Washington

for

February 2012

Office of Research

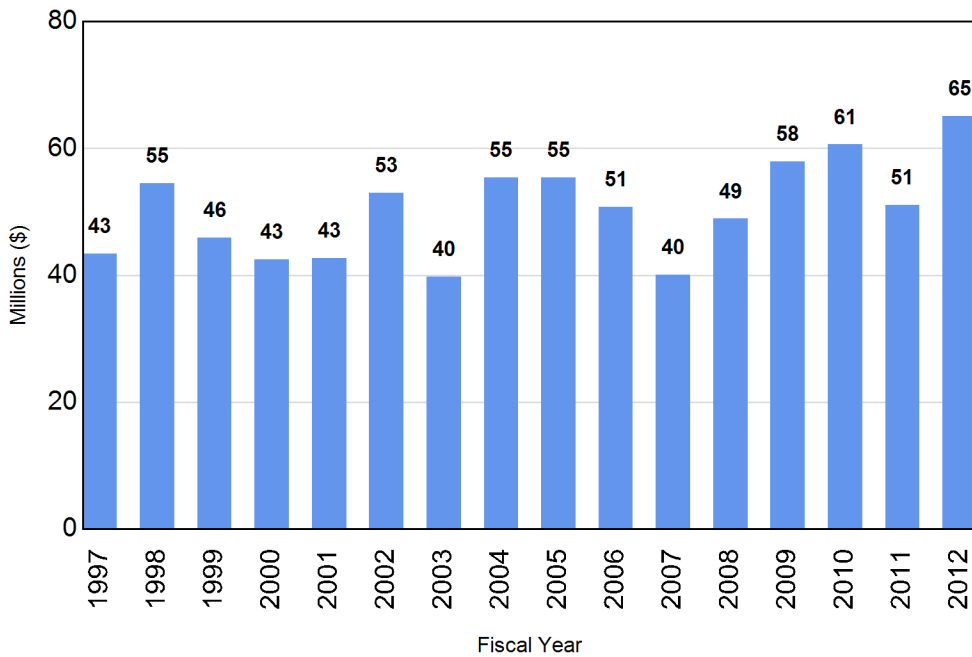
Office of Sponsored Programs

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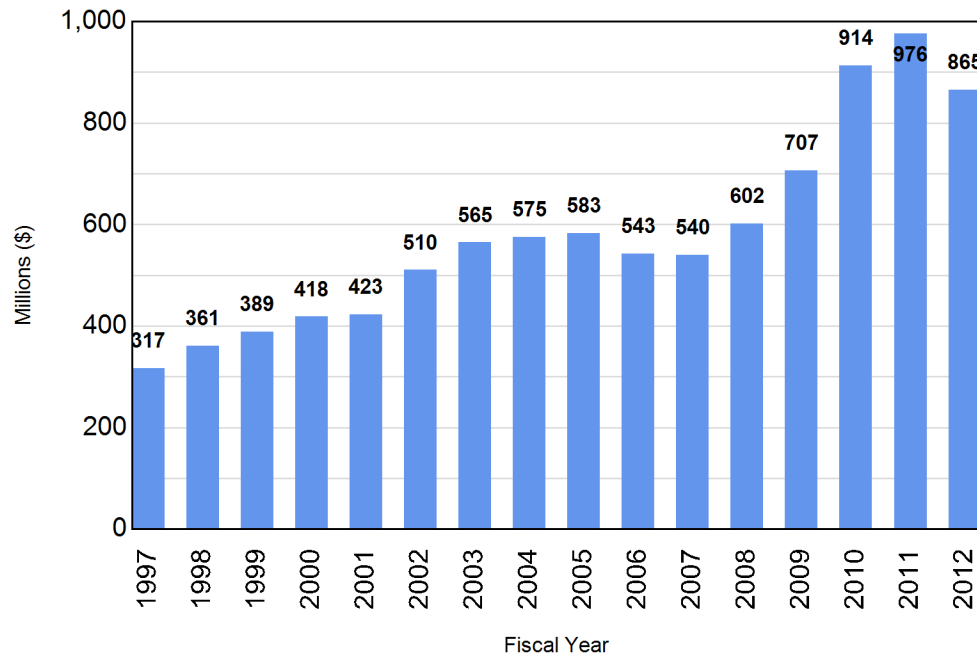
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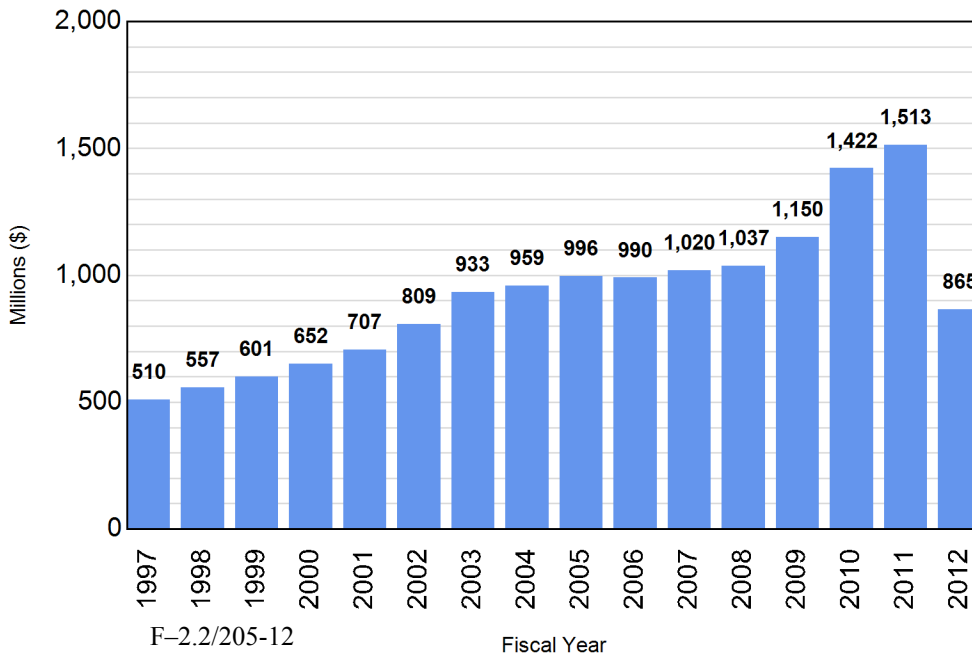
February Only
Comparison of Grant & Contract Awards



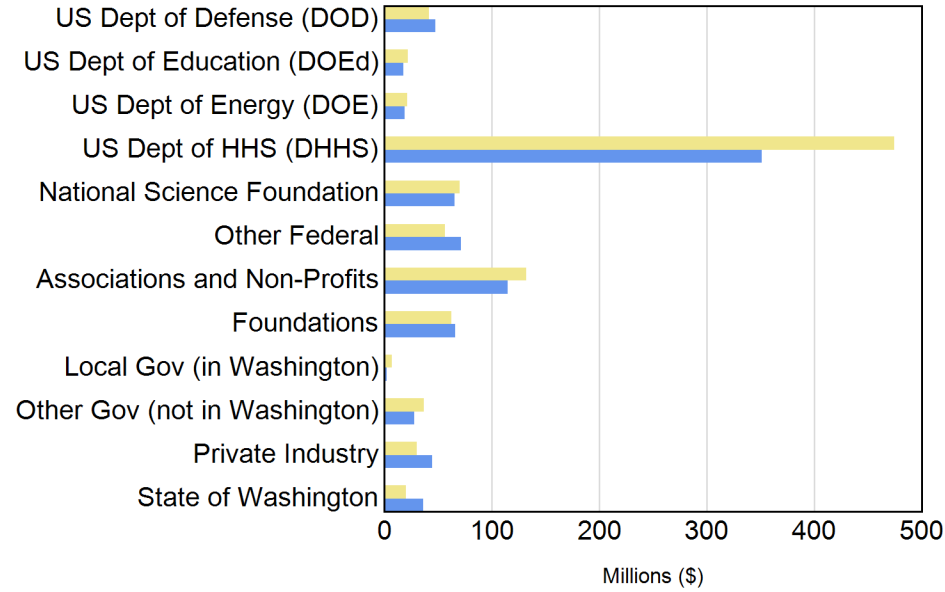
Fiscal Year to Date
Comparison of Grant & Contract Awards



Complete Fiscal Year
Comparison of Grant & Contract Awards



Fiscal Year to Date
Two-Year Comparison of Grant and Contract Awards



Summary of Grant and Contract AwardsFiscal Year 2011-2012

Month	RESEARCH AND OTHER		TRAINING		Total Grants and Contracts
	Federal	Non-Federal	Federal	Non-Federal	
July	\$ 72,776,120	\$ 30,196,740	\$ 7,642,882	\$ 2,388,481	\$ 113,004,200
August	\$ 127,093,600	\$ 38,276,540	\$ 11,366,250	\$ 954,419	\$ 177,690,800
September	\$ 142,014,000	\$ 57,712,860	\$ 8,100,000	\$ 1,267,491	\$ 209,094,400
October	\$ 64,749,740	\$ 28,930,740	\$ 4,470,465	\$ 802,690	\$ 98,953,630
November	\$ 30,235,620	\$ 49,313,530	\$ 772,264	\$ 5,337,309	\$ 85,658,730
December	\$ 24,013,190	\$ 33,553,300	\$ 392,235	\$ 1,164,378	\$ 59,123,100
January	\$ 30,346,840	\$ 25,582,030	\$ 464,989	\$ 254,364	\$ 56,648,220
February	\$ 46,858,480	\$ 15,543,470	\$ 1,520,722	\$ 1,157,557	\$ 65,080,230
FY12 to Date	\$538,087,665	\$279,109,219	\$34,729,802	\$13,326,688	\$865,253,374
FY11 to Date	\$605,941,437	\$275,267,680	\$80,778,254	\$13,951,008	\$975,938,379
Over (Under) Previous Year	(\$67,853,773)	\$3,841,539	(\$46,048,452)	(\$624,320)	(\$110,685,006)

Comparison of Grant and Contract Awards by Agency

Fiscal Years 2010-2011 and 2011-2012

Agency	Jul-Feb FY11	Jul-Feb FY12
US Department of Defense (DOD)	\$ 41,681,650	\$ 47,768,811
US Department of Education (DOEd)	\$ 22,117,164	\$ 18,043,049
US Department of Energy (DOE)	\$ 21,176,154	\$ 19,034,984
US Department of Health and Human Services (DHHS)	\$ 474,907,992	\$ 351,091,041
National Science Foundation (NSF)	\$ 70,265,155	\$ 65,258,569
Other Federal	\$ 56,571,577	\$ 71,621,013
Subtotal for Federal :	\$ 686,719,691	\$ 572,817,467
Associations and Non-Profits	\$ 131,960,454	\$ 115,006,678
Foundations	\$ 62,296,626	\$ 66,296,852
Local Government (in Washington)	\$ 7,100,206	\$ 2,338,102
Other Government (not in Washington)	\$ 36,988,045	\$ 27,868,021
Private Industry	\$ 30,522,057	\$ 44,755,618
State of Washington	\$ 20,351,300	\$ 36,170,637
Subtotal for Non-Federal :	\$ 289,218,689	\$ 292,435,907
Grand Total :	\$ 975,938,379	\$ 865,253,374
Amount of Increase (Decrease) :		(\$ 110,685,006)
Percent of Increase (Decrease) :		(11.3 %)

Comparison of Grant and Contract Awards by School/CollegeFiscal Years 2010-2011 and 2011-2012

School/College	Jul-Feb FY11	Jul-Feb FY12
Upper Campus		
Architecture and Urban Planning	\$ 2,016,165	\$ 875,504
Arts and Sciences	\$ 63,631,400	\$ 56,568,050
Center for Commercialization	\$ 291,264	
College of the Environment	\$ 91,366,846	\$ 102,321,096
Director of Libraries	\$ 282,381	\$ 5,336,571
Education	\$ 18,881,493	\$ 16,365,872
Educational Outreach	\$ 175,000	\$ 50,000
Engineering	\$ 72,165,006	\$ 68,843,531
Evans School of Public Affairs	\$ 1,587,417	\$ 1,665,846
Executive Vice President	\$ 236,340	\$ 19,981
Foster School of Business	\$ 1,150,823	\$ 282,543
Graduate School	\$ 2,029,500	\$ 3,130,591
Information School	\$ 1,694,688	\$ 3,952,729
Law	\$ 1,962,988	\$ 3,602,575
Office of Research	\$ 46,671,087	\$ 37,443,239
Provost		\$ 29,468
Social Work	\$ 15,356,335	\$ 12,775,280
Undergraduate Education	\$ 1,578,269	\$ 939,534
VP Minority Affairs	\$ 7,810,926	\$ 9,050,947
VP Student Life	\$ 20,715	\$ 46,000
Subtotal :	\$ 328,908,643	\$ 323,299,357
Health Sciences		
Dentistry	\$ 2,513,227	\$ 2,162,561
Health Sciences Admin		\$ 1,690
Medicine	\$ 480,264,352	\$ 404,293,019
Nursing	\$ 12,141,692	\$ 8,854,792
Pharmacy	\$ 12,278,280	\$ 18,937,068
Public Health	\$ 117,564,529	\$ 75,053,343
Subtotal :	\$ 624,762,080	\$ 509,302,472
Special Programs		
Alcohol and Drug Abuse Institute	\$ 3,521,556	\$ 2,665,788
CHDD Administration	\$ 4,519,090	\$ 6,416,067
Hall Health Primary Care Center	\$ 283,155	
Regional Primate Center	\$ 6,762,331	\$ 18,575,196
Subtotal :	\$ 15,086,132	\$ 27,657,051

School/College	Jul-Feb FY11	Jul-Feb FY12
Other UW Campuses		
Bothell	\$ 1,931,304	\$ 3,895,504
Tacoma	\$ 5,250,220	\$ 1,098,990
Subtotal :	\$ 7,181,524	\$ 4,994,494
Grand Total :	\$ 975,938,379	\$ 865,253,374

Summary of Grant Awards**Fiscal Year 2011-2012***Excluding private awards from Foundations, Industry, Associations and Others*

Month	RESEARCH AND OTHER		TRAINING		Total Grants
	Federal	Non-Federal	Federal	Non-Federal	
July	\$ 71,450,980	\$ 5,019,858	\$ 7,510,674	\$ 126,824	\$ 84,108,340
August	\$ 120,682,900	\$ 2,948,988	\$ 11,366,250	\$ 314,640	\$ 135,312,800
September	\$ 138,053,300	\$ 9,825,795	\$ 8,080,000	\$ 172,830	\$ 156,131,900
October	\$ 55,634,390	\$ 8,875,251	\$ 4,470,465	\$ 255,199	\$ 69,235,300
November	\$ 21,802,560	\$ 2,942,820	\$ 772,264	\$ 4,077,087	\$ 29,594,730
December	\$ 21,360,260	\$ 2,630,255	\$ 392,235	\$ 300,964	\$ 24,683,720
January	\$ 28,687,020	\$ 4,843,651	\$ 464,989	\$ 151,603	\$ 34,147,260
February	\$ 40,830,610	\$ 2,539,351	\$ 1,520,722	\$ 80,748	\$ 44,971,430
Year to Date	\$ 498,502,000	\$ 39,625,970	\$ 34,577,590	\$ 5,479,895	\$ 578,185,500

Summary of Grant Awards**Fiscal Year 2011-2012***Private awards from Foundations, Industry, Associations and Others*

Month	RESEARCH AND OTHER	TRAINING	Total Grants
July	\$ 21,192,800	\$ 165,382	\$ 21,358,180
August	\$ 20,388,870	\$ 425,819	\$ 20,814,690
September	\$ 37,401,440	\$ 1,061,446	\$ 38,462,890
October	\$ 15,415,300	\$ 515,275	\$ 15,930,570
November	\$ 39,275,870	\$ 901,444	\$ 40,177,310
December	\$ 21,673,470	\$ 292,047	\$ 21,965,520
January	\$ 16,280,460	\$ 8,296	\$ 16,288,750
February	\$ 8,419,101	\$ 123,092	\$ 8,542,192
Year to Date	\$ 180,047,300	\$ 3,492,801	\$ 183,540,100

Summary of Contract Awards**Fiscal Year 2011-2012**

Month	RESEARCH AND OTHER		TRAINING		Total Contracts
	Federal	Non-Federal	Federal	Non-Federal	
July	\$ 1,325,143	\$ 3,984,090	\$ 132,208	\$ 2,096,275	\$ 7,537,716
August	\$ 6,410,709	\$ 14,938,690	\$ 0	\$ 213,960	\$ 21,563,360
September	\$ 3,960,724	\$ 10,485,630	\$ 20,000	\$ 33,215	\$ 14,499,570
October	\$ 9,115,353	\$ 4,640,188	\$ 0	\$ 32,216	\$ 13,787,760
November	\$ 8,433,068	\$ 7,094,843	\$ 0	\$ 358,778	\$ 15,886,690
December	\$ 2,652,925	\$ 9,249,576	\$ 0	\$ 571,367	\$ 12,473,870
January	\$ 1,659,826	\$ 4,457,920	\$ 0	\$ 94,465	\$ 6,212,211
February	\$ 6,027,863	\$ 4,585,020	\$ 0	\$ 953,717	\$ 11,566,600
Year to Date	\$ 39,585,610	\$ 59,435,950	\$ 152,208	\$ 4,353,993	\$ 103,527,800

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

February 2012

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

**Office of Research
Office of Sponsored Programs**

Detail of Public Grant Awards

Federal

US Department of Defense (DOD)

DARPA Defense Sciences Office

To:	Paul Yager, Professor Bioengineering	\$ 3,009,573
For:	Multiplexable Autonomous Disposables for Nucleic Acid Amplification Tests for LRSs	
Eff:	8/29/2011	Classified: No

Total for DARPA Defense Sciences Office: \$ 3,009,573

Total for US Department of Defense (DOD): \$ 3,009,573

US Department of Energy (DOE)

US Department of Energy (DOE)

To:	Daniel Kirschen, Professor Electrical Engineering	\$ 1,423,330
For:	Energy Positioning: Control and Economics	
Eff:	3/1/2012	Classified: No

To:	David B. Kaplan, Director Inst Nuclear Theory	\$ 2,556,000
For:	National Institute for Nuclear Theory	
Eff:	5/1/2000	Classified: No

Total for US Department of Energy (DOE): \$ 3,979,330

Total for US Department of Energy (DOE): \$ 3,979,330

US Department of Health and Human Services (DHHS)

Centers for Disease Control and Prevention (CDC)

To:	King Holmes, Chair Global Health	\$ 1,100,000
For:	I-TECH Safe Male Circumcision in Botswana	
Eff:	9/30/2011	Classified: No

Total for Centers for Disease Control and Prevention (CDC): \$ 1,100,000

National Institutes of Health (NIH)

To:	Peter Rabinovitch, Professor Pathology	\$ 1,868,417
For:	Mitochondrial Antioxidants, Aging and Healthspan	
Eff:	3/1/2012	Classified: No

Total for National Institutes of Health (NIH): \$ 1,868,417

Total for US Department of Health and Human Services (DHHS): \$ 2,968,417

Detail of Public Grant Awards

Federal

National Science Foundation (NSF)

National Science Foundation (NSF)

To: Timothy Essington, Associate Professor \$ 1,194,242
 Aquatic&Fishery Scienc
 For: Consequences of hypoxia on food web linkages in a pelagic marine
 ecosystem
 Eff: 6/1/2012 Classified: No

Total for National Science Foundation (NSF): \$ 1,194,242

Total for National Science Foundation (NSF): \$ 1,194,242

Other Federal

Environmental Protection Agency (EPA)

To: Elaine Faustman, Professor \$ 2,179,427
 Enviro & Occup Health
 For: Center for Child Environmental Health Risks Research (EPA)
 Eff: 9/25/2009 Classified: No

Total for Environmental Protection Agency (EPA): \$ 2,179,427

Total for Other Federal: \$ 2,179,427

Total for Federal: \$ 13,330,989

Total Public Grants: \$ 13,330,989

Detail of Contract Awards

Federal

US Department of Health and Human Services (DHHS)

National Institutes of Health (NIH)

National Heart, Lung, and Blood Institute (NHLBI)

To: Alice Arnold, Research Scientist/engineer-senior \$ 1,114,188
 Biostatistics
 For: CHS Core Support Renewal
 Eff: 1/1/2012 Classified: No

Total for National Heart, Lung, and Blood Institute (NHLBI): \$ 1,114,188

National Institute of Allergy and Infectious Diseases (NIAID)

To: Michael Gerald Katze, Professor \$ 3,419,067
 Microbiology
 For: A Systems Biology Approach to Emerging Respiratory Viral
 Diseases
 Eff: 2/1/2012 Classified: No

Total for National Institute of Allergy and Infectious Diseases (NIAID): \$ 3,419,067

Total for National Institutes of Health (NIH): \$ 4,533,255

Total for US Department of Health and Human Services (DHHS): \$ 4,533,255

Total for Federal: \$ 4,533,255

Total Contracts: \$ 4,533,255

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. UWMC Surgery Pavilion 1004 Power Upgrades, Project No. 203620
Actions Reported: Select Engineer/Adopt Budget

In June 2011, the Capital Projects Office selected three qualified firms from the Shared Procurement Portal and interviewed Casne Engineering, Wood Harbinger and Sparling. Sparling was selected as the most qualified firm and awarded a professional services agreement to perform a predesign. The predesign recommended UWMC Surgery Pavilion 1004 power upgrades estimated at \$1,574,000. The cost of the predesign was \$38,213.

On March 19, 2012, an Engineering Agreement was awarded to Sparling for the UWMC Surgery Pavilion 1004 Power Upgrades project. The Engineering Agreement amount is \$115,213 for basic services versus a budget value of \$237,846 for design consultants. The balance of the design budget is intended for a hazardous materials consultant, structural analysis, additional equipment coordination, commissioning, testing and the previously completed predesign.

Sparling is the largest specialty consulting and electrical engineering firm in the United States. With a 64-year legacy, the firm's 130 seasoned professionals have worked on many UW projects, including Foster School of Business, William H. Gates School of Law, UWMC Expansion, and a multitude of renovation projects at UWMC, HMC and throughout campus.

This project will renovate the electrical system serving the UWMC SP1004 data center. The goal of the project is to increase resiliency and reliability to the power distribution system that feeds the existing data equipment in the room. This project will install manual transfer switches that can be used to feed the data center equipment with power from either the existing emergency power feed or from a new normal power source. The installation will provide the ability to supply power to the data center should either power source need to be taken out of

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Actions Taken Under Delegated Authority (continued p. 2)

service for maintenance. This option will not increase the power capacity in the room.

The work will include installation of new electrical system components to support the dual power feed, construction of a new room to accommodate equipment and code requirements. Design is expected to be completed by July 2012, with construction beginning in September and lasting through March 2013.

The project budget is established at \$1,574,000. Funding of \$1,574,000 is provided from the UWMC.

Budget Summary:	Current Approved Budget	Forecast Cost At Completion
Total Consultant Services	\$237,846	\$237,846
Total Construction Cost*	\$1,181,595	\$1,181,595
Other Costs	\$27,785	\$27,785
Project Administration	\$126,774	\$126,774
Total Project Budget	\$1,574,000	\$1,574,000

* Includes construction contract amount, contingencies and state sales tax.

2. E12 Parking Lot Project No. 203562 Actions Reported: Select Architect/Adopt Budget

In May 2011, the Capital Projects Office selected three firms from the Shared Procurement Portal qualified in providing landscape architectural services: Hough Beck & Baird, Inc., Nakano Associates and Swift Company. Nakano was selected as the most qualified and a predesign was completed with a recommendation for \$3,010,000 in improvements. The predesign cost was \$36,382.

On March 16, 2012, an Architectural Agreement was awarded to Nakano Associates for the design of the E12 Parking Lot and preliminary design work started. The Architectural Agreement amount for basic services is \$160,932 versus a budget value of \$301,879. The balance of the design budget is intended for a hazardous materials consultant, surveyor, tests and inspections, and the previously completed predesign.

Nakano Associates is a firm with experience working with the UW and was the landscape architect for the Ethnic Cultural Center project. Nakano has extensive

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Actions Taken Under Delegated Authority (continued p. 3)

experience with parking lot design, transportation projects, as well as working with complex projects with many client entities.

The UW Transportation Services E12 parking lot predesign study resulted in a master plan for the parking lot. E12 is located on the south side of Husky Stadium and the master plan incorporates the improvements planned for the Husky Stadium renovation and the new UW Sound Transit light rail station. The goals for the project were to develop the entire site in context with the other projects, for the parking design to be efficient and to incorporate landscaping and water treatment considerations. Circulation, pedestrian pathways, landscaping, lighting and utilities are some of the common considerations.

The design phase looks closely at the schedule for the three projects and defines the limits of the work. Husky Stadium is scheduled for completion in the summer of 2013. Sound Transit parking lot restoration is scheduled for completion between summer and fall of 2014. Due to the need to maintain parking spaces for the existing E12 users, the E12 construction will likely be scheduled last. A phased construction may also be considered to maintain parking space needs.

With the completion of the preliminary design work in June 2012, the north and west edges of the parking lot will be coordinated with Husky Stadium and Sound Transit projects to minimize rework for the E12 construction.

The project budget is established at \$3,010,000. Funding of \$3,010,000 is provided from the Transportation Services.

Budget Summary:	Current Approved Budget	Forecast Cost At Completion
Total Consultant Services	\$301,879	\$301,879
Total Construction Cost*	\$2,446,861	\$2,446,861
Other Costs	\$96,773	\$96,773
Project Administration	\$164,487	\$164,487
Total Project Budget	\$3,010,000	\$3,010,000

* Includes construction contract amount, contingencies and state sales tax.

VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee****2012 Audit Plans – KPMG and Peterson Sullivan**

For information only.

Attachments

1. KPMG University of Washington 2012 Audit Plan
2. Peterson Sullivan LLP University of Washington Metropolitan Tract Audit
3. Peterson Sullivan LLP University of Washington Audits of Housing and Dining System and Retail and Remote Food Services
4. Peterson Sullivan LLP University of Washington Audits of Departments in Student Life



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Higher Education

University of Washington

2012 Audit Plan

Audit

kpmg.com

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I. Executive Summary

Scope of Audit

We will audit the balance sheet of the University of Washington (the University) as of June 30, 2012, and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on the financial statements based on our audit, however we will not express any opinion on the effectiveness of internal controls over financial reporting.

An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we will express no such opinion.

Additionally, we will report separately on our audits for the UW Medical Center, Intercollegiate Athletics, the Parking System and the Internal Lending Program. We also issue reports on many of the audits of component units, including the discretely presented component unit UW Medicine/Northwest. See page 4 for those reports.

Coordination with Other Auditors

We will coordinate and rely on audit testwork performed by the following other auditors: Peterson Sullivan, Shallo, Galluscio, Bianchi and Fucito, the Washington State Auditor's Office, and the University's Internal Audit Department as considered necessary.

This coordinated approach allows us to reduce duplicative testwork during the audit of the University and increase overall efficiency.

Tentative Timetables

Our timetable is expected to be similar to that of the previous year. We will coordinate with the Office of Financial Management and Internal Audit for a more detailed schedule of events and prepare an outline of specific data requirements, timelines, and individuals responsible.

II. Financial Reporting Entity

The financial statements of the University of Washington consist of (a) the University of Washington, (b) organizations for which the University is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the University are such that exclusion would cause the University's financial statements to be misleading or incomplete if excluded.

The definition of the reporting entity is based primarily on the notion of financial accountability. An entity is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the entity. An entity may also be financially accountable for governmental organizations that are fiscally dependent on it.

An entity has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the entity (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

II. Financial Reporting Entity (continued)

The following illustration depicts the entities included in the University of Washington Annual Report.

2011 Assets (in millions)	Entities	Financial Statements
\$ 8,013	University of Washington Research, Teaching, and Public Service Activities (Main Campus)* UW Medical Center* Parking System* Intercollegiate Athletics* Internal Lending Program* Airlift Northwest* Housing and Food Services Metropolitan Tract	University of Washington Financial Report
\$ 77	Wholly Owned Insurance Company Portage Bay Insurance*	
\$ 138	Affiliated organizations – Medical entities University of Washington Physicians* University of Washington Physicians Network*	
\$ 459	Affiliated Organizations – Real Estate Properties Washington Biomedical Research Properties I Washington Biomedical Research Properties II Washington Biomedical Research Properties III TSB Properties Twenty-fifth Avenue Properties	
\$ 1,178	Affiliated Organizations UW Medicine/Northwest* Valley Medical Center*	
	Organizations Not included in University of Washington Annual Report Harborview Medical Center* University of Washington Alumni Association* University of Washington Foundation * Henry Gallery Association, Inc. Washington Law School Foundation Washington Pulp and Paper Foundation	

* Audited by KPMG LLP (KPMG).

III. Scope of Our Audits

University Financial Report

We will audit the balance sheet of the University as of June 30, 2012 and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America U.S. GAAP. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we will express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In planning and performing our audit of the financial statements, we consider internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. Our audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. If, however, during our audit, we note matters involving internal control and other operational matters, they will be presented for your consideration. These comments and recommendations, all of which will be discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies.

An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion.

This audit meets the needs of the board of regents and the administration to manage the University and assist in meeting the University's financial reporting requirements as a public agency and the State of Washington.

University of Washington Medical Center

We will audit the financial statements of the University of Washington Medical Center as of June 30, 2012. We will conduct our audit in accordance with U.S. GAAP. We will provide an audit report on the UW Medical Center and will use our audit as support in our overall opinion on the University.

III. Scope of Our Audits (continued)

Intercollegiate Athletics (ICA)

An audit of the ICA will be performed for the year ended June 30, 2012. We will conduct our audit in accordance with U.S. GAAP.

We will be performing required agreed-upon procedures to meet the requirements of the National Collegiate Athletic Association (NCAA).

Parking System

An audit of the Parking System will be performed for the year ended June 30, 2012. We will conduct our audit in accordance with U.S. GAAP.

Internal Lending Program

An audit of the Internal Lending Program will be performed for the year ended June 30, 2012. We will conduct our audit in accordance with U.S. GAAP.

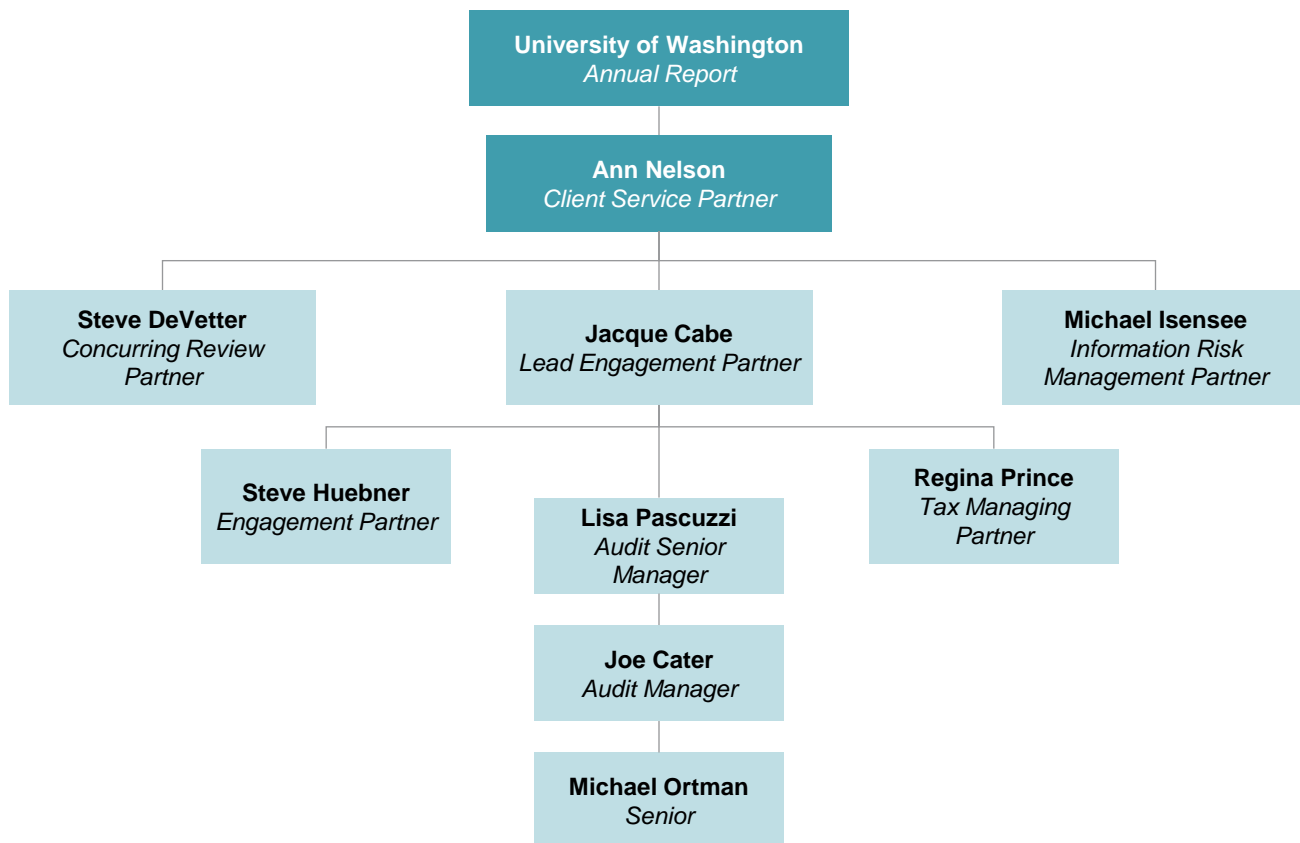
Airlift Northwest

An audit of Airlift Northwest will be performed for the year ended June 30, 2012. We will conduct our audit in accordance with U.S. GAAP.

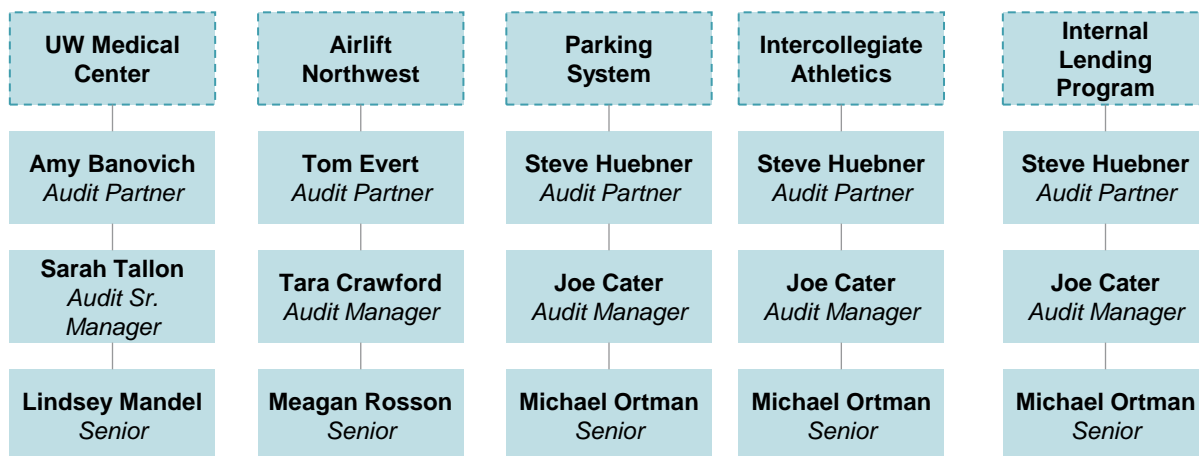
Affiliated Organizations

An audit of each of the following affiliated organizations will be performed for the year ended June 30, 2012: Portage Bay Insurance, University of Washington Physicians, University of Washington Physicians Network, University of Washington Alumni Association, UW Medicine/Northwest, Harborview Medical Center, Valley Medical Center, and University of Washington Foundation. We will conduct our audits in accordance with U.S. GAAP.

IV. KPMG LLP (KPMG) Team Overview



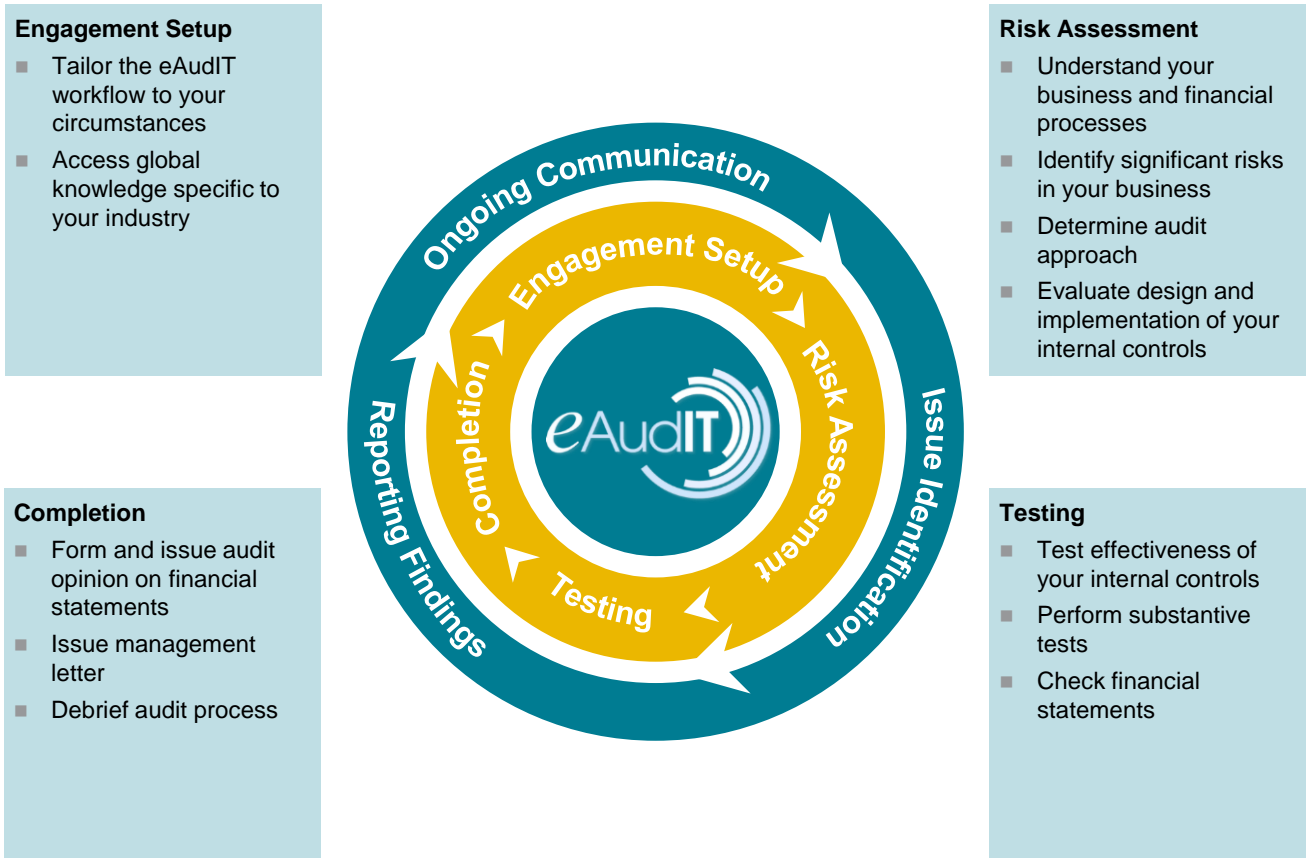
Individual Department and Auxiliary Audits:



V. KPMG Audit Process

We apply our audit process through our four-step audit approach. Each step allows us to identify more clearly the University's business risks, and hence our audit risks, and to focus our audit approach on the risks of material misstatements in the financial statements.

An overview of KPMG's standard four-step audit approach follows:



IT General Controls

Throughout the audit phases outlined above, KPMG will be testing IT General Controls in Access to Programs and Data, Program Change, Program Development, Computer Operations, and End-User Computing. In addition, when applicable, KPMG will also test IT application controls in the areas of; application access (segregation of duties), key reports, key calculations, and interfaces (to ensure completeness and accuracy of data transfer).

V. KPMG Audit Process (continued)

In Scope Applications

<i>University of Washington</i>	
Audit program, and relevant audit objective references	Application Name
Student Database	SDB
Human Resources and Payroll	Higher Education Payroll and Personnel System (HEPPS)
General Ledger	FAS/FIN
Expenditures	eProcurement
Expenditures	PAS

<i>University of Washington Medical Center</i>	
Audit Program, and relevant audit objective references	Application Name
General Ledger	PFM
AR/Billing	EPIC

<i>Harborview Medical Center</i>	
Audit Program, and relevant audit objective references	Application Name
General Ledger	PFM
AR/Billing	EPIC

<i>Valley Medical Center</i>	
Audit Program, and relevant audit objective references	Application Name
General Ledger	McKesson
AR/Billing	STAR

V. KPMG Audit Process (continued)

Overview of Audit Procedures

Balance Sheet as of June 30, 2011

Financial Statement Caption	Audit Considerations	Key Audit Procedures
<ul style="list-style-type: none"> ■ Cash and Investments ■ (\$3.6 billion) 	<ul style="list-style-type: none"> ■ Accounting for and control over cash and investments focused on the completeness, existence, accuracy, and valuation. 	<ul style="list-style-type: none"> ■ Test account reconciliations ■ Confirm key cash and investment balances ■ Procedures in accordance with the AICPA practice aid to test the existence and valuation of investments with special emphasis on alternative Investments, subprime, derivatives, and other hard-to-value investments
<ul style="list-style-type: none"> ■ Accounts Receivable – Patient Services ■ (\$262 million) 	<ul style="list-style-type: none"> ■ Existence of receivables ■ Reasonableness of contractual and bad debt allowances ■ Collectibility of receivables 	<ul style="list-style-type: none"> ■ Substantive audit and controls procedures to test reasonableness of accounts receivable, contractual allowance, and bad debt reserves ■ Understand any changes in reserve methodology ■ Accounts receivable testing for existence of account balances ■ Test account reconciliation
<ul style="list-style-type: none"> ■ Accounts Receivable – Grants and Contracts ■ (\$164 million) 	<ul style="list-style-type: none"> ■ Existence of receivables ■ Accuracy of receivables ■ Collectibility of receivables 	<ul style="list-style-type: none"> ■ Evaluate internal controls ■ Select a sample and agree to underlying contracts. ■ Assess the validity and collectibility of billed and unbilled receivables.
<ul style="list-style-type: none"> ■ MetroTract ■ (\$115 million) 	<ul style="list-style-type: none"> ■ Proper recording of net assets of MetroTract 	<ul style="list-style-type: none"> ■ Obtain and review the audit report of Peterson & Sullivan
<ul style="list-style-type: none"> ■ Capital Assets ■ (\$3.2 billion) 	<ul style="list-style-type: none"> ■ Proper capitalization and classification of assets ■ Appropriate depreciation/amortization ■ Safeguarding assets 	<ul style="list-style-type: none"> ■ Review a reconciliation of capital asset activity ■ Test and evaluate internal controls over capital asset additions ■ Test a sample of significant additions and retirements by examining supporting documentation. ■ Test the reasonableness of useful lives of sampled additions.

V. KPMG Audit Process (continued)

Financial Statement Caption	Audit Considerations	Key Audit Procedures
<ul style="list-style-type: none"> ■ Accounts Payable and Accrued Liabilities ■ (\$377 million) 	<ul style="list-style-type: none"> ■ Recognition of transaction in proper accounting period ■ Accuracy of amounts recorded and assessment of management's estimates 	<ul style="list-style-type: none"> ■ Perform review of subsequent disbursements in management's liability estimation method. ■ Review reasonableness and test the underlying data of the Triangle Accrual ■ Review reasonableness of balances compared to expectations
<ul style="list-style-type: none"> ■ Self Insurance Reserve ■ (\$50 million) 	<ul style="list-style-type: none"> ■ Valuation of management's estimates for legal liabilities 	<ul style="list-style-type: none"> ■ Obtain and review actuarial calculation ■ Test the underlying data of the actuarial calculation
<ul style="list-style-type: none"> ■ Long-term liabilities ■ (\$1.6 billion) 	<ul style="list-style-type: none"> ■ Proper classification ■ Compliance with financial covenants 	<ul style="list-style-type: none"> ■ Confirm balances ■ Test disclosure and classification ■ Test financial covenants
<ul style="list-style-type: none"> ■ Net Assets ■ (\$5.7 billion) 	<ul style="list-style-type: none"> ■ Proper classification of restrictions 	<ul style="list-style-type: none"> ■ Review reasonableness of balances compared to expectations

Statement of Revenues, Expense, and Changes in Net Assets for the year ending June 30, 2011

Financial Statement Caption	Audit Considerations	Key Audit Procedures
<ul style="list-style-type: none"> ■ Student tuition and fees ■ (\$595 million) 	<ul style="list-style-type: none"> ■ Accounting for and control over the tuition cycle ■ Proper accounting for scholarship allowances 	<ul style="list-style-type: none"> ■ Review reasonableness of balances compared to expectation on a per student basis ■ Test and evaluate internal controls
<ul style="list-style-type: none"> ■ Patient services ■ (\$1.1 billion) 	<ul style="list-style-type: none"> ■ Proper recording of revenues ■ Proper cut-off of revenue between periods ■ Accuracy of recording of contractual deductions and bad debts from as deductions from revenue ■ Proper recording of charity care amounts in accordance with charity care policy 	<ul style="list-style-type: none"> ■ Charge capture testing for appropriate capture of revenues at set charge master rates ■ Revenue cut-off testing for appropriate revenue recognition ■ Test and evaluate internal controls
<ul style="list-style-type: none"> ■ Grants and Contracts revenue ■ (\$1.3 billion) 	<ul style="list-style-type: none"> ■ Proper recording of revenues and collections ■ Accuracy of account balances 	<ul style="list-style-type: none"> ■ Test and evaluate internal controls ■ Test accuracy and eligibility of sampled expenditures that drive revenue recognition

V. KPMG Audit Process (continued)

Financial Statement Caption	Audit Considerations	Key Audit Procedures
<ul style="list-style-type: none"> ■ Auxiliary Enterprise revenue ■ (\$154 million) 	<ul style="list-style-type: none"> ■ Proper consolidation of entities 	<ul style="list-style-type: none"> ■ Obtain and review departmental and component unit statements for proper inclusion in the financial statements
<ul style="list-style-type: none"> ■ Salaries and Benefits ■ (\$2.3 billion) 	<ul style="list-style-type: none"> ■ Recognized in proper accounting period ■ Accuracy of amounts recorded 	<ul style="list-style-type: none"> ■ Test and evaluate the internal controls ■ Review reasonableness of balances compared to expectation on a per FTE basis
<ul style="list-style-type: none"> ■ State Appropriations ■ (\$297 million) 	<ul style="list-style-type: none"> ■ Accuracy of amounts recorded 	<ul style="list-style-type: none"> ■ Confirm balances with information provided from the state accounting system
<ul style="list-style-type: none"> ■ Investment gain ■ (\$395 million) 	<ul style="list-style-type: none"> ■ Accuracy of amounts recorded 	<ul style="list-style-type: none"> ■ Confirmation of amounts with the custodian ■ Obtain and review the SAS 70 internal control report provided by the service organization.

Coordination with Other Auditors

When necessary we will coordinate and rely on audit testwork performed by the following other auditors.

Auditor	University Component
Peterson Sullivan	Metro Tract, Housing and Food Services
Washington State Auditor's Office	Research – Compliance with Laws and Regulations Statewide Debt
University of Washington Internal Audit	Various
Shallo, Galluscio, Bianchi and Fucito	Various Real Estate Component Units

This coordinated approach allows us to reduce duplicative testwork during the audit of the University and increase overall efficiency.

Utilization of Internal Audit

KPMG will utilize the staffing resources of University of Washington Internal Audit to reduce related audit fees. This is the second year we will work with internal audit in a direct assist role as they perform some of the external audit procedures on the audits of the University of Washington Financial Report, the University of Washington Medical Center, and Harborview Medical Center.

VI. New Accounting Pronouncements

Summary of Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34* (Issued November 2010)

The requirements of this Statement are effective for periods beginning after June 15, 2012.

The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—*and Management's Discussion and Analysis—for State and Local Governments, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

Summary of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (Issued December 2010)

The requirements of this Statement are effective for periods beginning after December 15, 2011.

The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in FASB pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.

Summary of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (Issued June 2011)

The requirements of this Statement are effective for periods beginning after December 15, 2011.

This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively.

We are working with management to understand these requirements and their application in the University's financial statements for this fiscal year.

VII. Tentative Timetable

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
LEAN process improvements	●	●	●	●								
Initial planning meetings				●								
Present audit plan to board of regents' finance and audit committee				●								
Planning meetings with University of Washington finance department				●								
Interim fieldwork				●	●							
Final fieldwork							●	●	●	●		
Financial statements Preparation and reporting									●	●		
Presentation of financial statement and management letter to board of regents' finance and audit committee												●

We will coordinate with the controller's office a more detailed schedule of events, which outlines specific data requirements, timelines, and individuals responsible for each will be prepared.

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Peterson Sullivan LLP
University of Washington Metropolitan Tract Audit
For the Year Ending June 30, 2012

The following is a summary of the services we will provide for the **University of Washington Metropolitan Tract** for 2012. Our general audit plans and related timelines are also included.

SUMMARY OF SERVICES TO BE PROVIDED

We will perform the following audit services:

- **Metropolitan Tract:** The audit of the Metropolitan Tract represents the majority of the audit work we perform. Incorporates all of the properties within the Metro Tract (including the Cobb Building).
- **Rainier Tower Sublease:** We audit the results of operations specifically associated with the Rainier Tower sublease on a stand-alone basis.
- **Fairmont Olympic Hotel:** We audit the schedule of gross rental income and percentage rent, including amounts due to the University. We also perform various tests associated with lease compliance.
- **Unico Properties:** We audit the schedule of gross rental income and percentage rent, including amounts due to the University. Again, we perform various tests associated with lease compliance. This also includes certain lease compliance agreed-upon procedures related to the Cobb Building.

SUMMARY OF AUDIT PLANS

Metropolitan Tract

We focus our audit procedures in the areas deemed to be the highest risk. At the Metropolitan Tract, we have determined that cash, accounts receivable from Unico, and the rental revenue stream (including lease compliance) represent the largest dollar value and the highest volume of activity and, therefore, the highest audit risk.

We are very much aware of the relationship with Unico (and the significance of the contract completion date of 2014). We are sensitive to the effect of this on our audit and the financial statements. For instance, the non-competition agreement with Unico is no longer in effect.

In addition, the real estate market and the hotel market in the area are in recovery, so we expect the operating results of Metropolitan Tract to show some positive change in general. If the operating results are contrary to our expectations, we will further investigate to focus on the causes. We prepare our audit programs to focus audit efforts in these areas.

Rainier Tower Sublease

The Rainier Tower sublease financial results are included in the Metropolitan Tract financial statements. We audit this activity and also audit the separate results of operations for the Rainier Tower on a stand-alone basis. We expect to focus our audit procedures on rental revenue recognition (including lease compliance) and capital expenditures. The property management functions were transferred to Unico from Kidder Mathews as of July 1, 2011, so this will be incorporated into our audit plan.

Fairmont Olympic Hotel

The financial results from the Fairmont Olympic Hotel are included in the Metropolitan Tract financial statements. We also audit the financial results related to the revenue and percentage rentals on a stand-alone basis. We focus our audit procedures on Fairmont revenue as this is the driver as to amounts paid to the Metro Tract. We test revenue recognition, completeness of reported revenue, and proper classification and presentation of revenue. In addition, we perform certain agreed-upon procedures related to the Fairmont activity. These procedures include, but are not limited to, testing to ensure that the Fairmont classifies revenue properly in accordance with the lease, and testing to see that capital expenditures meet certain requirements.

We are aware that the owners of the Fairmont are considering the possibility of selling the property. This will be taken into account when we perform audit and agreed-upon procedures.

Unico Properties, Inc.

The financial results from the Unico Properties are included in the Metropolitan Tract financial statements. We audit this activity and also audit the financial results related to the gross rental income and percentage rentals on a stand-alone basis. We focus our audit procedures on revenue recognition and revenue classification between commercial space and office space. We will also select applicable tenants and test the calculation of percentage rents. In addition, we will perform certain agreed-upon procedures related to lease compliance. These procedures include, but are not limited to, lease compliance with the Cobb lease and the allocation of parking revenue.

AUDIT TIMELINE

Our audit procedures are expected to take place as follows:

- Procedures related to the Unico activity begin mid June 2012.
- Procedures related to the Fairmont begin during the second week of August 2012.
- The Metropolitan Tract audit begins during the third week of August 2012.
- The Rainier Tower audit begins the last week of August 2012.
- Reports for Fairmont and Unico are prepared for the year ended December 31, 2011, and will be issued in October 15, 2012 or sooner.
- Reports for the Metropolitan Tract and Rainier Tower are prepared for the year ending June 30, 2012, and will be issued by October 15, 2012, or sooner.

**Peterson Sullivan LLP
University of Washington
Audits of Housing and Dining System and
Retail and Remote Food Services
For the Year Ending June 30, 2012**

The following is a summary of the Services we will provide for the **University of Washington Housing and Dining System and Retail and Remote Food Services** for 2012. Our general audit plans and related timelines are also included.

SUMMARY OF SERVICES TO BE PROVIDED

We will provide the following audit services:

- **Housing and Dining System**
- **Retail and Remote Food Services**

SUMMARY OF AUDIT PLANS

We focus our audit procedures in the areas deemed to be the highest risk. For both of these audits, we have determined that capital assets, accounts payable, accrued expenses, deferred revenue, long-term debt and residence hall or food/catering revenues represent the largest dollar value and the highest volume of activity and, therefore, the highest audit risk. We expect a substantial increase in capital asset activity and the related loans from the internal lending program in accordance with the University's capital improvement plan.

We will follow up on the issues related to the period-end closing (primarily footnote disclosure related) noted during the prior fiscal year. We will evaluate any procedural changes made during this fiscal year to remediate the issues.

AUDIT TIMELINE

Our audit procedures are expected to take place as follows:

- Audit planning meeting with the University personnel in May 2012.
- Internal control procedures and sample selection in August 2012.
- Audits begin in mid September 2012.
- Audit reports are prepared for the year ending June 30, 2012, and will be issued by October 31, 2012.

**Peterson Sullivan LLP
University of Washington
Audits of Departments in Student Life
For the Year Ending June 30, 2012**

The following is a summary of the services we will provide for the **University of Washington Departments within Student Life** for 2012. Our general audit plans and related timelines are also included.

SUMMARY OF SERVICES TO BE PROVIDED

We perform audits for the departments listed below in every other year and perform internal control reviews in years when audits are not performed (except for Student Facilities Fees - Seattle Campus, which is audited every year). The Student Life activities are on a full-audit cycle in 2013, so for the fiscal year ending June 30, 2012, we will perform the following internal control reviews (in addition to the audit of the Student Facilities Fees).

Internal control reviews:

- **Student Activities and Union Facilities ("SAUF")**
- **Associated Students of the University of Washington ("ASUW")**
- **Graduate and Professional Student Senate ("GPSS")**
- **Student Publications**

Audit:

- **Student Facilities Fees – Seattle Campus** (audited every year - not just the two-year cycle).

SUMMARY OF INTERNAL CONTROL REVIEW PLANS

We will examine the effectiveness of the internal control over reporting maintained by the above departments based on the criteria established in *Internal Control – Integrated Framework issued by the committee of Sponsoring Organization of Treadway Commission*.

SAUF, ASUW, and GPSS

We will issue one combined report for our reviews for SAUF, ASUW, and GPSS because all of the departments operate within the same accounting system and being managed by the same personnel. We focus on the significant processes, which are cash receipts/revenue, cash disbursements/expenses, and payroll. For the internal control reviews conducted for the year ended June 30, 2010, and the financial statement audits for the year ended June 30, 2011, we did not note any material weaknesses.

Student Publications

We will issue a stand-alone report for our review for Student Publications because it operates with its own accounting system. Again, we focus on the sufficient processes, which are cash receipts/revenue, cash disbursements/expenses, and payroll. We did not note any material weaknesses during our review for the year ended June 30, 2010. We also did not note any material weaknesses during our financial statement audit for the year ended June 30, 2011.

INTERNAL CONROL REVIEW TIMELINE

Our review procedures are expected to take place as follows:

- Reviews begin in the mid September 2012
- Internal control review reports will be issued by mid November 2012.

SUMMARY OF AUDIT PLAN

Student Facilities Fees – Seattle Campus

We have determined that student facilities fees receipts, debt service payments, and cash disbursements made to various entities in the University of Washington represent the largest dollar value and the highest volume of activity and, therefore, the highest audit risk. The audit is done on the cash basis of accounting. We did not note any material weaknesses during our financial statement audit for the year ended June 30, 2011.

AUDIT TIMELINE

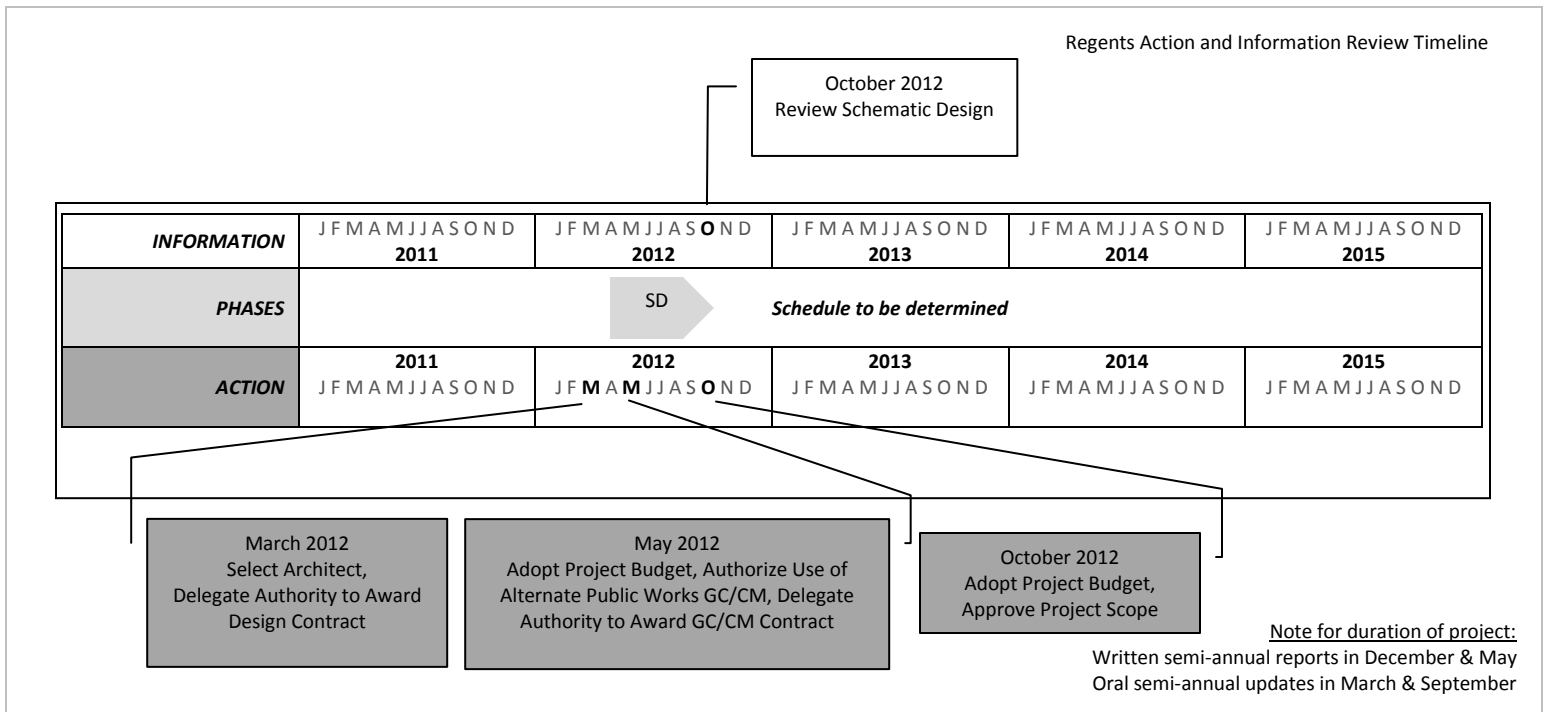
Our audit procedures are expected to take place as follows:

- Audits begins in the mid September 2012
- Audit reports are prepared for the year ending June 30, 2012, and will be issued by mid November 2012.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Fluke Hall Renovation – Adopt Project Budget, Authorize Use of Alternative Public Works General Contractor/Construction Manager (GC/CM) and Delegate Authority to Award GC/CM Contract



RECOMMENDED ACTION

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents:

- 1) Adopt a project budget of \$28.5 million for the Fluke Hall Renovation project;
- 2) Authorize the use of the General Contractor/Construction Manager (GC/CM) Alternative Public Works contracting method; and
- 3) Delegate authority to the President to award a GC/CM contract.

PREVIOUS ACTION

In March 2012, the Board of Regents approved the selection of the project architect, and delegated authority to the President to award a design contract to the

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Fluke Hall Renovation – Adopt Project Budget, Authorize Use of Alternative Public Works General Contractor/Construction Manager (GC/CM) and Delegate Authority to Award GC/CM Contract (continued p. 2)

selected architectural firm. HDR Architecture of Seattle was the selected firm, and IDC Architects of Portland was the first alternate.

PROJECT DESCRIPTION

Built in 1988 and located near the eastern edge of the Seattle Campus, Fluke Hall is a three-story building that served as the former home of the Washington Technology Center. This project will renovate the building systems and redevelop the building spaces for joint use by the UW Center for Commercialization (C4C) and the College of Engineering (CoE). It is envisioned that the project will be constructed in multiple phases and will be partially-occupied during the renovation.

Level 1 will be dedicated to the CoE Microfabrication Lab and will consist of renovated and newly constructed cleanrooms, specialty labs and support spaces. Levels 2 and 3 will be assigned to the C4C. Work within this project will focus on Level 2 with the creation of incubator research and development lab space and associated support spaces. A significant portion of the project will be the replacement and upgrade of the aging building systems infrastructure necessary to support the new programs within the building.

The complete scope of the Fluke Hall Renovation remains to be determined. The project architect has begun a schematic design effort aimed at determining the most cost effective phasing strategy and a clear understanding of what can be achieved for the available funds.

BACKGROUND

In August 2011, in response to a transfer of Fluke Hall space management responsibility from the Washington Technology Center to the University, the Administration made the decision to assign the building spaces to C4C and CoE. This project is intended to repurpose the facility to meet the needs of the new occupants.

Under the direction of the Office of Planning and Budgeting (OPB), a consultant team has completed a building condition assessment and a conceptual design study. Working closely with C4C and CoE, the consultant team completed a program fit, conceptual floor plans and an assessment of the building systems and capacities necessary to support the assigned programs. The building condition assessment determined that a significant renewal of the building systems will be required.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Fluke Hall Renovation – Adopt Project Budget, Authorize Use of Alternative Public Works General Contractor/Construction Manager (GC/CM) and Delegate Authority to Award GC/CM Contract (continued p. 3)

CONTRACTING STRATEGY

The recommendation of the Capital Projects Office (CPO) is to use the GC/CM alternative public works contracting procedure, as authorized by RCW 39.10, for construction of this project. The use of a GC/CM has been absolutely critical to the success of the University's large and complex projects. During design, the GC/CM will be able to provide detailed construction scheduling, input into procedures and specifications, input into design constructability issues, and coordination of construction documents; determine construction logistics and needed lay-down areas; provide detailed cost estimates; and investigate existing conditions. This is especially important as the building will be partially occupied during construction.

To help meet the overall project schedule, the GC/CM is able to bid out and start construction on early work packages before all of the project construction documents are 100% complete, if there are compelling reasons to do so. All of these aspects of the GC/CM process will be especially important in the Fluke Hall Renovation project.

CPO proposes to commence the GC/CM selection process in May 2012, with the expectation of entering into a preconstruction services agreement with the highest scoring firm in July. It is anticipated that the Board of Regents will be informed of the selected GC/CM at their July 2012 meeting in a report of actions taken under delegated authority.

SCHEDULE

The project schedule is heavily dependent upon the final scope and phasing plan, which remain to be determined. With the GC/CM joining the project team in July, CPO expects to have a complete understanding of the project schedule in sufficient time to include it in the schematic design presentation to the Board of Regents in October 2012.

BUDGET AND FUNDING

The proposed project budget is \$28.5 million and a preliminary version of the budget detail is attached. This preliminary budget may change after the additional work on the schematic design for the project is completed; this work will allow a detailed scope and a revised budget to be presented when the schematic design for the project is presented to the Board of Regents in the fall. The Fluke Hall

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Fluke Hall Renovation – Adopt Project Budget, Authorize Use of Alternative Public Works General Contractor/Construction Manager (GC/CM) and Delegate Authority to Award GC/CM Contract (continued p. 4)

Renovation Project will not proceed to construction until the Board of Regents has approved a final scope and budget for the project in the fall.

Sources and uses are as follows:

Sources and Uses of Funds (\$000)

Sources of Funds

One time Minor Capital Repair Carry-Forward	20,900
Sound Transit Reserve	3,280
Provost 2011-2013 Minor Capital Reserve	2,820
Remaining ILP Authority for Molecular Engineering	1,500
Total Sources of Funds	<u>\$28,500</u>

Uses of Funds

Design Costs	3,491
Construction Costs	22,590
Project Management and Other Costs	1,948
Equipment and Furnishings	471
Total Uses of Funds	<u>\$28,500</u>

Funding sources for the projected \$28.5M Fluke Hall Renovation project are primarily local funds. Approximately \$1.5M of debt proceeds from the debt issued for the Molecular Engineering Building project will be used to support critical improvements to the UW Clean Room Core Research Facility in Fluke Hall which is managed by the College of Engineering and supports the nanotechnology-focused research planned for the Molecular Engineering Building. The local funds sources for the renovation include \$2.82M from the Provost's 2011-2013 Minor Capital Reserve, \$3.28M from the Sound Transit Reserve, and \$20.9M from one-time Minor Capital Repair carry-forward funding from previous years.

Attachment

Preliminary Summary Project Budget

**UNIVERSITY OF WASHINGTON
CAPITAL PROJECTS OFFICE - PRELIMINARY SUMMARY PROJECT BUDGET
ALTERNATIVE PROCUREMENT (GC/CM)**

Project Number: 203880

ESTIMATED DATE OF COMPLETION: June 2015

<u>Project Budget</u>	<u>Total Escalated Cost</u>	<u>% of TPC*</u>
Pre-Schematic Design Services	\$ 255,000	0.9%
A/E Basic Design Services	\$ 1,927,000	6.8%
Extra Services	\$ 699,000	2.5%
Other Services	\$ 253,000	0.9%
Design Services Contingency	\$ 357,000	1.3%
Consultant Services	\$ 3,491,000	12.2%
GC/CM Construction Cost	\$ 18,661,000	65.5%
Other Contracts	\$ -	0.0%
Construction Contingencies	\$ 1,969,000	6.9%
Sales Tax	\$ 1,960,000	6.9%
Construction	\$ 22,590,000	79.3%
Equipment & Furnishings	\$ 471,000	1.7%
Other Costs	\$ 439,000	1.5%
Project Management	\$ 1,509,000	5.3%
Other	\$ 2,419,000	8.5%
Total Project Cost (TPC)*	\$ 28,500,000	100.0%
 <u>Included in Above:</u>		
Escalation at 3% per year through September 2014	\$ 1,747,000	6.5%

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

University of Washington Investment Committee (UWINCO) Update

INFORMATION

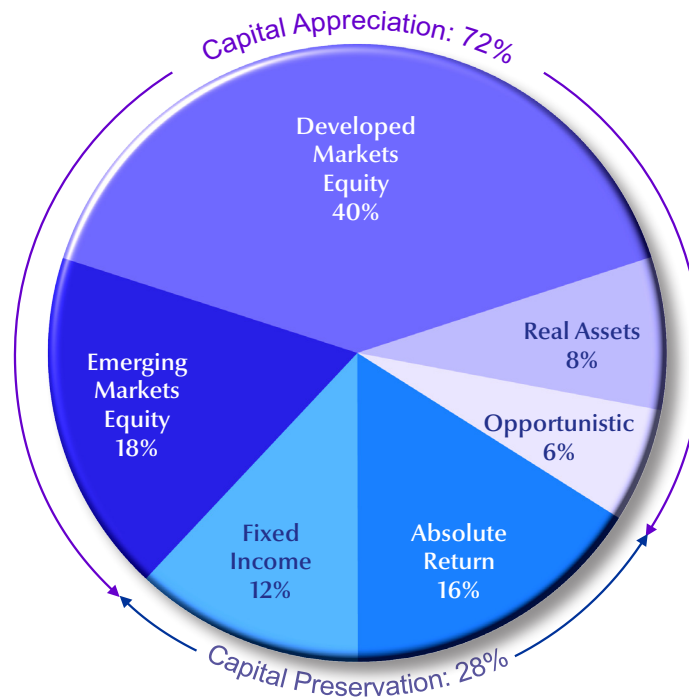
There will be an oral report for information only.

Attachment

1. CEF Asset Allocation

CEF ASSET ALLOCATION¹

estimate as of March 31, 2012



Current Allocation (\$ = millions)			Policy Target	Range
Emerging Markets Equity	\$398	18%	17%	
Developed Markets Equity	\$864	40%	36%	
Real Assets	\$163	8%	11%	
Opportunistic	\$125	6%	6%	
Capital Appreciation	\$1,550	72%	70%	55%–85%
Absolute Return	\$353	16%	15%	
Fixed Income	\$258	12%	15%	
Capital Preservation ²	\$611	28%	30%	15%–45%
Total CEF	\$2,161	100%		

¹ Exposures: International: 33%, Foreign Currency: 31%

² Allocation to cash included in Fixed Income

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

2011 Internal Audit Results

This item is for information only.

Attachment

Internal Audit 2011 Audit Results



INTERNAL AUDIT

UNIVERSITY of WASHINGTON

2011 Audit Results

Finance, Audit and Facilities Committee
Board of Regents

May 2012

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Executive Summary

This report highlights the key goals and results of the audit work completed in 2011.

Audit Goals

Internal Audit's goals for 2011 are:

- Complete audits within twenty-five of the highest risk ranked units of the University;
- Provide the University with value added recommendations to improve controls, mitigate identified risks and increase efficiency within operations;
- Expand our audit universe to include Northwest Hospital and also consider expanding to newly created or acquired UW operations;
- Continue further implementation of modules included in our new Internal Audit electronic work paper system;
- Continue to strengthen our audit team through focused industry training; and
- Continue to coordinate with and participate in the further development of the University-wide enterprise risk management framework.

Audit Results 2011

As a result of the work completed in 2011, we issued 12 audit reports related to the 2010 and 2011 audit plans, provided controls and ethics trainings across campus, conducted follow-up audit procedures to "close" over 170 audit findings, provided liaison services to campus and conducted investigations into ethics and/or fraud allegations. Additionally, in 2011 we began two new initiatives: an Internal Audit Internship Program where we hired two UW business students to assist our department, and a program to directly support the conduct of the external financial statement audit of the University in order to reduce the overall audit fees paid.

The audit reports issued related to work completed in the following areas:

ARRA	Civil & Environmental Engineering
Facilities Services	UWMC / HMC Pathology
UWMC / HMC Pharmacy	HMC Radiology
School of Dentistry	Intercollegiate Athletics Compliance -2010
I-TECH Site visit - Africa	Intercollegiate Athletics Compliance -2011
Northwest Hospital	SOM - CCER

Overall, we found the departments tested generally had good control systems in place related to financial management, operations and federal compliance. The exceptions identified resulted primarily from the lack of sufficient management oversight and monitoring rather than problems systemic at the University or UW Health System level.

Our information system audits focused primarily on the implementation of new systems and security of data stored in decentralized, department-owned systems. We found departments need to strengthen controls related to user access, security, and disaster recovery.

2011 Audit Results

In 2011, Internal Audit continued to emphasize the importance of strong systems of internal control. Overall, we found that internal controls are sufficient to ensure compliance with applicable regulations and policies, and to ensure that business objectives are achieved. We found no critical deficiencies in the course of these scheduled audits. Audit exceptions resulted primarily from lapses in management oversight, poor understanding of specific reconciliation controls and increased pressure on departments which have recently downsized. We have not seen evidence of systemic problems at the University level; however, continued pressure on downsizing of administrative units and departments will increase the risk of significant control breakdowns.

Our information system audits focused primarily on the implementation of the new billing system within the UW Health System, security of data stored in decentralized, department-owned systems and access controls over department run systems. We found departments need to strengthen controls over user access, security and disaster recovery.

Internal Audit also completed a risk assessment at Northwest Hospital and identified areas for potential audit which were presented to the Northwest Hospital audit committee.

Summary of Key Areas Audited

We completed a number of audits across both the Campus and UW Health System during 2011. We have summarized the key risks and controls reviewed in these audits below, as well as a brief summary of recommendations to strengthen our controls from these audits.

American Recovery and Reinvestment Act (ARRA)

We reviewed controls over the tracking, use, and administration of ARRA funds; timeliness and accuracy of federal reporting; and the integrity, security, and availability of data. We recommended improvements in the change management process and validation testing of the ARRA reportable data elements.

Civil and Environmental Engineering

We reviewed the post award grant fiscal management controls related to compliance with key regulatory requirements. We recommended that controls be strengthened over completion of the effort certification reports, monitoring of expenditures and cost sharing, documentation of payroll actions, documentation and monitoring of financial activity, monitoring of programmatic progress made by subcontractors, and student eligibility for scholarships.

Facility Services

We reviewed internal controls related to work orders, billing, and payroll. We also reviewed access controls over the work order and labor system known as AiM, security controls over the HVAC computer systems, and cybersecurity requirements for the Smart Grid project. We recommended improvements in the recording of hours worked, processing of payroll, completion of work orders, access to AiM, HVAC security, and Smart Grid cybersecurity plan.

Summary of Key Areas Audited (cont.)

HMC/UWMC Pathology

We performed a review of controls over service capture, submission of charges to the UW Medicine billing system, resolution of rejected charges, and IT data security, integrity and availability. We identified IT control improvement opportunities related to operating system patch management, user access reviews, and printer security.

HMC/UWMC Pharmacy

We reviewed controls related to physical security of pharmacy locations and inventory, HIPAA compliance for disposition of drug dispensers and manually recorded patient information, compliance with Pharmacy's formulary policies, and IT application and data security. We recommended strengthening controls over key cards, completion of annual conflict of interest forms, systems access, security over printers and other devices, and encryption of data.

HMC Radiology

We performed a review of controls over service capture, submission of charges to the UW Medicine billing system, resolution of rejected charges, and IT data security, integrity and availability. We identified IT control improvement opportunities related to operating system patch management, user access reviews, and completion of annual system security reviews.

Intercollegiate Athletics

We reviewed internal controls over recruiting, amateurism, and academic performance in 2010, and eligibility, camps and clinics, student employment, and extra benefits in 2011. We recommended strengthening controls in the areas of telephone calls to recruits, monitoring of compliance with recruiting rules, student employment, sports camps and clinics, and maintenance of policies and procedures.

School of Dentistry

We reviewed controls related to the Axium billing system, clinical revenues and expenditures, expenses and cost transfers, and the governance/monitoring of financial and organizational activities. We recommended improvements in the areas of documentation of policies and procedures, consistency of accounts receivable collection and write-off practices, consistency of patient billing practices and refunds, and submission of Medicare claims.

International Training and Education Center on Health (I-TECH)

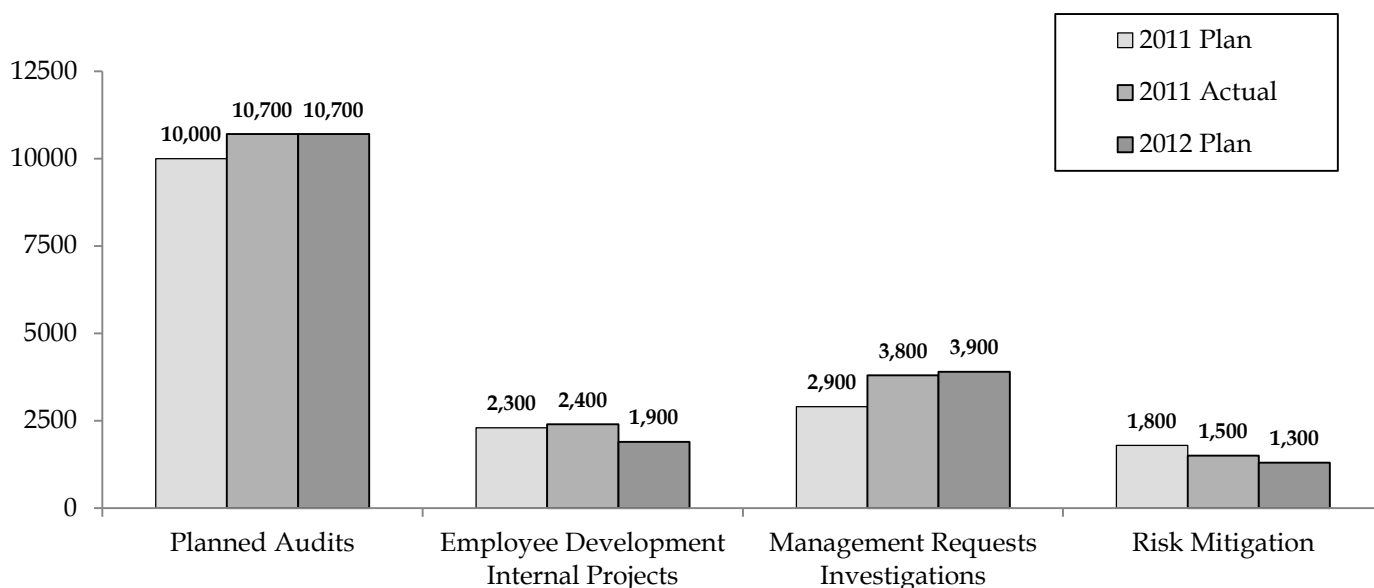
We performed a review of financial controls in three I-TECH offices located in South Africa, Namibia, and Botswana. We reviewed internal controls related to budgetary oversight, expenditures, protection of assets, and financial management reporting. We recommended strengthening controls over purchasing, payroll, reconciliation of accounts receivable and bank statements, entry of information into the financial systems, and production of financial management reports. We also developed an audit review program that I-TECH finance staff can use in performing reviews of other offices in their network.

Summary of Key Areas Audited (cont.)

School of Medicine - Center for Clinical and Epidemiological Research (CCER)

We reviewed processes and procedures to determine whether internal controls are sufficient to provide reasonable assurance that purchases, revolving fund, and gift cards are properly authorized, accounted for, and valid. Our review concluded that CCER has a weak control environment and needs to strengthen their processes and procedures to effectively manage purchases, revolving fund, and gift cards.

Plan to Actual Audit Hours



Total hours incurred fulfilling the 2011 Audit Plan were significantly higher than plan (1,400 hours). We were able to accomplish the increased hours in 2011 over our plan hours because of our conservative approach to planning for our total FTE compliment. Our 2011 plan expected a reduction of two to two and a half fewer FTE. However, our actual result was only a net loss of one FTE and no loss of position due to budget support from the Provost's Office. Additionally, we implemented a new student internship program. This was offset by a larger than anticipated amount of time spent conducting investigations and management requested projects (900 hours), an increased focus on completing our planned audit projects (300 hours), and an overall reduction in our liaison activities and continuing professional education (200 hours). The Department also refocused its efforts on minimizing administrative time.

The Planned Audits estimated hours for 2012 represents an increase from our 2011 audit plan as we refocus our time on Planned Audit projects and have received support from the Provost's Office to maintain our staffing levels. We also have allocated more of our audit plan to cover the increasing demand on our time to complete investigations. Additionally, Internal Audit continues to expand the audits completed for the UW Health System, and has included Northwest Hospital in 2011 and will begin to include Valley Medical Center in 2012.

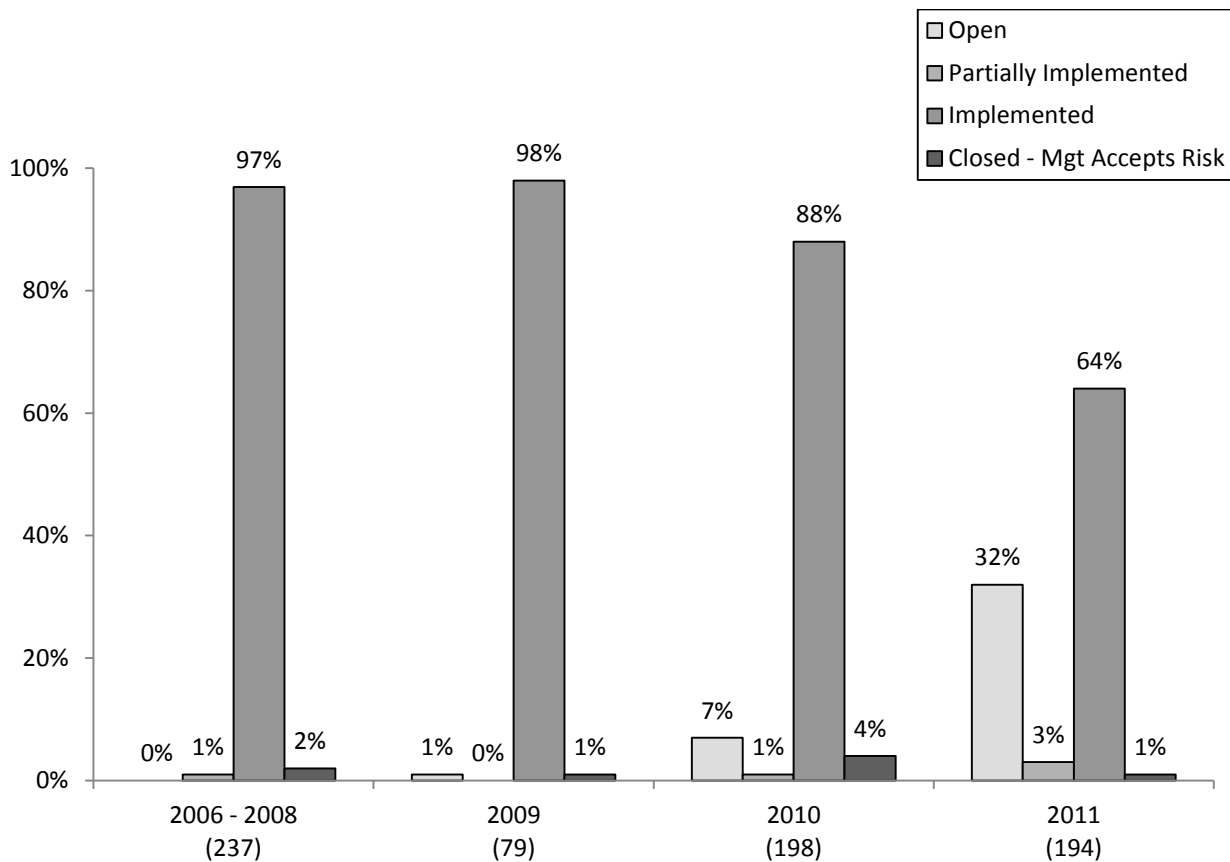
Additional Contributions by Internal Audit

Internal Audit is also involved in a number of other activities to deliver value to the University. These activities include the follow-up of previously issued audit recommendations, the conduct of internal investigations into fraud and ethics violations, pre-implementation reviews of new IT systems, review of specific risk areas as requested by management, audit liaison services to the campus, advisory work on key campus committees and internal quality improvement initiatives within Internal Audit. We have summarized our involvement in these areas below.

Follow-up Audit Procedures

Semi-annually Internal Audit conducts follow-up audit procedures to ensure that management is implementing controls as described within their responses to Internal Audit. As a result of these follow-up procedures, we were able to create the chart below to demonstrate how the University is implementing control recommendations. Additionally, Internal Audit issues a semi-annual report to management which includes the chart below and the status on all recommendations not yet implemented.

Percentage of Recommendations Implemented for the Years 2006-2011



(Total Audit Recommendations by Year)

Additional Contributions by Internal Audit (cont.)

Management Requests and Advisory Services

During 2011 Internal Audit conducted a number of projects at the request of the Board of Regents and Executive Management. These focused on testing of controls in areas of management concern and/or consultations on controls for ongoing projects. The projects we participated on included: an audit for an Electrical Engineering European Union grant, direct assistance to KPMG with our external financial audit, completion of a review of fees for the Student Technology Fee Committee, and general departmental consulting on internal control questions.

Liaison Services

Internal Audit serves as liaison between central administrative offices, University departments and external auditors (federal, state and financial). The department maintains a record of all external auditors on campus, ensures documentation and information requests are understood and met, assists University staff is responding to audit findings and facilitates communication and coordination between different groups of auditors to minimize disruption to departmental activities. Additionally, we attend entrance and exit conferences and act as focal point for putting auditors in touch with the right people at the University to answer their questions. Appendix B contains a listing of external audit organizations who conducted work at the University in 2011.

Special Investigations

Internal Audit received 49 complaints in 2011 that required our attention. Of these, we carried out or are in the process of carrying out 44 investigations related to whistleblower claims and regulatory, ethics and fraud allegations. We carry out many of these investigations as the proxy for the State Auditor's Office (whistleblower and fraud allegations), which allows Internal Audit to quickly identify control weaknesses and provide recommendations on ways to strengthen controls.

Trainings Provided

One of our goals is to continue to assist the University and Medical Centers in their endeavor to strengthen internal controls. As such, we lead, provide and deliver trainings to campus and medical center groups in the areas of Internal Controls and Fraud Prevention, Grants Management, State Ethics Laws and Work and Leave Records Maintenance. We believe these trainings which amount to some 276 hours of work per year help strengthen the overall control environment while providing our staff with opportunities to meet with future audit clients and strengthen their presentation skills.

Additional Contributions by Internal Audit (cont.)

Participation in UW Committees

Internal Audit provides advisory input into a number of key initiatives on Campus and at the Medical Centers through its participation on committees. Our participation on committees is solely as an advisor and does not extend to a management / decision making role on the specific initiatives. We provide thoughtful input on the challenges faced by the University through an Internal Audit “lens” and focus on how any initiative impacts the control structure of the University. We aspire to always maintain a voice that is consistent with the President’s challenge to create a “Culture of Compliance” here at UW.

A sample of the committees we participate in are: the President’s Advisory Council on Enterprise Risk Management (PACERM), the Compliance, Operations and Finance Council (COFi Council), the Privacy Assurance and Systems Security Council, the Global Support Committee, the Compliance Officers Group, the Data Management Users Group and the Tax Strategy Team.

Quality Improvement Initiatives

Additionally, we undertook a number of internal initiatives in 2011 to increase our productivity including:

- Continuation of a LEAN project to improve our audit process, improve client satisfaction, and improve overall time for an audit;
- Expansion of an electronic work paper system; and
- Introduction of new audit report format.

Enterprise Risk Management

Internal Audit continues to participate in the University’s process to identify, assess and mitigate enterprise-wide risks through participation in the PACERM and COFi councils.

Pacific Northwest Internal Audit Conference for Public Universities

Internal Audit hosted, led and participated in the second annual Pacific Northwest Internal Audit Conference for Public Universities. We worked with Washington State University, Western Washington University, and Oregon University System auditors to present a low cost training alternative and create an opportunity to share best practices amongst the audit departments. In 2011 we expanded participation to include the University of Alaska, the Spokane Community College System, University of British Columbia, Boise State University, and Montana State University.

Internal Audit Internship Program

Internal Audit began a student intern program in 2011 for students majoring in Accounting or related fields. The students work during the summer of their Junior year and part-time during their Senior year in Internal Audit. They assist in the performance of audits, investigations, risk assessments, and management advisory services. This provides the students with real life experience on what it is like to be an auditor.

Appendices

Audit Results

During the course of calendar year 2011, we completed a number of audits that were in progress at the end of 2010, and completed or began most audits planned for 2011. Below is a summary of the progress we have made to date.

2010 Carry-Over Audits

Audit	Status
ARRA	Issued
Civil & Environmental Engineering	Issued
Facility Services	Issued
HMC/UWMC Pathology	Issued
HMC/UWMC Pharmacy	Issued
HMC Radiology	Issued
ICA NCAA Compliance 2010	Issued
School of Dentistry	Issued
Human Subjects Division	Issued 2012

2011 Planned Audits

Audit	Status
ICA NCAA Compliance 2011	Issued
I-TECH Site Visit to Africa	Issued
Northwest Hospital	Issued
School of Medicine - CCER	Issued
Effort Reporting	Issued 2012
EPIC System (CHARMS)	Issued 2012
HMC/UWMC Patient Accounts Receivables Write-Off	Issued 2012
HMC/UWMC Procard/Travel Card/Budget Review & Reconciliation	Issued 2012
Exception Pay	In Progress
HMC/UWMC Anesthesiology	In Progress
HMC/UWMC Emergency Services	In Progress
KRONOS (Payroll System)	In Progress
Recharge/Cost Centers	In Progress
School of Medicine - Metabolism	In Progress
UW Bothell/Cascadia Service Agreement	In Progress
UW Bothell Student Fees	In Progress
College of Arts & Sciences	Deferred 2012
Computerized Provider Order Entry	Deferred 2012
UW Information Technology - Rate Setting	Deferred 2012
UW Information Technology - Report Follow-up	Replaced by UW Bothell /Cascadia Service Agreement
School of Medicine - Anesthesiology	Replaced by SOM - CCER

External Auditors – 2011

Financial Statement and Agreed Upon Procedures Audits:

KPMG

University of Washington	Harborview Medical Center
Internal Lending Program	UW Medical Center
Intercollegiate Athletics	Northwest Hospital
Commuter Services	Northwest Hospital Foundation
Portage Bay Insurance	UW Physicians
UW Alumni Association	UW Physicians Network
UW Foundation	Airlift Northwest
I-Tech Field Offices	Seattle Cancer Care Alliance

Peterson Sullivan

Metro Tract	Student Life
Housing & Food Services	

Federal and State Regulatory Audits and reviews:

State Auditor's Office

Audit of compliance with state laws and regulations
 Audit of federal programs in accordance with the Single Audit Act
 Whistleblower and citizen complaint investigations

Federal Agencies

Department of Education

Grant Audit – Office of Minority Affairs

Department of Energy

ARRA program review

Department of Health and Human Services

Grant Audit – Applied Physics Laboratory

Department of Justice

Grant Audit - Epidemiology

Department of Labor and Industries

Fair Labor Standards Act Compliance – Harborview Medical Center

Federal Aviation Administration

HAZMAT compliance – Applied Physics Laboratory

Government Accountability Office

ARRA data collection

National Institutes of Health

Grant Audit – Primate Center

National Science Foundation

ARRA Compliance

Office of Naval Research

Property control system analysis – Equipment Inventory Office

External Auditors - 2011 (cont.)

State, Local, Foreign and Private Agencies

Bahamas Ministry of Health

Grant Audit - I-Tech

Booz Allen Hamilton

University Grants Management Controls

Cystic Fibrosis Foundation

Grant Audit - Microbiology

European Union

Grant Audit - Electrical Engineering

Inland Northwest Health Services

Grant Audit - Health Services

King County

Grant Audit - Pediatrics, UWMC Maternal & Infant Care Clinic,
Health Promotion Center, Family Medicine,
Psychosocial and Community Health

Oregon Health Sciences University

Grant Audit - Applied Physics Laboratory

Public Health Foundation Enterprise

Grant Audit - Center for Demography & Ecology, AIDS Center

University of Texas, Galveston

Grant Audit - Immunology

VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee**Enterprise Risk Management Annual Report

This presentation will be a discussion of the University of Washington's activities related to Enterprise Risk Management (ERM) and the role of the President's Advisory Committee on Enterprise Risk Management (PACERM). To queue up this presentation, we are providing you with the UW's 2011 ERM Annual Report and a recent report from the Association of Governing Boards of Universities and Colleges (AGB) entitled "New Strategies for Managing Risks: A Balancing Act for Boards." Under Best Practices in Academe on page 5 of the AGB report, the UW is identified as one of the "pioneers" in risk assessment.

Attachments

1. University of Washington Enterprise Risk Management Annual Report 2011
2. "New Strategies for Managing Risks: A Balancing Act for Boards,"
Association of Governing Board *Trusteeship Magazine*, January/February 2012
3. ERM Toolkit Distribution Summary as of April 30, 2012
4. ERM Presentation

ATTACHMENT

UNIVERSITY *of* WASHINGTON

Enterprise Risk Management Annual Report 2011

“...I am increasingly impressed to see that the remarkable drive, inquisitiveness, and ambition of our faculty, staff, and students are tempered by a deep pervasive respect for the rules and societal standards that define the right way to conduct our work. Such steadfast adherence to ethical principles is far from universal, nor can we take it for granted.”

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February 15, 2012

To: President Michael Young

From: President's Advisory Committee on Enterprise Risk Management

Subject: Enterprise Risk Management 2011 Annual Report

Enterprise Risk Management (ERM) at the University of Washington (UW) has been in place for five years, and assessment work continues to provide senior management with collaborative tools to address compliance, operations, financial, and strategic risks and opportunities impacting the institution. This report is to update you on our efforts to continue the ERM initiative, and more broadly, the management of risks facing the UW.

In 2010 – 2011, the President's Advisory Committee on Enterprise Risk Management (PACERM) provided a forum for senior leaders to discuss measures used to evaluate the University's academic personnel profile, as well as discuss measures used to monitor our financial strength in comparison to peer institutions.

By overseeing major information technology projects, PACERM contributed to fulfilling the University's responsibility for compliance with State of Washington Information Services Board and Department of Information Services policies and standards. This oversight role is consistent with the formation of PACERM in 2006 to "oversee and improve the UW's culture of compliance."

Looking ahead, we consider the UW Sustainable Academic Business Plan (SAB) and its 2011 – 2012 priority initiatives essential to keep the University strong and well-positioned in the 21st century. The SAB provides strategic direction for University staff to allocate declining resources, and the basis to apply UW ERM methodologies enterprise-wide.

The UW's approach to ERM, for which PACERM provides governance, provides an accessible forum for addressing emerging risks, or other events that may arise. With greater visibility and control over the top institution-wide risk issues, the UW can maintain its competitive advantage by enabling senior leaders to make decisions in alignment with our strategic goals and mission-critical activities.

We join you in resolving to make 2012 another year of hard work, carried out with the highest standards of integrity, underlined by a quotation from your January letter on renewing our pledge of integrity on the cover of this report.

As we introduce the Enterprise Risk Management model to you, we recommend:

1. Continuing President's Advisory Committee on Enterprise Risk Management (PACERM);
2. Reviewing PACERM membership, with an eye towards maintaining a broad representation of senior leaders;
3. Focusing this year's PACERM agenda as follows:
 - Monitor, maintain, and enhance financial health (e.g., develop enterprise financial analysis and forecasting relative to all missions at the UW);
 - Understand and support institutional efforts underway to ensure the health and safety of individuals in our community, particularly those most vulnerable;
 - Support implementation of Compliance, Operations, and Finance Council's plan to enhance existing compliance programs, and to maintain an institutional perspective for university-wide risk issues;
 - Strengthen UW's ability to compete successfully for faculty and students, given changing demographics and trends;
 - Explore other possible PACERM meeting topics (e.g., decrease administrative burden for researchers; one or more of the 2y2d Goals; one or more of the Sustainable Academic Business Plan 2011-12 Initiatives); and
4. Providing an annual Enterprise Risk Management report to the Board of Regents.

We appreciate your interest and support of this work.

I. Executive Summary

The risk environment in which the UW exists has never been as uncertain as it has been over the last few years. The fiscal tightening at both the federal and state levels has had a direct impact on the UW's missions of research, teaching and service. In particular, the unprecedented reductions in instructional support from the State of Washington have repeatedly demonstrated the importance of risk management, and the need to proactively manage resulting impacts, or risks, to our mission. Recent reductions have had lasting effects on our financial models and on our students and their families. At the same time, these challenges present never-before-seen opportunities to be innovative and transformative in how we manage the institution, now and into the future.

For all types of colleges and universities and, indeed, most similarly complex organizations and institutions, there is great interest in understanding the risks being taken when pursuing achievement of near-term and long-term strategic goals. A successful Enterprise Risk Management (ERM) initiative can affect the likelihood and impact of risks materializing, such as paying fines for regulatory non-compliance, as well as deliver benefits from more informed strategic decisions.

The UW ERM initiative has elevated risk discussions to the point where managing risk is happening enterprise-wide, and in more ways than ever. Through repeated use of a common ERM process, learning is occurring over time and across the UW.

The value of ERM is both qualitative (e.g., risk and opportunity maps) and quantitative (e.g., dashboards to contextualize and display metrics). Qualitative benefits accumulate because the risk mapping process allows groups throughout the University to collectively prioritize issues, and ensure that the effort and resources involved in root cause analysis, measurement and monitoring are applied only to the most significant concerns. Each iteration of the ERM process results in new capabilities, and insight gained into maintaining the University's competitive advantage – particularly from managing our financial risks and strategic opportunities better than peers.

I. Executive Summary (continued)

An example of ERM in action occurred in 2011, when the UW engaged in a comprehensive assessment of financial risk in response to questions from Moody's Investor Services, in light of the fiscal constraints in both the federal and state economies. We are fortunate the assessment resulted in an upgrade to our bond rating from Aaa negative to Aaa stable. This will have a direct impact on our ability to advance strategic initiatives in a financially advantageous manner. In addition, the overall effort, using ERM principles, evaluated our financial risks under several scenarios, and engaged UW senior leadership in collaborative and complimentary ways.

The UW Two Years to Two Decades (2Y2D) initiative has provided the focused vision necessary to proactively address the challenges and opportunities facing us as we embark on the new 21st century. Our paradigm is shifting and our need to demonstrate higher education as a public benefit has never been greater. The companion to 2Y2D is the UW's Sustainable Academic Business Plan. This Plan outlines the strategic goals and related activities that will keep the University strong and well-positioned in the 21st century. It provides strategic direction for University staff to allocate declining resources, and the basis to optimize UW ERM principles around the top risk issues while identifying opportunities for aligning mission-critical activities across the University.

This year's annual report covers some of the activities the UW is doing to be more competitive, collaborative, technology-reliant, nimble, and diversified.

II. State of the University

a. Managing Risk at the University of Washington

The risk environment in which the University of Washington exists has never been as uncertain as it has been over the last few years. The fiscal tightening at both the federal and state levels has had a direct impact on the UW's missions of research, teaching and service. Uncertainty at the federal level can be seen most vividly in the areas of federal research and healthcare. Current political events and how they may evolve in supporting a domestic research agenda suggest a watchful approach so that any potential impact can be addressed proactively. As the implementation of the national healthcare reform progresses, we must be vigilant in getting ahead of the impacts wherever possible.

More locally, with the unprecedented reductions in instructional support from the State of Washington, the UW has implemented initiatives to address and proactively manage the resulting impacts, or risks, to our mission of teaching, research and service. The impacts of the 2008 recession have had lasting effects on our financial models, from every sector, including government, both state and federal, philanthropy, students and their families, as well as almost every other source of support. At the same time, these challenges have presented, never-before-seen opportunities to be innovative and transformative in how we manage the institution, now and into the future. A primary example is the rapid expansion of the UW medical enterprise, the most recent being an affiliation with Valley Medical Center.

Since our UW community cannot meet these challenges alone, the University gathered input from senior leaders, and its dedicated academic personnel and staff to develop a compelling vision for the UW. Over 3,500 individuals from across the University participated in developing the Provost's Office initiative, **Two Years to Two Decades** (2Y2D), which will allow the UW to maintain its position as a preeminent public research university – indeed, perhaps to become the preeminent public university over the next 20 years – in this era of decreasing resources, increased competition from

II. State of the University

a. Managing Risk at the University of Washington (continued)

traditional and alternative education institutions, and 21st century trends. According to the 2Y2D initiative, the UW of the 21st century must be:

- ...more competitive,
- ...more collaborative,
- ...more technology reliant,
- ...more nimble, leading our way through change, and
- ...supported by a more diversified funding base.

A major component of the 2Y2D initiative is the **Sustainable Academic Business Plan**, which is a framework to maintain excellence in teaching, scholarship, and research while dealing with current financial realities. This detailed plan outlines **near-term goals** (e.g., Decrease Costs, Increase Revenues, Invest in People, Invest in Infrastructure), **long-term goals** (e.g., Sustain, Compete, Transform), and the **initiatives** (e.g., Organizational Effectiveness, Enhance Student Services, Campus of the 21st Century, etc.) that will keep the University strong and well-positioned for the 21st century. These efforts will enhance the University's competitive advantage in relation to its peers, and our ability to succeed in the coming years.

II. State of the University

b. Engaging Everyone at the Institution with Enterprise Risk Management

While higher education institutions create new strategies to address future needs, it is important to note that a **“risk conscious” tone at the top of an institution** is critical to link institutional governance, risk management, and the strategic goals. In fact, a systematic effort to maintain these links can support the advancement of the right strategy, at the right time, with a clear notion of the challenges, opportunities, and impacts those strategies may have on the institution.

An increasing number of **higher education institutions are adopting enterprise risk management practices**¹ to identify risk and opportunities earlier than peers, and to be better positioned to manage unforeseeable and unpredictable events.

The **financial benefits of Enterprise Risk Management**² for a college or university include:

- Cost-effective management of its resources,
- Greater efficiencies in use of constrained resources,
- Maintenance of competitive advantages,
- Elimination of paying fines for regulatory non-compliance,
- Enhanced capital and reduced loss of assets,
- Reduced cost of turnover by avoiding employment liability exposures,
- Reduced legal expenses,
- Enhanced communications across departmental “silos,” and
- Reduced claims or operational losses by enhanced loss prevention.

These benefits, particularly in economic constrained times, can mean the difference between investments in the future or expenses that result from outcomes of unidentified risks. **UW ERM has elevated discussions to the point where managing risk is happening enterprise-wide, and in more ways than ever.**

¹ The State of ERM at Colleges and Universities Today; Association of Governing Boards of Universities and Colleges, 2009

² ERM in Higher Education, University Risk Management and Insurance Association, White Paper, September 2007

II. State of the University

c. Governing Through Collaboration

President's Advisory Committee on Enterprise Risk Management (PACERM) brings together leaders of the University to oversee and improve the UW's culture of compliance, discuss emerging risk issues, and review institutional metrics. The origin of PACERM presentations in 2010-2011 can be found in the need to acknowledge the financial realities of a decreasing resource base; increased competition from traditional and alternative education options available to the best students and faculty; and 21st century trends.

Compliance, Operations, and Financial Council (COFi) was created to nurture a more comprehensive institutional perspective on compliance, operations, and financial risk issues. It is the only formal mechanism for convening representatives from all compliance risk areas to share perspectives and learn from one another. COFi Council's 2011 – 2013 Strategic Plan³ describes a collaborative effort to focus a comprehensive institutional compliance perspective, and launch an action plan which integrates a wide range of UW components. Even though primary responsibility for compliance remains in the individual units of the University, the COFi Council will build on existing compliance structures and other UW strategic initiatives to strengthen the University's ability to respond to compliance, operations and financial risk issues.

Enterprise Risk Management (ERM) Methods

Facilitating risk assessments is a key part of the University's ERM initiative. Most, if not all PACERM and COFi Council members are familiar with the **tools and ERM services available** to evaluate risks and/or opportunities. Facilitated assessments provide a good starting place for groups to apply the ERM process in their own areas.

See appendix 2, for more information about roles and responsibilities within the ERM governance structure.

³ UW Compliance, Operations, and Finance Council 2011-2013 Strategic Plan

II. State of the University

c. Governing Through Collaboration (continued)

President's Advisory Committee on Enterprise Risk Management (PACERM) 2010 – 2011 Accomplishments

- Reviewed measures used to evaluate the University's academic personnel profile and competitiveness.
- Engaged membership in robust discussion of how institutional financial metrics and ratios are used to monitor the University's financial strength in comparison to peer institutions.
- Maintained an open forum for senior leaders to discuss emerging risk issues.
- Fulfilled the University's responsibility for compliance with State of Washington Information Services Board and Department of Information Services policies by overseeing major information technology projects.

Compliance, Operations, and Finance Council (COFi Council) 2010 – 2011 Accomplishments

- Developed initial matrix framework which links major compliance risk areas with appropriate University offices and contacts, an effort which formed the foundation for the COFI Strategic Plan to be further implemented in 2012.
- Developed Council awareness in several topics such as: Compliance and Risk in an Environment of Declining Resources; UW Privacy Program; Social Media Concerns; UW Budget Outlook; Labor Relations; Layoff Resources; and UW Medicine Compliance.
- Served as steering committee for the development of the Administrator Toolkit web portal; reviewed flowcharts, internal controls for procurement and payroll process to develop best practices with greater efficiencies.
- Established COFi Council web-site: <http://f2.washington.edu/teams/cofi/>.

II. State of the University

d. Assessing Institutional Financial Strength

The UW and peer institutions are facing similar **pressures from declines in the outlook for both state and federal government spending**. Of the Aaa rated public universities, the estimated range of reliance on government funding is 37% to 58% compared to UW's reliance of 49%. In 2009, rising credit risks led Moody's Investor Services to change the outlook for the entire higher education sector from stable to negative. The future trend in government support is now expected to be stagnant or negative for several years⁴. As a result, Moody's signaled the UW's Aaa stable credit rating would be lowered to Aaa negative in July 2011.

UW was challenged by external rating agencies to explain how it would manage enterprise financial risk. The University responded to this challenge by **forming an enterprise financial risk team and collaborating in ways not done before**.

The Moody's review in the Fall of 2011, included the development of projected financial statements through 2017, as well as stress tests with corresponding mitigation plans to address major revenue lines and involved key senior leaders at the UW, including President Young. While the primary objective of the UW is to maintain cost-effective access to the debt markets, the assignment required a thorough review of our financial health under current and future pressures. It was necessary to evaluate the **UW's ability to respond, both proactively and reactively, to single and combined events that could impact our financial stability**. This analysis was an opportunity to use historical data to communicate potential future trends and incorporate various stresses, in order to identify mitigation strategies that would be necessary to not only meet our financial obligations, but, most importantly, protect the core missions of teaching, research and patient care. We evaluated institutional revenues, current exposures, (e.g., to federal funding) and the uncertain healthcare environment and local expansion, as well as key organizational strategies necessary to create the institution for the 21st century.

⁴ U.S. Research Universities Face Looming Federal Funding Cuts, but Remain Well Positioned to Withstand Credit Challenges, December 15, 2011

II. State of the University

d. Assessing Institutional Financial Strength (continued)

Teaching:

The UW has a history of strong student demand, with undergraduate and total enrollment growing by 13% over the past five years. Freshmen applications over this period have increased by 37%. Although State funding reductions have been significant, especially in the last few years, the University's competitive pricing for tuition has allowed for strong offsetting growth in tuition revenues, with overall rates still below peers. In addition, the Board of Regents now has (conditional) authority to set all categories of tuition, including undergraduate. The risk going forward is to effectively set admissions policy which incorporates tuition elasticity, student demographics and enrollment trends.

Research:

Even with the significant reliance on federally funded research and the pressures of potential declines, the overall competitiveness and success of our faculty suggests our position will remain strong. The UW received the most ARRA (American Recovery and Reinvestment Act) funds of any U.S. university. We will experience the leveraging effect of that success into the future. Our overall market share of federally funded research grew over the last 3 years to almost 3% of the total dollars available. The key drivers to this success include investments in space, in addition to the fact that, even when funding is tight, top researchers are still funded. The risks facing the research enterprise include maintaining our ability to recruit and retain top faculty researchers, decreasing administrative burden for carrying out research, and continuing investments in infrastructure and facilities. In the event our market share of federal research funds trends negatively, we are well-positioned to respond by proactively controlling expenses, including space relocations, seeking additional non-federal funding, and continuing to identify and implement additional cost controls.

II. State of the University

d. Assessing Institutional Financial Strength (continued)

Patient Care:

UW's Aaa rating reflects the interactions between education, research, and service. As the largest healthcare provider in the Seattle area, UW Medicine provides opportunities for high-end diagnostic and surgery services. It also has the ability to conduct multidisciplinary research across the University, which then translates into innovations in treatment from bench to bed.

UW Medicine, consisting of 4 hospitals, clinics and other entities, has seen strong financial performance in recent years, including a solid operating margin for FY2011 of 4.1%. UW hospitals are highly ranked nationally. The School of Medicine serves as the sole public medical school for the five state region, and Harborview Medical Center is designated, by statute, as the only Level I adult and pediatric trauma and burn center in the State of Washington. While UW Medicine is a strong enterprise, rapid expansion combined with uncertainties in healthcare delivery nationally, have presented both opportunities and risks that require strategic leadership and the development of mitigation strategies.

To effectively address the risks and opportunities associated with a possible strategic alliance with Valley Medical Center (VMC), in spring 2011, a due diligence effort was launched to evaluate the proposed strategic alliance and any potential barriers. Overall, the objective of the alliance is to increase access to healthcare services for South King County residents, align best practice models, expand the clinical, teaching and research programs at both institutions and position for future healthcare reform opportunities. As part of this effort, KPMG was engaged to evaluate and review VMC's financial status and operations and to assess the due diligence process itself which they concluded represented a best practice model for assessing such opportunities. The due diligence effort did not identify any issues that would preclude entering into a strategic alliance with VMC. As a result, informed by the due diligence effort, the UW Board of Regents provided authority for the UW to execute documents necessary to implement the strategic alliance.

II. State of the University

d. Assessing Institutional Financial Strength (continued)

Other strategies to effectively manage potential risks with UW Medicine include continued focus on patient safety, quality, access and service; process improvement and other cost reductions; focus on maximizing investments in technology to improve efficiency; and continued preparation for healthcare reform. UW Medicine, in recent years, has generated \$18 million in savings in these areas.

As a result of Moody's review and its overall conclusions, more now than ever, the UW:

- Understands the markets and drivers for its three primary missions of education, research, and service;
- Manages within and across business lines by systematically assessing and managing expenses and focusing on revenue opportunities;
- Is positioned to mitigate declines in government funding through greater tuition pricing flexibility, research diversification and a commitment to recruit and retain faculty, etc.; and
- Has a strategy to maintain research competitiveness, including recruitment and retention packages, decreasing administrative burden for carrying out research, and investing in key facilities.

Because of UW's aggressive borrowing plans through 2021, enterprise financial analysis and forecasting is being developed for senior leaders and the Board of Regents to oversee debt outstanding, credit ratings, and compliance with debt covenants. This financial analysis and forecasting system, in part, will be based upon metrics and ratios used in Moody's review.

In the final analysis, Moody **affirmed the University's Aaa credit rating⁵, and revised the outlook to stable from negative.**

⁵ Moody's Affirms University of Washington's Aaa Rating; Outlook Revised to Stable from Negative. Moody's Investors Service, January 2, 2012

II. State of the University

d. Assessing Institutional Financial Strength (continued)

We effectively communicated the strength of the UW's integrated capital and debt planning as well as leadership's ability to effectively respond to potential impacts of continued uncertain and fiscal stresses to our core missions. In essence, the revision of the UW's outlook to stable from negative, despite the uncertainty caused by fiscal constraints at the state and negative outlook on the US Government's rating, reflects Moody's expectations that the University of Washington will be able to manage through any reductions in federal funding, absorb the additional debt issuance and successfully integrate growing healthcare operations.

III. Future of the University – Looking Ahead

According to Moody's⁶, the near-term outlook for U.S. higher education ranges between stable and negative, with larger, more diversified institutions like the UW having a more favorable outlook. Criteria for stability include the following elements, all of which apply to the UW in varying degrees:

- Market leadership with top-ranked academic programs and global reputations.
- Aaa credit rating.
- The ability to remain highly selective for top students and faculty.
- Multiple lines of business and diversified revenue sources.
- Generous donors, lower dependence on state funding.
- Strong balance sheets.

A stable outlook will provide the foundation that, along with a vigorous attention to emerging risks, will protect the University during anticipated downturns as well as from unforeseen events. In addition, a stable outlook will contribute to the ability to advance institutional strategies and objectives.

To be sure, the UW has been managing risks, to one degree or another, since its inception in 1861. With the introduction of the Enterprise Risk Management model in 2006, we began an organizational and systematic view of managing significant institutional risks by providing senior management with collaborative tools to address our financial, operational, compliance, strategic, and reputational risks.

Establishing an iterative process is at the heart of ERM. The ERM initiative continues to develop as the ERM process and tools are used. Each iteration results in new capabilities and insight is gained into maintaining the University's competitive advantage – particularly from managing risks and opportunities better than peers.

⁶2012 Annual Sector Outlook for U.S. Higher Education. Higher Education & Other Not-For-Profit Teleconference. Moody's Investors Service, January 24, 2012

III. Future of the University – Looking Ahead (continued)

Any single risk can become an institutional risk, and collaboration, consultation and sustained commitment are critical to effectively managing risk. Looking ahead, PACERM will serve as a checkpoint for communications and continue to be a forum to broaden senior leaders' understanding of University initiatives.

The UW Sustainable Academic Business Plan outlines strategic goals and related activities that will keep the University strong and well-positioned in the 21st century. It provides the strategic direction for University staff to allocate declining resources, and the basis to optimize UW ERM principles around the top risk issues while identifying opportunities for aligning mission-critical activities across the University.

Important issues we will be considering in the next year will include:

- Monitoring, maintaining, and enhancing financial health (e.g., develop enterprise financial analysis and forecasting relative to all missions at the UW);
- Understanding and supporting institutional efforts underway to ensure the health and safety of individuals in our community, particularly those most vulnerable;
- Supporting implementation of Compliance, Operations, and Finance Council's plan to enhance existing compliance programs, and to maintain an institutional perspective for university-wide risk issues;
- Strengthening UW's ability to compete successfully for faculty and students, given changing demographics and trends; and
- Exploring other possible PACERM meeting topics (e.g., decrease administrative burden for researchers; one or more of the 2y2d Goals; one or more of the Sustainable Academic Business Plan 2011-12 Initiatives).

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Appendix 1: UW Enterprise Risk Management Process

Enterprise Risk Management⁷ (ERM): is “...**a process**, effected by an entity’s board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.”

The UW ERM process is illustrated broadly in this chart. It includes eight interrelated process steps that consist of:

- **Setting** the tone at the top with Leadership, Culture and Values,
- **Establishing** context, and the basis for how risk is viewed with strategic goals,
- **Identifying** risks, or the harm we are trying to avoid,
- **Assessing** risks using a central focus and common language,
- **Aligning** response options with the level of risk,
- **Documenting** internal controls for top risks,
- **Communicating** with stakeholders and implementing response plans,
- **Monitoring** and measuring to ensure responses have been carried out as intended.



⁷ Committee of Sponsoring Organizations (COSO). Enterprise Risk Management—Integrated Framework: Executive Summary. COSO, New York, 2004.

Appendix 2: Roles and Responsibilities within the ERM Governance Structure

UW Units	ERM Program	COFi Council	PACERM	Internal Audit	UW President and Provost
<i>Take and Manage Risks</i>	<i>Monitor and Aggregate</i>	<i>Oversee</i>	<i>Advise</i>	<i>Validate</i>	<i>Acknowledge</i>
<ol style="list-style-type: none"> 1. Ownership of activities which give rise to risk 2. Risk and/or opportunity identification and unit level assessments 3. Develop strategies and take action to mitigate risks 4. Encouraged to share assessment results with ERM program 	<ol style="list-style-type: none"> 1. Establish ERM framework, standards, and templates 2. Monitor and participate in risk committees for the purpose of providing the enterprise view 3. Provide administrative support, summary information and analysis to COFi and PACERM 4. Train the trainer 	<ol style="list-style-type: none"> 1. Oversight over eight functional areas of risk 2. Identify and prioritize cross-functional issues (e.g., risks, responses, internal controls, measures) 3. Identify topics for outreach 	<ol style="list-style-type: none"> 1. Advise the University President on management of risks and opportunities which may significantly impact strategic goals or priorities 2. Recommend policy changes and/or actions to reduce risk 3. Oversight of entity level assessments 4. IT project quarterly review 	<ol style="list-style-type: none"> 1. Independent verification and testing of internal controls 2. Oversight of changes in audited units (e.g., Internal Audit risk map) 3. Provide administrative support, summary information and analysis to COFi 	<ol style="list-style-type: none"> 1. Verbally acknowledge key documents such as: <ul style="list-style-type: none"> • ERM Framework • PACERM and COFi Council Charters • Entity level assessments • Reports to Regents 2. Integrate PACERM advice into UW strategic priorities 3. Establish policies and procedures based on PACERM recommendations

Appendix 3: Summary of Enterprise Risk Management Assessments

	Entity Level Top Down	Division or Function Level Middle Up	Department Level Bottom Up	Alternatives
2006 – 2007		<ol style="list-style-type: none"> 1. Global Support Project 2. Pollution 3. Asbestos 4. Post Award Financial Admin. 5. Student Safety 6. Compliance Council 	<ol style="list-style-type: none"> 1. Office of the Chief Information Security Officer 	<ol style="list-style-type: none"> 1. eFECS 2. UWMC Credit Analysis
2007 – 2008		<ol style="list-style-type: none"> 7. Occupational Health & Safety 8. Patient Privacy / HIPAA 9. Cash Handling 10. SE Campus Impacts from Construction Projects 11. Research Laboratories 	<ol style="list-style-type: none"> 2. Environmental Health & Safety 6-year Strategic Plan 	<ol style="list-style-type: none"> 3. Google Cloud Application 4. Animal Research Facilities Plan
2008 – 2009	<ol style="list-style-type: none"> 1. Faculty Recruitment and Retention 2. Extended Financial Crisis 	<ol style="list-style-type: none"> 12. Study Abroad 13. UW Technology Investments 14. Financial Oversight of Self-sustaining Units 15. ARRA Recovery Plan for WA Agencies (Risk Identification only) 16. International Tax 		<ol style="list-style-type: none"> 5. Housing & Food Services Credit Analysis, Phase I
2009 – 2010		<ol style="list-style-type: none"> 17. Electronic Discovery 18. Data Management Committee 19. Portage Bay Insurance 		<ol style="list-style-type: none"> 6. Housing & Food Services Credit Analysis, Project II
2010 – 2011		<ol style="list-style-type: none"> 20. Human Resources / Payroll 21. Cash Handling – <i>Update</i> 22. Google Applications 		<ol style="list-style-type: none"> 7. Enterprise Data Warehouse

Appendix 4: Tools to Help Manage Risks and Opportunities

Facilitating risk and opportunity assessments is a key part of the University's Enterprise Risk Management initiative. Most, if not all **PACERM and COFi Council members are familiar with the tools and ERM services available** to evaluate risks and/or opportunities.

The value of ERM is both qualitative (e.g., risk and opportunity maps) and quantitative (e.g., dashboards to contextualize and display metrics). Qualitative benefits accumulate over time because it is inclusive and more collaborative than older models of traditional risk management.

A few benefits are listed below:

- **Understanding institutional risk:** In the UW's decentralized environment, departments tend to have the most functional knowledge of risks and opportunities in their own unit or daily job activities. Where we seldom take time, is to understand the University's top issues cross-functionally.

UW ERM tools provide a framework to rank, aggregate and broadly consolidate the perception stakeholders have of the institution's risks and opportunities. Each facilitated ERM assessment results in a broad understanding of issues, and helps groups determine where risk potential is the highest so that limited resources can be directed to the areas with priority.
- **Avoiding surprises:** ERM assessments help the University identify what are considered to be the top risks and opportunities. This will include risks which have emerged with the passage of time, as well as secondary risks arising from implementation of new strategic initiatives or responses. Routine updates minimize additional surprises from risks which are unforeseeable today and become visible later – further making the case for why enterprise risk management is not a one-time process, and is repeated on a regular basis.
- **Basis for measurement:** Quantifying risks and opportunities can be time consuming and costly. Therefore, a qualitative mapping process is used as an initial scan, and to select a subset of issues for quantitative analysis, measurement and monitoring. Root cause analysis is the most effective way to ensure that the effort and resources involved in measuring and monitoring is applied to the most significant issues.

Appendix 5: President's Advisory Committee on Enterprise Risk Management 2010 – 2011 Membership

V'ella Warren, Senior Vice President, Finance and Facilities,
co-chair

Ana Mari Cauce, Dean, Arts and Sciences, co-chair

Mary Lidstrom, Interim Provost

Sandra Archibald, Dean, Evans School of Public Affairs

Gerald Baldasty, Dean Graduate School

Thomas Baillie, Dean, Pharmacy

Cheryl Cameron, Vice Provost for Academic Personnel

Kenyon Chan, Chancellor, UW Bothell

David Eaton, Interim Vice Provost, Office of Research

Daniel Friedman, Dean, College of Built Environments

Eric Godfrey, Vice President and Vice Provost, Student Life

J.W. Harrington, Chair, Faculty Senate

Mark Haselkorn, Faculty Council on Research

Randy Hodgins, Vice President, External Affairs

Gary Ikeda, Division Chief, Attorney General's Office

Paul Jenny, Vice Provost, Planning and Budgeting

Mindy Kornberg, Vice President, Human Resources

Connie Kravas, Vice President, University Advancement

John Morris, Senior Associate Athletic Director for
Compliance, Intercollegiate Athletics

Adam Sherman, Graduate and Professional Student Senate,
University of Washington

Patricia Spakes, Chancellor, UW Tacoma

Johnese Spisso, Vice President Medical Affairs, UW Medicine
COO

Kelli Trosvig, Interim Vice President and Vice Provost
UW Information Technology

Support provided by Jennifer Johnston, Finance and Facilities

Appendix 6: Compliance, Operations, and Finance Council 2010 – 2011 Membership

Richard Cordova, Internal Audit, Facilitator
Ann Anderson, Financial Management/Controller
James Angelosante, Health Sciences Administration
Susan Astley, Faculty Senate
Kirk Bailey, Chief Information Security Officer
Sue Camber, Financial Management, Research/Student Fiscal Services
Jeff Cheek, Office of Research, Research Compliance and Operations
Elizabeth Cherry, Office of Risk Management
Lynne Chronister, Office of Sponsored Programs
Sue Clausen, Medical Affairs/Chief Compliance Officer
Marilyn Cox, UW Bothell, Administration and Planning
Scott Desmond, UW Medicine Compliance
Walt Dryfoos, University Advancement
Virjean Edwards, Office of the Registrar
Darlene Feikema, College of the Environment
Jessie Garcia, Human Resources, Campus Operations
Sara Gomez, Office of Information Management
David Green, UW Medicine, Chief Financial Officer
Shelley Kostrinsky, Academic Personnel
Kay Lewis, Student Financial Aid

David Lovell, Research Associate Professor
Richard Meeks, HIPAA Compliance Officer
Todd Mildon, Office of Planning and Budgeting
Karen Moe, Human Subjects Division
Kyle Pifer, Intercollegiate Athletics, Compliance
Linda Nelson, College of Arts and Sciences
Nona Phillips, Office of Animal Welfare
Gary Quarfoth, Office of Planning and Budgeting
Marcia Rhodes, Health Sciences Risk Management
Tom Sparks, College of Engineering
Ysabel Trinidad, UW Tacoma, Finance and Administration
Clark Westmoreland, Educational Outreach
Jude Van Buren, Environmental Health and Safety

Advisors

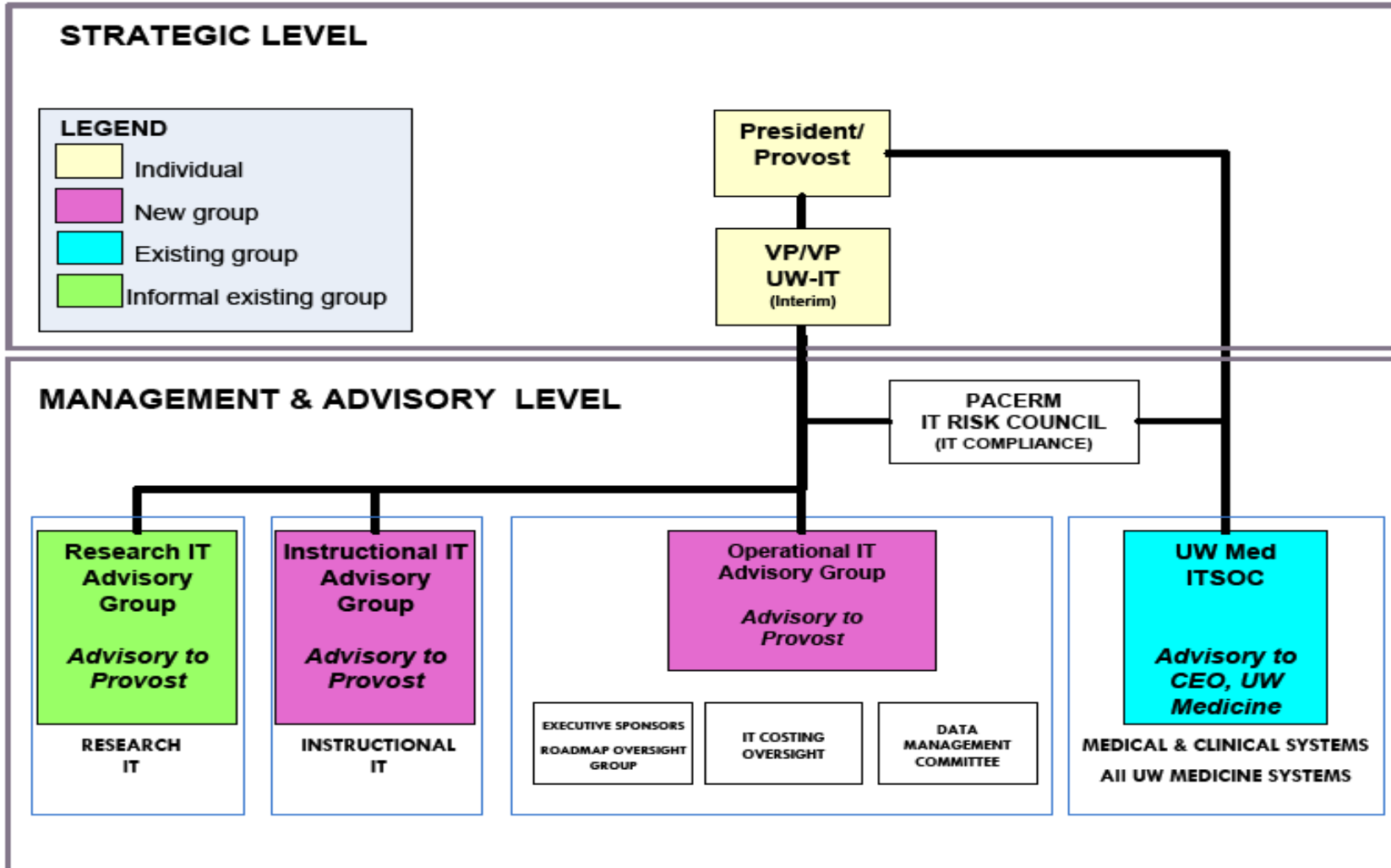
Andrew Faris, Enterprise Risk Management
Charlene Hansen, Internal Audit
Kerry Kahl, Enterprise Risk Management
Dina Yunker, Attorney General's Office

Support provided by Tamara Young, Internal Audit

Appendix 7: Information Technology Advisory Structure

IT Advisory Structure

Updated November 2010



Appendix 8: UW Medicine Continues to Advance Patient Safety & Quality

UW Medicine - Harborview Medical Center (HMC), UW Medical Center (UWMC), Northwest Hospital (NWH), Valley Medical Center (VMC), UW Neighborhood Clinics (UWNC), UW Physicians (UWP), Airlift Northwest (ALNW), and the UW School of Medicine (SOM) continue to focus on Patient Safety and Quality of Care as a top priority. Several major steps towards accelerating the quality and safety agenda include:

- ✚ Ongoing integration of Patient Safety and Quality programs / metrics across UW Medicine system as outlined in the UW Medicine Strategic Plan and the UW Medicine Patients Are First Pillar Goals.
- ✚ Continued engagement of the UW Medicine Board, entity level boards, and committees of the boards in review and oversight of activities regarding patient safety, quality of care, access to care and satisfaction with care and services.
- ✚ Strategic Goals and Metrics developed, with focus on: Reductions in Preventable Deaths, Hospital Acquired Infections, and Preventable Adverse Events; and Improvement in Core Measures of Care, in Ambulatory Health Measures and Patient Satisfaction using national and regional benchmarks for comparison.
- ✚ Ongoing implementation of the work plan based on the Studer Group, LLC Methodology (UW Medicine Patients Are First initiative) focused on service, safety, quality and financial viability.
- ✚ Development of an electronic version of UW Medicine Patients Are First dashboard with ability to drill-down into site-specific performance related to quality of care data, using the Amalga database.
- ✚ New Medical Staff on boarding educational program implemented to ensure key information and organizational expectations related to patient safety and quality are reliably conveyed to all incoming physicians. This aligns with the educational efforts provided to all other new staff employees in the clinical patient care environment.
- ✚ Review and revision of all organizational order sets is underway to standardize best practices in association with our Computerized Practitioner Order Entry (CPOE) system implementation in 2012.
- ✚ UW Medicine system-wide Infection Control Committee created to coordinate the development, implementation, and resource utilization to support those infection control activities that span across UW Medicine and to develop and promote standardized infection control practices.
- ✚ Under the oversight of the Portage Bay Insurance board and the Office of Risk Management, implementation of the Patient Safety Initiatives Program, which has led to a number of pilot programs from faculty members designed to advance new initiatives in quality and patient safety.
- ✚ Participation in an Association of American Medical Colleges (AAMC) and University Health System Consortium (UHC) “Best Practices for Better Care” initiative to improve the quality and safety of healthcare by expanding the culture of safety into medical education at the undergraduate and graduate medical education levels, and enhancing research into quality and patient safety.
- ✚ Made significant improvements in the UHC Annual Report Card on Patient Safety and Quality in academic medical centers. Harborview and UW Medical Center now performing at or above the mean score for UHC which includes over 100 academic medical centers.

Appendix 9: UW Human Resources

Concerns about Job Security - There is a general state of concern among staff regarding potential job impacts due to further reductions in funding. With departments already operating with reduced staffing models, employees know that another significant budget cut will likely mean that organizations will have to either eliminate entire programs and/or eliminate positions as implementations of organizational efficiencies enable departments to consider further reductions in staffing. As would be expected, employees tend to worry about personal impacts of budget cuts, creating more anxiety and angst before and after decisions are made.

In 2009, Human Resources completed a full scale review and reengineering of layoff policies, processes, and resources for classified and professional staff and continues to review practices and communications to ensure that they are contemporary, compliant, and responsive to the needs of affected employees, their managers, and the University.

Risk mitigation protocols (including UWHR's assuming responsibility for administering professional staff layoffs) are in place to allow for early identification and resolution of potential problems and to ensure compliance with UW layoff practices. Partnering with other UW offices like the University Complaint Investigation and Resolution Office, Office of Equal Opportunity and Affirmative Action, and the

Office of the Attorney General will continue to play an important role in risk mitigation as we prepare for additional budget cuts in 2012.

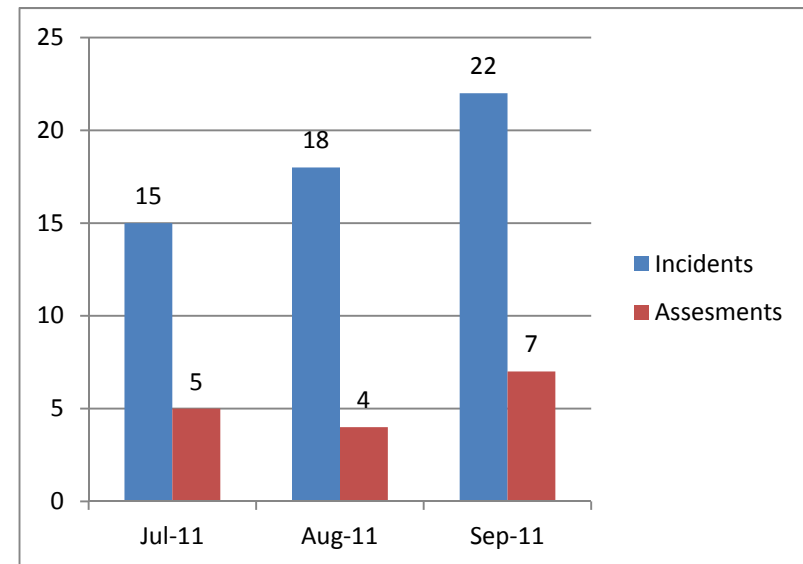
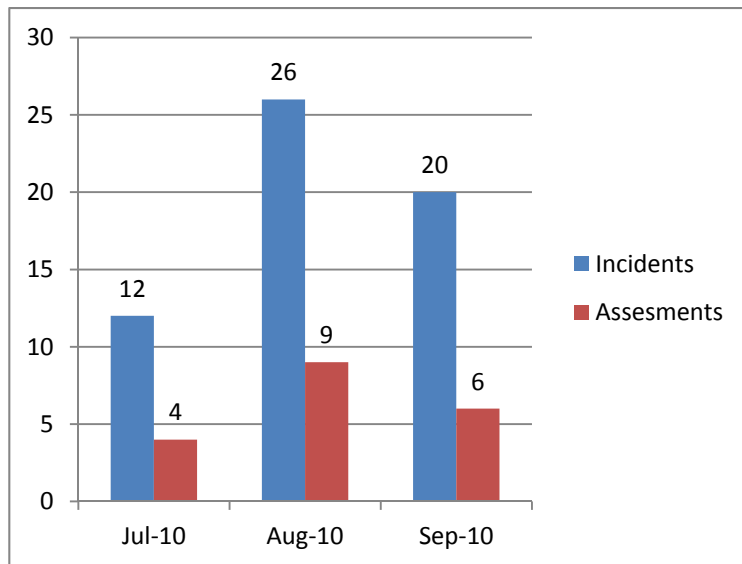
UW SafeCampus Update - Now in its fourth year of operation, the Violence Prevention and Response Program (VPRP) has become more integrated into UW's culture through the SafeCampus public information campaign, a violence prevention component in the new employee orientation for staff, and an ongoing training effort available to the community-at-large through general sessions, or upon request to specific groups or departments. Online training videos are also available on the SafeCampus website.

Staffed by individuals with experience in violence prevention, victim advocacy, and program management, the VPRP team responds to calls from the three SAFE phone lines. The phone lines operate 24/7 and serve the Seattle, Bothell, and Tacoma campuses. Staff help callers clarify their concerns, identify immediate risk mitigation steps, connect callers with University or community resources, and arrange for follow-up as needed.

Program enhancements and the volume of services provided are outlined in a SafeCampus report Appendices.

Appendix 9 (continued) UW Human Resources
 SafeCampus Quarterly Report 07/01/2011 – 09/30/2011
 Violence Prevention and Response Program Third Quarter Report

Number of Incidents and Assessments by Month, Compared to Previous Year

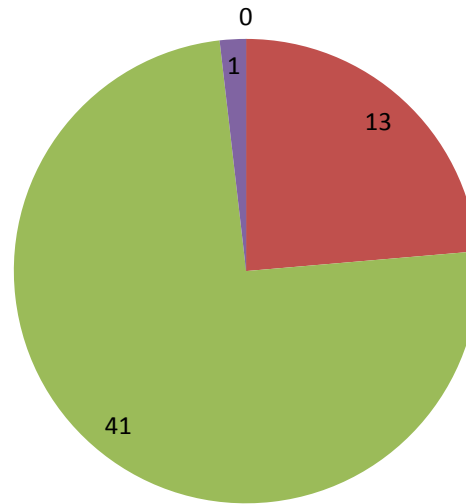


Report prepared by the Violence Prevention and Response Program (VPRP), University of Washington. VPRP acts as the central point of communication and the coordinating unit for violence mitigation activities across the UW. The Violence Prevention and Response Program is a partnership of key players in campus safety and violence prevention, including Student Life, Human Resources, the Bothell and Tacoma campuses, UW and Harborview Medical Centers, the UW Police Department, Academic Human Resources, and the Graduate School.

Appendix 9 (continued) UW Human Resources
SafeCampus Quarterly Report 07/01/2011 – 09/30/2011
Violence Prevention and Response Program Third Quarter Report

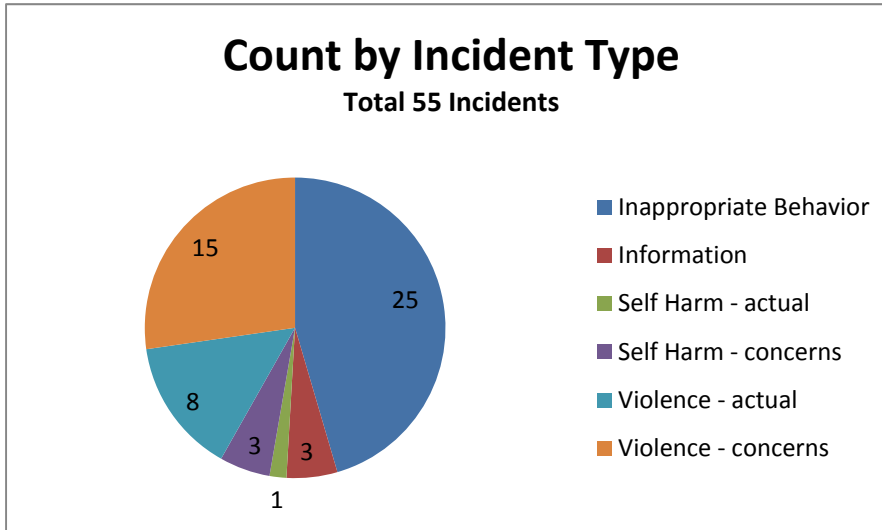
Number of Incidents by Response Level

Total- 55 Incidents

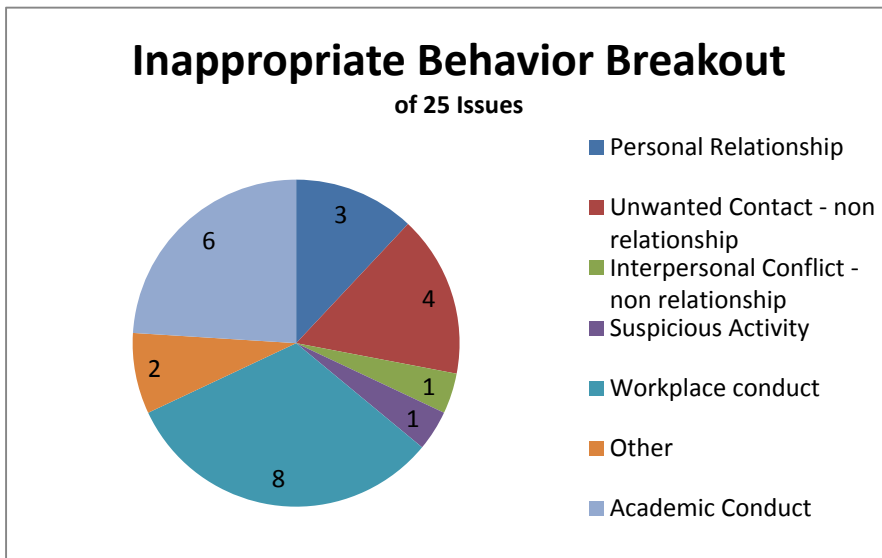


- Level 1- Immediate notification. Violence Prevention Assessment Team (VPAT) is notified and convened as soon as possible.
- Level 2- Standard notification. Issue is discussed at next scheduled VPAT meeting (VPAT held 3x/week) and Risk Mitigation Plan is developed.
- Level 3- Situations assigned Level 3 do not have a VPAT. VPRP is responsible for monitoring and following up on required risk mitigation strategies or they are referred to other UW departments to be the lead and carry out further actions.
- Level 4- Request for information/materials or not UW jurisdiction.

Appendix 9 (continued) UW Human Resources
 SafeCampus Quarterly Report 07/01/2011 – 09/30/2011
 Violence Prevention and Response Program Third Quarter Report



Of the eight incidents involving actual violence, seven were interpersonal violence and one was an event in progress needing police response.



Inappropriate behavior is used to categorize a range of behaviors that are disruptive to the workplace or campus community. This graph shows the breakout of different types of things categorized under the broad heading of inappropriate behavior.

Appendix 9 (continued) UW Human Resources
 SafeCampus Quarterly Report 07/01/2011 – 09/30/2011
 Violence Prevention and Response Program Third Quarter Report

UW Affiliation of People Involved in Incidents

Person Reporting a Concern	
UW Affiliation	Count
None Listed	0
Other	0
Public	0
Public (Patient)	0
Public (Personal Relationship)	0
Public (Previous UW Affiliation)	0
Unknown Identity	0
UW Faculty	7
UW Graduate Student	4
UW Staff - Non supervisor	14
UW Staff - Supervisor	26
UW Undergraduate Student	2
VPRP Partner	5

Person Causing a Concern	
UW Affiliation	Count
None Listed	0
Other	0
Public	6
Public (Patient)	2
Public (Personal Relationship)	9
Public (Previous UW Affiliation)	1
Unknown Identity	0
UW Faculty	3
UW Graduate Student	3
UW Staff - Non supervisor	13
UW Staff - Supervisor	1
UW Undergraduate Student	8
VPRP Partner	0

Person Experiencing a Concern	
UW Affiliation	Count
None Listed	0
Other	1
Public	1
Public (Patient)	1
Public (Personal Relationship)	1
Public (Previous UW Affiliation)	0
Unknown Identity	0
UW Faculty	7
UW Graduate Student	5
UW Staff - Non supervisor	19
UW Staff - Supervisor	5
UW Undergraduate Student	4
VPRP Partner	0

Appendix 9 (continued) UW Human Resources
SafeCampus Quarterly Report 07/01/2011 – 09/30/2011
Violence Prevention and Response Program Third Quarter Report
Communications, Outreach, and Training Reports

Campus Violence Prevention Training

713 participants attended Campus Violence Prevention training in the time period.

CareLink

Utilization - 6.4%, New Cases - 455

Husky NightWalk

NightWalk performed 214 walking escorts, 269 vehicle transports, and had a total of 542 total services.

SafeCampus Communication

The SafeCampus website was accessed 2,988 times by 1,506 unique visitors during the third quarter of 2011, with an average of 2.46 page views per visit.

UW Police Department

UWPD provided 6 officer stand bys, 4 security surveys, 14 safety presentations, 19 presentations at orientation, and participated in 12 special events.

UWPD Crime Victim Advocate

The crime Victim Advocate had 117 Client contacts which included three trips to court and signing two people up for the Washington State Address Confidentiality Program.

UW Alert

UW Alert had 34,081 participants signed up for alerts, 2304 “Likes” on Facebook, and 1100 followers on Twitter.

New Strategies for Managing Risks: A Balancing Act for Boards

Trusteeship January/February 2012 Volume: 20 Number: 1

By Stephen Pelletier

Take Aways

Risk is inherent in academe, yet colleges and universities still lag behind business and industry in the development of enterprise-risk-management strategies.

At Duke University, top leadership took ownership of campus risk. With strong engagement from trustees, they developed a comprehensive strategy for risk management and evolved into an institutional culture that is attuned to risk-related challenges.

The experience at Duke offers lessons and insights for universities that seek to bolster their own approach to risk management and mitigation.

The stately collegiate Gothic buildings that define the iconic West Campus at Duke University evoke a strong sense of stability and the status quo. But like all institutions of higher learning, Duke faces many potential challenges to campus equilibrium—some of which could prove devastating to the university. At Duke, as elsewhere, risk is a fact of life.

Every college and university gives thought to how it can manage risk. Duke, however, has gone much farther than perfunctory planning. Taking a tack that is both strategic and focused, Duke's administration and board have developed one of the most comprehensive approaches to risk management in higher education today.

As a prominent and highly complex institution, Duke may inherently have a broader exposure to risk than some other institutions. The university alone has annual revenues on the order of \$2 billion, a figure that is matched by the Duke University Health System. The university's endowment totals approximately \$7 billion. Federal research support totals some \$500 million annually, 80 percent of which goes to the Duke School of Medicine. The university has 15,000 students and 33,000 employees. As a partner in a medical school with the National University of Singapore and currently building a campus in Kunshan, China, Duke does business in more than 135 countries.

Manifestations of risk at Duke can make headlines. In 2006, for example, accusations of rape against three members of the men's lacrosse team were widely reported and debated. While the students were eventually cleared, lawsuits related to the case persist. In another example, Duke University Health System was the target this past September of a lawsuit charging negligence and fraud in clinical trials of a lung cancer treatment.

Manage and Mitigate

Despite the real and ubiquitous threats that it faces, Duke hasn't always been fully prepared to manage and mitigate risk. As late as 2004, for example, Duke tended not to think about its risk comprehensively or strategically. Campus discussions of risk were sporadic and localized in offices or departments. It was not always clear which divisions, departments, or individuals were responsible for what risks. Conversations that considered risk from a campuswide perspective were rare. Moreover, there was little proactive reporting about risk to Duke's board of trustees or its audit committee. Consequently, the university as a whole had an incomplete understanding of the full range of risks it faced, which of course meant that it also lacked a comprehensive portfolio of strategies for mitigating those risks.

Duke's board includes a predominance of officers and trustees of public companies. During the early 2000s, those leaders had been dealing in their day jobs with the need for their companies to conduct more stringent internal risk assessments required under the Sarbanes-Oxley Act of 2002. Inevitably, they began to raise more risk-related questions when they met as members of Duke's board. Through discussions over time, Duke's trustees and administrators recognized that the university needed to be better prepared to anticipate and manage risk. Ameliorating those circumstances would require some significant changes in thinking.

"Of all the fronts on which Duke has evolved in the last six or seven years, I actually think risk management might be the one in which there's been the greatest transformation," says Duke University President Richard H. Brodhead.

ATTACHMENT 2

“We used to pay focused attention in a variety of areas, such as research, compliance, and athletics. For all that, I think it used to be regarded as a fairly localized activity in the university. And I think that there were many people who regarded it as quite a secondary activity.”

That mindset started to change in 2004, when Duke hired Michael L. Somich to be its executive director of internal audits. Formerly a partner in the Big Four accounting firm Deloitte & Touche, Somich has more than three decades of experience in hospital and healthcare audits. At Duke, he is responsible for all the internal audit activities of the university, its endowment management company, and the Duke University Health System. He reports to the chairs of the audit committees of those units.

Somich says that one of the first things he noticed was that, when it came to risk, the charters for Duke’s three large units (the university, its investment company, and its medical system) were inconsistent. One of his first tasks was to tweak those charters so that they were better aligned with each other and more consistent with best practices in the field.

Changing the charters was a cakewalk compared to what Somich had to do next: Convince Duke’s top leaders that they had to take full responsibility for risk. Fortunately for him--and for Duke--he made a persuasive case.

Taking Ownership

“Like many institutions, Duke wasn’t always clear as to who owned or was responsible for something,” Somich says. “As a result, you didn’t always have accountability. You didn’t have defined responsibility. You didn’t have consequences when something went wrong. So one of the things that this process has done is define who owns what. It allows us to talk about accountability, responsibility, and consequence.”

Starting soon after Somich came to campus, Duke began to take small steps to assess its approach to risk management and make incremental improvements. In the course of that groundwork, though, Duke took a substantive step forward when Somich convinced Brodhead that he had to “own” pieces of institutional risk. While Brodhead could delegate management of risks, he would retain ultimate responsibility for them.

“I can remember the day that it was first proposed to me that I’d be a risk owner,” Brodhead says. “It’s not the way you really think of yourself. But ownership means you’ve got it—it’s yours. You can’t make this over to someone else.” Recognizing that the proverbial buck stopped at his desk, Brodhead accepted his role as risk owner. Other top leaders soon followed suit. That proved pivotal in Duke’s transformation of its risk-management practices.

“I think that the heart of the change has been discovering that while someone somewhere in the bureaucracy can have the job of managing risks,” Brodhead says, “risks have to be thought about and faced and pieced together at the highest levels of responsibility.”

Increased attention to risk-related issues across the campus and especially on the part of top administrators signaled that risk management was a new university priority. Once administrators accepted ownership of risk, that set the stage for managers to assess institutional risk more formally and comprehensively. Part of that process was to clarify who was responsible for managing which pieces of risk. Participants gradually learned the vocabulary and processes of risk management, part of a general education about risk across the campus as a whole. Moreover, the process helped the campus community reach a common understanding of what risks Duke faced and how they might be mitigated.

Pamela J. Bernard, a vice president of Duke and its general counsel, says that the involvement of top administrative leaders was crucial. Moreover, she reports, that involvement has not been superficial, but rather has regularly constituted a “deep dive into particular areas that all major research universities are dealing with.”

Prioritizing Risk

A 2009 report by AGB and United Educators lists several best practices of “enterprise risk management” (ERM)—the comprehensive approach to risk management that has been adopted widely in business and can also apply to higher education. The report said universities should define risk broadly, recognize both its opportunities and downsides, develop a culture of evaluating and identifying risk at multiple levels, and consider the total cost of risk. While Somich didn’t use the phrase “enterprise risk management” at Duke, essentially what he did was lead a successful institutionwide initiative to develop what is substantively an ERM approach.

As part of that process, Brodhead and other Duke leaders made formal presentations in late 2005 about the areas of risk that they owned—along with potential mitigation strategies—to the board of trustee’s audit committee. Those

discussions defined the Duke reputation as the asset most in need of protection from risk. The two areas of highest vulnerability were identified as athletics and research.

Those assumptions were confirmed the very next year, when the lacrosse incident exploded and Duke had to report to the federal government that it had overbilled Medicare in some clinical trials. Those challenges underscored the need for Duke to have a comprehensive risk-management process. Accordingly, Duke continued to be more intentional in its approach to risk, adding more formality to its risk management processes and driving that function deeper into the institution.

The university began to devote considerable energy to developing a comprehensive compliance program to ensure that it would meet the letter of laws pertaining to the research support it received. Somich's shop identified and trained the managers who were responsible for seeing that Duke operated within legal parameters. In addition, Duke conducted assessments of potential challenges that identified an array of operational risks, such as those pertaining to student behavior and misbehavior.

To help it distinguish different types of risks—and take a more sophisticated approach to risk in general—Duke adopted aspects of the widely respected risk framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). That group divides institutional risk-management objectives into four broad categories: strategic, operations, reporting, and compliance.

When Duke's administration first presented its assessment of risk to the board in 2005, the university's trustees were struck by the fact that the list focused on the operational side of the house and did not distill the institution's most pressing strategic risks. The board urged the administration to come back in 2006 with a list of the 10 top strategic risks that Duke faced, along with the campus owners of those risks and mitigation strategies for each of them. Strategic risks included those that were owned by the highest people in management, encompassing issues that would rise naturally to the level of board discussion, such as compliance with NCAA regulations, ensuring human-subject protections in clinical trials, and meeting all requirements for government funding.

At first, Duke thought that risk managers at the vice-presidential level could shape such a list. But Somich and his colleagues soon recognized that the vice presidents focused on managing operating risks, not those at the strategic level. That distinction proved to be highly instructive. Duke realized that it would be successful in identifying its strategic risks only if its senior leadership, the individuals who "owned" risk at the strategic level, were deeply engaged in the process.

A tool drawn from the business world, the "heat map," proved invaluable when it was first presented to the audit committee in 2006. In its simplest form, a heat map summarizes and ranks data. Duke developed a model that compared the probability of different risks to their potential impact on campus. Using that template, specific potential challenges—in such areas as research compliance, athletics, physician malpractice, information technology, international activities, and student security and general well-being—could be ranked as low, medium, or high risks. The tool helped administrators and trustees see risks at a glance, assess their potential danger relative to other risks, compare risk in a given category to that of the previous year, and determine whether appropriate mitigation strategies were in place.

Duke trustee Susan M. Stalnecker, the vice president of finance and treasurer of E.I. DuPont de Nemours and Company, notes that if risk management is not tied to other management processes, "it can wither on the vine very quickly." She says the heat map helps focus Duke's agenda around risk and helps ensure that discussions translate into action. "It informs the audit schedule in a very practical way," she says. "It also identifies subjects for the entire board to get engaged in."

Trustee Engagement

Ownership of risk at Duke rests with both management and the board of trustees. Broadly speaking, ownership and responsibility for risk at the board level lies with the executive committee. Responsibility for the risk-management process, however, rests with the board's audit committee. The audit committee is responsible for reviewing management's risk-related processes. And while the audit committee does not own any of the strategic risks, it is responsible for assessing management's conclusions related to strategic risks.

As Duke began to engage its trustees more regularly in systematic discussions of risk, the board pushed the institution to do even more. "Because many of our trustees come from corporate settings, they are quite familiar with enterprise risk management," Bernard says. "The interest that the trustees had in this issue sparked interest at the university level."

Two chairs of the audit committee— Susan Stalnecker and her successor in that role, Jack O. Bovender, Jr., a past chairman and chief executive officer at Hospital Corporation of America—emphasized the importance of the risk-management process and strategic risks by allotting significant time for discussion of those topics in audit committee meetings. They also highlighted senior leadership’s presentation about risk to the full board. “While they did a great job,” Somich says, “it was like singing to the choir as most of the board members are from public companies that have developed ERM programs.” A board retreat in 2008 focused on areas of strategic risk and the university’s risk management process as a whole.

“It’s fair to say that risks were discussed prior to the implementation of the current process,” says the chair of Duke’s board, G. Richard Wagoner, Jr., who retired as chairman and chief executive officer of General Motors Corporation in 2009. “But today, discussions around risk are much more structured. The whole issue of risk and risk management is more broadly considered throughout the general discussions that we have at the university.” Wagoner says those discussions are crucial because they clarify management and board responsibilities for understanding and managing risk.

Wagoner believes that Duke’s strategic approach to risk is vital. “This isn’t just an audit staff activity, or a compliance office activity, but one that is led on a strategic basis, through a committee structure, by the president of the university and all of his key reports,” he says. “I think that’s the sign of a good program. And I think it makes operating managers more effective, because the process of thinking about what risks could happen, how important they are, and how we can mitigate them is, in the end, an important part of strategic planning.”

Board engagement is a central component in Duke’s approach to risk management. As Stalnecker notes, “It is part of the board’s responsibility to ensure that the university has a robust and functioning risk-management process. Risk management is part of [the board’s] charter and definition of activities,” she says.

Boards must of course walk a fine line between engagement and micromanagement. “It’s not our role to tell the management of any particular part of the organization that owns a certain enterprise risk and its mitigation strategy the A-B-C’s of the mitigation strategy,” Bovender says. “We just have to make sure that they have worked through that process, and that we, at some oversight level, agree that that’s the appropriate approach to it. We’re not in the business of managing the process. We’re in the business of the oversight of the process.”

Duke continued to invest time and energy in considerations of risk. Efforts in 2007 and 2008, for example, dove more deeply into understanding strategic risk and sought to further clarify the university’s understanding of its operational risks.

By 2011, Duke had formalized a comprehensive approach to risk management and was already starting to fine-tune its strategies. Each year, the audit committee reviews Duke’s annual risk-management process plan and a heat map that assesses strategic risk, both of which are also provided annually to the full board. Every other year, Brodhead makes a presentation about strategic risk to the full board, which earmarks a portion of that meeting for discussion of risk. Bovender says that the risk-management approach that Duke developed is as robust and effective as the best ones he saw in his corporate life.

Lessons Learned

Duke has learned much from its development of a risk-management program. Early risk-assessment activities revealed, for example, that the university needed much stronger risk-mitigation strategies. “We learned that we didn’t have adequate response strategies, or hadn’t thought them through,” Somich says. That aspect of risk management quickly became a priority. Another takeaway was that compliance and internal audit functions cannot be considered substitutes for a full risk management process.

Having had some time to reflect on what Duke has accomplished, Somich offers several general observations. “You have to have the president actively involved in risk management and supportive of it,” he says. “He or she has to be able to articulate risk management and say that there are benefits from it.” That involvement signals that risk management is important to the institution, Somich believes. The fact that a top leader is personally involved inspires others to participate actively as well. At the same time, Somich says that it is vital that a university anoint a champion of risk management who can execute top leadership’s directives at the operational level. Brodhead asked Somich to serve that role at Duke.

Somich cautions universities interested in improving their risk-management strategies to move slowly. He urges that processes of risk management be tailored so that they fit an institution’s distinct culture. “The risk-management process is huge, and there are many different levels to it,” he says. “Don’t try to do too much too fast. Be patient.”

Educating people across the institution about risk management is also important, Somich says. Complementing formal training for risk managers, for example, Somich and his colleagues introduce concepts of risk management more informally for other staff through ongoing campus discussions with departments, research labs, and other branches of the university framework. He also says that regular communication helps people across campus gain a common understanding of the risk management process' activities and goals.

Best Practices in Academe

The 2009 report by AGB and United Educators found that higher education lags behind private industry in incorporating consideration of risk into planning, management, and board oversight. As many as 60 percent of respondents said their institutions do not use comprehensive and strategic risk assessments to identify major risks to mission success. Just 5 percent said their institutions had exemplary risk-management practices. (For more on the report, see page 40.)

One of the pioneers, the University of Washington, assesses risk in the context of strategic objectives and interrelated risk factors across the institution. The university readily shares a toolkit it designed to implement the enterprise-risk-management process. Another model is found at the University of Texas, which manages risk systemwide through a central office.

Emory University also has a sophisticated, comprehensive risk-management program. Michael J. Mandl, executive vice president for finance and administration at the university, says Emory takes a holistic approach through which enterprise risk management “provides a framework for entity-wide risk identification, prioritization of key exposures, and the development of operational responses to potential adverse events. That is all based on a foundation of ownership, accountability, and transparency.”

“We inherently accept risk and don’t feel that all risk is bad,” Mandl says. “In fact, risk is necessary for success. We feel it is important to mitigate surprise and try to assume risk judiciously—mitigate it when possible and prepare ourselves to respond effectively and efficiently when risks that we are aware of materialize. Our goal is not to eliminate all risk, but rather to manage it effectively.”

Catching Fire

The notion of enterprise risk management in higher education may be catching fire. Both Duke and Emory report that they field a steady stream of inquiries from other universities that seek ideas for how they can be more systematic and comprehensive about managing risk.

United Educators President and CEO Janice Abraham offers institutions this advice about risk management: “A, get started. B, look at what your colleague institutions have done. C, make it a regular process of doing business and make sure the board looks at no more than 10 and preferably five risks. Keep it small, keep it simple, and get it into the DNA of the institution.”

Managing risk may not rise naturally to the top of university leaders’ to-do lists, but Duke’s experience suggests that it must be made a priority for the well-being of an institution as a whole. “Risk is not just inherent at universities. It is necessary,” Bernard says. “It is a necessary part of moving forward in bold ways to challenge longheld beliefs and to improve the world for the benefit of mankind.”

“Truth to tell, universities aren’t here to manage risks,” Brodhead says. “They’re here for a great variety of functions: education, research, healthcare. It’s just that it turns out that each of those functions carries risk. And you have to pay suitable attention to the risk in order to best further the positive mission of the university.”

How Can the Audit Committee Fulfill Its Role of Risk Management?

- First, the committee must develop a comprehensive view of risk for the organization. This can be accomplished through ongoing education of the committee by management and external experts.
- Second, the committee must hold management responsible for both an effective internal-control structure and the development of a risk-management plan.
- Finally, the internal-audit function serves as a critical risk-management tool, facilitating the identification of risks and the probability they will occur, as well as assessing their impact on the organization and ensuring that management has implemented risk-management strategies.

— from *The Audit Committee*, by Richard L. Staisloff (AGB Press, 2011)

Common Areas of Risk

- Student alcohol abuse
- Workplace discrimination, harassment, and retaliation
- Natural disasters and business continuity
- Safety in study-abroad programs
- Delivering on the promise of graduate programs
- Violence and crisis response
- Response and treatment provided by campus health clinics
- Increasing student demand for mental-health support
- Transportation of student groups and athletic teams
- Concussion and head injuries in athletics

Emerging Risks

- The expanded role of Title IX as it relates to student sexual assault
- Minors on campus
- Hazing in student activities, including and beyond the Greek system

Compiled by United Educators

References

Janice Abraham, "Students and Risk: Eight Critical Issues." November/ December 2010.

Martin Michaelson, "How Is Your Institution Doing on Conflicts of Interest?" November/December 2007.

Richard L. Staisloff, *The Audit Committee* (AGB Press, 2011).

"The State of Enterprise Risk Management at Colleges and Universities Today" (AGB and United Educators, 2009).

Laura A. Kumin and Burton Sonenstein, *Essentials of Risk Management* (AGB , 1998).

About the Author:

Stephen G. Pelletier is a freelance writer and editor who writes regularly on higher education.

Enterprise Risk Management Toolkit Distribution Summary

April 30, 2012

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Full Toolkit attachments Include: 43 page PDF File; *Word documents*: risk and/or opportunity assessment worksheets, polling matrix, alternatives polling matrix; risk list; risk summary picture, and examples of monitoring and measuring; and *Excel Worksheets*: risk register to merge risk maps; basic risk register to review internal controls.

For information on licensing the ERM Toolkit, visit UW Center for Commercialization office on line at: <http://depts.washington.edu/uwc4c/express-licenses/assets>

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2009	Harvard University, Amanda McDonnell, Manager of Risk and Audit Services
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2012	<ul style="list-style-type: none"> ○ Julliard School of Music, NYC – Jon Rosenhein, VP and COO Jon is the former VP of Finance and Budget at Columbia University

ERM Toolkit – First Edition provided to the following:

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1. Yale University, Director of Enterprise Risk Management

2009

1. Harvard University, Risk Management & Audit Services
2. HURON Consulting
3. University of New Mexico
4. City University of New York, Environmental Health
5. University of North Carolina, Charlotte, Internal Audit
6. University of Miami, Risk Management
7. Rice University, Office of the President

January 2010

1. University of Alabama, Birmingham, Compliance Office
2. University of North Carolina, Wilmington, ERM Officer
3. California State Automobile Association, VP of Compliance and ERM
4. College of Wooster, VP of Finance and Business
5. Institute of Technology Bandung, Indonesia, Engineering Department

February 2010

6. University of Utah, AVP for Auditing & Risk Services
7. Hospital Authority of Hong Kong, Business Administration Office
8. University of Houston, Compliance Officer
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12. Georgian Court University
13. Xavier University
14. World Vision, Federal Way, WA
15. Nova Southeastern University
16. Kutztown University
17. Medical College Wisconsin
18. Colorado School of Mines
19. Hunter College
20. Emory University

21. Saginaw Valley State University

March 2010

- 22. Western Washington University
- 23. Muhlenberg College
- 24. Azusa Pacific University
- 25. Northwestern University
- 26. University of Alabama Birmingham
- 27. Robert Morris University
- 28. William Patterson University of New Jersey
- 29. Washington DC Suburban Sanitary Commission on Waste Water
- 30. UNICEF
- 31. Wake Forest University
- 32. Bronx Community College
- 33. BYU – Idaho

April 2010

- 34. University of California at Davis
- 35. Auburn University
- 36. Smith College
- 37. State University of New York
- 38. University of Vermont
- 39. University of Northern Colorado

June 2010

- 40. Amerigroup Corporation
- 41. Marquette University
- 42. Kathryn Wire Risk Strategies

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- 44. Lehigh University

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55. *Heather Lopez, Washington State University (**Toolkit License**)
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57. * National Research Council, Winnipeg, Canada (**Toolkit License**)

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59. University of Central Florida Foundation
60. * Cobala net, Montreal, Canada (**Toolkit License**)
61. Valentina Giagnoni
62. * GFI Group, Inc., New York (**Toolkit License**)
63. City of Winnipeg Canada – Internal Audit
64. Sumitomo Chemical – Japan
65. Costco Wholesale Internal Audit
66. Savings and Loan – Santiago Chile
67. Vantage West Credit Union – Arizona
68. Blue Cross and Blue Shield of Kansas City
69. Winnipeg Regional Health Authority – Canada
70. Royal Caribbean Cruise Line – Miami Florida
71. University of Maryland School of Medicine
72. Pacific Blue Cross
73. Brinker International Restaurants
74. Institute of Technology – Bandung Indonesia

75. Gadjah Mada University – Indonesia
76. Lethbridge College – Alberta, Canada
77. Drexel University
78. University of Alabama System
79. Johnson Community College Kansas
80. Farm Credit Services of the Mountain Plains
81. Moss Adams of Portland, OR
82. Metro Vancouver Canada

November 2010

83. Olga Rubini
84. Devin Maness
85. Puget Sound Energy
86. City Colleges of Chicago
87. * University of North Carolina at Greensboro (**Toolkit License**)
88. Florida International University
89. * Seattle Public Schools, Richard Staudt (**Toolkit License**)
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91. Seton Hall University
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94. Namibia Road Fund – Africa
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98. Neil Love
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104. Federal Way Public Schools
105. Indiana Wesleyan University
106. UW Bothell

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2. NKS Group – Cyprus
3. ABN AMBRO Bank
4. National Penn Bank
5. University of Alabama – Birmingham
6. * Pacific Northwest Laboratories (**Toolkit License**)
7. UW Human Resources
8. UW Ombudsman
9. UW Human Resources
10. UW Global Affairs
11. UW Student Planning and Administration

February 2011

12. Creighton University
13. Marygrove College
14. Midwest Baptist Seminary
15. Futa Jalon Capital
16. Henrik Narva
17. Glacier Bancorp
18. Safaricom

March 2011

19. University of Oregon
20. Hamdan Bin Mohammed eUniversity – Dubai, UAE
21. University of Michigan Health System
22. Clayton State University
23. Ashton Tiffany
24. Diamond Resorts International
25. Christophe Nemeth
26. Martin's Point Healthcare
27. COMSYS

April 2011

28. College of North Atlantic – Doha, Qatar
29. Federal Reserve Bank – Kansas City
30. University of California – Merced

31. Cooper Union for Advancement of Science and Art
32. Pan American Health Organization and World Health Organization
33. University of California – Santa Barbara
34. UW IT
35. Indiana University
36. University of Maryland
37. Brand Energy Services

May 2011

38. University of New Mexico
39. University of California – Berkeley, Controller's Office
40. Western Michigan University
41. Ben Gurion University of the Negev – Israel

June 2011

42. The Heico Companies
43. Safeco Insurance
44. East Carolina University
45. American University
46. University of Illinois
47. UW Department of Oral Medicine
48. West Chester University
49. UW IT Information Management
50. The Heico Companies
51. Safeco Insurance
52. World Doc

July 2011

53. Y.K. Al Moayyed & Sons – Bahrain
54. CIMMYT
55. A. KAHN
56. HMS, Inc.
57. Donnell SNC – Italy
58. University of Saskatchewan – Canada – Risk Management
59. Texas Children's Hospital

August 2011

60. State of North Dakota
61. Blue Cross & Blue Shield of Kansas CityE5kuk

62. UW Global Affairs
63. Carleton College
64. Wayland Baptist University
65. Bharathula Venki
66. Gordon Derr
67. Marsh – South Africa

September 2011

68. HMC Rehabilitation and Psychiatry
69. UW Humanities & Shared Services
70. UW Controllers Office
71. Algonquin College – Canada
72. Trent University
73. Eastern Cape – South Africa

October 2011

74. Daytona State College
75. Stellenbosch University – South Africa
76. UW ITECH
77. Ohio Public Employees Retirement System
78. Al Munajem

November 2011

79. Lake County Government – Illinois
80. MBF Cards – Malaysia

December 2011 - None

January 2012

1. Julliard School of Music – NYC
2. Georgia Gwinnett College – Internal Audit
3. University of La Verne
4. University of Saskatchewan – Canada – Internal Audit
5. Qatar Petroleum
6. Academic Risk Resources

February 2012

7. CS Mott Community College
8. McGill University – Canada

9. University of Maryland – Risk Management
10. Franklin College
11. Adelphi University
12. Florida Institute of Technology
13. Accountability Plus

March 2012

14. Resurrection University
15. Harding University
16. Mount Royal University
17. Brock University
18. Saskatchewan School Boards Association
19. Massachusetts Institute of Technology (MIT)
20. Marquette University
21. Banco Santander
22. IBCS PRIMAX – Bangladesh
23. Philippine Institute of CPAs

April 2012

24. UW IT – eFECS
25. Pacific University Board of Trustees
26. Fenshaw College – Ontario Canada
27. UC Davis – Compliance
28. Wilson College

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Enterprise Risk Management Annual Report 2011

Board of Regents

May 2012

“...I am increasingly impressed to see that the remarkable drive, inquisitiveness, and ambition of our faculty, staff, and students are tempered by a deep pervasive respect for the rules and societal standards that define the right way to conduct our work. Such steadfast adherence to ethical principles is far from universal, nor can we take it for granted.”

UW President Michael K. Young, *Renewing Our Pledge of Integrity*, January 3, 2012

For Today

Enterprise Risk Management (ERM)

- Definition and Objectives
- UW ERM Process
- Roles and Responsibilities
- Timeline
- ERM 2011 Annual Report Summary
- UW will be Financially Healthy if It ...
- Areas of Institutional Risk
- Goals for 2012
- Appendix: Sample Risk Register

Enterprise Risk Management

Enterprise Risk Management (ERM): is “...**a process**, effected by an entity’s board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.”

Committee of Sponsoring Organizations (COSO).

Enterprise Risk Management—Integrated Framework: Executive Summary. COSO, New York, 2004.

ERM Objectives

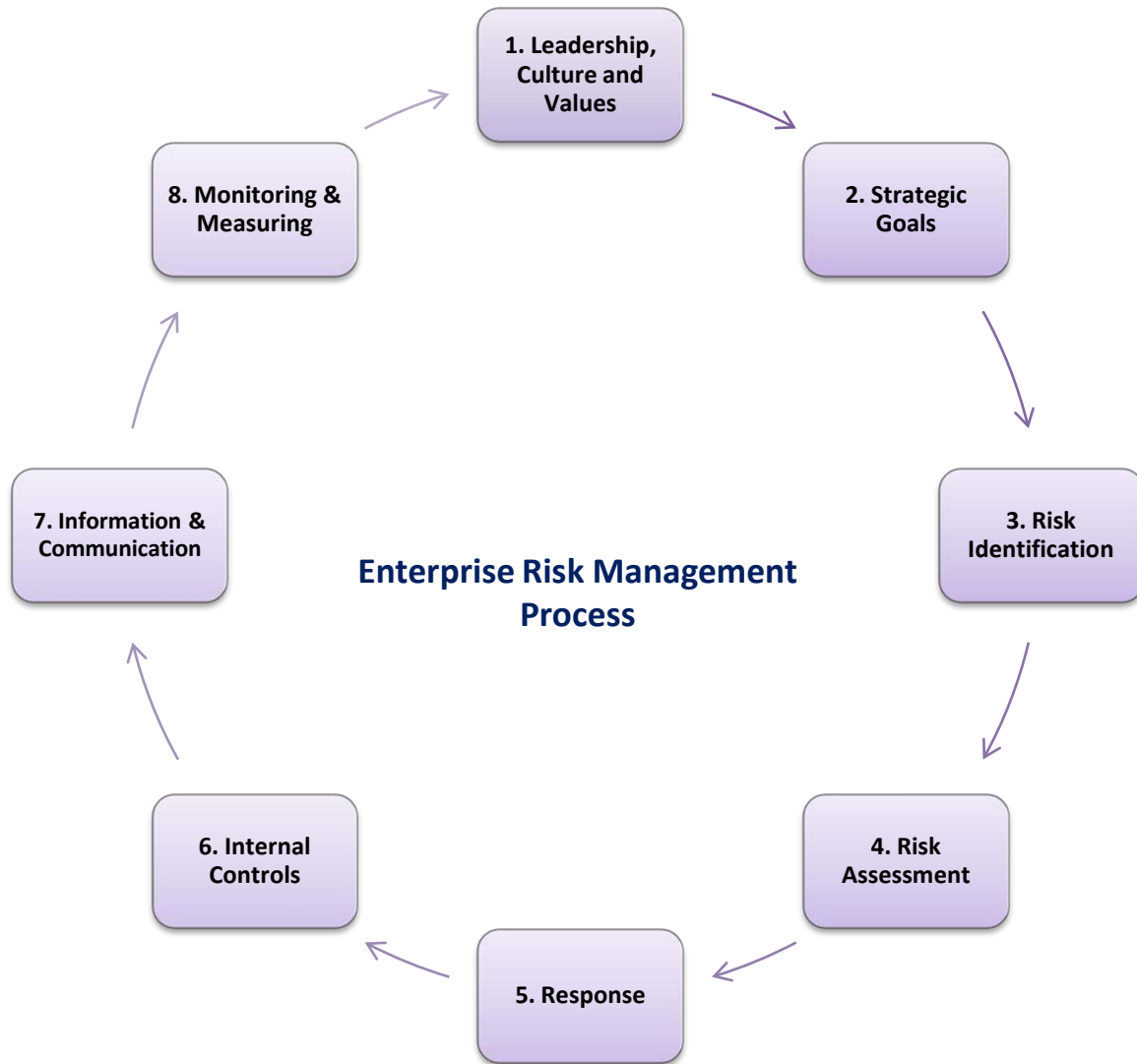
Seven best practices serve as guideposts for UW's ERM approach:

- Integrate key risks into decision-making deliberations.
- Create an integrated, institution-wide approach to compliance.
- Ensure that good information is available.
- Create a safe way to report problems.
- Minimize surprises through identification of emerging risk issues.
- Maintain a strong audit team.
- Check progress on compliance and risk initiatives.

The final report and executive summary are available:

<http://f2.washington.edu/fm/sites/default/files/erm/2011ERMAnnualReport.pdf>

UW ERM Process



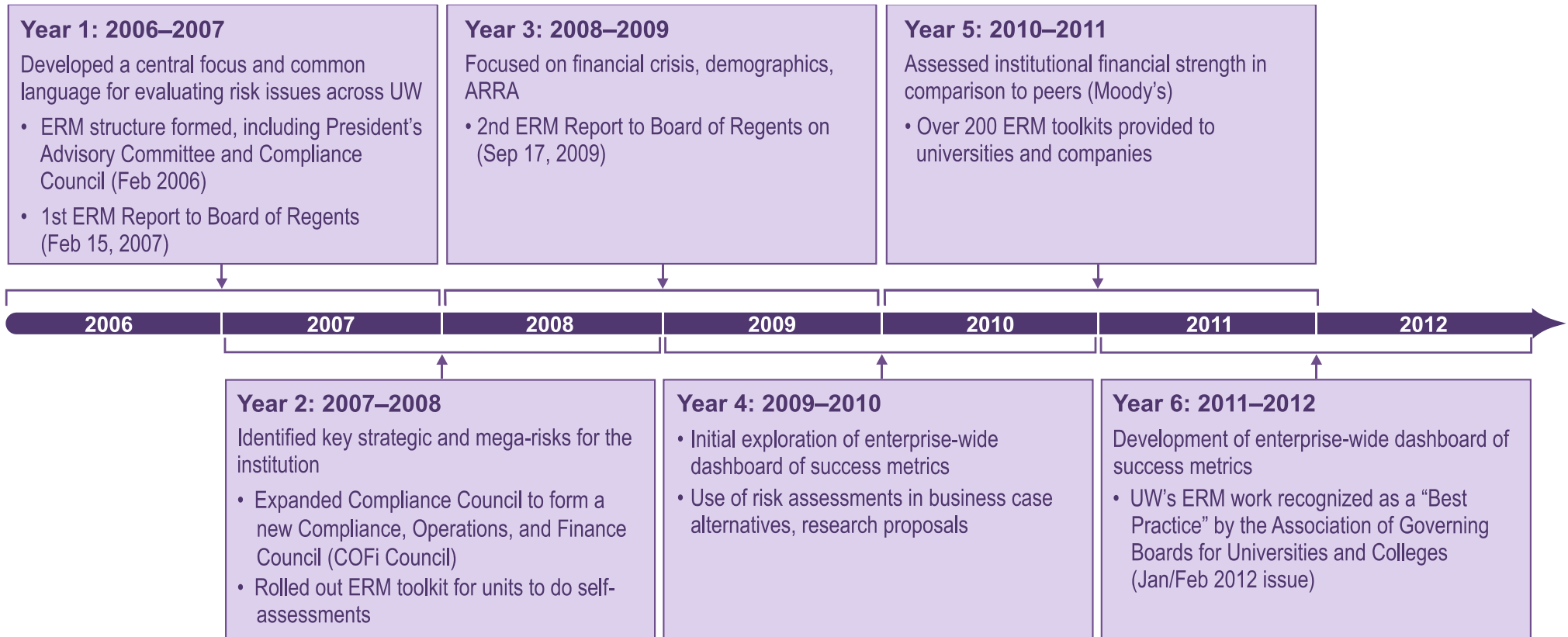
Steps:

- **Setting** the tone at the top with Leadership, Culture and Values,
- **Establishing** context, and the basis for how risk is viewed with strategic goals,
- **Identifying** risks, or the harm we are trying to avoid,
- **Assessing** risks using a central focus and common language,
- **Aligning** response options with the level of risk,
- **Documenting** internal controls for top risks,
- **Communicating** with stakeholders and implementing response plans,
- **Monitoring** and measuring to ensure responses have been carried out as intended.

ERM Roles and Responsibilities

<i>UW Units</i>	<i>ERM Support</i>	<i>COFi Council</i>	<i>PACERM</i>	<i>Internal Audit</i>	<i>UW President and Provost</i>
<i>Take and Manage Risks</i>	<i>Monitor and Aggregate</i>	<i>Oversight</i>	<i>Advise</i>	<i>Validate</i>	<i>Acknowledge</i>
<ol style="list-style-type: none"> Ownership of activities which give rise to risk Risk/opportunity identification and unit level assessments Develop strategies and take action to mitigate risks Encouraged to share assessment results with ERM program 	<ol style="list-style-type: none"> Establish ERM framework, standards and templates Monitor and participate in risk committees for the purpose of providing the enterprise view Provide administrative support, summary information and analysis to COFi and PACERM Train the trainer 	<ol style="list-style-type: none"> Oversight of functional areas of risk by individual risk owners Identify and prioritize cross-functional issues (e.g., risks, responses, internal controls, measures) Identify topics for outreach 	<ol style="list-style-type: none"> Advise the University President on the management of risks and opportunities which may significantly impact strategic goals or priorities Recommend policy changes and or actions to reduce risk Oversight of entity level assessments IT project quarterly review 	<ol style="list-style-type: none"> Independent verification and testing of internal controls Oversight of changes in audited units (e.g., Internal Audit risk map) Provide administrative support, summary information and analysis to COFi 	<ol style="list-style-type: none"> Verbally acknowledge key documents such as: <ul style="list-style-type: none"> ERM Framework PACERM and COFi Charters Entity level assessments Reports to Regents Integrate PACERM advice into strategic priorities Establish policy and procedures based on PACERM recommendations

ERM Timeline



ERM 2011 Annual Report

Assessing Institutional Financial Strength

- In 2009, Moody's Investor Services changed the outlook for the entire higher education sector from stable to negative.
- In July 2011, Moody's signaled the UW's Aaa stable credit rating would be lowered to Aaa negative.
- UW responded by forming an enterprise financial risk team and collaborated in ways not done before.
- In December 2011, Moody's affirmed the University's Aaa credit rating and revised the outlook to stable from negative.

UW will be Financially Healthy if It...

- 1. Achieves market leadership as demonstrated by**
 - Global reputation
 - Top-ranked programs and hospitals
- 2. Attracts and retains top students and faculty**
- 3. Enhances diversity of funding sources by having**
 - Multiple business lines and revenue sources
 - Low reliance on state support
- 4. Develops strong donor and community support**
- 5. Maintains access to debt markets at attractive rates by exhibiting**
 - Strong balance sheet
 - Prudent debt management
 - Sustainable academic business plan

Areas of Institutional Risks

1. Regulation and compliance
2. Aging infrastructure and systems
3. Managing talent and aging workforce
4. Declines in research funding
5. Cyber security
6. Inflating costs such as energy and healthcare
7. Alliances, affiliations and industry consolidations
8. Cost reductions
9. Philanthropy and investment returns
10. Shifts in competition and consumer demand for higher education

Looking Ahead—ERM Goals for 2012

1. Monitor and enhance financial health

- Develop enterprise financial analysis and forecasting relative to all missions at the UW.
- Provide senior leaders and the Board of Regents with new tools to oversee outstanding debt.

2. Develop institutional success dashboard (PACERM)

- Consolidate existing, high-quality measures that align with Core Mission, the Sustainable Academic Business Plan, and Credit Rating Agencies.
- Display “key indicators” that enable senior leaders and the Board of Regents to anticipate changes in UW risk and performance profile.

Looking Ahead—ERM Goals for 2012 (cont'd)

3. Support COFi Council Strategic Plan

- Ensure responsibility and accountability for coordinating compliance with laws, regulations, contractual obligations and University policies.
- Perform gap analysis for significant compliance requirements.
- Develop mitigation strategies to close compliance gaps.
- Improve the compliance environment through outreach, monitoring/measurement and through other stakeholder collaborations.

Appendix: Sample Risk Register

Risk Category	Institutional Risks
Academic Quality	<ul style="list-style-type: none"> • Inability to maintain desired levels of teaching quality
Admission & Enrollment	<ul style="list-style-type: none"> • Inability to meet enrollment/yield targets • Inability to maintain affordability due to increasing student fees
Facilities & Maintenance	<ul style="list-style-type: none"> • Inability to meet presidential sustainability targets • Inability to provide sufficient space to meet teaching, research and administrative needs
Financial & Economic	<ul style="list-style-type: none"> • Inability to cope with unexpected revenue shortfall/budget reductions • Inability to manage/absorb rising healthcare costs • Inability to adequately fund all desired programs due to fund diffusion across multiple objectives • Failure to control growth in debt burden • Inability to fund progress on deferred maintenance queue
Human Resources	<ul style="list-style-type: none"> • Inability to recruit and retain top faculty, staff and senior administrators
Information Technology	<ul style="list-style-type: none"> • Inability to maintain or replace obsolete systems/technology in a timely manner • Inability to prevent unauthorized modification of data (cyber security) • Inability to grow IT resources and data center capacity to meet campus needs
Public Safety & Hazard	<ul style="list-style-type: none"> • Inability to ensure safety of faculty and students domestically and globally
Research & Grants	<ul style="list-style-type: none"> • Inability to detect or prevent major breaches in research integrity and ethics • Inability to detect or prevent conflict of interest stemming from third-party contracts • Failure to comply with applicable human/animal subject regulations • Export control violations
Student Life	<ul style="list-style-type: none"> • Inability to ensure that student mental health challenges are adequately addressed • Inability to recruit or retain students due to student dissatisfaction with campus experience
Student Success	<ul style="list-style-type: none"> • Inability to meet retention targets

Discussion

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%

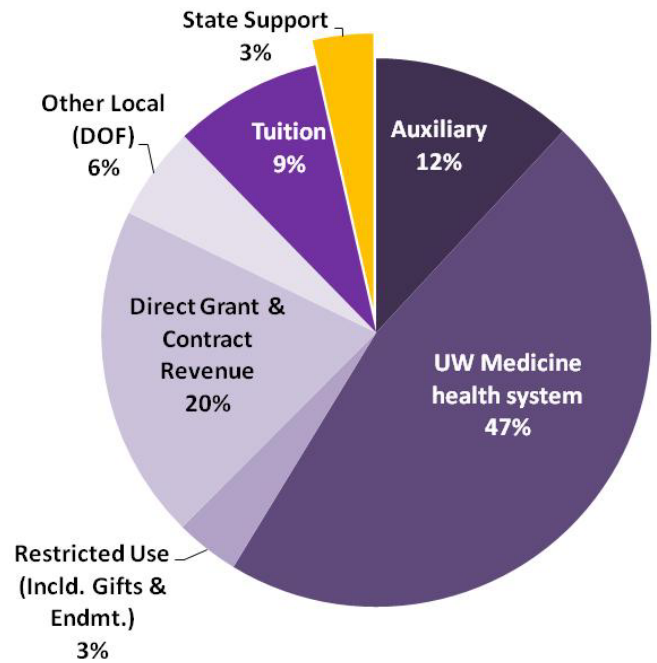
* With the exception of the health system, FY12 "adopted" reflects Regents FY12 final budget.

**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.

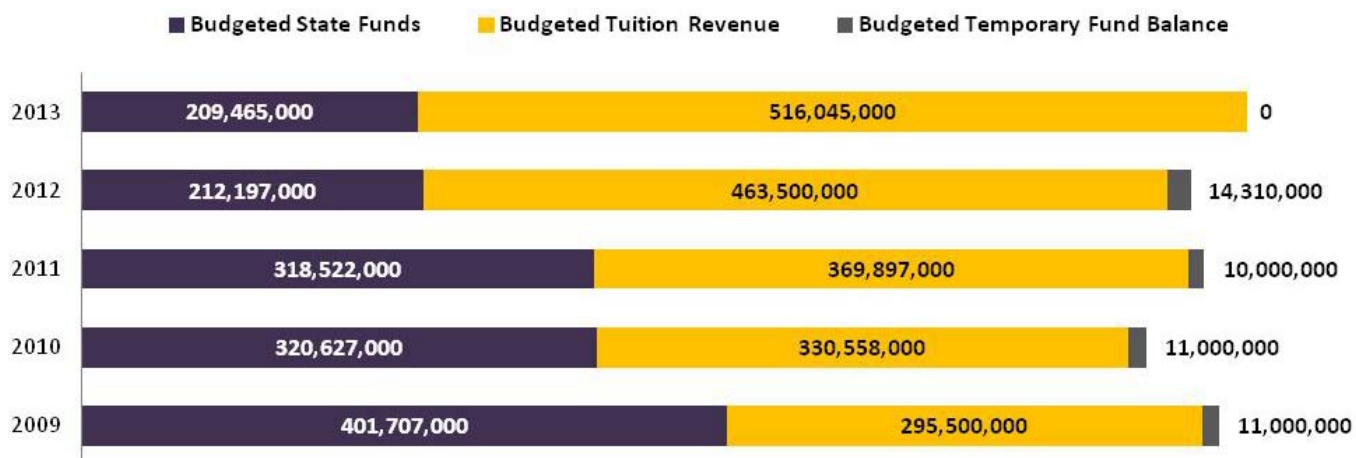


Important Policies Implicit in the FY13 Draft Budget:

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.

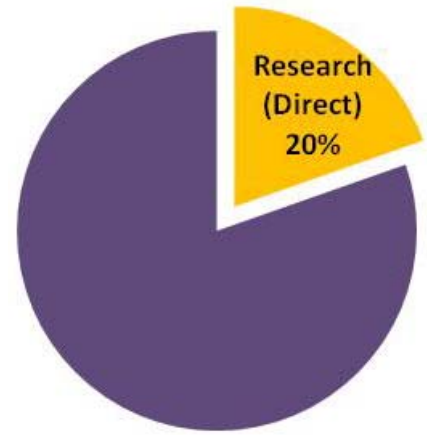


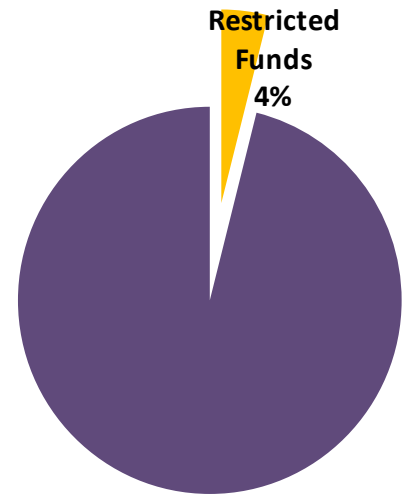
TABLE 5: Research Enterprise

	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.

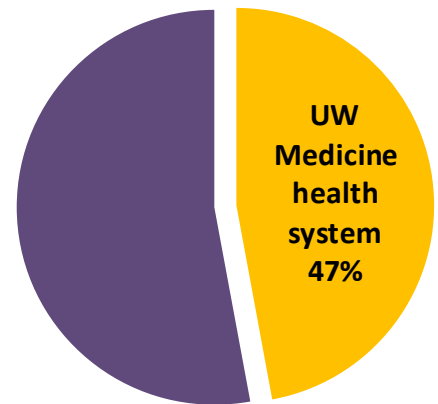
In the past, the "state restricted funds" line item was comprised only of Accident and Medical Aid account revenue, which will continue to benefit the School of Public Health for specific activities performed by the Department of Environmental Health in FY13. However, this year, there is a small appropriation 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.

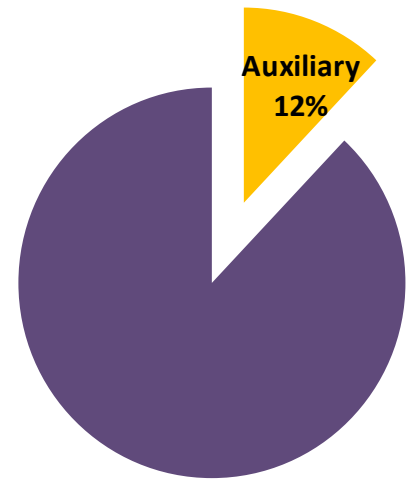


TABLE 8: Auxiliary Units

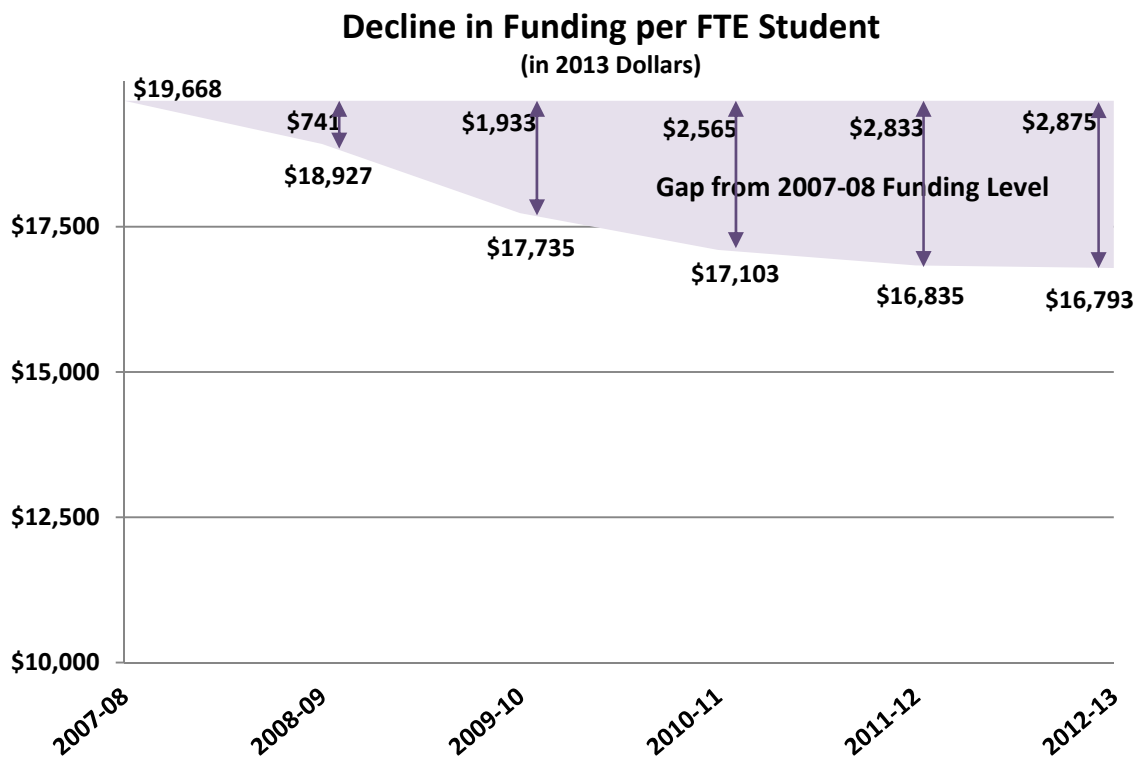
Revenues	FY 2013 Proposed	FY 2012 Adopted
Auxiliary Activities		
Housing and Dining	81,421,000	68,680,000
Intercollegiate Athletics	81,809,000	71,872,000
Educational Outreach	93,406,000	85,225,000
Parking	34,651,000	35,152,000
Other Auxiliary Activities	410,238,000	402,194,000
TOTAL REVENUES	701,525,000	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		<i>See Appendix 2</i>
ABB Indirect Cost Recovery Allocation Change	6,200,000		
Legislative Directives	4,600,000		<i>See Appendix 2</i>
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
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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	-	
SOM - South Lake Union Phase 3.3	190,000	-	-	-	-	-	-	-	-	-	-	-	16,500	-	
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
	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

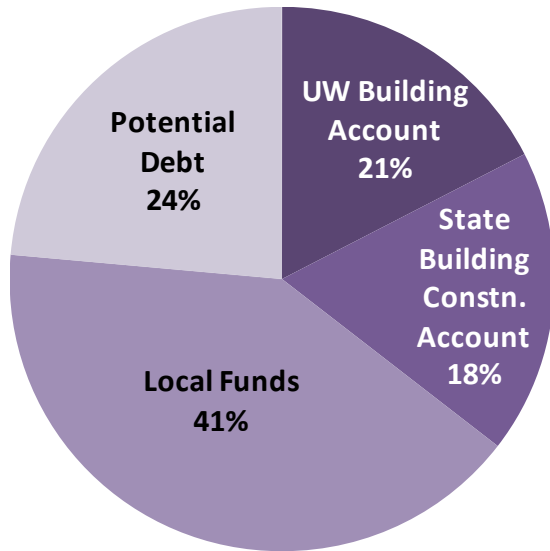
May 3, 2012

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

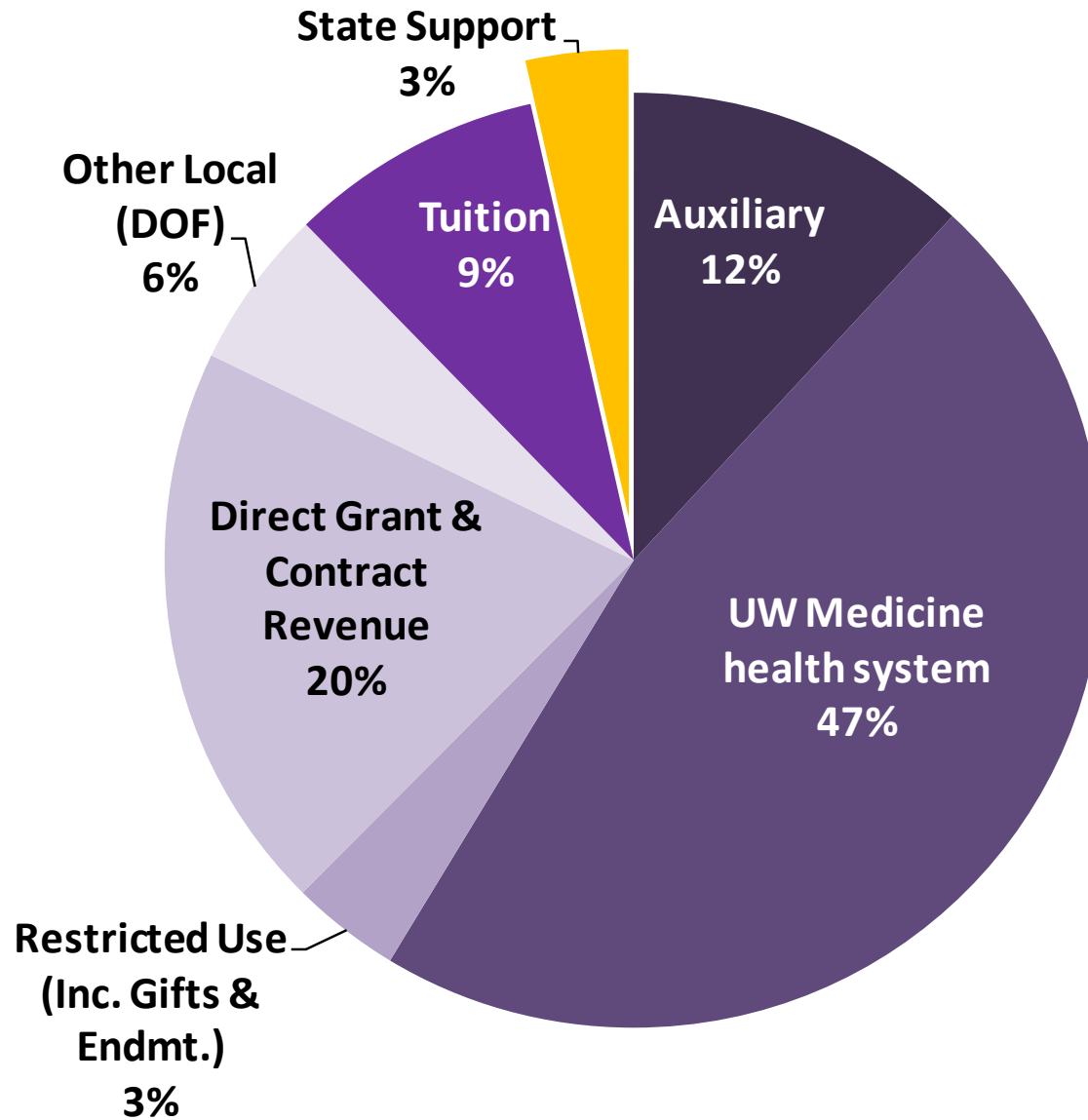
ONE CAPITAL PLAN

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

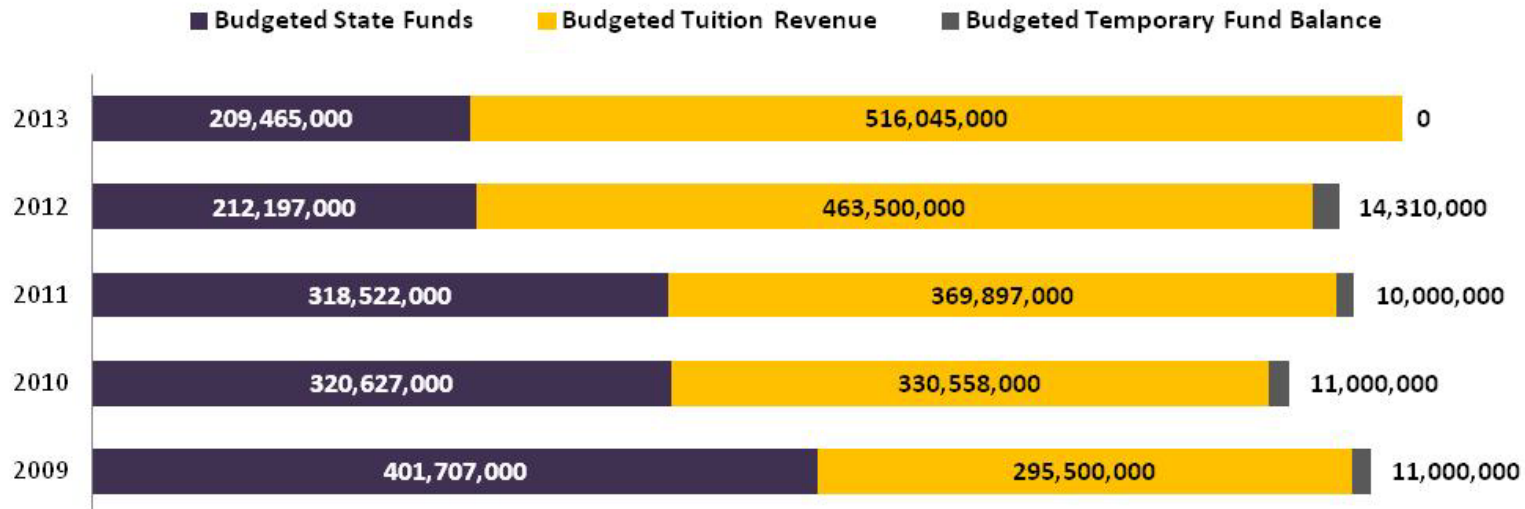
UWS TOTAL ADJUSTED REDUCTION (12,184,000)

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

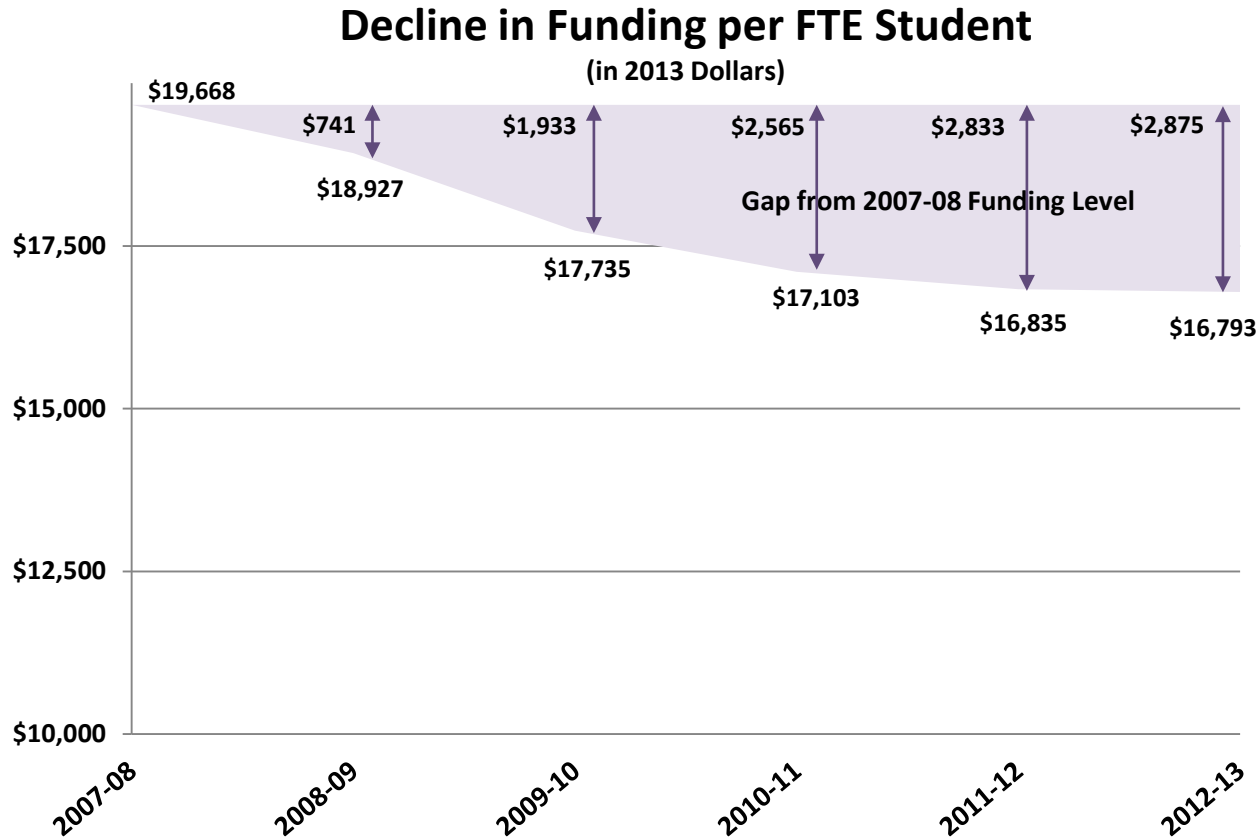
Revenues	FY 2013 Proposed	FY 2012 Adopted
Auxiliary Activities		
Housing and Dining	81,421,000	68,680,000
Intercollegiate Athletics	81,809,000	71,872,000
Educational Outreach	93,406,000	85,225,000
Parking	34,651,000	35,152,000
Other Auxiliary Activities	410,238,000	402,194,000
TOTAL REVENUES	701,525,000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

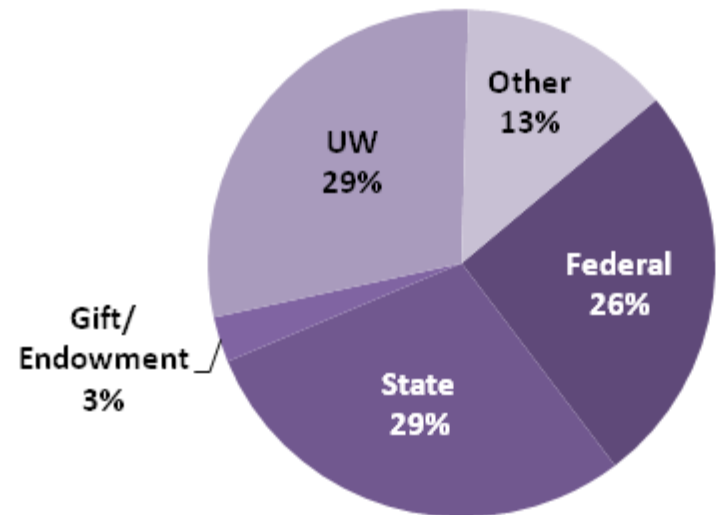
2012-13 Institutional Aid		Undergraduate		Graduate/Professional		Total
		Resident	Non-Resident	Resident	Non-Resident	
3% need waivers, 1% merit waivers, 5% set-aside	From Group:	\$25,070,000	\$10,474,000	\$7,263,000	\$5,830,000	\$48,637,000
	To Group:	\$32,537,000	\$0	\$16,100,000	\$0	\$48,637,000
Additional 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**)

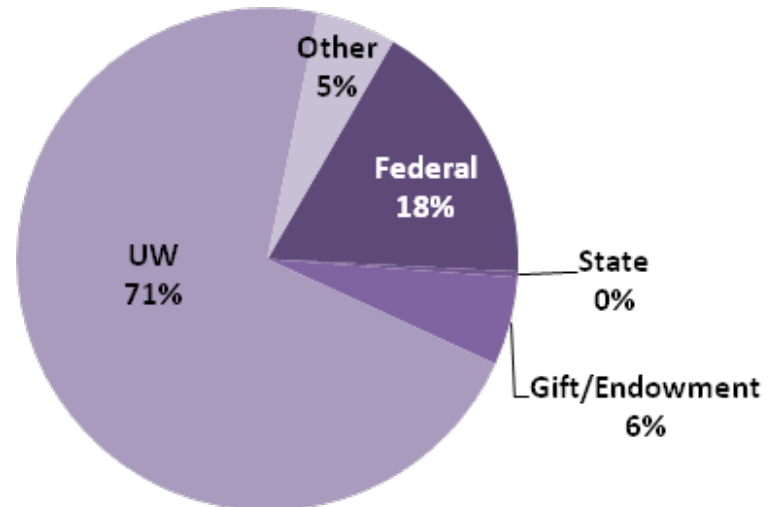
2011-12 SOURCES OF AID BY STUDENT CATEGORY

- 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?

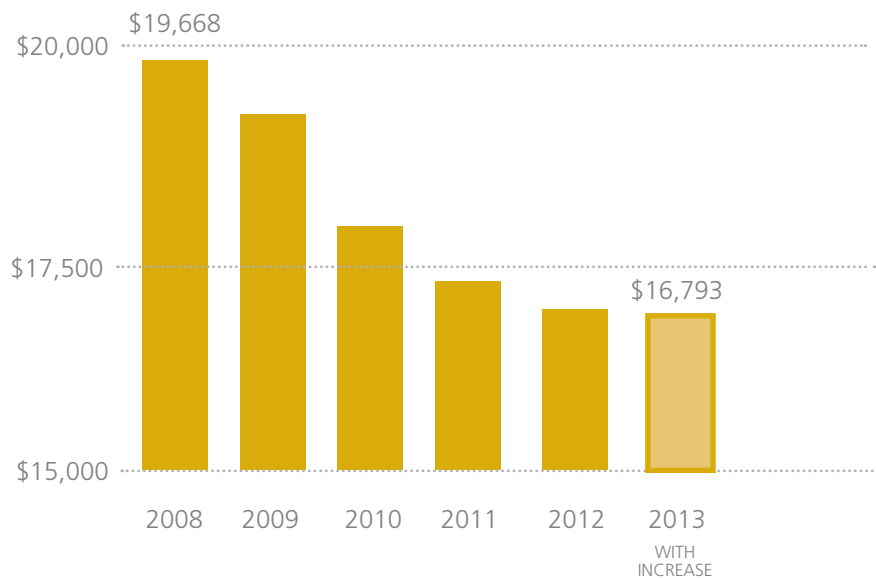
The University of Washington and all Washington public higher education institutions have seen a gradual decline in state funding over the past 20 years with a dramatic drop in the past few years. State funding for the University of Washington has decreased by nearly 50 percent since 2009.

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.

Federal Legislative Report

For information only.



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Ms. Gullion serves as the chief DC advocate for the University of Washington. She has nearly two decades of experience working for a variety of federal, state, and local agencies, and was appointed director of federal relations for the UW in February 2009.

Most recently, Christy served as director of federal relations for Washington2Advocates, a government affairs consulting firm, where she was responsible for managing lobbying strategies for multiple and diverse clientele (including the University of Washington), as well as building and maintaining successful relationships with members of Congress and their staff.

Prior to her work in the private sector, Christy served as northwest Washington director for U.S. Senator Patty Murray, chief of staff to King County Council member Bob Ferguson and as a legislative analyst for U.S. Representative Brian Baird.

Christy holds a bachelor's degree (Education) from Central Washington University and an MPA from The Evergreen State College.

Attachments

Federal Legislative Agenda, University of Washington, Fiscal Year 2013
Sequestration: What it Means and How it Could Affect Federal Research Funding
Federal Update, April 2012

**FISCAL YEAR
2013**

FEDERAL LEGISLATIVE AGENDA



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February 28, 2012

United States Congress
Washington, DC 20510

Dear Members of the Washington Congressional Delegation:

On behalf of the students, educators, researchers, and staff at the University of Washington, I want to thank you for your service to the State of Washington as well as to convey to you a set of legislative recommendations that are critical to the continued success at the state's flagship research university and also to the nation's economic competitiveness. We face the challenge of weathering unprecedented reductions in state support while preserving student access and the quality of instruction and research that make the UW one of the top public research universities in the nation and the world. More broadly, our nation is challenged with the need to control spending while making the strategic investments necessary to keep the United States ahead in an aggressive race to lead the world in innovation.

The UW Federal Legislative Agenda for FY 2013 recognizes the constrained federal resources while maintaining a strategic focus on those initiatives, programs, and projects that will contribute to a sustainable and competitive future for our University, the state, and the nation. We urge Congress to make continued, targeted investments in federal student aid and research.

We remain dedicated to the belief that investments in higher education and research are critical to the economic vitality of the nation. Federal financial aid is crucial to helping students afford a college education, particularly when states have been struggling to support higher education, forcing tuition to rise. It is important for states to reinvest in their colleges and universities, as well as for universities to continue to operate as efficiently as possible. College affordability remains one of the hallmarks of American higher education and one of the chief paths to opportunity and success.

Expanding research funding in the FY 2013 budget to spur our nation's innovation is a critical investment in our nation's future and one we at the UW fully support. The partnership between the federal government and our nation's research universities in funding and conducting basic and applied research has fueled innovation for 60 years and propelled the US to the forefront of the world's economies. It is crucial, especially at this point in time, that this partnership remains vital and productive.

Furthering our commitment to expanding a positive local and global economic impact, we recently unveiled a new business incubator that will provide startup businesses access to critical lab and office space on the UW campus for their work. The incubator is one key element in a larger commercialization initiative, called Ideas to Impact (i2i), that aims to double the number of business start-ups produced by the UW – from an average of 10 per year to 20 – during the next three years. By fostering public/private partnerships, UW students, and first-of-its kind financing, the UW will propel ideas out of our labs and into our economy where they will create jobs and improve lives.

I join our federal relations team in committing to work with you and your staff on the issues and programs highlighted in this agenda. As always, we offer the UW community as a resource available for consultation in your work to represent the great State of Washington.

Sincerely,



Michael K. Young
President

UNIVERSITY OF WASHINGTON AT A GLANCE

Institutional Overview

The University of Washington rose from the wilderness of the fledgling city of Seattle. It became the first institution of higher learning in Washington Territory, opening 150 years ago on November 4, 1861, with one professor and 16 students. Today, the University employs 4,300 instructional faculty and enrolls more than 50,000 undergraduate, graduate, professional, and evening degree students on its Seattle, Bothell, and Tacoma campuses.

In addition to having one of the top medical schools in the country, the UW is renowned for its nationally-ranked programs in a wide variety of disciplines, including nursing, engineering, computer science, business, law, library sciences, and social work. It ranks first among the nation's public universities in federal research dollars received, attracting top faculty, students, and researchers from around the world in a broad scope of research disciplines. Its reputation has a global reach – in 2011, the Center for World-Class Universities of Shanghai Jiao Tong University ranked the UW number 16th among the world's top universities – yet the UW maintains a strong commitment to its stature as a state public institution. Currently, 80 percent of UW undergrads are Washington State residents and nearly 75 percent of UW alumni remain in state after graduation.

The UW is the third-largest employer in Washington state. For every \$1 the state invests in the UW, the UW returns more than \$148 in tax revenue and \$22 to the state's economy. □ In 2009, the UW's overall economic impact topped \$9 billion.

Importance of Federal Funding to the UW

The impressive breadth of world class research, service, and training programs at the UW is reflected in the broad level of grant and contract funding it receives each year from external sources, including the federal government. This extramural funding is received by the University as a result of proposals developed by faculty members and professional staff, and awarded generally on a national, competitive, peer-reviewed process.

Last year, the UW received over \$1 billion in federal support for research and educational programs. This represents the fifth consecutive year the UW has been awarded over a billion dollars in federal research funding, putting UW as one of the largest recipients of external funding among public universities.

In FY 2011, awards totaling \$1.096 billion (73 percent of the \$1.513 billion total extramural funding) were received from federal agencies for support of research, equipment, fellowships and traineeships, special programs of instruction, and service programs that support our state, region, and the nation. This large proportion of federal support over total awards has been reasonably constant over the past several years. The major sources of federal support during FY 2011 continued to be from the Department of Health and Human Services (\$701.2 million), National Science Foundation (\$90.6 million), Department of Energy (\$28.3 million), Department of Education (\$141.7 million, including student aid), and Department of Defense (\$63.9 million).

Economic and Educational Impact of Research

The awards received by the UW support the broad range of public services, research, and educational programs offered on the Seattle, Bothell, and Tacoma campuses. In turn, these programs enhance the quality of life for the citizens of the State of Washington and help the overall health of the state's economy. Highlights include:

- 272 new start-up companies based on UW research advances.
- UW technology licenses generated over \$37 million in revenue during FY 2011.

- In 2010-11, 5,830 undergraduates participated in research with UW faculty for a total of 9,192 student-quarters of research (one student researching for one quarter = 1 student-quarter), and over a million hours devoted to undergraduate research.
- In 2010-11, 5,363 undergraduates participated in university sponsored public service, including service learning, public service internships and volunteer work for a total of 7,732 student-quarters of public service, and a total of 523,019 hours devoted by students to public service.
- Externally funded programs supported 7,445 full-time equivalent employees at the UW during FY 2010. Based on economic multipliers provided by the Washington Higher Education Coordinating Board, UW research funding generated about 32,760 jobs statewide.

Enrollment and Degrees:

For fall 2011, the UW enrolled over 50,000 students across the Seattle, Bothell, and Tacoma campuses. Eighty percent of undergraduates are Washington residents and 81 percent of entering freshmen graduate within six years. The average time to degree is 4.3 years. Thirty-two percent of all undergraduates receive Pell Grant funding.

Fall 2011 Total Enrollment

	Seattle	Bothell	Tacoma	All UW	% Seattle	% Bothell	% Tacoma
Undergraduate	30,151	3,284	3,129	36,555	82%	9%	9%
Graduate/Professional	13,156	488	546	14,190	93%	3%	4%
Total	43,307	3,772	3,666	50,745	85%	7%	8%

2010-2011 Degrees Awarded

	Seattle	Bothell	Tacoma	All UW	% Seattle	% Bothell	% Tacoma
Undergraduate	7,605	803	917	9,325	82%	9%	9%
Graduate/Professional	4,340	211	225	4,776	91%	4%	5%
Total	11,945	1,014	1,142	14,101	85%	7%	8%

The UW offers over 250 degree options across 150+ programs. In 2010-11, the UW awarded over 14,000 different degrees. In fall 2010, 43 percent of UW students were enrolled in course-work in science, technology, engineering, and mathematics (STEM) disciplines. In 2010-11, the UW awarded 3,150 degrees in STEM disciplines.

Tuition and Finances:

The UW's FY 2012 operating budget totals \$5.6 billion. Tuition revenue comprises 67 percent of the University's general operating fund resources (state funds plus tuition revenue), up from 34 percent in 2004, primarily because the UW has lost half of its state funding in the span of four years (fiscal years 2009-2012). The UW has the third lowest undergraduate resident tuition and fees of peer institutions in the Global Challenge states. In 2011-12, UW tuition and fees of \$10,574 per year are about \$1,150 BELOW the average tuition of these institutions. Kiplinger's consistently ranks the UW as one of the top ten bargains in higher education in the nation.

Close to one quarter of entering UW freshmen are Pell Grant eligible, and 30 percent of all freshmen will be the first in their families to attend college. Last year, one quarter of (about 8,000) UW undergraduates were eligible for the Husky Promise program, which through a combination of state, federal, and UW local funds provides free tuition students with financial need. In 2010-11, 58 percent of UW undergraduates received some form of financial aid totaling over \$251 million.

Half of all UW undergraduates graduate with zero debt. For UW students who must borrow, in 2009-10 the average debt load at time of graduation is \$19,500 compared to \$23,000 nationally.

UNIVERSITY OF WASHINGTON CORE PRINCIPLES

As the State of Washington's public flagship university, we are deeply committed to serving our citizens. In all of the work we do locally, nationally, and globally, we are guided by four core principles that elevate our overarching vision of bringing knowledge and discovery home to enhance the quality of lives of Washingtonians. Crucial to the achievement of this vision is the supportive collaboration of private and public partners – including the federal government, which has continuously been an essential component of the groundbreaking research that takes place on all three of our campuses, as exemplified below.

Sustainability of the Earth

The UW is a global leader in environmental science research, education, and technology transfer. We discover and share knowledge for the sustainability of our planet.

- In FY 2011 the UW joined with dozens of partners from industry and academia throughout the state to secure a \$45 million competitive grant from the Agriculture and Food Research Initiative (AFRI) to establish a robust biorefining industry throughout the Pacific Northwest. The grant will help reduce US dependence on foreign oil, lower the carbon intensity of transportation fuels, and spur rural economic development.
- The UW is the lead partner for the NSF-funded Ocean Observatories Initiative (OOI) Regional Scale Nodes off the coast of Oregon and Washington. OOI will consist of a networked infrastructure of science-driven sensor systems to measure the physical, chemical, geological, and biological variables in the ocean and on the seafloor.
- The Climate Impacts Group (CIG) is an internationally recognized interdisciplinary research group studying the impacts of natural climate variability and global climate change at spatial scales ranging from local communities to the entire western US region, with most work focused on the Pacific Northwest.

Healthy Lives, Here and Around the Globe

Our world-renowned researchers and health care providers are working together to improve the human condition in Washington state and around the globe.

- National Institutes of Health (NIH) funded research at UW has a local and global impact on improving the health of the public, including: clinical breakthroughs such as bone marrow transplantation, medical ultrasound, and renal dialysis; a large body of both infectious diseases and population-based research; basic biomedical research in a wide range of fields that serves as the foundation for translational research.
- The UW Institute for Health Metrics and Evaluation (IHME) works to identify the best strategies to build a healthier world. By measuring health, tracking program performance, and finding ways to maximize health system impact, IHME provides a foundation for informed decision-making that ultimately will lead to better health around the globe.
- The Institute for Learning and Brain Sciences (I-LABS) is an interdisciplinary center dedicated to discovering the origins and building blocks of human learning that will help enable all children to achieve their full potential.

Creating Future Generations of Global Citizens

Of all the ways in which the UW influences the future, none are more profound or more important than educating the next generation of thinkers, doers, and leaders. Our wide range of educational opportunities – in and out of the classroom, both in the US and abroad – enable UW students to expand their world views and better understand their responsibilities as members of an increasingly interconnected and global society.

- The Pell Grant Program is the largest federal source of college aid to financially disadvantaged students, including to 10,561 students across UW's three campuses, and comprises the foundation of low-income student aid packages to support other forms of need-based aid.

- The UW Office of Minority Affairs and Diversity manages two (six year) GEAR UP grants, which were awarded by the US Department of Education. The UW is currently sub-contracting with 14 school districts and 10 community-based organizations in Yakima and Skagit counties to provide a wide array of academic and family support services designed to guide approximately 5,700 students as they progress toward high school graduation.
- The UW Global Social Entrepreneurship Competition is a social venture plan competition for students around the world to propose commercially viable business plans aimed at reducing poverty in the developing world. In 2012, the UW received 170 submissions from student teams in 49 countries and 28 universities worldwide.

Innovation Serving Society

The UW fosters a culture of innovation in which students are mentored by faculty who are leaders in their fields. Together they are conducting research on the cutting edge.

- Research at the UW Ubiquitous Computing Lab allows students to use technology to conserve energy at home through sensing solutions like ElectriSense, a sensor that can tell you which appliances are on and off, and HydroSense, a pressure-based sensor that automatically determines water usage and flow.
- Engineering faculty and students have for the first time used manufacturing techniques at microscopic scales to combine a flexible, biologically safe contact lens with an imprinted electronic circuit and lights – sort of like a bionic eye. The lens is one example of groundbreaking research at UW.
- Currently in development is a whole new way to teach Chemical Engineering with innovative laboratory experiments that are all linked as part of a biofuel plant. Students will not only learn chemical engineering concepts and processes, but they will understand how they are related in a system.

Guided by these principles, UW has become and will maintain its position as one of the nation's leading research universities as well as the premier university in the State of Washington. We strive constantly to remain stewards of the past, present, and future generations so that we may help shape and empower new leaders, great thinkers, and Washingtonians. Key to our ascent has been federal support in both policy and funding. As such, we take the stewardship of all federal assistance seriously. At all times, we make every effort to best influence federal policy to respond to the innovation demands of the nation and best interests of Washington students while using federal funding judiciously and with the utmost care. To this end, the Federal Legislative Agenda describes several federal programs important to UW and lays out our priorities from both a policy and funding standpoint. These priorities will best serve the UW, the State of Washington, and the nation as a whole.

UNIVERSITY OF WASHINGTON
LEGISLATIVE PRIORITIES

Graduate Medical Education

Graduate medical education (GME) comprises the second phase of the formal educational process that prepares doctors for medical practice. All medical school graduates who seek full medical licensure and board certification in a medical specialty or subspecialty must complete a period of residency training. To most patients, residents may be indistinguishable from attending physicians: they have earned the MD degree, they perform diagnoses and procedures, and they participate fully in the spectrum of treatment and care. Although residents are medical school graduates, they are still doctors-in-training and insufficiently experienced to independently practice. **The UW fully supports Congress's efforts to reform the GME program, and until the whole program is thoroughly examined through reauthorization, we ask that Congress preserve existing GME funding and payments.**

Surface Transportation Reauthorization: University Transportation Centers

The Research and Innovative Technology Administration (RITA) coordinates the US Department of Transportation's (USDOT) research programs and manages the University Transportation Center (UTC) Program, which was last authorized in 2005. Operated by the UW, PacTrans is the USDOT Region X UTC, which includes Alaska, Idaho, Oregon, and Washington, and scholars from University of Alaska at Fairbanks, University of Idaho, Oregon State University, and Washington State University. PacTrans researches transportation infrastructure, freight and logistics, transportation infrastructure construction, and traffic operations. Stable and ongoing funding is necessary to continue to address the transportation research needs of the region that can also be applied nationally. **The UW is neutral on any reorganization, but urges Congress to fund the University Transportation Centers program at \$80 million and to maintain the Regional and Tier 1 structure as defined by the 2011 grant competition.**

Elementary and Secondary Education Act Reauthorization

In 2002, the Education Sciences Reform Act, created the Education Department's research arm in the Institute for Education Sciences (IES). Since its inception, IES has become a valuable tool for providing rigorous and relevant evidence upon which to ground education practice and policy while simultaneously making this information broadly. **The UW urges Congress in all policy and program changes or accountability measures proposed by any reauthorization measure ensure that all changes are data driven in nature and to rely upon or expand the rich research and data resources at IES.**

DREAM Act

The UW is a strong supporter of the Development, Relief, and Education for Alien Minors (DREAM) Act. The DREAM Act would assist in removing barriers to higher education for intelligent, hard-working students with the potential to positively contribute to society. These are students who will go on to become the next generation of health professionals, business leaders, engineers and other members of the educated workforce necessary to be competitive in the global economy. The DREAM Act would help ensure that these talented individuals stay in the US legally, thereby contributing to our nation's economic and social well-being. **The UW urges Congress to approve the DREAM Act this year.**

Global Health Initiative (GHI)

Funding for the GHI is entirely discretionary and divided between five US government departments and agencies that receive appropriations for GHI programs – United States Agency for International Development (USAID), Department of State, National Institutes of Health, Centers for Disease Control and Prevention, and Department of Defense – funding is subject to multiple appropriations bills and Congressional appropriations subcommittees. GHI programs include: HIV/AIDS, tuberculosis (TB), and the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) under the President's Emergency Plan for AIDS Relief (PEPFAR); malaria, including the President's Malaria Initiative (PMI); neglected tropical diseases (NTDs); maternal, newborn and child health (MNCH); family planning and reproductive health (FP/RH); and nutrition. **The UW urges Congress to fully support the Global Health Initiative through all of its various programs.**

**UNIVERSITY OF WASHINGTON
PROGRAMMATIC & FUNDING PRIORITIES**

FY 2013 FEDERAL AGENCY AND PROGRAM RECOMMENDATIONS *(in millions of dollars)*

Appropriations Bill	Agency	Account	FY11 Final	FY12 Final	FY13 PBR	FY13 UW Request
Agriculture	Agriculture	NIFA/Agriculture and Food Research Initiative	265.0	264.5	325.0	325.0
		NIFA/McIntire-Stennis	33.0	32.9	32.9	32.9
CJS	NSF	Agency	6,900.0	7,767.0	7,370.0	7,370.0
		MREFC	117.1	167.1	196.0	196.0
		Social, Behavioral, and Economic Sciences	247.0	254.0	259.5	259.5
	NOAA	Agency	4,600.0	4,893.7	5,179.0	5,179.0
		Ocean and Atmospheric Research	427.0	376.6	413.8	413.8
		National Ocean Service	495.0		458.5	458.5
	NASA	Science	4,945.0	5,090.0	4,900.0	4,900.0
		Education	145.0	138.4	100.0	100.0
	NIST	Agency	752.0	750.1	860.0	860.0
Defense	Defense	Research, Development, Testing, and Evaluation (RDT&E)	75,400.0	72,400.0	69,400.0	69,400.0
	Defense	6.1 Basic Research	1,900.0	1,876.0	2,110.0	2,110.0
	Defense	6.2 Applied Research	4,300.0	4,330.0	4,470.0	4,470.0
Energy & Water	Energy	Energy Efficiency & Renewable Energy	1,835.0	1,825.0	2,340.0	2,340.0
		Office of Science	4,884.0	4,889.0	4,990.0	4,990.0
		ARPA-E	180.0	275.0	350.0	350.0
Homeland Security	DHS	Science & Technology Directorate	829.0	668.0	831.4	831.4
Interior-Environment	USGS	USGS	1,100.0	1,070.0	1,102.0	1,102.0
	NEH	NEH	155.0	146.3	154.3	154.3
	Agriculture	Forest Service, Forest & Rangeland Research	307.0	295.0	293.0	293.0
Labor-HHS-Ed	Education	Pell Grant Maximum/Student (In dollars)	5,550	5,550	5,635	5,635
		TRIO	826.5	840.0	840.0	840.0
		GEAR UP	302.8	302.0	302.0	302.0
		Federal Work Study	978.5	977.0	1,127.0	1,127.0
		International Education and Foreign Lang. Studies (Title VI)	75.7	74.2	75.7	75.7
		Institute for Education Sciences	610.0	594.8	621.0	621.0
		HHS	NIH	30,926.0	30,700.0	31,000.0
	HRSA	9,800.0	8,400.0	8,600.0	8,600.0	
	AHRQ	392.0	405.0	409.0	409.0	
	CDC	6,500.0	6,900.0	6,200.0	6,200.0	

Unit: National Institute of Food and Agriculture
Account: Agriculture and Food Research Initiative
UW Request: \$325M
Funding History: (FY11 = \$265M, FY12 = \$264.5M, FY13 PBR = \$325M)

The Agriculture and Food Research Initiative (AFRI) provides resources for research, education, and extension grants to address agricultural issues of regional and national importance, including farm efficiency and profitability, renewable energy, forestry, aquaculture, rural communities and entrepreneurship, human nutrition, food safety, and biotechnology. **In FY11, the UW joined with dozens of partners from industry and academia throughout the state to secure a \$45 million competitive grant from AFRI to establish a robust biorefining industry throughout the Pacific Northwest.** The grant will help reduce US dependence on foreign oil, lower the carbon intensity of transportation fuels, and spur rural economic development. UW supports continued, robust funding for AFRI to allow us to solve complex issues related to sustainability.

Unit: National Institute of Food and Agriculture
Account: McIntire-Stennis
UW Request: \$32.9M
Funding History: (FY11 = \$33M, FY12 = \$32.9M, FY13 PBR = \$32.9M)

McIntire-Stennis formula grants support state designated institutions' cooperative forestry research programs. These funds have provided crucial support to UW research and graduate education programs for nearly 50 years, including the provision of seed money for new faculty just starting research careers, as well as competitive funds available to established UW faculty working on cutting edge projects that are aligned with the McIntire-Stennis strategic plan. Recent UW research supported by McIntire-Stennis funding includes the areas of biofuels ("Sustainable biofuels production in Washington State—an interdisciplinary approach"), and plant-microbe mediation technologies for contaminated soils ("Endophytes for ecological restoration, climate change mitigation, and improved forest productivity").

Account: National Science Foundation, Agency-wide
UW Request: \$7.4B
Funding History: (FY11 = \$6.9B, FY12 = \$7B, FY13 PBR = \$7.4B)

The National Science Foundation (NSF) provides approximately 20 percent of all federally funded basic research that takes place on college campuses around the nation, and is the second largest funder of competitive grants to the UW (only behind NIH). NSF carries out its mission largely through the distribution of roughly 10,000 limited duration competitively awarded grants each year. Most of these awards go to individuals or small groups of investigators. Others provide funding for research centers, equipment, and facilities that allow scientists, engineers, and students to work at the outermost frontiers of knowledge. The UW carries forward NSF's mission on a daily basis. **UW drew \$121 million in grant awards from NSF in FY10 and that figure has continued to increase.** NSF funding at UW is training math teachers, providing for research on the foundation of human learning, preparing US PhD scientists and engineers, the engineering of biomaterials to make medical devices and medical diagnostics, and the engineering of early drought warning and monitoring systems –to name just a few.

Account: Major Research Equipment and Facilities Construction
UW Request: \$196M
Funding History: (FY11 = \$117M, FY12 = \$167.1M, FY13 PBR = \$196M)

The Major Research Equipment and Facilities Construction (MREFC) account provides significant support for the Ocean Observatories Initiative (OOI). OOI will consist of a networked infrastructure of science-driven sensor systems to measure the physical, chemical, geological, and biological variables in the ocean and on the seafloor, and **the UW is the lead partner for the OOI Regional Scale Nodes off the coast of Oregon and Washington.** Over the 5.5 years of this grant, the UW is slated to receive \$126

million, which represents the university's largest federal grant award to date. **Continued support for OOI through the MREFC account is critical to continuing build-out of the Regional Scale Nodes, which began over a year ago.**

Account: [Directorate for Social, Behavioral, and Economic Sciences](#)

UW Request: \$259M

Funding History: (FY11 = \$247M, FY12 = \$254M, FY13 PBR = \$259.5M)

The Directorate for Social, Behavioral and Economic Sciences at NSF (SBE) supports the research that underlies such findings, as well as other research that builds fundamental knowledge of human behavior, interaction, and social and economic systems, organizations and institutions. At the UW, SBE grant funding allows for an on-going interdisciplinary project that brings together linguistics, psychology, cognitive science, and computer science to study cross-cultural differences in behavior in face-to-face communication in different language/cultural groups, including American English, Iraqi Arabic, and Mexican Spanish speakers. The findings have contributed to improved computational approaches to enhance the naturalness of human-computer interaction for each culture and are being incorporated into a computational Embodied Conversational Agent to enable simulation of culturally appropriate behavior that could be used in training of US Service Personnel who will interact with members of different cultures to better carry out their missions, whether overseas or within the US borders.

COMMERCE, JUSTICE,
SCIENCE
APPROPRIATIONS
SUBCOMMITTEE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The UW School of Oceanography, within the College of the Environment, successfully competes for a wide range of NOAA-funded research programs and activities each year amounting to several million dollars of support in the areas of climate science, oceanographic research, atmospheric sciences, fisheries, and the Sea Grant Program. The UW School of Oceanography consistently ranks among the top marine sciences institutions in the United States, and its NOAA-supported research is enabling solutions to important problems, enhancing public awareness of the marine environment, and creating a future generation of scientists.

Unit: [Ocean and Atmospheric Research](#)

UW Request: \$413M

Funding History: (FY11 = \$427M, FY12 = \$376.6M, FY13 PBR = \$413M)

Ocean and Atmospheric Research (OAR) provides funding for research that furthers our understanding of the complex systems that support the earth, including improved forecasting and the development of early warning systems for natural disasters and events. The Sea Grant Program is a prime example of the work enabled by OAR funding. Sea Grant funding supports a nationwide network of 30 university-based programs that work with coastal communities on research and outreach to promote better understanding, conservation, and use of our aquatic resources. The **Washington Sea Grant (WSG) Program**, based at the UW, serves communities, industries, Washingtonians, the Pacific Northwest region, and the nation through research, education, and outreach by: identifying and addressing critical marine issues; providing enhanced tools for management of the marine environment and use of its resources; and initiating and supporting strategic partnerships within the marine community.

Account: [National Ocean Service](#)

UW Request: \$458M

Funding History: (FY11 = \$495M, FY12 = \$458M, FY13 PBR = \$458M)

IOOS is a federal-regional partnership providing ocean and coastal data and information to save lives and sustain livelihoods and ecosystems. The need to build the nation's coastal observing capacity has been identified by several national reports and most recently by the Interagency Ocean Policy Task Force's Interim Report (Sept. 2009). These national reports recognize that reliable and sustained observations provide the information necessary to understand and address the critical issues of climate change, ecosystem management, safe and efficient marine operations, and renewable offshore energy. In 2009, the Integrated Coastal Ocean Observing Act (ICOOS) was enacted, creating a partnership of 17 federal agencies and 11 regional systems to fulfill this need.

UW participates in one of the regional systems, the Northwest Association of Networked Ocean Observing Systems (NANOOS), which received \$1.9 million from IOOS in FY10. An initial economic analysis by independent economists under contract to NOAA estimated benefits in the order of \$100s of millions for industry, government, and the public resulting from investing in coastal ocean observing and predictions. Immediate returns are expected in maritime safety and efficiencies for shipping, fishing, energy, tourism, and other industries; search and rescue; climate variability adaptation; and monitoring and clean-up of discharges and spills into coastal and Great Lake waters.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Account: Science

UW Request: **\$4.9B**

Funding History: (FY11 = \$4.95B, FY12 = \$5.1B, FY13 PBR = \$4.9B)

The **NASA Science Directorate** is an essential part of meeting the growing challenges to fully understand global changes to the Earth and answer fundamental questions regarding the universe through space exploration. The NASA Aeronautics Directorate funds research vital to the aviation field, including solutions for the next generation of aeronautics advances. Federal funding is needed to answer the questions surrounding safety, capacity, and environmental compatibility.

Account: Education

UW Request: **\$100M**

Funding History: (FY11 = \$145M, FY12 = \$138.4M, FY13 PBR = \$100M)

The **NASA Education mission** invests in the nation's educators and programs that play a key role in inspiring and preparing the next generation of managers and leaders of the nation's laboratories and research centers. The UW draws significant research and education support from competitive NASA programs.

For example, the UW Astrobiology Program operates a Virtual Planetary Laboratory (VPL), which is a lead team of the NASA Astrobiology Institute (NAI). VPL scientists build computer simulated Earth-sized planets to discover the likely range of planetary environments for planets around other stars. These simulated environments allow us to visualize these planets from space and directly influence the development of future space missions designed to look for habitable planets around other stars by allowing us to distinguish between planets with and without life. The VPL consists of 55 researchers partnering across 18 different institutions, and NASA's financial support not only facilitates the VPL's interdisciplinary, inter-institutional groundbreaking research, but also cultivates the next generation of scientists by directly supporting undergraduate and graduate student researchers at the VPL.

The Washington NASA Space Grant program, part of the **National Space Grant College and Fellowship Program**, also offers important educational opportunities for Washington students. The program is housed in the UW Department of Earth and Space Sciences and consists of a network of affiliate institutions from around the state. The program provides educational and research programs related to NASA's missions on Earth and in Space and serves as a NASA point of contact for Washington residents. **The UW requests that \$24M of this request be allocated for Space Grant.**

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

Unit: National Institute of Science and Technology

UW Request: **\$860M**

Funding History: (FY11 = \$752M, FY12 = \$750M, FY13 PBR = \$860M)

The NIST Construction Grant Program is relatively new and awards funds for the construction or expansion of research science buildings on college campuses and at other non-profit science research sites. The program is one of few offered by the federal government that provides support for construction of research facilities.

DEPARTMENT OF DEFENSE

For more than half a century, America's unique ability to innovate has spurred new technologies that have contributed to our nation's economic and national security. Innovations fueled by Department of Defense (DOD) basic research have made America's men and women in uniform the best-equipped and most effective in the world. Moreover, as DOD faces increasingly complex

military challenges, it relies on science and technology as a force multiplier. DOD is the third largest federal sponsor of university research. More than 300 universities and colleges conduct DOD-funded research and development. Universities receive more than 50 percent of Defense 6.1 basic research funding, and also receive substantial funding for Defense 6.2 applied research. **In 2011, the UW competed successfully for \$63.9 million from the DOD for research and development grants and contracts.**

Account: [RDT&E](#)

UW Request: **\$69.4B**

Funding History: (FY11 = \$75.4B, FY12 = \$72.4B, FY13 PBR = \$69.4B)

Account: [6.1 Basic Research](#)

UW Request: **\$2.1B**

Funding History: (FY11 = \$1.9B, FY12 = \$2.1B, FY13 PBR = \$2.1B)

Account: [6.2 Applied Research](#)

UW Request: **\$4.5B**

Funding History: (FY11 = \$4.3B, FY12 = \$4.7B, FY13 PBR = \$4.5B)

The UW is also interested in working with the US Navy to advance their goals to increase energy independence and security through the research and development of marine hydrokinetic energy. To that end, the UW recommends the following report language:

Ocean Energy Facilities/Technology Development - The committee recommends \$50,000,000 in program element 0603724N in support of expanding ocean energy testing, research, development, and deployment for maritime security systems, support at-sea surveillance and communications systems, and expand opportunities to reduce the cost of energy and increase energy security at coastal Department of Defense facilities. Additionally, of this amount, the Committee directs the Department of the Navy to provide not less than \$10,000,000 for ocean energy test facility infrastructure.

ENERGY AND WATER
APPROPRIATIONS
SUBCOMMITTEE

DEPARTMENT OF ENERGY

Account: [Energy Efficiency & Renewable Energy](#)

UW Request: **\$2.3B**

Funding History: (FY11 = \$1.84B, FY12 = \$1.82B, FY13 PBR = \$2.3B)

The DoE Office of Energy Efficiency and Renewable Energy (EERE) invests in clean energy technologies that strengthen the economy, protect the environment, and reduce dependence on foreign oil. In 2010, the UW was awarded a \$2.5 million EERE grant for a joint UW/WSU project to develop a program to train engineers in clean energy and smart grid engineering. This three-year project has established a joint WSU-UW Northwest Workforce Training Center in Electric Power Engineering for smart grid workforce training projects.

Also important to the UW is the **EERE Water Power Program**, which supports efforts to research, test, and develop innovative technologies capable of generating clean and affordable electricity from water resources. In 2008, the program established the Northwest National Marine Renewable Energy Center, co-operated by UW and Oregon State University, to facilitate in-water testing of marine and hydrokinetic devices and components. The UW has taken a leadership role in the field of tidal energy and strongly supports additional funding in this account as well as language encouraging DoE to invest in tidal energy testing capability in the US.

To encourage more research and development in this marine hydrokinetic energy, the UW recommends the following report language:

Water Power Energy R&D.— The committee recommends \$59 million, a total of \$39 million above the request. The committee directs the Department to apply \$34 million to expand marine and hydrokinetic (MHK) research, development and demonstration and \$25 million to expand conventional hydropower research, development and demonstration.

Account: Office of Science

UW Request: \$5B

Funding History: (FY11 = \$4.88B, FY12 = \$4.89B, FY13 PBR = \$5B)

The Department of Energy (DoE) Office of Science invests in basic research important both to the future economic competitiveness of the United States and to the success of DoE's mission and goals related to energy security, national security, advancing the frontiers of knowledge in the physical sciences, and providing world-class research facilities for the nation's science enterprise.

Account: Advanced Research Projects Agency –Energy

UW Request: \$350M

Funding History: (FY11 = \$180M, FY12 = \$275M, FY13 PBR = \$350M)

The Advanced Research Projects Agency – Energy (ARPA-E) provides for cross-disciplinary research teams focused on addressing the nation's most urgent energy needs through high-risk research and the rapid development of transformational clean energy technologies. By leveraging talent in all sectors – from private industry, to universities, to government labs – ARPA-E fosters a robust and cohesive community of energy researchers and technology developers in the United States. As an example, in April 2010, a team of researchers from UW, Gingko Bioworks, and UC Berkeley won a multi-year, \$6 million ARPA-E grant enabling engineering of the bacterium E. coli to produce liquid transportation fuels from electricity and carbon dioxide.

**HOMELAND SECURITY
APPROPRIATIONS
SUBCOMMITTEE**

DEPARTMENT OF HOMELAND SECURITY

Account: Science & Technology Directorate

UW Request: \$831.4M

Funding History: (FY11 = \$829M, FY12 = \$668M, FY13 PBR = \$831.4M)

The Department of Homeland Security (DHS) Science & Technology (S&T) Directorate enhances our nation's security by supporting efforts to develop state-of-the-art technology to help communities address critical security challenges. For example, the UW's Center for Information Assurance and Cybersecurity (CIAC) draws on a wide range of academic disciplines that contribute to information assurance activity on campus, focusing primarily on research, education, and outreach. The Pacific Northwest National Laboratory (PNNL) has partnered with CIAC to produce one of the first centers in the US to be designated as a National Center of Academic Excellence in Information Assurance Research by the National Security Agency and DHS. A strong S&T budget within DHS is critical to the efforts of CIAC and the overall safety of the nation.

**INTERIOR AND
ENVIRONMENT
APPROPRIATIONS
SUBCOMMITTEE**

UNITED STATES GEOLOGICAL SURVEY

Account: United States Geological Survey

UW Request: \$1.1B

Funding History: (FY11 = \$1.1B, FY12 = \$1.1B, FY13 PBR = \$1.1B)

The **Pacific Northwest Seismograph Network (PNSN)** operates seismographic instrumentation in Washington and northern Oregon. It is centered at the UW Department of Earth and Space Sciences and operated jointly with the University of Oregon. Cascades Volcano Observatory (CVO) maintains stations on Mount St. Helens and Battelle Pacific Northwest Laboratory maintain stations in eastern Washington. The PNSN is part of the Advanced National Seismic System (ANSS), and exchanges real-time data with adjoining networks. Equipment is operated at over 200 remote sites and data is exchanged with other networks, including the US National Network.

The UW recently received a \$2 million private grant from the Gordon and Betty Moore Foundation, which will partly go towards placing 24 sensors that combine motion detection and GPS readings along the coast to record the first signals from a major earthquake on the Cascadia subduction zone. The UW, along with the University of California Berkeley, and the California Institute of Technology will collaborate with the US Geological Survey to build on a prototype earthquake early warning system which is already in development in California.

NATIONAL ENDOWMENT FOR THE HUMANITIES

Account: National Endowment for the Humanities (NEH), Agency-wide

UW Request: \$154M

Funding History: (FY11 = \$155M, FY12 = \$146M, FY13 PBR = \$154M)

NEH is the lead federal agency focused on the development and support of scholarship and work in the humanities. NEH grants are awarded on a competitive, peer-reviewed basis to organizations and institutions in every US state and territory. Many grants provide leveraging of nonfederal giving through matching requirements. In January 2009, **the NEH awarded the Simpson Center at UW a \$625,000 Challenge Grant to support the digital humanities.** If matched 3 to 1 by private donations, the sum total of \$2.5 million will endow the Digital Humanities Commons, a summer fellowship program for faculty and graduate students. Anticipated to begin in 2013, the Digital Humanities Commons will support innovative and experimental research inspired by new technologies. Where research in the humanities is often undertaken by a single scholar, the Commons will foster collaboration with librarians, engineers, and designers to animate their scholarship with new visualization tools, digital media, and communications platforms.

DEPARTMENT OF AGRICULTURE

Unit: US Forest Service

Account: Forest & Rangeland Research (Pacific Northwest Research Station)

UW Request: \$293M

Funding History: (FY11 = \$307M, FY12 = \$295M, FY13 PBR = \$293M)

The UW partners with the US Forest Service, through the Pacific Northwest Research Station, to operate several facilities including the **Wind River Research Facility** and the **Olympic Natural Resources Center (ONRC)**. The Wind River Field Station has been a collaborative effort with the USDA Forest Service Pacific Northwest Research Station since its establishment in FY96. Funding has been provided to acquire the infrastructure and to support operation and maintenance. The Wind River Research Facility is focused on on-going forest canopy research, which continues to build upon the 14 years of data recording the interactions of conifers and the atmosphere. The ONRC, located on the Olympic Peninsula in Forks, Washington, provides scientific information to address critical issues concerning forestry and marine sciences in the region. The ONRC serves as a catalyst for interdisciplinary and collaborative work, bringing together expertise from forest resources and ocean and fishery sciences. By integrating research with education and outreach, it unites researchers, students, professionals, and the public.

DEPARTMENT OF EDUCATION

Account: Pell Grant

UW Request: \$5,635 (per student; in dollars)

Funding History: (FY11 = \$5,550, FY12 = \$5,550, FY13 PBR = \$5,635)

The Pell Grant Program is the largest federal source of college aid to financially disadvantaged students, including to 10,561 students at the UW, and comprises the foundation of low-income student aid packages to support other forms of need-based aid. In FY10 (academic year 2010-11), Pell is estimated to have awarded more than \$33 billion to approximately 8.7 million students nationwide (25 percent of all undergraduate students in the US). The PBR level for the maximum Pell grant award at \$5,635 will assist UW students in continuing their education during a time of declining state support and increased tuition rates. While we are committed to addressing the growing costs of the Pell Grant program through a process outside of appropriations in order to place the program on a more sustainable funding path, we have significant concerns that some of the proposed changes to Pell in recent years will unintentionally hurt some of the neediest students.

Account: [TRIO](#)
UW Request: \$840M
Funding History: (FY11 = \$883.5M, FY12 = \$840M, FY13 PBR = \$840M)

The US Department of Education (ED) administers several student aid programs designed to increase study in areas of national importance as well as student enrollment and diversity. The UW actively seeks funding from many of these programs, largely through its Office of Minority Affairs and Diversity. In addition, UW Tacoma has identified outreach into and support of low income and minority communities as central to its strategic approach to increase enrollment and diversity over the next several years.

The **Federal TRIO Programs** are outreach and student services programs designed to identify and provide services for individuals from disadvantaged backgrounds. TRIO has not seen a significant increase in funding since FY02, when it received a \$70 million increase. Since that time, the program has experienced cuts, level-funding, and a few minimal increases. As a result of such stagnant funding, TRIO has lost approximately 44,000 students nationally over the last five years. As it stands, TRIO can only serve about 11 percent of eligible students. Without increased funding, students will continue to lose access to the following critical services:

- **Student Support Services** – Increased funding would allow for the restoration of lost programs, many of which were longstanding programs at minority-serving institutions, and the expansion of current services to meet the needs of even more low-income, first-generation, college-going students and students with disabilities.
- **Educational Opportunity Centers and Veterans Upward Bound** – Funding supports adult students between the ages of 25-49 who are accessing post-secondary education. The Educational Opportunity Centers program provides counseling and information on college admissions to qualified adults who want to enter or continue a program of postsecondary education. The program also provides services to improve the financial and economic literacy of participants. Veterans Upward Bound is designed to motivate and assist veterans in the development of academic and other requisite skills necessary for acceptance and success in a program of postsecondary education.
- **Ronald E. McNair Post-baccalaureate Achievement Program** – At the UW, funding through this program is designed to provide low-income, first-generation, and underrepresented students in graduate education with effective preparation for doctoral study. The broad objective of the program is to increase graduate degree attainment of students from segments of society that are underrepresented.

Account: [GEAR UP](#)
UW Request: \$302M
Funding History: (FY11 = \$302.8M, FY12 = \$302M, FY13 PBR = \$302M)

GEAR UP is a discretionary grant program designed to increase the number of low-income students prepared to enter and succeed in post-secondary education. GEAR UP provides six-year grants to provide services in high poverty middle and high schools. Grantees serve entire groups of students beginning no later than the seventh grade and follow the groups through high school. The UW Office of Minority Affairs and Diversity operates two GEAR UP grants. The UW student cohorts groups are located in Yakima and Skagit counties. Both programs are multimillion dollar “partnership” grants, and the UW is currently sub-contracting with 14 school districts and 10 community-based organizations to provide a wide array of academic and family support services designed to guide approximately 5,700 students as they progress toward high school graduation.

Account: [Federal Work Study](#)
UW Request: \$1.1B
Funding History: (FY11 = \$978.5, FY12 = \$977M, FY13 PBR = \$1.1B)

The FWS Program provides funds that are earned through part-time employment to assist students in financing the costs of postsecondary education. Financial need is determined by ED, using a standard formula established by Congress, to evaluate the financial information reported on the FAFSA and to determine the expected family contribution (EFC).

Account: [Institute of Education Sciences](#)
UW Request: \$621M
Funding History: (FY11 = \$610M, FY12 = \$595M, FY13 PBR = \$621M)

The Institute for Education Sciences (IES) is the research arm of the U.S. Department of Education, and it provides rigorous and relevant evidence on which to ground education practice and policy and share this information broadly. IES identifies what works, what does not, and why to improve educational outcomes for all students, particularly those at risk of failure. With a budget of over \$200 million and a staff of nearly 200 people, the agency funds top educational researchers nationwide, including many at UW, to conduct studies that seek answers on what works for students from preschools to postsecondary, including interventions for special

education students. IES collects and analyzes statistics on the condition of education, conducts long-term longitudinal studies and surveys, supports international assessments, and carries out the National Assessment of Educational Progress, also known as the Nation's Report Card. **Many colleges and centers at the UW have been highly successful at receiving IES funding, including College of Education in Seattle, as well as the Center on Reinventing Public Education (CRPE) and the Center for Education and Data Research (CEDR) in Bothell.** This funding has allowed UW to be on the cutting edge of education research and the university has received nearly \$14 million since IES's creation in 2007.

Account: [Title VI International Education and Foreign Language Studies](#)

UW Request: \$75.7M

Funding History: (FY11 = \$75.7M, FY12 = \$74M, FY13 PBR = \$75.7M)

Title VI and Fulbright-Hays serve as our nation's foundational programs for fostering global competence among US students and citizens. Grants develop and support college and university programs that cultivate US expertise on the foreign languages and business, economic, political, social, cultural, and regional affairs of other countries and regions. Title VI/Fulbright-Hays programs are the federal government's most comprehensive programs supporting the development of national capacity in international and foreign language education, utilized by education, government, and business sectors. Instruction is provided in over 130 languages and 10 world areas, with emphasis on the less commonly-taught, strategic languages and areas of the world. Most of these languages would not be taught on a regular basis without this support. **The UW Jackson School of International Studies relies heavily on Title VI funds for its programs.**

Title VI funding also supports the Center for International Business Education & Research (CIBER) program, which was created by Congress to increase and promote the nation's capacity for international understanding and competitiveness. The CIBER network links the manpower and technological needs of the US business community with the international education, language training, and research capacities of universities across the country. **The Global Business Center at the UW Foster School of Business is home to one of only thirty-three federally-funded CIBERs in the US.** UW CIBER support several programs/events, including the Northwest International Business Educators Network, Business Language Grants, Foster School Faculty Grants, and the Global Business Forum.

LABOR, HEALTH AND
HUMAN SERVICES,
EDUCATION
APPROPRIATIONS
SUBCOMMITTEE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Account: [National Institutes of Health, All Institutes](#)

UW Request: \$32B

Funding History: (FY11 = \$30.94B, FY12 = \$30.7B, FY13 PBR = \$32B)

Federal research funding represents approximately half of the total revenues for the UW School of Medicine, and National Institutes of Health (NIH) funded research is the fundamental building block of UW's research programs—accounting for 75 percent of UW's total research funding. **The UW strongly urges Congress to continue to invest in NIH research by appropriating \$32 billion to the agency in FY13.**

UW's NIH-funded research has local, regional, national, and international impact on improving the health of the public, including:

- Clinical breakthroughs such as bone marrow transplantation, medical ultrasound, and renal dialysis;
- A large body of both infectious diseases and population-based research that is central to global health initiatives;
- Basic biomedical research in a wide range of fields that serves as the foundation for translational research; that research, in turn, produces clinical breakthroughs in areas like gene therapy, regeneration of tissue, and vision care; and
- Biotechnology start-up companies like Zymogenetics, Immunex, ATL, and Genentech that have provided a substantial infusion of economic growth in the Puget Sound region.

The economic impact of UW's NIH research funding has been documented in numerous ways. The Families USA study used a multiplier of 2.19 to estimate the total economic impact of NIH research funding in the State of Washington. Based on this multiplier, the total economic impact of UW's NIH research funding is \$1.6 billion per year, which produces 8,800 jobs, \$475 million in wages, and an average wage per new job of \$54,206.

Unit: Health Resources and Services Administration

UW Request: \$8.6B

Funding History: (FY11 = \$9.8B, FY12 = \$8.4B, FY13 PBR = \$8.6B)

The Health Resources and Services Administration (HRSA) provides significant support to academic medical facilities for the education and training of future health care providers. The UW recently received a HRSA grant to train its School of Pharmacy students in bioterrorism and public health emergency preparedness, with the ultimate goal of developing a national health care workforce that can recognize indications of a terrorist event and treat patients and communities swiftly, safely, and effectively. HRSA-funded training and loan repayment grants are also used by the UW School of Dentistry, School of Nursing, and School of Medicine.

Unit: Agency for Healthcare Research and Quality

UW Request: \$409M

Funding History: (FY11 = \$392M, FY12 = \$405M, FY13 PBR = \$409M)

The Agency for Healthcare Research and Quality (AHRQ) within HHS, is charged with supporting research designed to improve the quality of health care, increase the efficiency of its deliver, and broaden access to the most essential health services. AHRQ supports research aimed at reducing the costs of care, promoting patient safety, and increasing the effectiveness of health care services.

Unit: Centers for Disease Control

Account: National Institute for Occupational Safety and Health

UW Request: \$6.2B

Funding History: (FY11 = \$6.5B, FY12 = \$6.9B, FY13 PBR = \$6.2B)

The **National Institute for Occupational Safety and Health (NIOSH)** is the primary federal agency responsible for conducting research and making recommendations for the prevention of work-related illness and injury. NIOSH provides national and world leadership to avert workplace illness, injury, disability, and death by gathering information, conducting scientific research, and translating this knowledge into products and services. The PBR recommends reductions to NIOSH that would effectively eliminate two programs of importance to the UW: Education and Research Centers and the Agriculture Forestry and Fishing Program.

- **Education and Research Centers (ERC)** - NIOSH has a legislatively-mandated training mission to provide occupational safety and health professionals, and accomplishes this through 17 university-based ERCs in 16 states, including **the Northwest Center for Occupational Health and Safety (NCOHS) at UW**. The ERC is the primary funding program of the NWCOHS, therefore the proposed cut would eliminate funding used to support trainees in occupational health disciplines and provide continuing education courses for practicing OHS professionals in Region X (Washington, Oregon, Idaho, and Alaska).
- **Agriculture Forestry and Fishing (AFF) Program** - Agricultural safety and health has been an important focus of NIOSH for more than 20 years. Moved by evidence that agricultural workers were suffering higher rates of work-related injury and illness than other US workers, even those in other extractive industries, Congress instructed NIOSH to lead a comprehensive national effort to prevent occupational injuries and disease in this large, high risk sector. NIOSH funds 9 regional Centers for Agricultural Disease and Injury Research, Education, and Prevention, including the **Pacific Northwest Agricultural Safety and Health Center (PNASH) at UW**. PNASH Center conducts research and promotes best health and safety practices for Northwest producers and workers in farming, fishing and forestry. Affiliated with the UW's School of Public Health, PNASH integrates expertise from multiple disciplines, institutions and community partners. Areas of emphasis include new production technologies and the needs of under-served and vulnerable populations. PNASH faculty provide regional and national expertise in chemical hazard exposure assessment. Current projects address workplace injuries, pesticide safety, microbial hazards and heat-related illness.

Unit: Centers for Disease Control

Account: Prevention Research Centers Program

UW Request: \$25M

Funding History: (FY11 = \$28M, FY12 = \$27.9M, FY13 PBR = \$25M)

Prevention Research Centers Program - The **UW Health Promotion Research Center (HPRC)**, funded by the Prevention Research Centers Program at CDC, conducts community-based dissemination research with the goal of promoting the health and well-being of middle-aged and older adults, particularly those with low-incomes and in ethnic/cultural groups that are at increased risk of chronic disease. HPRC works with organizations that reach large numbers of individuals, including nonprofit organizations, employers, business groups, community networks, and governmental agencies.

Sequestration: What it Means and How it Could Affect Federal Research Funding

Why are we talking about sequestration?

The Budget Control Act of 2011 (PL 112-25) was enacted last August. It brought to a conclusion the 2011 debt ceiling crisis, which threatened to put the US in sovereign default. As enacted, the Budget Control Act (BCA):

- Established caps on defense and non-defense discretionary spending through 2021;
- Established a procedure to increase the debt limit by \$400 billion initially and procedures that would allow the limit to be raised further in two additional steps, for a cumulative increase of between \$2.1 trillion and \$2.4 trillion;
- Created a Congressional Joint Select Committee on Deficit Reduction to propose further deficit reduction, with a stated goal of achieving at least \$1.5 trillion in budgetary savings over 10 years; and
- Established automatic procedures (sequestration) for reducing spending by as much as \$1.2 trillion if the Joint Select Committee fails to make recommendations, and/or Congress fails to enact legislation, that would achieve such savings.

As you all now know, the Joint Select Committee failed to reach an agreement on deficit reduction just before Thanksgiving last year. Therefore, as required under BCA, an automatic sequestration of \$1.2 trillion will begin on January 2, 2013, and will continue in subsequent years through FY21. The BCA does not lay out any specific program funding cuts but does require cuts among large categories of spending.

How is Federal Government spending divided?

(1) Mandatory or entitlement programs, such as Social Security, Medicare, Medicaid and certain other programs – including but not limited to food stamps, federal civilian and military retirement benefits, veterans' disability benefits and unemployment insurance – that are not controlled by the annual appropriations or budget process. Mandatory programs account for more than 60 percent of federal spending, and the cost of these programs is expected to rise dramatically in the coming years as more people become eligible for benefits.

(2) Discretionary programs must have their funding renewed each year by Congress in order to continue operating. The annual budget process, including the 12 annual appropriations bills, determines the discretionary funding necessary to administer most government agencies and programs. Almost all defense spending is discretionary, as are the budgets for basic research, K-12 education, workforce training, housing, and many others. Altogether, discretionary programs make up about one-third of all federal spending.

How does the BCA treat mandatory programs?

The BCA requires cuts to mandatory spending amounting to approximately 29 percent of the overall \$1.2 trillion in total reductions. Of this, 16 percent of savings will be due to lower debt service and 13 percent will come from an automatic sequestration of mandatory spending for FY13-FY21. Several mandatory programs, and portions of programs, are exempt from the sequestration process, including Social Security benefits and Medicaid. There also is a 2 percent limit on cuts to Medicare.

How does the BCA treat discretionary programs?

The BCA limits discretionary spending by establishing specific spending caps for FY12-FY21. Typically, Congress establishes these spending caps each year through a Budget Resolution, but the BCA overrides this effort and establishes the spending caps through FY21. The Congressional appropriations committees will maintain jurisdiction over funding levels for specific programs, projects, and activities but they may not exceed the caps established in the BCA.

Here's how it will all work:

- Approximately \$109 billion will be sequestered from discretionary programs in FY13, half from Defense accounts and half from non-Defense accounts.
- **The Congressional Budget Office (CBO) estimates that sequestration will likely reduce security/Defense discretionary funding by 10 percent and non-security discretionary funding by 7.8 percent in FY13 (as compared to enacted FY12 levels).**
- **The caps on spending for FY14-FY21, after the initial FY13 sequestration cuts, will achieve the balance of the savings – resulting in declining reductions (below the previously projected spending levels) of 8.5 percent for security programs and 5.5 percent for non-security programs by the time we reach FY21.**
- If Congress adheres to the spending caps for the entire 10 year period, it will appropriate about \$825 billion less than if it appropriated the same level of resources, adjusted for inflation, as in FY11.

How are discretionary programs likely to be affected?

Though the estimate of sequestration cuts to non-security discretionary programs in FY13 will be 7.8 percent, this does not mean that all programs will be treated equally. The BCA included sequestration exemptions for several programs, accounts, and activities within discretionary spending. This could mean that some programs may suffer significantly higher cuts, while others are left untouched or even increased.

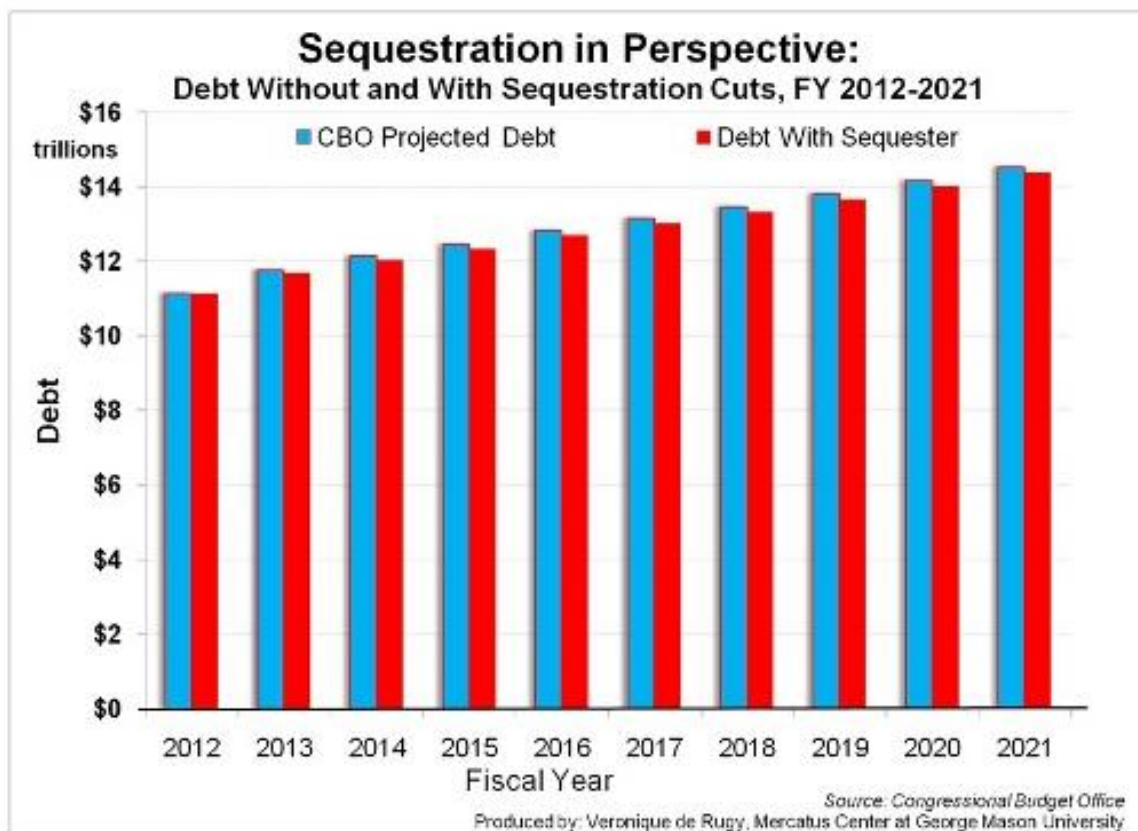
- Under the BCA, the White House Office of Management and Budget (OMB) is tasked with calculating the sequestration and annual spending cap targets. Therefore, OMB will have some responsibility in interpreting which programs and portions of programs are exempt from sequestration – unless Congress intervenes.
- Since sequestration is not scheduled to begin until January 2013, Congress may still pass legislation to adjust sequestration levels or redefine sequestration categories or exemptions. At this point, we do not know if or how Congress will intervene in the sequestration process.
- Members of Congress strongly supportive of defense spending have announced plans to protect the Pentagon's budget from the nearly \$500 billion in estimated cuts over the FY13-21 window. However, President Obama has announced he will veto any legislation that unilaterally prevents defense cuts.
- If Congress approves a budget resolution this spring (typically done annually to set the spending levels for the appropriations process), it is likely that it will be the vehicle for changes to the sequestration process. Indeed, House Republicans have already announced plans to use the budget resolution to modify sequestration with an alternative fiscal fix.
- Should OMB retain control over defining and calculating the sequestration categories, the President's FY13 budget request to Congress, to be released February 13th, will provide a good indication of which programs are likely to suffer most heavily under sequestration and which programs OMB is most likely to protect.
- **It is safe to assume that under the current scenario, NIH, NSF and other research grant-making agencies will receive at least a 7.8 percent reduction in funding for FY13.**

- While it is unlikely that these cuts will result in reductions to existing grants, it is highly probable that renewals could be canceled and future awards drastically reduced.
- In addition, research centers enjoying multi-year funding could experience cuts or eliminations.
- While much is still unknown, the UW should prepare for at least proportional cuts of 8 percent for NIH- and NSF-supported research and 10 percent to Defense-supported research to its federal portfolio. Other research areas may not fare as well; planning for a 10 percent or more reduction is recommended.

Does the BCA solve our nation's debt issues?

No. The BCA only slows the growth of our nation's debt but does not bring the federal budget into balance. The only way to solve our debt crisis is to deal with mandatory programs and revenues (taxes), the two most politically difficult issues to reach consensus on in a deeply partisan Congress. Until they agree to tackle those big issues – almost certainly NOT before the November elections – we will continue to see additional attacks on discretionary programs.

The following chart shows how are nation's debt will grow with and without sequestration applied. As you can see, the BCA merely makes a dent in slowing the rate of growth of our debt.



What happens now?

It is unclear how Congress may attempt to change the BCA and how sequestration is applied. There has already been plenty of discussion about protecting Defense funding. If Congress does succeed in protecting Defense funding, it will likely come at the expense of greater cuts to basic research. It is also possible that Members of Congress will continue to push for further reductions to tackle the on-going budget deficit. In fact, the House Republicans will very likely submit

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Federal Relations

a budget resolution in the spring that sets FY13 spending levels BELOW the caps established in the BCA. We have to wait and see if the Senate democrats or President Obama agrees with these additional cuts during a tough election year.

Regardless, this issue will be front and center throughout the year and leading up to the November elections. Do not, however, expect Congress to approve much if any legislation to modify sequestration. Any real legislative action will likely take place after the elections during a lame duck session. Until then, the Office of Federal Relations, along with our counterparts at the other research universities around the country, will be working hard to educate Members of Congress and agency officials about the work that we do and why we are a good investment to help revitalize the economy.

What can you do?

Now is the time to communicate regularly with the Federal Relations staff. Many of you will be asked by your national associations and professional societies to engage with Congressional offices on specific funding and policy issues related to your field and potential cuts. Please keep us in the loop on these requests as we can help guide you to the most appropriate office and assist you in tailoring your message for the maximum impact. We are also currently collecting information on the results of federal grants funding – whether it be in promising new research; preparing future scientists, engineers, doctors, or teachers; or in collecting and disseminating large data sets to help guide public policy. We are looking for positive stories that we can share with Member of Congress and the Administration that demonstrate our effective use of federal grant dollars.

You can also stay informed by reading the Federal Relations blog at <http://www.washington.edu/federalrelations/>. We will continue to post budget related information on our blog throughout the year. Additionally, this is the place where we try to alert campus to other important legislative issues as well as large federal grant opportunities.

We are also looking forward to seeing many of you in DC as you attend national conferences and annual meetings. Please do let us know when you will be in DC so that we can help you think about meetings with Members of Congress, their staff, and Administration officials that might further the UW agenda through your good work. This year is shaping up to be a challenging and anxiety-filled year for those who rely on federal research dollars, and the Federal Relations team looks forward to working with you to deliver your message in the most effective way possible.

Who can you contact for more information?

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Federal Update April 2012

Appropriations

The FY13 process is well underway, as both the House and Senate appropriation subcommittees have begun releasing their annual spending bills. Both chambers marked up their respective Commerce-Justice-Science and Energy and Water bills last week. The Senate appropriations agriculture subcommittee also released details of their spending bill. While it appears that the FY13 appropriations process is moving forward at a good pace, it is unlikely that any of the spending bills will receive final approval before the November elections. And both chambers are working with different top line numbers for each spending bill, which will make reconciliation on final measures difficult.

Some highlights:

Allocations

The House Appropriations Committee last week approved the FY13 funding allocations for its 12 subcommittees. The “302(b)” allocations were based on the top-line discretionary spending number of \$1.028 trillion, from the House-approved FY13 budget resolution. That total is \$19 billion below the level agreed to in last year’s Budget Control Act.

The House allocation for the Labor-HHS-Education Subcommittee, which funds both student aid and the National Institutes of Health (NIH), is \$150 billion. This is \$6.3 billion, or four percent, below the FY12 enacted level and \$7.7 billion less than the Senate allocation.

The allocation for Interior-Related Agencies, where the National Endowment for the Humanities is funded, is \$28 billion. This is \$1.27 billion, or four percent, less than the FY12 allocation and \$1.67 billion, or six percent, less than the Senate FY13 allocation.

The allocation for Commerce-Justice-Science, which funds the National Science Foundation (NSF) and NASA, is \$51.131 billion. This is \$1.729 million less than the FY12 level and \$729 million less than the Senate FY13 allocation.

The allocation for Defense is \$519.2 billion, which is \$8 billion more than the Senate number and about \$1 billion more than the FY12 level.

The Senate meanwhile is planning on using funding levels agreed to in last year’s Budget Control Act (\$1.047 trillion), which could set the stage for a lengthy and ugly appropriations fight well into the fall.

Agriculture

The FY13 Senate bill provides \$1.239 billion for the **National Institute on Food and Agriculture (NIFA)**, a slight increase over FY12, and \$1.101 billion for the **Agricultural Research Service**.

Commerce- Justice-Science

The House provides \$5 billion for **NOAA**, a decrease of \$179 from FY12 levels. The Senate bill meanwhile, provides \$3.4 billion – significantly lower because of language included that would move the acquisition of satellites from **NOAA’s** responsibility to **NASA** (more details provided below). The Senate bill also allocates \$414.6 million for **Ocean and Atmospheric Research (OAR)**, which is a slight increase over last year’s level.

NIST would receive \$621 million from the House, a cut of \$130 million from FY12, while the Senate provides the Institute with \$826 million – an increase of \$75 million over last year.

The House provides \$5.9 billion for **NSF**, which is a slight increase over FY12. The Senate bill provides a more significant increase, providing \$7.3 billion for the Foundation. The **Major Research Equipment and Facilities Construction (MREFC)** account receives \$196 million in both bills, which is level from last year.

Energy and Water

In the House Energy and Water bill, the **Department of Energy’s (DOE) Office of Science** is slated to receive \$4.8 billion, slightly lower than last year’s level. The Senate comparatively, allocates \$4.9 billion, a slight increase. The House provides DOE’s **Energy Efficiency and Renewable Energy (EERE)** with \$1.38 billion, and the **Advanced Research Projects Agency – Energy (ARPA-E)** would receive \$200 million, both decreases from FY12. Alternatively, the Senate would provide **EERE** with \$1.98 billion and **ARPA-E** with \$312 million – these are both slight increases.

Senate Proposes Moving Satellite Acquisition Responsibility from NOAA to NASA

The U.S. Senate Commerce, Justice, and Science appropriations subcommittee approved a bill that would transfer responsibility of building four satellites from NOAA to NASA. The move would shift about \$1.6 billion in funding from NOAA’s budget to NASA in FY13. The size of the satellite budget within NOAA compared to other programs has come under scrutiny recently. For example, NOAA’s FY13 budget request of \$2 billion for weather satellites is more than twice the entire budget for the National Weather Service.

The move—which would need approval from the both chambers and the White House to become reality—marks the latest twist in a long and contentious debate over how to sustain an expensive and delay-prone satellite fleet. By moving responsibility for purchasing weather satellites from NOAA to NASA, the Senate proposed that the government can save more than \$100 million a year, and the subcommittee estimates the move would result in \$117 million in government savings in FY13. After the satellites were constructed by NASA, operations would be transferred to NOAA.

However, the House Commerce, Justice, and Science appropriations subcommittee did not include a similar provision and it is unlikely to come to fruition this year.

DATA Act

The House approved the Digital Accountability and Transparency (DATA) Act by a voice vote last week. The DATA Act (HR 2146) would establish a federal accountability and spending transparency board that aims to collect and review financial reports from entities that receive federally appropriated funds, either directly or through a sub-grant or sub-contract. The bill also requires the creation of a new federal accountability website.

The Higher Education community initially expressed strong opposition to the version of the DATA Act approved by the Oversight Committee last June because it created centralized financial reporting on federal research grants and contracts without requiring federal agencies to drop their existing, similar reporting requirements. Instead of streamlining the reporting process, the bill would have led to duplicate reporting.

The Office of Federal Relations, in partnership with the Association of American Universities (AAU), Association of Public and Land-grant Universities (APLU), and the Council on Governmental Relations (COGR), worked with House leaders to modify the bill. It now includes several changes that move toward eliminating duplicative financial reporting requirements for federal grants and contracts and creating a single reporting system with standard data elements. With these changes and with the understanding that the associations will be able to work toward additional improvements, the associations agreed to no longer oppose the House measure. The modified version of the bill goes a long way toward explicitly eliminating duplicative reporting requirements within three years.

The bill now moves to the Senate for consideration where its fate is unclear.

Student Loan Act

A big issue for Congress has been the impending interest rate increase for undergraduate Stafford Loans. In 2007, Congress passed the College Cost Reduction and Access Act (HR 2669), which would gradually reduce the interest rate on subsidized Stafford Loans from 6.8 percent interest to 3.4 percent interest. As enacted, the measure phased down interest rates for subsidized Stafford Loans made to undergraduate students over four academic years. After that period, the interest rate would revert back to 6.8 percent for all newly issued loans to undergraduate students. If unchanged, student loan interest rates will double for more than 7.4 million students this July. The average student affected by these changes will accrue an additional \$1,000 in debt over the life of their loan. The Congressional Budget Office estimates that extending the 3.4 percent rate for one year will cost \$6 billion and roughly \$45 billion over ten years.

Many Members have introduced legislation maintaining the 3.4 percent rate, while finding a variety of different mechanisms to pay for the continued reduction. Senators Murray and Cantwell, along with 16 of their Senate colleagues, have sponsored a bill (S 2051), which would make the 3.4 percent interest rate on undergraduate Stafford Loans permanent.

House and Senate, Republicans and Democrats agree that the interest rate needs to be kept at the lower 3.4 percent. However, Republicans and Democrats disagree with how this measure should be paid for. Democrats have put forth a bill that will require S Corporations with three or fewer shareholders who declare income of at least \$250,000 a year to pay employment taxes. An S Corporation is a specially structured entity that pays taxes under rules that allow earnings or losses to be passed through shareholders, reducing federal tax payments. The measure proposing this payment method, the Stop the Student Loan Interest Rate Hike Act of 2012(S 2343), is expected to be considered by the Senate in the next few weeks.

Republicans put forth a bill that would cut the Prevention and Public Health Fund created in the 2010 health care law. Intended to support prevention-related activities, the program has been criticized as an administrative “slush fund” with no clear oversight or purpose. Conservative Republicans have contended that the interest rate break was not meant to be a permanent reduction. Enactment of a short-term extension, they have argued, would be a political gesture in an election year that would simply delay a problem facing college students who are amassing large debts. However, the House did pass a measure, the Interest Rate Reduction Act (HR 4628), on April 26, 2012 that would extend the interest rate for one year by cutting the health care fund.

U.S. Senator Patty Murray held a press conference last week in the Paul Allen Computer Science and Engineering building on campus calling for an extension of the lower interest rate. She was joined by President Young and a group of

students who spoke individually about how the rising interest rate would affect them. It is estimated that the rate hike would directly impact 12,000 UW undergrads on subsidized loans.

Cyber Security Bills See House Action

Five cyber security-related bills were passed by the House of Representatives the week of April 23rd. The bills were designed to strengthen federal cyber security, promote information sharing both within the federal government and between the government and the private sector. The measures enjoy bipartisan support and were largely considered uncontroversial. Two of these bills, however, were considered problematic. The Cyber Intelligence Sharing and Protection Act (HR 3523), or CISPA, and the the DATA Act (HR 2146) have been of major concern (as mentioned previously).

The Cybersecurity Enhancement Act (HR 2096) reauthorizes and expands programs aimed at strengthening federal cyber security, including a new scholarship program for students pursuing degrees in cyber security fields. The measure would require the agencies of the National Information Technology Research and Development (NITRD) program to develop a strategic plan to guide the overall direction of federal cyber security. It also reauthorizes cyber security programs at NSF and directs NIST to develop cyber security standards for the federal government.

Advancing America's Networking and Information Technology Research and Development Act (HR 3834) would require the development and periodic update of a strategic plan for the government's NITRD program and defines new areas of research NITRD is required to investigate.

Federal Information Security Amendments Act (HR 4257) would require federal agencies to perform continuous automated monitoring of government information systems and conduct regular threat assessments in order to protect such systems and information from cyber intrusions, and it creates a new federal information security incident center to provide timely assistance to agencies in responding to security incidents. Individual agency security programs would be overseen by an agency's chief information security officer.

Cyber Intelligence Sharing and Protection Act (HR 3523) would require the director of National Intelligence (DNI) to establish procedures to promote the sharing of information about cyber threats between intelligence agencies and the private sector — including both government intelligence and cyber threat information first detected by the private sector. Generally, it does not prescribe rules that require the sharing of cyber intelligence, either within the private sector or between the private sector and government, and allows the private sector to determine the level of detail of information it shares with the government and other private entities. To further promote information-sharing by the private sector, the bill provides that shared information may not be used by other entities to gain an unfair competitive advantage, and it exempts companies and their officers from lawsuits stemming from their actions, if the actions were made in good faith. The bill has bipartisan support, but the White House issued a veto threat on the measure because of the considerable power it would give government to examine Americans' online activities. The Administration says the bill fails to provide authorities to ensure that the nation's core critical infrastructure is protected while repealing important provisions of electronic-surveillance law without instituting corresponding privacy, confidentiality, and civil-liberties safeguards.

All measures now move to the Senate for consideration. Again, the fate of these measures in that chamber is unclear.

Department of Education Promotes Measuring Postsecondary Success

The Department of Education recently released an action plan that takes concrete steps to augment current measures of student success in postsecondary education. The action plan responds to the final report of the Committee on Measures of Student Success (CMSS), which was created under the Higher Education Opportunity Act (HEOA). Originally created to help two-year institutions comply with the law's disclosure requirements and develop alternate measures of student success, the Department of Education announced that the broader measures will be implemented for both two- as well as four-year schools. The 15-member CMSS, appointed by Secretary Duncan in June 2010, held five public meetings over 13 months and made a number of recommendations that are incorporated into the action plan.

The action plan also includes activities and grant opportunities to help institutions and states strengthen capacity to collect and disseminate quality data. Among them: developing easy-to-use templates that schools can use to meet the HEOA's disclosure requirements; making improved data collection and reporting a focus in its postsecondary education initiatives and grant programs; continuing to provide incentive funding to strengthen states' data infrastructure through Statewide Longitudinal Data System grants, which will make its fifth round of awards this spring; and convening a summit, this year, to highlight promising practices in the collection of data related to student success, such as student learning and employment.

More information can be found at: <http://www.ed.gov/edblogs/ous/initiatives>

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