



**November 1, 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, NOVEMBER 7, 2012**

**6:00 p.m. President's Residence DINNER FOR REGENTS,  
AND OTHER GUESTS**

**THURSDAY, NOVEMBER 8, 2012**

**8:30 to 10:25 a.m. Husky Union Building, FINANCE, AUDIT AND FACILITIES  
Room 334 COMMITTEE: Regents Smith (Chair), Blake,  
Jewell, Shanahan, Simon**

**10:35 to 11:40 a.m.\* Husky Union Building, ACADEMIC AND STUDENT AFFAIRS  
Room 334 COMMITTEE: Regents Ayer (Chair), Cole,  
Jaech, Jordan**

**11:50 a.m. to 12:45 p.m.\* Husky Union Building, ACADEMIC AND STUDENT AFFAIRS  
Room 334 COMMITTEE: Regents Ayer (Chair), Cole,  
Jaech, Jordan**

*in Joint Session with*

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

**1:00 p.m. Husky Union Building, REGULAR MEETING OF BOARD OF  
Room 334 REGENTS**

*\*or upon conclusion of the previous session.*

Unless otherwise indicated, committee meetings of the Board of Regents will run consecutively; starting times following the first committee are estimates only. If a session ends earlier than expected, the next scheduled session may convene immediately. Committee meetings may be attended by all members of the Board of Regents and all members may participate.

To request disability accommodation, contact the Disability Services Office at: 206.543.6450 (voice), 206.543.6452 (TTY), 206.685.7264 (fax), or email at [dso@uw.edu](mailto:dso@uw.edu). The University of Washington makes every effort to honor disability accommodation requests. Requests can be responded to most effectively if received as far in advance of the event as possible, preferably at least 10 days.



UNIVERSITY OF WASHINGTON  
BOARD OF REGENTS

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

November 8, 2012

8:30 to 10:25 a.m.

Husky Union Building, Room 334

1. **Report of Contributions – September 2012** **INFORMATION** F-1  
Walt Dryfoos, Associate Vice President, Advancement Services  
Connie Kravas, Vice President, University Advancement
  2. **Actions Taken Under Delegated Authority** **INFORMATION** F-2  
Richard Chapman, Associate Vice President, Capital Projects Office
  3. **Approval to Name the Michael G. Foster School of Business Phase II Building “Dempsey Hall”** **ACTION** F-3  
James Jiambalvo, Dean, Michael G. Foster School of Business  
Steven Hatting, Associate Dean for Advancement, Michael G. Foster School of Business
  4. **Purchase of Filer Property** **ACTION** F-4  
Todd Timberlake, Chief Real Estate Officer  
Jeanette Henderson, Director, Real Estate Office  
Chris Malins, Senior Associate Treasurer, Treasury Office
  5. **Redevelopment of Sand Point Building 9** **ACTION** F-5  
**ITEM PULLED**
- Executive Session**  
(to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause the likelihood of decreased price.)
6. **Inlandboatmen’s Union of the Pacific Collective Bargaining Agreement – UW Ratification** **ACTION** F-6  
Mindy Kornberg, Vice President, Human Resources  
Peter Denis, Assistant Vice President, Labor Relations.
  7. **SEIU Local 925 Collective Bargaining Agreement – UW Ratification** **ACTION** F-7  
Mindy Kornberg  
Peter Denis

8. **Teamsters Local 117 Collective Bargaining Agreement – UW Ratification** **ACTION** F-8  
Mindy Kornberg  
Peter Denis
9. **Washington Federation of State Employees Collective Bargaining Agreement – UW Ratification** **ACTION** F-9  
Mindy Kornberg  
Peter Denis
10. **Washington Federation of State Employees/Police Management Collective Bargaining Agreement – UW Ratification** **ACTION** F-10  
Mindy Kornberg  
Peter Denis
11. **University of Washington Voluntary Investment Program – Approve Amendments to Plan Document** **ACTION** F-11  
**Kathleen (Katy) Dwyer**, Executive Director, Benefits Office
12. **Internal Audit – Planned Activities for 2013** **INFORMATION** F-12  
**Richard Cordova**, Executive Director of Audits, Internal Audit
13. **Advancement Return on Investment** **INFORMATION** F-13  
Walt Dryfoos  
Connie Kravas
14. **Husky Ballpark Project – Approve Revised Budget, Approve Phase 2 Construction, Approve Use of Internal Lending Program, and Approve Reduction in Husky Stadium ILP Authorization** **ACTION** F-14  
Richard Chapman  
**Stephanie Rempe**, Senior Associate Athletic Director/SWA, Intercollegiate Athletics  
**Jennifer Cohen**, Senior Associate Athletic Director for Development, Intercollegiate Athletics  
Chris Malins
15. **UW Medical Center Expansion Phase II: Montlake Tower – Approve Financing Plan, Approve Use of Internal Lending Program and Approve Use of Alternative Public Works General Contractor/Construction Manager (GC/CM)** **ACTION** F-15  
**Eric Smith**, Director, Major Capital Projects, Capital Projects Office  
Chris Malins  
**Johnese Spisso**, Chief Health System Officer, UW Medicine and Vice President for Medical Affairs, University of Washington  
**Lori Mitchell**, Chief Financial Officer, UW Medicine and Vice President for Medical Affairs, University of Washington

16. **UW Medicine Board Annual Financial Report** **INFORMATION** F-16  
Lori Mitchell  
**Dennis Okamoto**, Chair, UW Medicine Board Finance and  
Audit Committee
17. **Other Business**



**UNIVERSITY OF WASHINGTON  
BOARD OF REGENTS**

**Academic and Student Affairs Committee**  
Regents Ayer (Chair), Cole, Jaech, Jordan

**November 8, 2012**

**10:35 to 11:40 a.m.**

**Husky Union Building, Room 334**

1. **Academic and Administrative Appointments** **ACTION** A-1  
Ana Mari Cauce, Provost and Executive Vice President
2. **UW Tacoma Institute of Technology and Milgard School of Business – Establishment of the Master of Cybersecurity and Leadership Degree Program** **ACTION** A-2  
Rebecca Aanerud, Senior Lecturer and Associate Dean for Academic Affairs, The Graduate School  
Robert Friedman, Associate Professor and Director, Institute of Technology, UW Tacoma  
JW Harrington, Vice Chancellor for Academic Affairs, UW Tacoma
3. **Establishment of the Master of Supply Chain Transportation and Logistics** **ACTION** A-3  
Rebecca Aanerud  
Gregory R. Miller, Professor and Chair, Department of Civil and Environmental Engineering  
David P. Szatmary, Vice Provost, UW Educational Outreach
4. **Department of Aeronautics & Astronautics Name Change to William E. Boeing Department of Aeronautics & Astronautics** **ACTION** A-4  
Ana Mari Cauce
5. **Clinical Trial Center Research Over the Last 30 Years** **INFORMATION** A-5  
Judy Powell, Project Director, Resuscitation Outcomes Consortium (ROC) Clinical Trial Center
6. **Office of Minority Affairs and Diversity – Diversity Outreach at UW** **INFORMATION** A-6  
Sheila Edwards Lange, Vice President for Minority Affairs and Vice Provost for Diversity  
Chris Jordan, Student Regent  
Corinna Tordillos, UW Student Ambassador

7. **Office of Minority Affairs and Diversity – Faculty Diversity at UW** **INFORMATION** A-7
- Sheila Edwards Lange  
**Luis Fraga**, Associate Vice Provost for Faculty Advancement, Office of the Provost and Office of Minority Affairs and Diversity  
JW Harrington  
**Bruce Kochis**, Senior Lecturer, School of Interdisciplinary Arts and Sciences, UW Bothell  
**Henry Hunter**, UW Graduate Student, Biology
8. **Other Business**



**UNIVERSITY OF WASHINGTON  
BOARD OF REGENTS**

**Academic and Student Affairs Committee**  
Regents Ayer (Chair), Cole, Jaech, Jordan

*In Joint Session with*

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

**November 8, 2012**

**11:50 a.m. to 12:45 p.m.**

**Husky Union Building, Room 334**

1. **University of Washington 2013-15 State Operating and Capital Budget Requests** **INFORMATION** F-17  
Paul Jenny, Vice Provost, Planning & Budgeting  
Margaret Shepherd, Director of State Relations, External Affairs
2. **State and Federal Elections Update** **INFORMATION** A-8  
Margaret Shepherd  
Christy Gullion, Director of Federal Relations, Federal Relations
3. **Closed Session**  
(to discuss planning and strategy for labor negotiations.)
4. **Executive Session**  
(to review the performance of public employees.)
5. **Other Business**



## AGENDA

### BOARD OF REGENTS University of Washington

November 8, 2012

1:00 p.m.

Husky Union Building, Room 334

(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 Harrell**

**PUBLIC COMMENT PERIOD**

Resolution Regarding Schedule of Regular Board Meetings in 2013 (Action) BP-1

Board of Regents Resolution of Appreciation to Bill Gates Sr. – Amended (Action) BP-2

Board of Regents Resolution of Appreciation to Chris Gregoire (Action) BP-3

**V. REPORT OF THE UNIVERSITY PRESIDENT: President Young**

**VI. CONSENT AGENDA**

Approval of Minutes of Special Meeting of September 28, 2012

Approval of Minutes of Meeting of October 11, 2012

UW Tacoma Institute of Technology and Milgard School of Business – Establishment of the Master of Cybersecurity and Leadership Degree Program A-2

Establishment of the Master of Supply Chain Transportation and Logistics A-3

Department of Aeronautics & Astronautics Name Change to William E. Boeing Department of Aeronautics & Astronautics A-4

Approval to Name the Michael G. Foster School of Business Phase II Building “Dempsey Hall” F-3



Purchase of Filer Property	F-4
Inlandboatmen’s Union of the Pacific Collective Bargaining Agreement – UW Ratification	F-6
SEIU Local 925 Collective Bargaining Agreement – UW Ratification	F-7
Teamsters Local 117 Collective Bargaining Agreement – UW Ratification	F-8
Washington Federation of State Employees Collective Bargaining Agreement – UW Ratification	F-9
Washington Federation of State Employees/Police Management Collective Bargaining Agreement – UW Ratification	F-10
University of Washington Voluntary Investment Program – Approve Amendments to Plan Document	F-11
Husky Ballpark Project – Approve Revised Budget, Approve Phase 2 Construction, Approve Use of Internal Lending Program, and Approve Reduction in Husky Stadium ILP Authorization	F-14
UW Medical Center Expansion Phase II: Montlake Tower – Approve Financing Plan, Approve Use of Internal Lending Program and Approve Use of Alternative Public Works General Contractor/Construction Manager (GC/CM)	F-15

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee: Regent Ayer– Chair

Academic and Administrative Appointments (Action)	A-1
Clinical Trial Center Research Over the Last 30 Years (Information only)	A-5
Office of Minority Affairs and Diversity – Diversity Outreach at UW (Information only)	A-6
Office of Minority Affairs and Diversity – Faculty Diversity at UW (Information only)	A-7

### *Joint Session*

#### A. Academic and Student Affairs Committee: Regent Ayer – Chair

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

State and Federal Elections Update (Information only)	A-8
University of Washington 2013-15 State Operating and Capital Budget Requests (Information only)	F-17

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

Report of Contributions – September 2012 (Information only)	F-1
Actions Taken Under Delegated Authority (Information only)	F-2
Internal Audit – Planned Activities for 2013 (Information only)	F-12
Advancement Return on Investment (Information only)	F-13
UW Medicine Board Annual Financial Report (Information only)	F-16

**VIII. OTHER BUSINESS****Reports to the Board:**

**Faculty Senate Chair – Professor Jim Gregory**

**Student Leaders:**

**ASUW President – Mr. Evan Smith**

**GPSS President – Mr. Adam Sherman**

**ASUW Tacoma President – Ms. Elizabeth Pierini**

**ASUW Bothell President – Mr. Kevin King**

**Alumni Association President – Mr. Patrick Crumb**

**IX. DATE FOR NEXT REGULAR MEETING: Thursday, December 6, 2012**

**X. EXECUTIVE SESSION**

**XI. ADJOURNMENT**

**MINUTES**

**BOARD OF REGENTS  
University of Washington**

**November 8, 2012**

The Board of Regents held its regular meeting on Thursday, November 8, 2012, beginning at 1:00 p.m. in the Husky Union Building, Room 334. The notice of the meeting was appropriately provided to the public and the media.

**CALL TO ORDER**

A notice was posted announcing a delay in the start time of the meeting. Regent Harrell called the meeting to order at 1:40 p.m.

**ROLL CALL**

Assistant Secretary Tennant called the roll: Present were Regents Harrell (chairing), Ayer, Cole, Jaech, Jewell, Jordan, Shanahan, Simon, and Smith; President Young, Provost Cauce, Ms. Warren, Ms. Goldblatt; ex officio representatives: Professor Gregory, Mr. Sherman, Mr. Smith, and Mr. Crumb.

Absent: Regent Blake

**CONFIRM AGENDA**

The agenda was confirmed as presented.

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

Regent Harrell announced, as required by law, there would be a time for public comment at every meeting of the Board of Regents, and no one had signed up to provide public comment.

Regent Harrell introduced and welcomed Howard Behar, Chair of the UW Foundation Board. She and President Young invited Mr. Behar to attend Board meetings to provide remarks from the Foundation Board.

Mr. Behar said it was an honor to be invited and represent the Foundation. This is his fourth year of service on the Foundation Board. While Mr. Behar did not formally attend UW, he said he feels it has been his home for sixty-three years. He fondly recalled

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spending time on campus while he was growing up in Seattle. He has been involved at the UW's Foster School of Business as a mentor and as Leadership Chair.

Mr. Behar described the UW Foundation as a non-profit, public 501(c)(3) organization that advances the mission of the University of Washington by seeking and securing private support for its programs in service to students and society. The Foundation was created to provide volunteer leaders with a structure for their efforts to increase private support for the University.

Mr. Behar encouraged others to attend Foundation Board meetings, where members have had the opportunity to participate in "deep dives" to learn more about diverse areas of the University. This experience prepares them to better tell the UW's story.

The initial task of the Foundation was to provide leadership during the first major fundraising drive, the Campaign for Washington. Directors made their own gifts, solicited contributions from others and provided guidance to University leaders and administration.

Directors are committed to increasing the number of private donors, and the level of their donations, and to spreading and enhancing understanding among alumni and other friends of the University about the need to support the University and its excellent programs with private donations. He looks forward to sharing more about the work of the Foundation Board at future meetings of the Board of Regents.

**Resolution Regarding Schedule of Regular Board Meetings in 2013** (Agenda no. BP-1) (Action)

The next order of business was the approval of the schedule of regular Board meetings in 2013. Regular meetings will be held on the second Thursday of each month at different campus locations

**MOTION:** Upon the recommendation of the Chair of the Board and the motion made by Regent Jewell, seconded by Regent Smith, the Board voted to approve the Resolution Regarding Schedule of Regular Board meetings in 2013.

See Attachment BP-1.

**Board of Regents Resolution of Appreciation to Bill Gates Sr. – Amended** (Agenda no. BP-2) (Action)

Regent Harrell said at the October 2012 meeting, the Board approved a Resolution of Appreciation to Bill Gates, as he completed fifteen years of Board service on September 30, 2012. Regents have suggested, and Regent Harrell agrees, that Mr. Gates be honored with the unprecedented and well-deserved title of "Regent Emeritus."

Regent Harrell requested approval to amend the Resolution of Appreciation, with the addition of the following:

BE IT FURTHER RESOLVED: That the Board of Regents, in recognition of all of the foregoing and of Bill Gates Sr.'s extraordinary and enduring service as a Regent of the University, hereby confers upon him a title heretofore reserved for no other: Regent Emeritus of the University of Washington, effective October 1, 2012.

**MOTION:** Upon the recommendation of the Chair of the Board, and the motion made by Regent Jewell, the Board voted to approve the amended Regent Resolution to Bill Gates Sr.

See Attachment BP-2.

**Board of Regents Resolution of Appreciation to Chris Gregoire** (Agenda no. BP-3)  
(Action)

Regent Harrell asked for Board approval of a resolution of appreciation for Chris Gregoire as she completes eight years of service as Governor of the State of Washington.

At their dinner meeting Regents presented Governor Gregoire with a Regents Medal engraved:

*Christine O. Gregoire  
Governor  
2005-2013*

*In recognition of her steadfast support for higher education*

**MOTION:** Upon the recommendation of the Chair of the Board and the motion made by Regent Cole, seconded by Regent Jewell, the Board voted to approve the Regents Resolution of Appreciation to Chris Gregoire.

See Attachment BP-3.

Regent Harrell reminded the Regents the Board approved the formation of a Special Committee on Legislative Affairs at the meeting of the Board on October 11, 2012. At that meeting she announced Regent Herb Simon would serve as Committee Chair. Regent Harrell announced the appointment of Regents Craig Cole and Pat Shanahan to the Committee. She thanked them for their willingness to serve. These appointments do not require Board approval. The Board Chair serves on the committee ex officio.

Regent Harrell invited President Young to deliver his report.

**REPORT OF THE UNIVERSITY PRESIDENT:** President Young

The President said he is delighted to meet in the renovated HUB. He congratulated students on the project and thanked them for welcoming the Board to the building. He said he was pleased to have UW Foundation Board Chair Howard Behar at the meeting. He is grateful Regents approved the amendment to the resolution of appreciation for Bill

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Gates to honor him with the first and only title of Regent Emeritus. The President is grateful to Regent Emeritus Gates for his many years of service. He recognized Governor Gregoire for her service to the state and support for the University.

President Young reported on meetings and events he recently attended:

- Annual Address to the University community where he launched the “Tomorrow’s University Today” initiative;
- ARCS Luncheon;
- Homecoming events:
  - Kicked off the Dawg Dash;
  - 18<sup>th</sup> Annual Multicultural Alumni Partnership Bridging the Gap Breakfast;
  - Class of 1962 50<sup>th</sup> Reunion Dinner.
- Thrilling Husky football win against the number seven team in the country, Oregon State University;
- Evans School 50<sup>th</sup> Anniversary gala with keynote speaker Melinda Gates;
- Asian Law Center’s 50<sup>th</sup> Anniversary celebration;
- NSF site visit to the Center for Bioengineered Delivery Systems;
- Introduced Brad Smith, Microsoft General Counsel, at Computer Science & Engineering’s Distinguished Lecturer Series;
- Hosted a reception at the President’s Residence to kick off the University District Livability Partnership;
- Trip to San Francisco Bay Area where he met with alumni and prospective donors, in conjunction with the football game there;
- Attended the annual UWAA Volunteer Leadership Reception and participated on a panel discussion with Seattle Times Publisher Frank Blethen and Regents Cole and Harrell about higher education;
- Center for Commercialization “C4C” Innovator Awards.

The President extended an invitation to attend the upcoming Veteran’s Day Recognition event, on Sunday, November 11, to honor veterans, including the inaugural recipient of the UW’s Distinguished Alumni Veteran Award, Rear Admiral Herbert “Herb” Bridge.

The President asked Eric Godfrey, Vice President and Vice Provost for Student Life, to describe a recent analysis by a national consultant of the UW’s strength of market position. Mr. Godfrey described the competitive undergraduate student enrollment from a national perspective arrayed with other four-year private and public colleges and universities. The consultant provided advice on how the University can enhance its position.

President Young highlighted recent UW awards and accomplishments:

- Three Public Health faculty members were elected to the Institute of Medicine, one of the highest honors in the fields of health and medicine. They were Chris Elias, Thomas Fleming, and Andy Stergachis.
- Provost Ana Mari Cauce was named a Women of Influence by the Puget Sound Business Journal.

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The President announced the launch of the research phase of UW's Smart Grid project, which is part of a five-state collaboration. UW students are involved in the project collecting energy-use data in their residence halls, which will enable the University to evaluate the costs and benefits of a Smart Grid and explore how renewable energy can be part of the equation. This project will be a strong complement to UW's already robust sustainability work.

At President Young's invitation, Provost Cauce acknowledged Vice Provost and Vice President Eric Godfrey's announcement to resign at the end of the 2012-13 academic year. She praised his contributions to the University, especially to students, saying the renovated HUB and newly constructed residence halls will serve as concrete legacies of his service to the University for over thirty years. His legacy includes the thousands of students whose lives he has positively influenced. Applause followed for Mr. Godfrey.

The Provost announced Daniel Friedman will not resume the role of Dean of the College of Built Environments following administrative leave, but will return to a faculty position in the College.

The President introduced Washington Open Object Fabricators, a team of undergraduate students known as "WOOF," who recently won the international 3D4D Challenge competition. This is a competition of student and professional teams focused on 3D printing. WOOF won \$100,000 for their idea of transforming waste plastic into products to help address water and sanitation issues in the developing world. Their initial project will be turning waste plastic into composting toilets in Mexico. Team members Matthew Rogge, Bethany Weeks, and Brandon Bowman introduced themselves and provided information about their project and the competition.

## CONSENT AGENDA

Regent Harrell asked if there were any items to be removed and returned to the report of a standing committee for discussion. Regent Jewell requested item F-14, Husky Ball Park Project, be returned to the Finance, Audit and Facilities Committee for discussion. Regent Harrell noted there were fourteen remaining items for approval on the consent agenda, and called for a motion. (Note: Item F-5, Redevelopment of Sand Point Building 9, was pulled from the agenda before the meeting.)

**MOTION:** Upon the recommendation of the Chair of the Board and the motion made by Regent Ayer, seconded by Regent Jewell, the Board voted to approve the fourteen items on the consent agenda as shown below. Regent Jordan abstained from voting on the collective bargaining agreements, items F-6 through F-10.

**Minutes for the Special Meeting of September 28, 2012**

**Minutes for the meeting of October 11, 2012**

**UW Tacoma Institute of Technology and Milgard School of Business –  
Establishment of the Master of Cybersecurity and Leadership Degree Program**  
(Agenda no. A-2)

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 Institute of Technology and the Milgard School of Business at the University of Washington, Tacoma to offer the fee-based professional Master of Cybersecurity and Leadership (MCL) degree program, effective Winter Quarter 2013. 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-2.

**Establishment of the Master of Supply Chain Transportation and Logistics** (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 Department of Civil and Environmental Engineering in the College of Engineering to offer the Master of Supply Chain Transportation and Logistics degree program, effective Summer Quarter 2013. This will be a fee-based program offered primarily online in coordination with UW Professional and Continuing Education (PCE). 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-3.

**Department of Aeronautics & Astronautics Name Change to William E. Boeing  
Department of Aeronautics & Astronautics** (Agenda no. A-4)

It was the recommendation of the Academic and Student Affairs Committee that the name of the Department of Aeronautics & Astronautics be changed to the William E. Boeing Department of Aeronautics & Astronautics, to honor the man who founded both the Boeing Company and the Department of Aeronautics & Astronautics nearly 100 years ago.

See Attachment A-4.

**Approval to Name the Michael G. Foster School of Business Phase II Building  
“Dempsey Hall”** (Agenda no. F-3)

It was the recommendation of the President that the Board of Regents approve naming the Phase II facility of the Michael G. Foster School of Business “Dempsey Hall” in recognition of Neal Dempsey’s continuing partnership and philanthropy with the UW and his civic activism, which provides a model of care and humanity for today’s and tomorrow’s students.



In accordance with the Facilities and Spaces Naming Policy, Mr. Dempsey's name will remain for the life of the building, assuming his positive image and demonstrated integrity remain in good standing.

See Attachment F-3.

**Purchase of Filer Property** (Agenda no. F-4)

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

1. Approve the purchase of the Filer property for \$5.0 million;
2. Delegate to the President the authority to execute all documents related to this transaction.

See Attachment F-4.

**Inlandboatmen's Union of the Pacific Collective Bargaining Agreement – UW Ratification** (Agenda no. F-6)

It was the recommendation of the administration that the Board of Regents approve the Collective Bargaining Agreement between the University of Washington and the Inlandboatmen's Union of the Pacific (IBU) that covers approximately 18 employees on the Thomas G. Thompson Research Vessel. The duration of the Agreement is from July 1, 2013 through June 30, 2015.

See Attachment F-6.

**SEIU Local 925 Collective Bargaining Agreement – UW Ratification** (Agenda no. F-7)

It was the recommendation of the administration that the Board of Regents approve the Collective Bargaining Agreement between the University of Washington and SEIU Local 925 that covers approximately 5,600 employees on all UW Campuses, UW Medical Center and Harborview Medical Center. In addition, certain provisions of the Agreement will cover regular temporary employees who enter the bargaining unit upon completion of 350 hours of bargaining unit work within a consecutive 12 month period. The duration of this Agreement is from July 1, 2013 through June 30, 2015.

See Attachment F-7.

**Teamsters Local 117 Collective Bargaining Agreement – UW Ratification** (Agenda no. F-8)

It was the recommendation of the administration that the Board of Regents approve the Collective Bargaining Agreement between the University of Washington and Teamsters

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Local 117 that covers approximately 25 employees at the University of Washington. The duration of the Agreement is from July 1, 2013, through June 30, 2015.

See Attachment F-8.

**Washington Federation of State Employees Collective Bargaining Agreement – UW Ratification** (Agenda no. F-9)

It was the recommendation of the Administration that the Board of Regents approve a Master Collective Bargaining Agreement between the University of Washington and the Washington Federation of State Employees (WFSE) that covers approximately 2,900 employees in six bargaining units at the University of Washington, UW Medical Center and Harborview Medical Center. The duration of the Agreement is from July 1, 2013 through June 30, 2015.

See Attachment F-9.

**Washington Federation of State Employees/Police Management Collective Bargaining Agreement – UW Ratification** (Agenda no. F-10)

It was the recommendation of the administration that the Board of Regents approve the Collective Bargaining Agreement between the University of Washington and Washington Federation of State Employees/Police Management that covers approximately 11 employees at the University of Washington. The duration of the Agreement is from July 1, 2013 through June 30, 2015.

See Attachment F-10.

**University of Washington Voluntary Investment Program – Approve Amendments to Plan Document** (Agenda no. F-11)

It was the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents approve amendments to the University of Washington Voluntary Investment Program (the “Program”) in the form of an amended and restated plan document. The amendments reflect three major changes: (1) the addition of a “Roth” after-tax deferral feature; (2) Fidelity’s new role as Master Administrator; and (3) technical changes in the law required in order to maintain the tax-deferred status of the Program. Unless otherwise noted, the changes are effective November 1, 2012.

See Attachment F-11.

**UW Medical Center Expansion Phase II: Montlake Tower – Approve Financing Plan, Approve Use of Internal Lending Program and Approve Use of Alternative Public Works General Contractor/Construction Manager (GC/CM)** (Agenda no. F-15)

15)

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

- 1) Approve the UW Medical Center Expansion Phase II: Montlake Tower Financing Plan;
- 2) Approve use of the Internal Lending Program to fund up to \$136,100,000 for design, construction, and financing costs; and
- 3) Approve use of the General Contractor/Construction Manager (GC/CM) Alternative Public Works contracting method.

See Attachment F-15.

## STANDING COMMITTEES

### **ACADEMIC AND STUDENT AFFAIRS COMMITTEE: Regent Ayer Chair**

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

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

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

See Attachment A-1.

### **Clinical Trial Center Research Over the Last 30 Years** (Agenda no. A-5)

Regent Ayer reported on a presentation by Judy Powell about the Clinical Trial Center's practical studies. This research resulted in clinical changes. The Center is currently researching resuscitation outcomes when CPR is administered. This study has changed how CPR is delivered. The Center is also looking at the use of automatic defibrillators to make best practice recommendations. Ms. Powell described the role and challenges of research nurses at the Center.

See Attachment A-5.

### **Office of Minority Affairs and Diversity – Diversity Outreach at UW** (Agenda no. A-6)

Regent Ayer reported on a two-part presentation from Dr. Sheila Edwards Lange about student and faculty diversity. Regent Ayer cited diversity as a critically important attribute of a world-class university. He said Dr. Edwards Lange reported improvement and identified gaps and efforts toward continuing improvement.

Regent Ayer described some statistics he found of interest:

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- 40% of students on Seattle campus are people of color;
- 38% at UW Tacoma,
- and 43% at UW Bothell.

Overall, applications from underrepresented minorities were up 70%, the offer rate was up 60%, and enrollment is up 29%. This offers an opportunity to improve the “yield,” which is the percentage of admitted students who opt to attend. Lack of financial aid was identified as a challenge to increasing the yield. Regents learned student outreach is a critical aspect of success in reaching diversity goals. Regents can help by communicating UW’s compelling and important diversity story. It is important to be accountable to metrics by setting goals to close gaps. Regent Ayer urged Regents to keep diversity on the agenda and be visible at campus events promoting and supporting diversity.

See Attachment A–6.

**Office of Minority Affairs and Diversity – Faculty Diversity at UW** (Agenda no. A–7)

Faculty diversity is also important; students need role models and mentors. The University goal is to recruit and retain excellent and diverse faculty. Regent Ayer reported Dr. Edwards Lange identified more opportunity for improvement in this area. There is collaborative work being done with Deans and department chairs in the area of faculty diversity. Regent Ayer said overall this was an encouraging report.

See Attachment A–7.

**FINANCE, AUDIT AND FACILITIES COMMITTEE: Regent Smith, Chair**

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

Regent Smith reported Regents approved the purchase of the Filer property, located adjacent to the UW Medicine clinics on Roosevelt. Based on the location of the property this purchase offers strategic development opportunities.

The Committee also approved the next phase of the UW Medicine expansion, the Montlake Tower Financing Plan, including use of the Internal Lending Program and use of the General Contractor/Construction Manager contracting method. This project will build out three shell floors for in-patient service and operating rooms. These capital expenditures are designed to improve the efficiency of operations in facility.

**Report of Contributions – September 2012** (Agenda no. F–1) (Information only)

The total gifts received in September 2012 was \$18,250,848, the total for the year-to-date is \$58,673,112.

See Attachment F–1.

**Actions Taken Under Delegated Authority** (Agenda no. F-2)

See Attachment F-2.

**Internal Audit – Planned Activities for 2013** (Agenda no. F-12)

Regents reviewed the plan for internal audits in the fifteen highest risk-ranked units. These audits will focus on improving controls, mitigating risks, and increasing efficiency of operations in these units. Regent Smith said this was a well-prepared report.

See Attachment F-12.

**Advancement Return on Investment** (Agenda no. F-13)

Regents heard a report on the cost of fundraising arraying the amount of gift dollars received relative to the funds expended to acquire them. Regents viewed the total revenues and expenditures of the Advancement unit. Regent Smith noted UW's advancement function is one of the most productive of public universities in the country. UW's, with an impressive ratio of gifts to expenditures, is the "envy of many public institutions."

See Attachment F-13.

**Husky Ballpark Project – Approve Revised Budget, Approve Phase 2 Construction, Approve Use of Internal Lending Program, and Approve Reduction in Husky Stadium ILP Authorization** (Agenda no. F-14)

The committee approved the revised budget for the Husky Ballpark project and use of the Internal Lending Program to be offset by a reduction of the Husky Stadium ILP authorization. The committee approved beginning construction on this project. This item was moved from the consent agenda to the report of the committee for a vote of the full Board.

**MOTION:** Upon the recommendation of the Finance, Audit and Facilities Committee and the motion made by Regent Harrell, seconded by Regent Shanahan, the Board voted to approve item F-14. Regent Jewell opposed the motion.

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

- 1) increasing the Husky Ballpark Project budget from \$13,509,000 to \$19,500,000;
- 2) beginning construction on the Phase 2 Husky Ballpark Grandstands;
- 3) using the Internal Lending Program to fund up to \$15 million for design, construction and financing costs for the project; and
- 4) reducing the Husky Stadium ILP authorization by \$15 million to \$246.5 million.

See Attachment F-14.

**UW Medicine Board Annual Financial Report** (Agenda no. F-16)

Regents received the annual financial report from the UW Medicine Board. Operating results were described as strong, and comparable to the best performing universities in the country. However, government health care reform could pose increasing risks to UW Medicine's financial performance. Constraints on, and increasing competition for, research dollars, are also expected along with constraints on future funding. Regent Smith said the UW Medical Center faces serious financial challenges but administrators there are preparing for these in advance of potential impacts.

See Attachment F-16.

***Joint Session***

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

**State and Federal Elections Update** (Agenda no. A-8)

See Attachment A-8.

**University of Washington 2013-15 State Operating and Capital Budget Requests**  
(Agenda no. F-17)

Regent Smith reported on a brief review of UW's operating and capital budget request submitted to the Office of Financial Management. He reported the good news that state revenue appears to have stabilized. The state budget forecast includes a deficit for the balance of the current biennium and an expected deficit for the 2013-15 biennium. UW hopes to maintain the current level of state funding. The UW will seek flexibility for salary increases and has requested state funding for this purpose.

See Attachment F-17.

**OTHER BUSINESS: REPORTS TO THE BOARD OF REGENTS**

Regent Harrell invited student leaders from UW Bothell and Tacoma to come to the table.

**Faculty Senate Chair: Professor Jim Gregory**

Dr. Gregory commented on the remarks he made earlier in committee about the juxtaposition of funding for athletic and classroom facilities. The Faculty Senate is interested in talking with ICA, President, and Provost about the relationship between Athletics and the operations of the academic side of the campus. Faculty members share pride and appreciation for Athletics and its contribution to the University. Faculty members believe all parts of campus should be contributing to the University, especially during times of budgetary stress.

Diversity, particularly faculty diversity, is a priority for the Faculty Senate this year. The Senate plans to be proactive to find ways to encourage measures that might increase faculty diversity.

Dr. Gregory's remarks focused on his academic area of Social Sciences ("non-STEM"). He said the Social Sciences receive grants, but not "big money" grants. They don't invent new technologies, but deal in the realm of ideas. There are about 300 faculty members in thirteen Social Science departments. It is a multidisciplinary environment with a shared focus on deepening the understanding of how societies work and how humans work in societies. The books and articles disseminating this research form the foundation for social change. The Social Sciences produce new understanding of human behavior and how people can and should work together. This information is used by policy-makers. This research produces world-changing ideas, as opposed to world-changing products.

There are 6000 UW undergraduate students and 880 graduate students enrolled in Social Sciences majors. In the last year 20,000 students attended 1800 Social Sciences classes. Professor Gregory mentioned a recent survey which showed students who are History majors do well in the job market and earn more than Biology majors. Students enrolled in Social Sciences majors gain research, analytical, and writing skills.

**ASUW President: Mr. Evan Smith**

Mr. Smith reported on the work of ASUW and GPSS to encourage student participation in the recent elections. ASUW hosted debate-viewing parties, forums about ballot initiatives, and an election results party at the HUB.

ASUW is examining its internal election processes to streamline them.

ASUW is working with students to engage and involve them in student government. Mr. Smith provided an example of this engagement saying he communicates periodically using email messages that include videos. He said he has received lots of positive feedback about this effort. These messages have addressed issues, such as differential tuition, to engage and educate students.

Students are preparing for the upcoming legislative session, when they will have the opportunity to engage with legislators and learn about social action and advocacy.

**GPSS President: Mr. Adam Sherman**

Mr. Sherman recognized and thanked Vice President and Vice Provost for Student Life Eric Godfrey for his leadership and service to students.

Following a lively debate, the GPSS Senate passed a resolution urging the University administration to move swiftly to resolve the student fee issue between the Academic Student Employees and the University. Mr. Sherman conveyed a message from student leaders, saying it would not be well-received by students if this issue moves from arbitration to the Superior Court.

GPSS continues its efforts to communicate with alumni. They hope to find and tell success stories from leaders in their communities. Mr. Sherman sees a lot of opportunity to reach out and create new connections, in partnership with the UWAA.

GPSS continues to make progress forming college councils, intended to provide students with a means to provide input into decision-making at the college level. This initiative has received support from many Deans. GPSS is also exploring advancement and fundraising efforts to support GPSS with programming revenue. They hope to raise funds to establish an endowment to provide a dedicated and reliable funding stream.

The GPSS Science and Policy Committee held an event focused on linking on-campus science research with off-campus policy. This forum was specifically about state initiative 502 and marijuana policy, exploring how science informs the policy.

Mr. Sherman talked about the upcoming GPSS Higher Education Summit. Key legislators will attend and discuss important issues with administrators, educators, students and community members. Panel topics include the role of on-line education in higher education, state funding for higher education, and exploring the role of students in governing higher education and shaping the direction of institutions.

**ASUW Tacoma President: Ms. Elizabeth Pierini**

Ms. Pierini commented on the diversity discussion held in committee, saying earlier in the day she addressed a group of Native American high school students at a symposium titled “Contemporary Issues of Native Americans in Higher Education.” There, she had the opportunity to interact with, and address the concerns of, these students interested in attending the University of Washington.

ASUW Tacoma’s Pre-Law Society hosted then-gubernatorial candidate, and State Attorney General, Rob McKenna for a one-hour question and answer session with students on campus.

ASUW Tacoma’s Politics, Philosophy, and Economics student club hosted a League of Women Voters forum where they explored a variety of ballot issues. To involve young voters, they held a “Rock the Vote” concert attended by candidates.

“Cram Week” at UW Tacoma is coming up, offering students additional quiet study spaces on campus to prepare for finals.

Ms. Pierini said the campus legislative agenda would again include a postcard campaign where students send their stories, with demographic information, to legislators. The project goal is to complete 400 cards, an increase over the 200 completed last year. These will be delivered to legislators in Olympia as part of the “Huskies on the Hill” event.

To further engage and involve students in campus issues student leaders have installed bright yellow suggestion boxes in various sites on campus.



**ASUW Bothell President: Mr. Kevin King**

Mr. King reported on UW Bothell's potential student activity center building. They are currently conducting marketing and a survey of students about the financing. They plan to bring a fee proposal to the Regents for approval in early 2013, and begin construction in September 2013. The Sports and Recreation Complex will be complete in December.

Students hosted Senator Maria Cantwell and local legislators on campus for a discussion about funding for higher education.

Mr. King said he was pleased students are included on the UW Bothell Chancellor Search Committee. Mr. King thanked Chancellor Chan for his vision and dedication to students.

**Alumni Association President: Mr. Patrick Crumb**

Mr. Crumb said the mission of the UW Alumni Association is to support the UW and higher education. To that end, he was pleased President Young covered many of the UWAA events Mr. Crumb planned to report on.

He highlighted the recent Volunteer Leadership Reception and thanked President Young and Regents Harrell and Cole for their participation in the panel discussion, which he said, added value to the event. He praised Courtney Acitelli, from UW Impact, who moderated the panel.

UW Impact is working on post-election communications to their advocates. They are working with President Young to organize and schedule a reception, to be held before the start of the legislative session to meet with new legislators and inform them about issues important to the University.

Mr. Crumb said UWAA hosts homecoming activities, which offer broad-based engagement and a way for alumni to connect with the University they love. He reported last month 10,000 individuals participated in alumni events.

**DATE FOR NEXT MEETING**

Regent Harrell announced the next regular meeting of the Board, scheduled on Thursday, December 6, 2012, and the dinner meeting scheduled on Wednesday, December 5, 2012, are canceled. The next regular meeting of the Board of Regents will be held on Thursday, January 10, 2013, on campus.

**EXECUTIVE SESSION**

Regent Harrell announced the Regents would hold a ten-minute executive session to discuss with the University's legal counsel matters relating to pending or potential litigation involving the University. The meeting would be closed because public

knowledge of this discussion would be likely to result in adverse legal or financial consequences.

**ADJOURNMENT**

Following the Executive Session, Regent Harrell adjourned the meeting at 3:20 p.m.



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Joan Goldblatt  
Secretary of the Board of Regents

*Approved at the meeting of the Board on January 10, 2013.*

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.

*Attachments*

Historical Overview 2002-2012 Annual Profile of Professorial Faculty  
Academic and Administrative Appointments

## Historical Overview 2002-2012

### Annual Profile of Professorial Faculty

Academic Year	Total Professorial Faculty	New Professorial Faculty
2011 – 12	3889 (TT-2028 WOT-1491 R-370)	206
2010 – 11	3883 (TT-2062 WOT-1443 R-378)	233
2009 – 10	3823 (TT-2060 WOT-1376 R-387)	214
2008 – 09	3756 (TT-2068 WOT-1305 R-383)	285
2007 – 08	3652 (TT-2039 WOT-1220 R-393)	249
2006 – 07	3602 (TT-2042 WOT-1172 R-388)	249
2005 – 06	3568 (TT-1980 WOT-1198 R-390)	220
2004 – 05	3534 (TT-1961 WOT-1182 R-391)	198
2003 – 04	3490 (TT-1946 WOT-1152 R-392)	148
2002 – 03	3417 (TT-1939 WOT-1113 R-365)	156

Professorial faculty includes Assistant Professors, Associate Professors, and Professors appointed in the following appointment tracks: 1) Tenure Track/Tenure (TT), 2) Without Tenure by Reason of Funding (WOT), and 3) Research (R).

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## ADMINISTRATIVE APPOINTMENTS

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### College of Engineering

**Ramey, Judith Ann**

**Acting Dean, Engineering, effective 1/1/2013**

Continuing Appointment:

- Professor, Human Centered Design and Engineering

Degrees:

- PhD, 1983, University of Texas
- MA, 1971, University of Texas
- BA, 1969, University of Texas

### School of Medicine

#### **Department of Anesthesiology and Pain Medicine**

**Mackensen, Georg Burkhard**

**Acting Chair, Anesthesiology and Pain Medicine, effective 11/1/2012**

Continuing Appointments:

- Professor without Tenure, Anesthesiology and Pain Medicine
- Adjunct Professor, Medicine

Degrees:

- PhD, 2005, Technische Universit
- MD, 1994, University of Hamburg (Germany)

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## ENDOWED APPOINTMENTS

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### College of Arts and Sciences

#### **Department of History**

**Camp, Stephanie Martha Helene**

**Donald W. Logan Family Endowed Chair in American History, effective 10/1/2012**

Continuing Appointment:

- Associate Professor, History

Degrees:

- PhD, 1998, University of Pennsylvania
- MA, 1992, Yale University
- BA, 1990, University of Pennsylvania

**Findlay, John Moorman**

**John Calhoun Smith Memorial Endowed Professorship,  
effective 1/1/2013**

Continuing Appointment:

- Professor, History

Degrees:

- PhD, 1982, University of California (Berkeley)
- MA, 1978, University of California (Berkeley)
- AB, 1976, University of Puget Sound

**Smallwood, Stephanie**

**Dio Richardson Endowed Professorship in History, effective  
10/1/2012**

Continuing Appointment:

- Associate Professor, History

Degrees:

- PhD, 1999, Duke University
- BA, 1987, Columbia University

**College of Education**

**College of Education**

**Stritikus, Tom**

**Virginia & Prentice Bloedel Professorship, effective 9/16/2012**

Continuing Appointments:

- Professor, Education
- Dean, Education

Degrees:

- PhD, 2000, University of California (Berkeley)
- MA, 1997, University of California (Berkeley)
- BA, 1993, University of Nebraska

**School of Medicine**

**Department of Family Medicine**

**Tick, Heather Susan**

**Gunn-Loke Endowed Professorship in Integrative Pain  
Medicine, effective 10/1/2012**

Continuing Appointments:

- Clinical Associate Professor, Salaried, Family Medicine
- Clinical Associate Professor, Salaried, Anesthesiology and  
Pain Medicine

Degrees:

- MD, 1982, University of Toronto (Canada)
- MA, 1975, University of California (Irvine)
- BA, 1973, Carleton University (Canada)

**Department of Ophthalmology**

**Chen, Philip Peihai**

**Grace E. Hill Chair in Vision Research in The School of  
Medicine, effective 9/1/2012**

Continuing Appointment:

- Professor without Tenure, Ophthalmology

Degrees:

- MD, 1991, Yale University
- BS, 1986, Stanford University

**Department of Pediatrics**

**Baker, Kevin Scott**

**Gerald and Gloria Swanson Family Endowed Chair in  
Pediatric Bone Marrow Transplantation Research, effective  
7/1/2012**

Continuing Appointment:

- Professor without Tenure, Pediatrics

Degrees:

- MS, 2002, University of Minnesota
- MD, 1988, University of Nebraska
- BS, 1983, University of Nebraska

**Department of Surgery**

**Kim, Sara**

**George G. B. Bilsten Professorship in the Art of  
Communication with Peers and Patients, effective 8/1/2012**

Continuing Appointments:

- Research Professor, Surgery
- Adjunct Research Professor, Biomedical Informatics and  
Medical Education

Degrees:

- PhD, 1999, University of Washington
- MA, 1990, George Washington University
- BA, 1986, Scripps College

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## NEW APPOINTMENTS

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### **College of Arts and Sciences**

#### **Department of Applied Mathematics**

**Shlizerman, Eli**

**Assistant Professor without Tenure, Applied Mathematics,  
effective 10/16/2012**

Prior UW Appointment:

Acting Assistant Professor, temporary, Applied  
Mathematics

Degrees:

- PhD, 2009, Weizmann Institute for Science (Israel)
- MSC, 2005, Weizmann Institute for Science (Israel)
- BSC, 2002, Bar-Ilan University (Israel)

#### **Department of Biology**

**Klicka, John Thomas**

**Professor without Tenure, Biology, effective 9/16/2012**

Prior UW Appointment:

Acting Professor, Biology

Degrees:

- PhD, 1999, University of Minnesota
- MS, 1994, Texas A&M University
- BS, 1987, University of Minnesota

#### **Department of Economics**

**Bajari, Patrick**

**Professor, Economics, effective 9/16/2012**

Prior Non-UW Appointment:

Vice President and Chief Economist, Amazon, Seattle

Degrees:

- PhD, 1997, University of Minnesota
- BA, 1993, University of Minnesota
- BS, 1993, University of Minnesota

#### **Department of Romance Languages and Literature**

**Albarran, Raquel**

**Acting Assistant Professor, pending Ph.D., Romance  
Languages and Literature, effective 9/16/2012**

Degrees:

- PhD - Expected, 2012, University of Pennsylvania
- MA, 2008, University of Pennsylvania
- BA, 2006, Universidad de Puerto Rico



**School of Medicine**

**Department of Biochemistry**

**Dimasio, Frank**

**Research Assistant Professor, Biochemistry, effective 10/1/2012**

Prior UW Appointment:

Senior Fellow, Biochemistry

Degrees:

- PhD, 2007, University of Wisconsin
- MS, 2002, University of Wisconsin
- BS, 2001, Pennsylvania State University

**Department of Comparative Medicine**

**Ruddell, Margaret Alanna**

**Research Associate Professor, Comparative Medicine, effective 12/1/2012**

Prior UW Appointment:

Affiliate Associate Professor, Comparative Medicine

Degrees:

- PhD, 1983, Case Western Reserve University
- BSC, 1977, Queens University

**Department of Family Medicine**

**Godfrey, Emily M.**

**Associate Professor, Family Medicine, effective 10/15/2012**

Prior Non-UW Appointment:

Associate Professor, Family Medicine, University of Illinois

Degrees:

- MPH, 2003, University of Rochester
- MD, 1997, Medical College of Wisconsin
- BS, 1991, University of Wisconsin (Madison)

**Department of Laboratory Medicine**

**Hess, John Rider**

**Visiting Professor, Laboratory Medicine, effective 11/1/2012**

Prior Non-UW Appointment:

Professor, Pathology and Medicine, University of Maryland

Degrees:

- MPH, 1979, University of Hawaii
- MD, 1972, University of Washington
- AB, 1967, Washington State University

**Department of Medicine**

**Zaros, Mark Constantine**

**Assistant Professor without Tenure, Medicine, effective 10/1/2012**

Prior UW Appointment:

Acting Instructor, Medicine

Degrees:

- MD, 2004, University of Miami (Florida)
- BA, 1998, Johns Hopkins University

**Department of Orthopaedics and Sports Medicine**

**Kwon, Ronald Young**

**Assistant Professor without Tenure, Orthopaedics and Sports Medicine, effective 10/1/2012**

Prior UW Appointment:

Acting Assistant Professor, temporary, Orthopaedics and Sports Medicine

Degrees:

- PhD, 2008, Stanford University
- MS, 2005, Stanford University
- BS, 2002, University of California (Berkeley)

**Department of Pathology**

**Kim, Eung Ju**

**Visiting Associate Professor, Pathology, effective 9/12/2012**

Prior UW Appointment:

Visiting Associate Professor, Medicine

Degrees:

- PhD, 2005, Korea University (Korea)
- MS, 1999, Korea University (Korea)
- MD, 1994, Korea University (Korea)

**Schmechel, Stephen Christopher**

**Associate Professor without Tenure, Pathology, effective 10/1/2012**

Prior Non-UW Appointment:

Assistant Professor, Laboratory Medicine and Pathology, University of Minnesota

Degrees:

- PhD, 1999, University of Minnesota
- MD, 1997, University of Minnesota
- BS, 1990, Carroll College (Montana)

**Department of Pediatrics**

**James, Richard Goff**

**Assistant Professor without Tenure, Pediatrics, effective 10/1/2012**

Prior UW Appointment:

Acting Instructor, Pharmacology

Degrees:

- PhD, 2005, Harvard University
- BS, 1998, University of Michigan

**Shenoi, Susan**

**Assistant Professor without Tenure, Pediatrics, effective 10/1/2012**

Prior UW Appointment:

Acting Assistant Professor, temporary, Pediatrics

Degrees:

- MS, 2011, University of Washington
- Bachelor of Medicine, Bachelor of Surgery (MB BS), 1998, University of Mumbai (India)

**Tieder, Joel Stanford**

**Assistant Professor without Tenure, Pediatrics, effective 10/1/2012**

Prior UW Appointment:

Clinical Assistant Professor, Salaried, Pediatrics

Degrees:

- MPH, 2006, University of Washington
- MD, 1999, Medical College of Georgia
- BS, 1995, University of Georgia

**von Saint Andre-von Arnim, Amelie**

**Assistant Professor without Tenure, Pediatrics, effective 10/1/2012**

Prior UW Appointment:

Fellow, Pediatrics

Degrees:

- PhD, 2008, Julius Maximilians University (Germany)
- MD, 2004, Julius Maximilians University (Germany)

**Department of Psychiatry and Behavioral Sciences**

**Stephens, Kari Astley**

**Assistant Professor without Tenure, Psychiatry and Behavioral Sciences, effective 10/1/2012**

Prior UW Appointment:

Acting Assistant Professor, temporary, Psychiatry and Behavioral Sciences

Degrees:

- PhD, 2008, University of Washington
- MS, 2001, University of Washington
- BS, 1995, University of Washington

**Department of Rehabilitation Medicine**

**Mack, David Lee**

**Assistant Professor without Tenure, Rehabilitation Medicine, effective 10/1/2012**

Degrees:

- PhD, 2005, Indiana University
- MA, 1993, Indiana University
- BA, 1989, Washington University

**School of Public Health**

**Department of Health Services**

**Otten, Jennifer Jill**

**Assistant Professor without Tenure, Health Services, effective 11/1/2012**

Degrees:

- PhD, 2009, University of Vermont
- MS, 1998, Tufts University
- BS, 1995, Texas A&M University

**University of Washington, Bothell**

**School of Interdisciplinary Arts and Sciences**

**Turner, Robert Joseph**

**Senior Lecturer, Full-time, School of Interdisciplinary Arts and Sciences, Bothell, effective 9/16/2012**

Prior UW Appointment:

Assistant Professor, School of Interdisciplinary Arts and Sciences, Bothell

Degrees:

- PhD, 1999, University of North Carolina
- MS, 1988, Western Washington University
- BS, 1985, Allegheny College

**University of Washington, Tacoma**  
**Institute of Technology**

**Ding, Ling**

**Assistant Professor, Institute of Technology, Tacoma, effective  
9/16/2012**

Degrees:

- PhD, 2012, University of Texas (Dallas)
- MS, 2008, Shanghai Jiaotong University
- BS, 2004, Nanjing University of Technology (China)

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

#### UW Tacoma Institute of Technology and Milgard School of Business – Establishment of the Master of Cybersecurity and Leadership 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 Institute of Technology and the Milgard School of Business at the University of Washington, Tacoma to offer the fee-based professional Master of Cybersecurity and Leadership (MCL) degree program, effective Winter Quarter 2013. 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

On June 12, 2012, the Graduate School received a proposal from the graduate faculty of the Institute of Technology and the Milgard School of Business at the University of Washington, Tacoma requesting authority to offer the Master of Cybersecurity and Leadership (MCL) degree program. It will address post-baccalaureate needs of the active military, veteran and reservist population of Pierce, Thurston and King Counties. Further, it will provide an opportunity for current students in the Institute of Technology and the Milgard School of Business who seek a professional graduate degree in a growth industry. The MCL program will meet the University of Washington's commitment to access for low-income students by providing use of the New GI Bill.

The MCL is a non-thesis, 40 credit-hour program. Program graduates will be knowledgeable of the principles of data protection, network security, and counter cyber-terrorism techniques, all grounded in ethical issues and communication strategies associated with cybersecurity and information assurance. They will be well versed in advanced information assurance, strategic and team leadership, and gain increased analytical and communication skills. Projected enrollment is 24 FTE in the first year with 50 FTE by 2017.

The Master of Cybersecurity and Leadership proposal was evaluated by faculty with expertise in the field from the School of Engineering and Applied Sciences at The George Washington University, and the Department of Computer and Information Technology at Purdue University. The evaluators provided constructive criticism that contributed to strengthening the proposal and clarifying how the program supports the University's educational role and mission.

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

UW Tacoma Institute of Technology and Milgard School of Business –  
Establishment of the Master of Cybersecurity and Leadership Degree Program  
(continued p. 2)

On October 18, 2012, the Graduate School Council considered the Master of Cybersecurity and Leadership proposal. The Council recommended unanimously that the proposal be forwarded to the Board of Regents for final approval.

The Interim Vice Provost and Dean of the Graduate School, the Vice Chancellor for Academic Affairs at the University of Washington Tacoma, and the Provost have reviewed and approved this recommendation for the proposed Master of Cybersecurity and Leadership degree program.

## VII. STANDING COMMITTEES

## A. Academic and Student Affairs Committee

Establishment of the Master of Supply Chain Transportation and LogisticsRECOMMENDED 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 Civil and Environmental Engineering in the College of Engineering to offer the Master of Supply Chain Transportation and Logistics degree program, effective Summer Quarter 2013. This will be a fee-based program offered primarily online in coordination with UW Professional and Continuing Education (PCE). 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 March, 2012, the Graduate School received a full proposal from the graduate faculty of the Department of Civil and Environmental Engineering requesting authority to offer the Master of Supply Chain Transportation and Logistics. Implementation is planned for Summer Quarter 2013. This two-year, 43-credit program will serve working professionals and anticipates graduating 25 students per year at full enrollment.

The Pacific Northwest, and the Puget Sound region specifically, is a crossroads of trade and transportation. The need to provide personnel skilled in management and the technical aspects of supply chain, logistics, and transportation is critical to enhancing the competitiveness and economic well-being of our region. In response to this need, the proposed master's program will give students technical knowledge and an intuition for the fundamental concepts of supply chain transportation and logistics, while providing exposure to contemporary tools and applications in the field. The program is designed to allow working professionals to gain expertise from faculty at the University of Washington as well as from local practitioners. Graduates of the program will re-enter the corporate world ready to improve supply chain operations while at the same time reducing transportation costs, environmental impact, and improving the accessibility of goods to the world's citizens. The knowledge generated by this program will provide public benefit by creating efficiencies in infrastructure utilization and development, land use, environmental mitigation, and energy consumption.

In July, 2012, the Vice Provost and Dean of the Graduate School appointed two reviewers to evaluate the Master of Supply Chain Transportation and Logistics



## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

#### Establishment of the Master of Supply Chain Transportation and Logistics (continued p. 2)

proposal. The reviewers both supported approval of the degree program. Each reviewer also made specific recommendations for improving the program, to which the program provided detailed responses and a revised program proposal.

The Graduate School Council met on October 4, 2012, to discuss the degree proposal. The Council recommended that the proposal be forwarded on for final approval after the program makes revisions to the proposal in response to recommendations from Council. The Interim Dean of the Graduate School concurred with this recommendation. The final, revised proposal was submitted to the Graduate School on October 19, 2012.

The Interim Dean of the Graduate School, the Dean of the College of Engineering, and the Provost have reviewed and approved the recommendation to approve the Master of Supply Chain Transportation and Logistics.

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

Department of Aeronautics & Astronautics Name Change to William E. Boeing  
Department of Aeronautics & Astronautics

#### RECOMMENDED ACTION

It is the recommendation of the Academic and Student Affairs Committee that the name of the Department of Aeronautics & Astronautics be changed to the William E. Boeing Department of Aeronautics & Astronautics, to honor the man who founded both the Boeing Company and the Department of Aeronautics & Astronautics nearly 100 years ago.

#### BACKGROUND

William Edward Boeing had a passion for flight, and being an entrepreneur at heart, began building floatplanes near Seattle. In 1916 he founded the Boeing Airplane Company and hired two UW engineering graduates to further design his flying machines. Though Claire Egtvedt and Phil Johnson were trained in mechanical engineering, and eventually became two of the most influential men in aviation history, their lack of formal background in aeronautics started Mr. Boeing thinking.

To build a successful airplane company, Mr. Boeing realized he needed trained aeronautical engineers and a facility in which to test new airplanes. The partnership was born when he decided to donate a wind tunnel to the University of Washington on the condition that the University develop an aeronautics curriculum.

The Aerodynamics Laboratory was built in 1917 for a cost of \$5,829, funded personally by Mr. Boeing through his first gift to the UW. The 1,612 square foot building housed the first wind tunnel built in the Northwest. During the 1920s, the tunnel was used to test various Boeing Company aircraft models. The wind tunnel has been updated over the years, and today it is still used by university, government, and industry personnel for aerodynamics testing.

In early 1926, the University opened a dialogue with Harry Guggenheim and the Guggenheim Fund for the Advancement of Aeronautics, in an attempt to procure funds to establish a school of aeronautics. At that time the Guggenheim Fund had already provided grants for similar schools at Caltech, MIT, Stanford, the University of Michigan and New York University. The UW stressed its strong ties with the Boeing Company and Naval Aviation, as well as highlighting the wind tunnel on campus. Mr. Boeing wrote to the Guggenheims on behalf of the

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

#### Department of Aeronautics & Astronautics Name Change to William E. Boeing Department of Aeronautics & Astronautics (continued p. 2)

University, and in 1928, the Guggenheim Fund approved a grant of \$290,000 for the construction of an aeronautics building on the University of Washington campus. This beautiful building still houses the Department of Aeronautics & Astronautics.

The Boeing Company also participated in funding for a second wind tunnel, along with the federal Public Works Administration and the State of Washington. The University of Washington Aeronautical Laboratory (UWAL) began testing once it was open for commercial use in the late 1930s, and the Boeing 307 Stratoliner testing occupied the facility for much of 1939.

Over the years, the Boeing Company became the exclusive customer in the tunnel. Aircraft such as the B-47, B-52, KC-135 and 707 were tested in the 1950s. A strong relationship between Boeing and the Aeronautics Department blossomed during this period and for the next 30 years, UWAL would host most of Boeing's low-speed wind tunnel testing.

In the early 1980s Boeing's continued use of the UWAL wind tunnel resulted in a decision to help the University modernize it. Gearing up for the 757 and 767 programs, Boeing donated \$2 million to upgrade the computer systems. And in the 1990s, the company invested heavily in people in the College of Engineering, creating a large endowment to permanently fund prestigious endowed professorships and chairs to help the College of Engineering ensure success in hiring the best educators and scholars.

Mr. Boeing's investment in aeronautics at the UW paid off early, in the form of outstanding engineering employees and effective research and design partnerships. In 1926, all but one member of Boeing's engineering department were University of Washington graduates. Even into the 1940s, the majority of Boeing's engineers came from the UW. Almost every Boeing airplane project has had a UW aeronautics alum at the helm. Any reference to the history of the Boeing Company includes names of alumni such as Maynard Pennell ('31), George Martin ('31), George Snyder ('31), Jack Steiner ('40), William Hamilton ('41, M.S. '48), Joseph Sutter ('43), and Lynn Olason ('43). Both Jack Steiner and Joseph Sutter were awarded the *Alumnus Summa Laude Dignatus*, the University of Washington's highest alumni honor.

#### **The Department of Aeronautics & Astronautics today:**

The Department of Aeronautics & Astronautics is one of ten academic departments in the College of Engineering. Enrollment includes 116

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

#### Department of Aeronautics & Astronautics Name Change to William E. Boeing Department of Aeronautics & Astronautics (continued p. 3)

undergraduate students and 140 graduate students. It offers the only aerospace degree program in the Pacific Northwest, a region whose aerospace industry has been a major contributor to the technological development, economic vitality and the security of the United States. Educators and researchers in the Department have made numerous contributions in all major areas of aerospace engineering.

A seemingly small transaction nearly 100 years ago began what has since become a thriving partnership between a multinational Fortune 100 corporation and the UW – specifically UW engineering. Thousands upon thousands of engineering alumni have powered design and manufacturing efforts for the company’s many airplane models. Many Boeing employees have held leadership and advisory roles for engineering disciplines, mentored students, created internships, participated in student projects and provided financial support to the UW. The UW offers continuing education in engineering and business to company employees, often designing courses specially attuned to the educational needs of the company. Many product improvements and breakthroughs have resulted from joint research projects.

During its history, the Boeing Company has demonstrated its appreciation for the UW partnership and the value of its educated workforce through financial support for students, programs and research projects, totaling nearly \$80 million. Within the last ten years, nearly \$20 million in Boeing Company funds have flowed to the College of Engineering for scholarships, undergraduate student support, and research projects.

To honor the nearly 100 years of partnership, the University of Washington will be proud to permanently name the William E. Boeing Department of Aeronautics & Astronautics in honor of its founding benefactor.

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Clinical Trial Center Research Over the Last 30 Years

INFORMATION ONLY

*Attachment*

Research at the Clinical Trial Center. University of Washington, Department of Biostatistics

Research at the Clinical Trial Center (CTC) has significantly contributed to this very important part of the University's mission for over 30 years (since 1982). I'm Judy Powell, I'm a Research Nurse and the Project Director for our current major project, funded by NIH, called the Resuscitation Outcomes Consortium, or ROC. Throughout our history, the CTC, as a unit of the Department of Biostatistics, has developed, coordinated and analyzed numerous studies in cardiovascular and emergency medicine. The CTC was directed by Al Hallstrom for the first 22 years and currently by Susanne May. The first CTC study, Cardiac Arrhythmia Suppression Trial (CAST), was a landmark study showing harm with the use of antiarrhythmic drugs in post MI patients who had abnormal heart rhythms and the study became synonymous with the hazard of using surrogate endpoints. Next, the Telephone CPR trial challenged the dogma that ventilations must be performed with CPR. Currently the American Heart Association has changed their lay person CPR practice to include chest compression only CPR. The Antiarrhythmics vs. Implantable Defibrillators Trial (AVID) showed that implantable defibrillators did reduce mortality but not as dramatically as predicted. The Public Access Defibrillation Trial demonstrated the efficacy of bystander defibrillation using Automated External Defibrillators using rigorous training and program monitoring. The AutoPulse Assisted Pre-hospital International Resuscitation (ASPIRE) Trial was one of the first real multi-community EMS collaborative efforts and was terminated due to a 50% reduction in survival in the mechanical CPR arm. Other CTC studies include the DAVID and DAVID II Trials. In every CTC research project, a key point is that Research Nurses were essential to the successful results.

In 2004, through intense nationwide competition, the UW CTC was chosen as the coordinating center for the Resuscitation Outcomes Consortium funded by the National Heart, Lung and Blood Institute in partnership with other public and private funding agencies. This grant is currently the largest amount of funding that the UW receives from NHLBI. Also, ROC was the first long term collaboration between EMS agencies throughout the US and Canada and includes over 200 EMS/fire agencies. ROC's essential mission is to provide infrastructure for clinical trials and outcome-oriented research in the areas of cardiopulmonary arrest and severe traumatic injury. The ROC was renewed in 2010 and has been awarded over 170 million dollars in support for various projects from 2004 through 2015. More than 14 EMS or hospital based projects within ROC were completed or are actively underway.

Integral to this research process is the role of the Research Nurse. One key point is the CTC recruits experienced clinical nurses from Harborview and UWMC. Prior to the late 1980s all nurses within the University organization were similarly classified and were paid on the same scale. After the late 1980s Research Nurses were classified differently than other nurses but were promised the same pay. This promise was maintained until approximately 4-5 years ago when pay scale differences occurred between research nurses and hospital based clinical nurses, and the differences continued to widen since then. Currently Research Nurses receive approximately 10-15% lower salary than hospital

nurses. Obviously, these pay differences adversely affect the ability to recruit clinical nurses for positions in research, and research is an absolutely essential and vital University mission element. Recently our own Clinical Trial Center lost an experienced research nurse to higher pay as a clinical nurse. Local departments are aware of the pay differences and are exploring ways to alter this. But more action is needed in order to assure that enough experienced clinical nurses are interested in moving to research and willing to help facilitate and complete the important research that made the University of Washington one of the highest recipients of research dollars in the country and perhaps the world.

### Studies Conducted by the Clinical Trial Center in the Department of Biostatistics

Name	Years	Patient Numbers	Funding
Cardiac Arrhythmia Pilot Study (CAPS)	1983-85	500 pts; 10 sites	
Cardiac Arrhythmia Suppression Trial (CAST)	1987-91	3000 pts; 30 sites	8.5 million
Telephone CPR (T-CPR)-non-inferiority	1989-93	500 pts; 1 site	
Telephone CPR (T-CPR)-superiority	1992-99	700 pts; 1 site	
Antiarrhythmics vs Implantable Defibrillators (AVID)	1993-98	1200 pts; 56 sites	12.5 million
Public Access Defibrillation (PAD)	2000-03	1000 facilities; 24 sites	17.2 million
Dual Chamber and VVI Implantable Defibrillator (DAVID)	2000-04	600 pts; 37 sites	9.6 million
DAVID II	2002-07	600 pts; 30 sites	Included in above
AutoPulse Assisted Pre-hospital International Resuscitation (ASPIRE)	2003-06	1300 pts; 5 sites	2.1 million
Resuscitation Outcomes Consortium (ROC) EMS Registry (cardiac arrest and trauma)	2005-2015	200,000 + pts; 12 sites	*Total funding for sites/CTC/protocols 60 million (2004 through 2009)
ROC Hypertonic Saline Trial-Shock	2006-08	895 pts; 11 sites	*
ROC Hypertonic Saline Trial-Traumatic Brain Injury	2006-09	1331 pts; 13 sites	*
ROC Prehospital Resuscitation using an Impedance valve and Early vs Delayed analysis (ROC PRIMED)	2007-09	17,153 pts; 10 sites	*
ROC CPR Feedback Substudy	2007-09	1586 pts; 3 sites	*
ROC Prospective Observational Prehospital and Hospital Registry for Trauma (PROPHET)	2010-11	3752 pts; 11 sites	+Total funding for sites/CTC/protocols 60 million (2010 through 2015)

ROC Dallas Resuscitative Endocrinology: Single dose Clinical Uses for Estrogen- Hemorrhagic Shock Pilot Study (RESCUE)	2010-12	50 pts; 1 site	+
ROC Dallas Resuscitative Endocrinology: Single dose Clinical Uses for Estrogen- Traumatic Brain Injury Pilot Study (RESCUE)	2010-12	50 pts; 1 site	+
ROC Biomarker Lactate for Assessment of Shock in Trauma (BLAST)	2011-13	600 pts; 9 sites	+
ROC Continuous Chest Compressions (CCC)	2011-15	23,000 pts; 9 sites	+
ROC Hypotensive Resuscitation (Hypo Resus) Pilot Study	2012	200 pts; 7 sites	+
ROC Amiodarone, Lidocaine, or Placebo Study (ALPS)	2012-15	3000 + pts; 10 sites	+
ROC Pragmatic, Randomized Optimal Platelet and Plasma Ratios (PROPPR)	2012-14	580 pts; 12 sites	52 million



## VII. STANDING COMMITTEES

## A. Academic and Student Affairs Committee

Office of Minority Affairs and Diversity – Diversity Outreach at UW

## FOR INFORMATION ONLY

BACKGROUND

The University of Washington has a long-standing commitment to diversity. To that end, the Office of Minority Affairs and Diversity (OMA&D) serves as the central diversity unit charged with both managing diversity-related programs and collaborating with other campus units as they pursue diversity initiatives. The report today includes a summary of efforts to increase racial/ethnic diversity in the student body and the faculty.

STUDENT DIVERSITY

All three campuses are actively engaged in efforts to increase the number of students from underrepresented minority (URM) backgrounds who apply to and ultimately accept the offer of admission to the university. In addition to the numerous pre-college activities throughout campus, OMA&D administers nine major pre-college programs that currently serve over 13,000 underrepresented students statewide:

- Gaining Early Awareness for Undergraduate Programs Educator Development Initiative (GEAR UP EDI)
- Three GEAR UP grants (Two Valleys One Vision, Sky's the Limit and Rural Investment in STEM Education)
- Washington State Mathematics, Engineering, Science Achievement (WA MESA)
- Educational Talent Search (ETS)
- Upward Bound
- TRIO Training
- OMA&D Recruitment & Outreach Unit.

These programs work together with the UW, legislators, stakeholders, educators, communities and families to ensure underrepresented students in grades K-14 have access to and are prepared for higher education.

Nearly all OMA&D pre-college programs are federally funded and work with students for preparation and enrollment at the college of their choice. However, the UW benefits by creating a UW college-ready cohort that will explore the university through campus visitation opportunities and participation in short-term academic

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

#### Office of Minority Affairs and Diversity – Diversity Outreach at UW (continued p. 2)

enrichment programs. Each of these pre-college programs maintains specific focus pertaining to the students and communities they serve.

During the year, OMA&D direct recruitment consists of a variety of activities including:

- High School visits by OMA&D admissions and recruitment counselors to target schools.
- Targeted campus visitation programs for each URM population (EEE, Readiness for Islander Success in Education, Native American Student Days, Essence of Success, and Shades of Purple.) Shades of Purple is a new event and pre and post-student participant surveys show students benefitted significantly in preparing for applying to UW.
- Training and supervision of student volunteers and ambassadors to assist with both direct recruitment and middle school campus visits.
- Collaborative recruitment events with UW schools and colleges including Business, Engineering, Social Work, Health Sciences, etc.
- Collect and enter data of each URM prospect into the UW Student Prospect Systems.
- Collaboration with various community groups and agencies to enhance enrollment prospects and opportunities.

Over the last five years, the number of applications received from URM students at the Seattle campus has increased by 70%, offer rates have increased by 60% and UW freshman underrepresented enrollment has increased by 29%. However, enrollment yield for URM students remains a challenge.

#### *Attachments:*

UW Student Diversity

Pre-College Programs and Resources for Students, 2011-12

UW Freshman Applicants:

African American, 1998-2012

Pacific Islander, 2000-2012

Latino, 1998-2012

Native American, 1998-2012

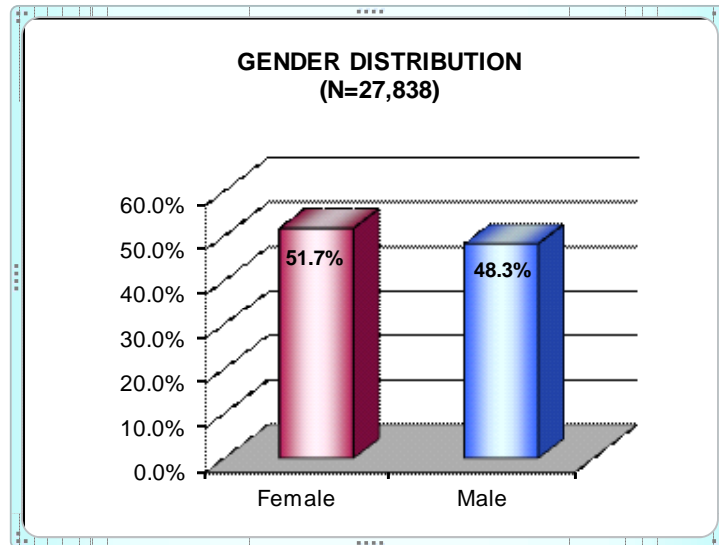
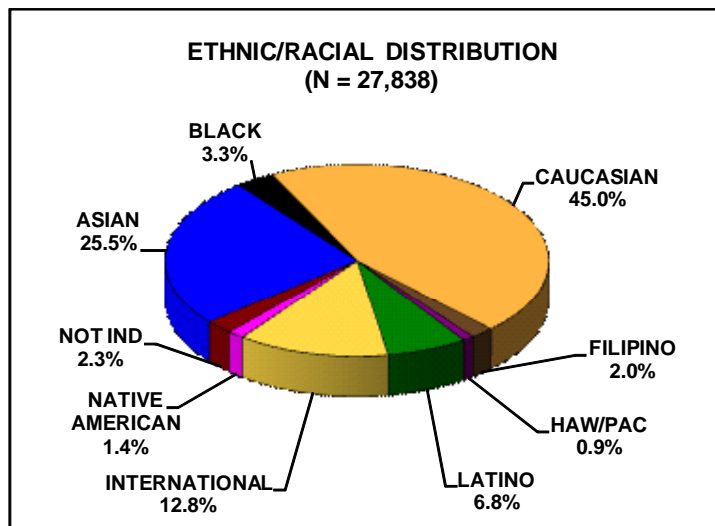
# *UW Student Diversity*

Prepared by:  
Assessment Unit Staff  
Office of Minority Affairs & Diversity  
October 29, 2012

UNDERGRADUATE ENROLLMENT DATA AS OF THE 10TH DAY OF AUTUMN 2012

SEATTLE CAMPUS

ETHNICITY	FEMALE	MALE	TOTAL
ASIAN	3,742	3,357	7,099
BLACK	506	410	916
CAUCASIAN	6,211	6,327	12,538
FILIPINO	303	247	550
HAW/PAC	137	125	262
LATINO	1,043	838	1,881
INTERNATIONAL	1,948	1,603	3,551
NATIVE AMERICAN	212	176	388
NOT IND	299	354	653
<b>TOTAL</b>	<b>14,401</b>	<b>13,437</b>	<b>27,838</b>
ALL URM *	1,898	1,549	3,447
STUDENTS OF COLOR**	5,943	5,153	11,096



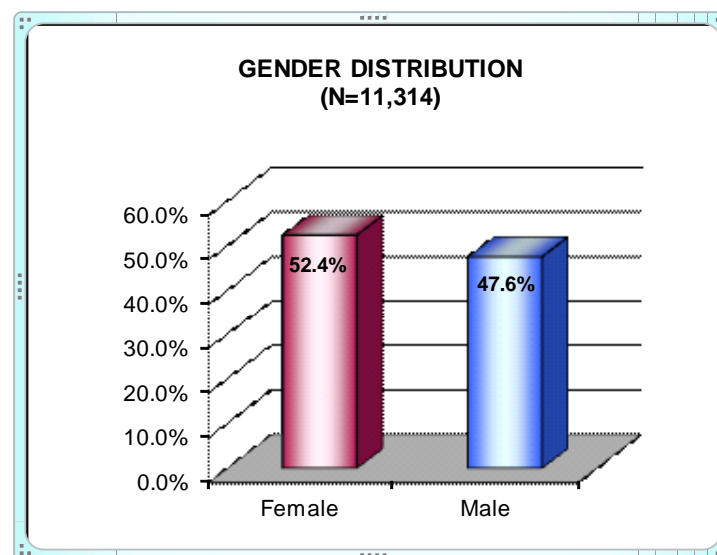
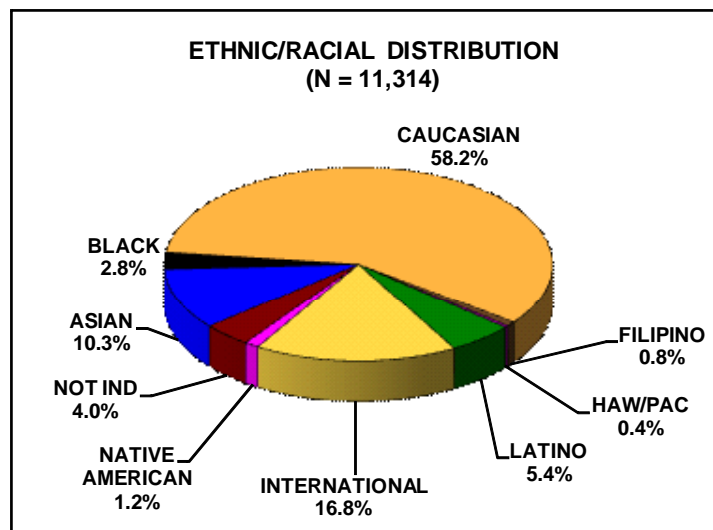
\* URM = Underrepresented Minorities (i.e., Black, Haw/Pac, Latino & Native American)

\*\* STUDENT OF COLOR = Asian, Black, Filipino, Haw/Pac, Latino & Native American

**GRADUATE ENROLLMENT DATA AS OF THE 10TH DAY OF AUTUMN 2012**

**SEATTLE CAMPUS**

ETHNICITY	FEMALE	MALE	TOTAL
ASIAN	661	504	1,165
BLACK	180	141	321
CAUCASIAN	3,479	3,110	6,589
FILIPINO	49	39	88
HAW/PAC	25	16	41
LATINO	340	272	612
INTERNATIONAL	894	1,011	1,905
NATIVE AMERICAN	86	50	136
NOT IND	218	239	457
<b>TOTAL</b>	<b>5,932</b>	<b>5,382</b>	<b>11,314</b>
ALL URM *	631	479	1,110
STUDENTS OF COLOR**	1,341	1,022	2,363



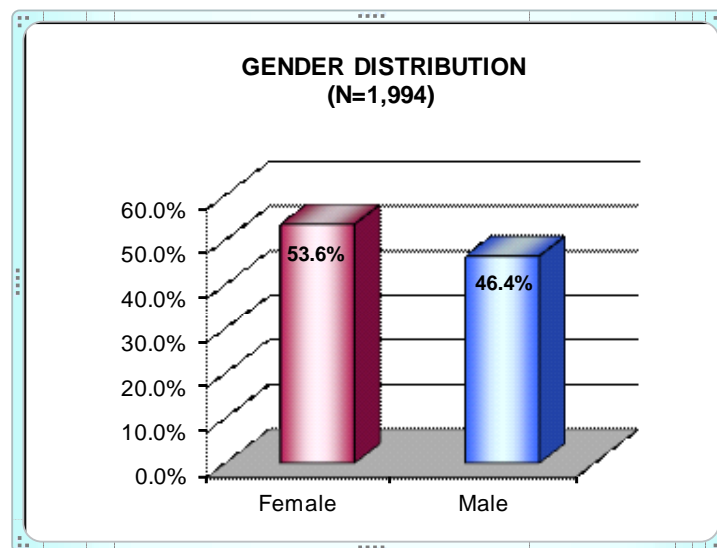
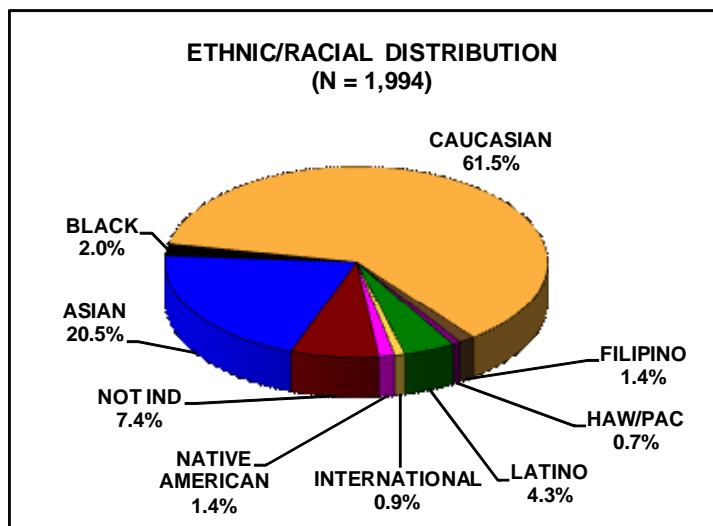
\* URM = Underrepresented Minorities (i.e., Black, Haw/Pac, Latino & Native American)

\*\* STUDENT OF COLOR = Asian, Black, Filipino, Haw/Pac, Latino & Native American

PROFESSIONAL ENROLLMENT DATA AS OF THE 10TH DAY OF AUTUMN 2012

SEATTLE CAMPUS

ETHNICITY	FEMALE	MALE	TOTAL
ASIAN	259	150	409
BLACK	25	15	40
CAUCASIAN	616	610	1,226
FILIPINO	15	12	27
HAW/PAC	8	6	14
LATINO	42	44	86
INTERNATIONAL	12	5	17
NATIVE AMERICAN	13	14	27
NOT IND	78	70	148
<b>TOTAL</b>	<b>1,068</b>	<b>926</b>	<b>1,994</b>
ALL URM *	88	79	167
STUDENTS OF COLOR**	362	241	603



\* URM = Underrepresented Minorities (i.e., Black, Haw/Pac, Latino & Native American)

\*\* STUDENT OF COLOR = Asian, Black, Filipino, Haw/Pac, Latino & Native American

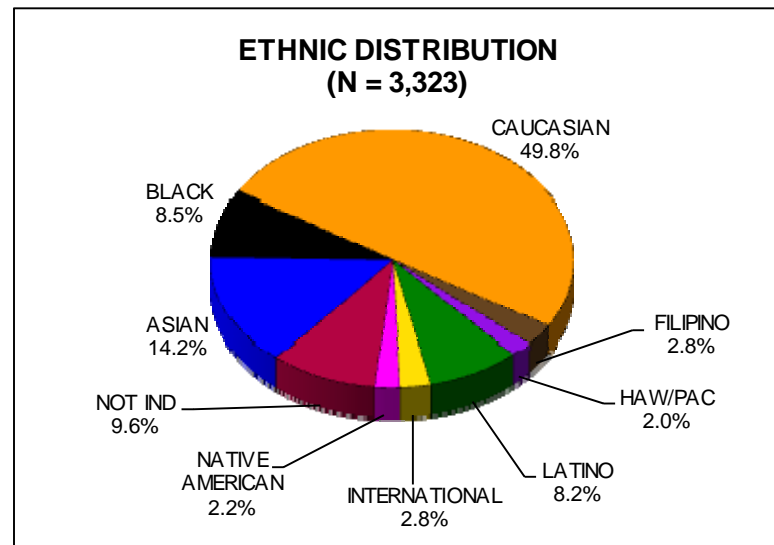
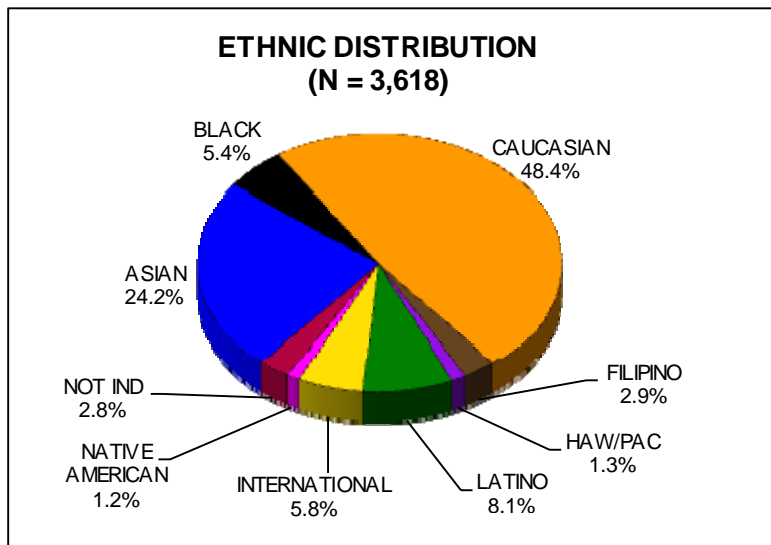
## UNDERGRADUATE ENROLLMENT DATA AS OF THE 10TH DAY OF AUTUMN 2012

### BOTHELL CAMPUS

ETHNICITY	FEMALE	MALE	ALL UW
ASIAN	396	479	875
BLACK	104	91	195
CAUCASIAN	897	854	1,751
FILIPINO	49	55	104
HAW/PAC	23	24	47
LATINO	179	113	292
INTERNATIONAL	95	116	211
NATIVE AMERICAN	20	22	42
NOT IND	48	53	101
<b>TOTAL</b>	<b>1,811</b>	<b>1,807</b>	<b>3,618</b>
ALL URM*	326	250	576
STUDENT OF COLOR**	771	784	1,555

### TACOMA CAMPUS

ETHNICITY	FEMALE	MALE	ALL UW
ASIAN	240	231	471
BLACK	149	132	281
CAUCASIAN	889	765	1,654
FILIPINO	54	39	93
HAW/PAC	42	24	66
LATINO	173	101	274
INTERNATIONAL	37	55	92
NATIVE AMERICAN	46	28	74
NOT IND	159	159	318
<b>TOTAL</b>	<b>1,789</b>	<b>1,534</b>	<b>3,323</b>
ALL URM*	410	285	695
STUDENT OF COLOR**	704	555	1,259



\* URM = Underrepresented Minorities (i.e., Black, Haw/Pac, Latino & Native American)

\*\* STUDENT OF COLOR = Asian, Black, Filipino, Haw/Pac, Latino & Native American

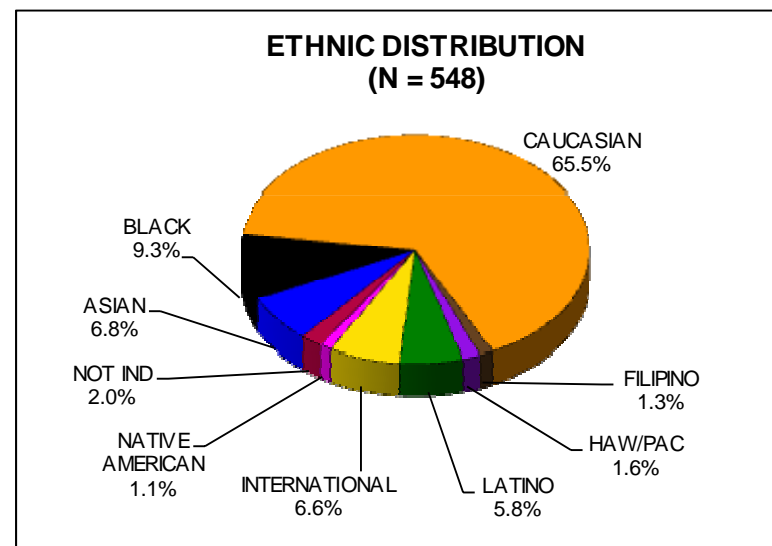
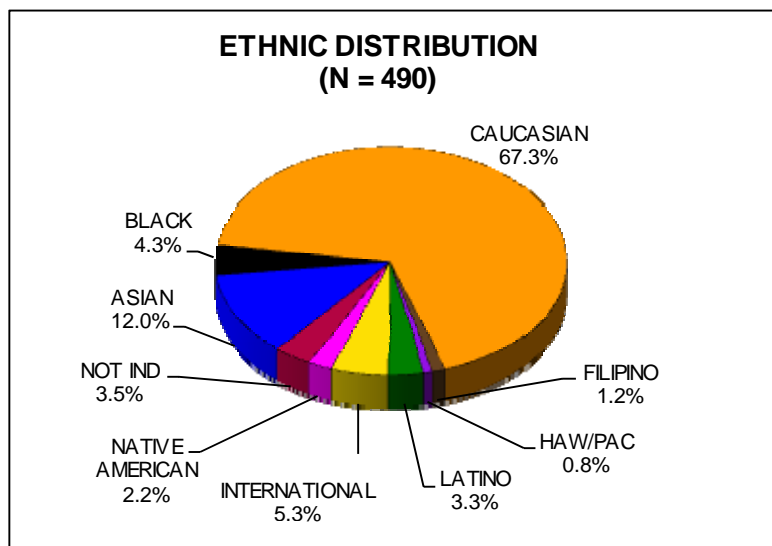
**GRADUATE ENROLLMENT DATA AS OF THE 10TH DAY OF AUTUMN 2012**

**BOTHELL CAMPUS**

ETHNICITY	FEMALE	MALE	ALL UW
ASIAN	24	35	59
BLACK	16	5	21
CAUCASIAN	214	116	330
FILIPINO	5	1	6
HAW/PAC	3	1	4
LATINO	11	5	16
INTERNATIONAL	16	10	26
NATIVE AMERICAN	8	3	11
NOT IND	10	7	17
<b>TOTAL</b>	<b>307</b>	<b>183</b>	<b>490</b>
ALL URM*	38	14	52
STUDENT OF COLOR**	67	50	117

**TACOMA CAMPUS**

ETHNICITY	FEMALE	MALE	ALL UW
ASIAN	23	14	37
BLACK	37	14	51
CAUCASIAN	256	103	359
FILIPINO	5	2	7
HAW/PAC	5	4	9
LATINO	24	8	32
INTERNATIONAL	17	19	36
NATIVE AMERICAN	3	3	6
NOT IND	8	3	11
<b>TOTAL</b>	<b>378</b>	<b>170</b>	<b>548</b>
ALL URM*	69	29	98
STUDENT OF COLOR**	97	45	142

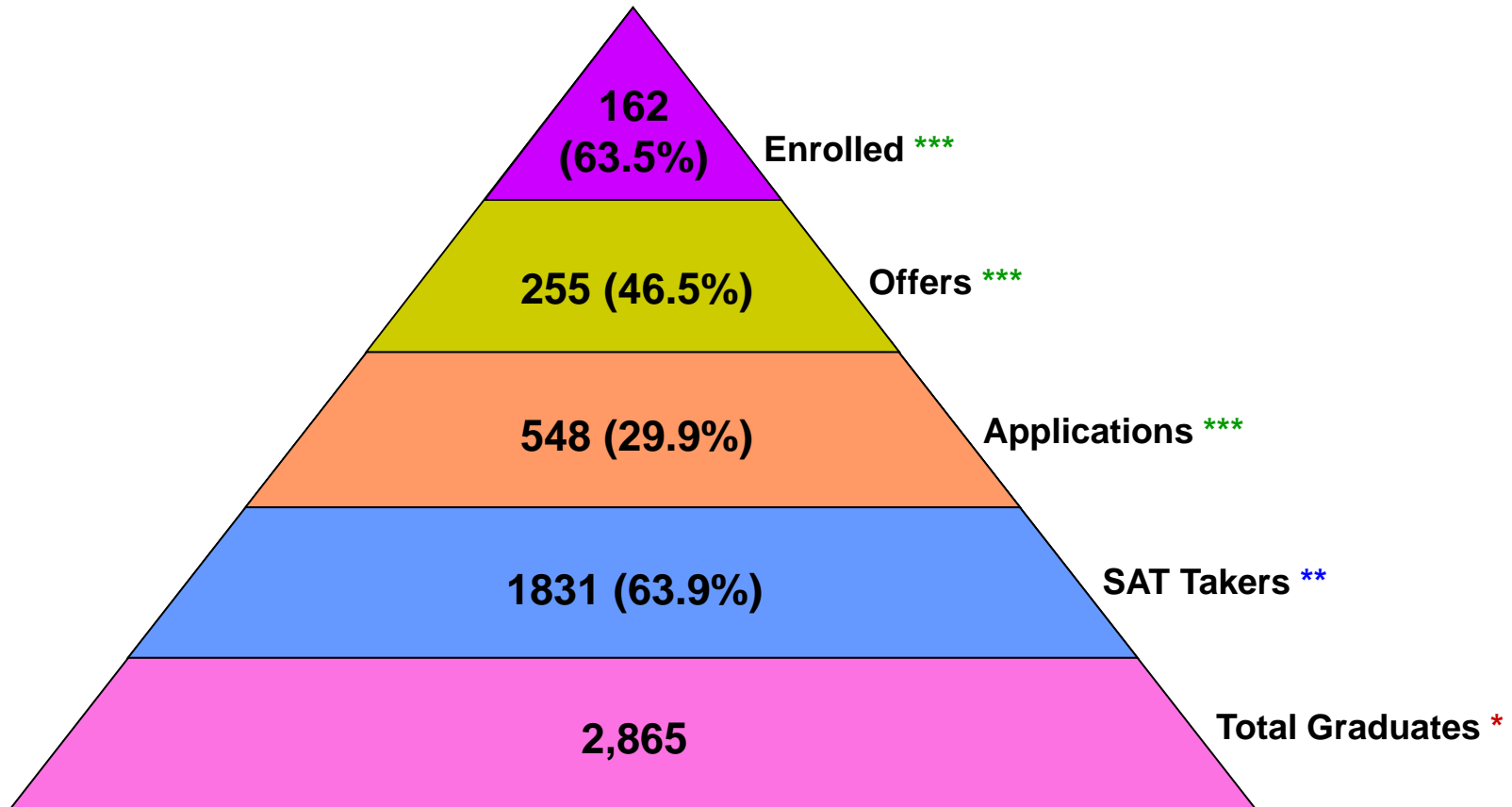


\* URM = Underrepresented Minorities (i.e., Black, Haw/Pac, Latino & Native American)

\*\* STUDENT OF COLOR = Asian, Black, Filipino, Haw/Pac, Latino & Native American

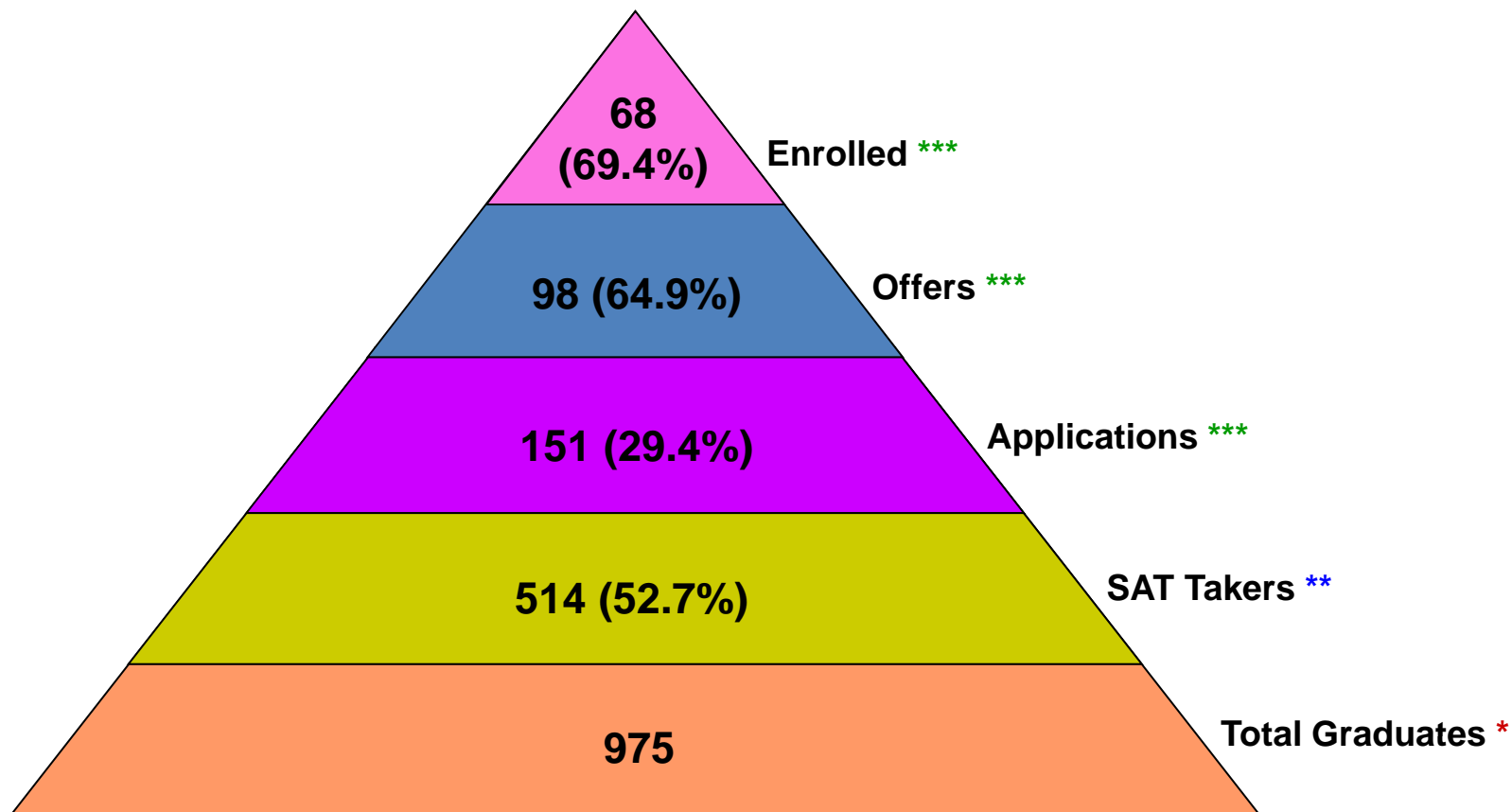


Washington State **Residents** African American Freshman UWS Enrollment Pyramid  
Enrollment Period: 2011



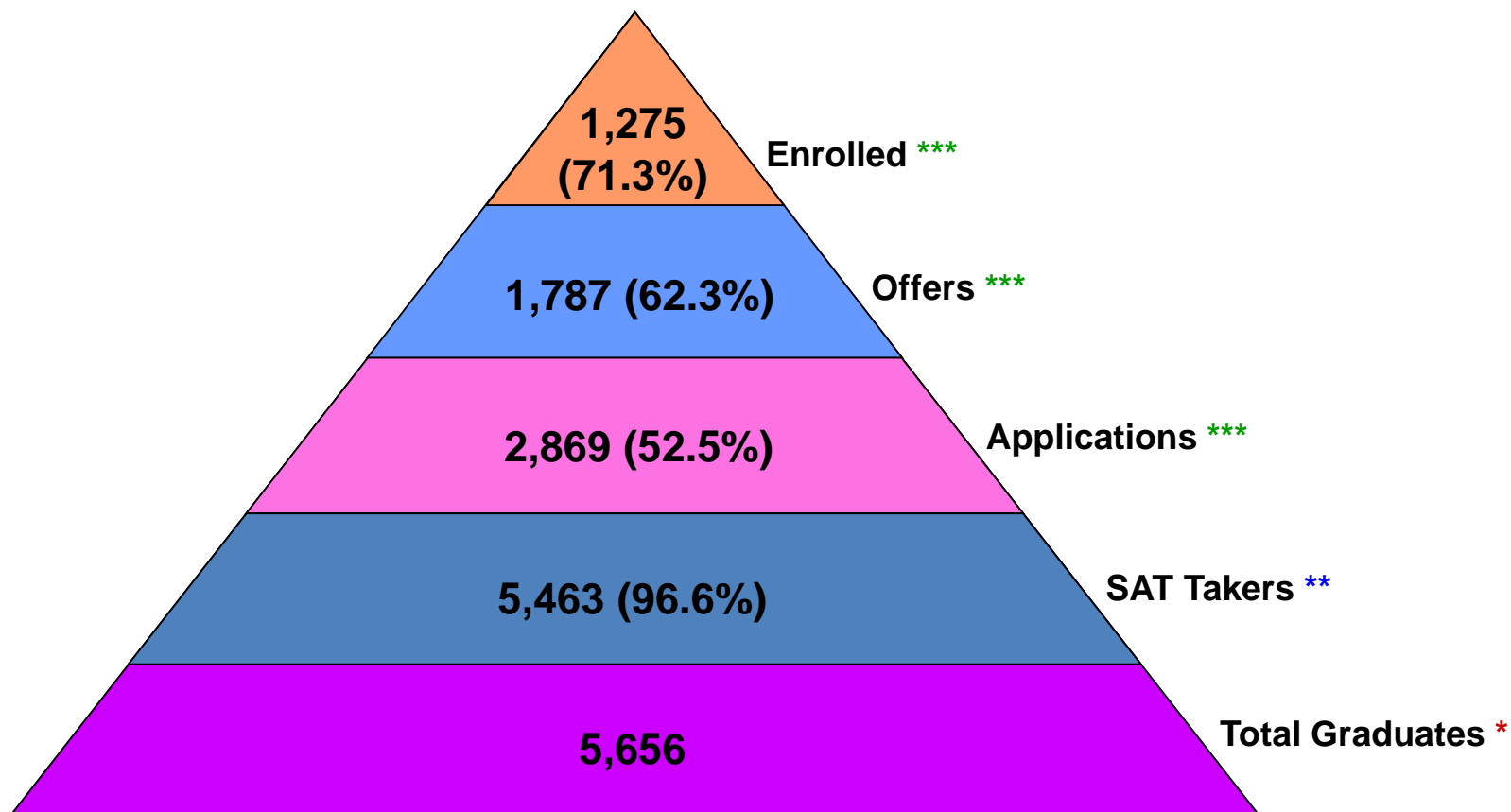
Sources: \* OSPI Graduation & Drop-out Statistics, class of 2011  
\*\* College Board SAT Connect to College Success, year 2011  
\*\*\* UW Data Management Office

Washington State **Residents** Native American Freshman UWS Enrollment Pyramid  
Enrollment Period: 2011



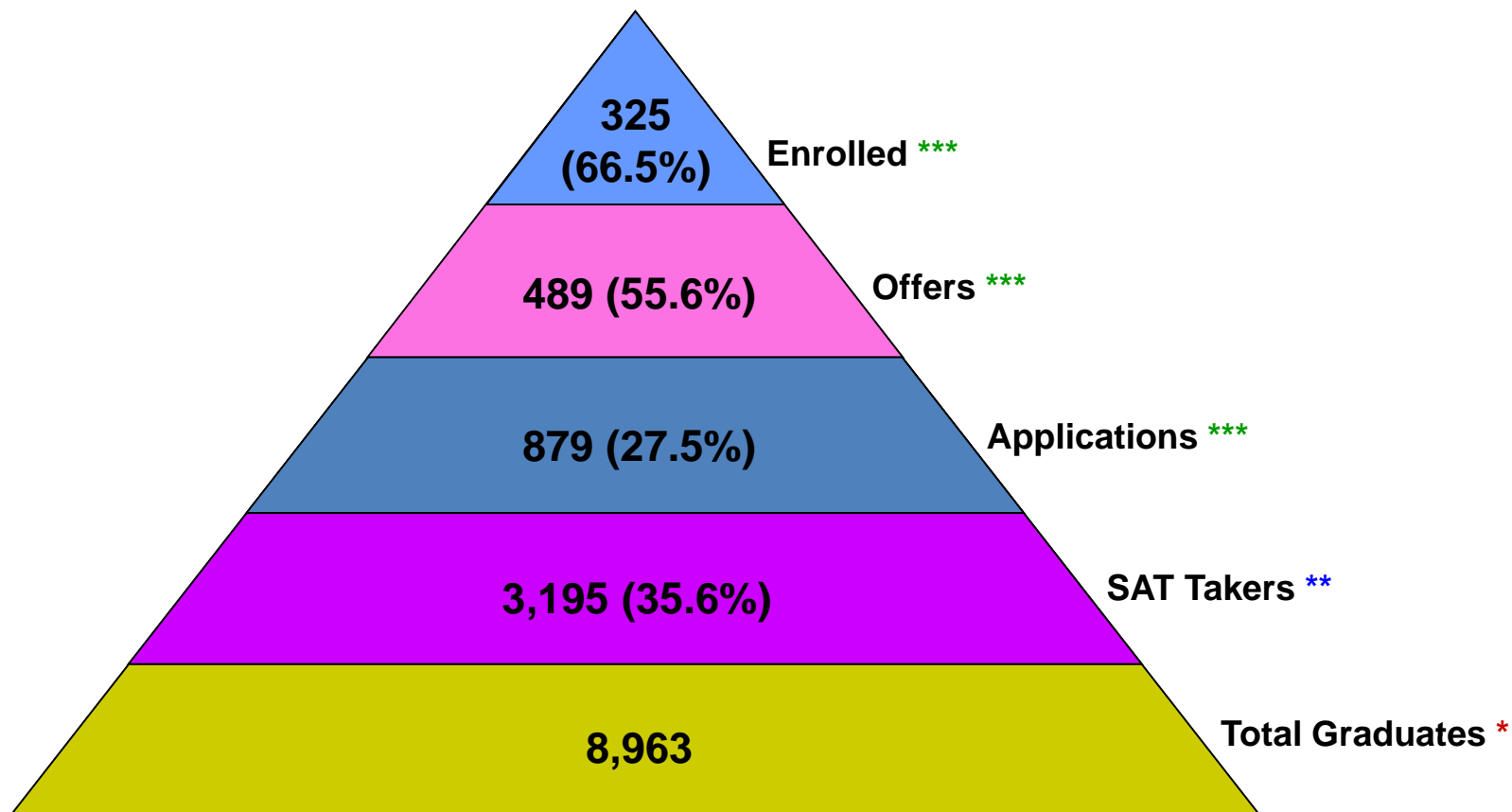
Sources: \* OSPI Graduation & Drop-out Statistics, class of 2011  
\*\* College Board SAT Connect to College Success, year 2011  
\*\*\* UW Data Management Office

### Washington State **Residents** Asian/Pacific Islander Freshman UWS Enrollment Pyramid Enrollment Period: 2011



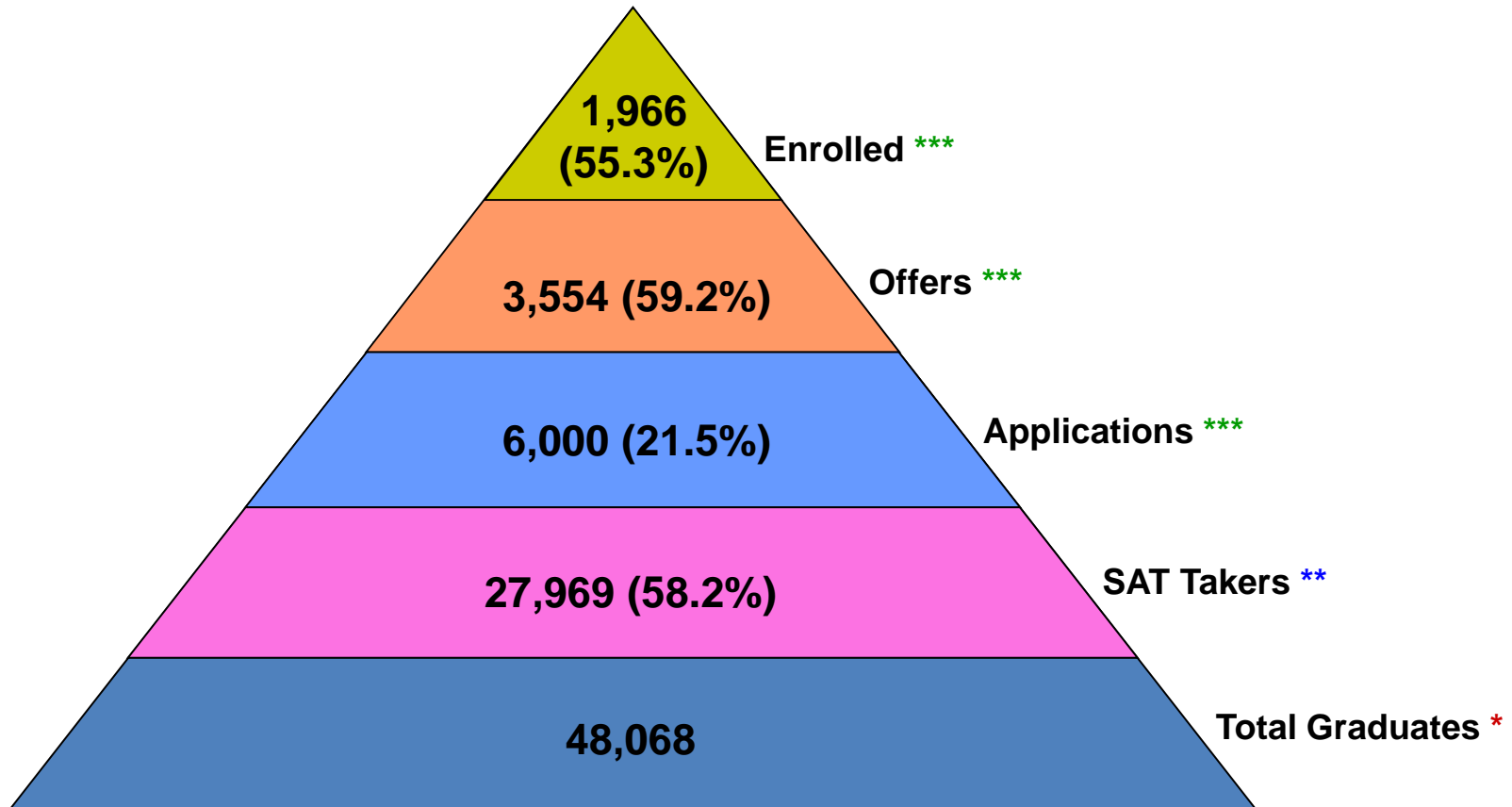
Sources: \* OSPI Graduation & Drop-out Statistics, class of 2011  
\*\* College Board SAT Connect to College Success, year 2011  
\*\*\* UW Data Management Office

### Washington State **Residents** Latino Freshman UWS Enrollment Pyramid Enrollment Period: 2011



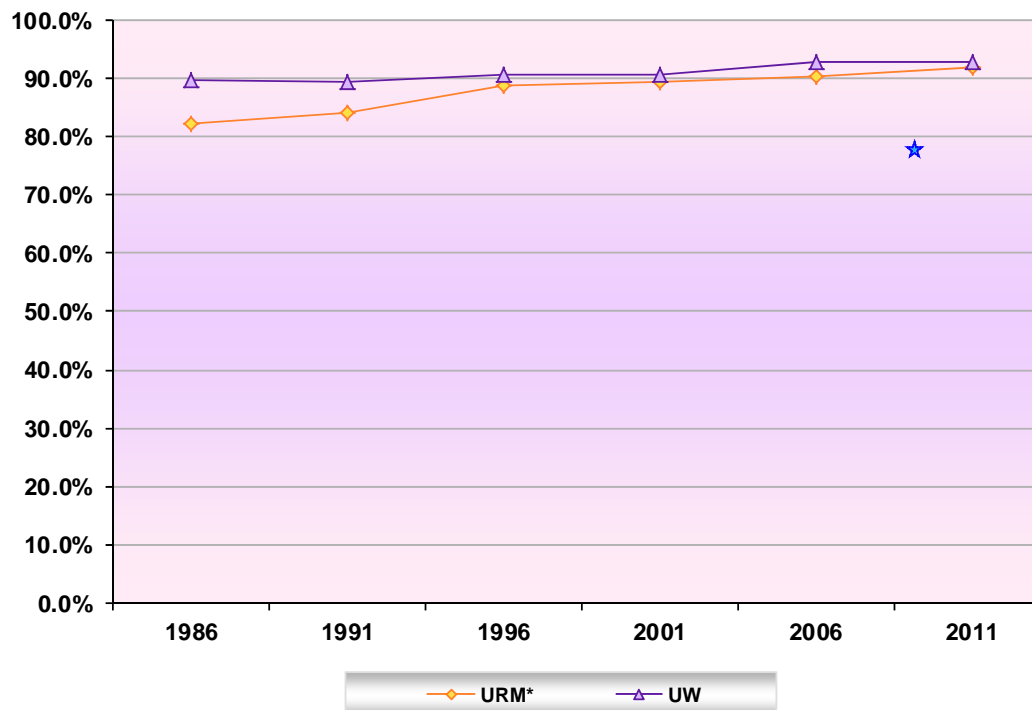
Sources: \* OSPI Graduation & Drop-out Statistics, class of 2011  
\*\* College Board SAT Connect to College Success, year 2011  
\*\*\* UW Data Management Office

Washington State **Residents** White/Not Indicated Freshman UWS Enrollment Pyramid  
Enrollment Period: 2011



Sources: \* OSPI Graduation & Drop-out Statistics, class of 2011  
\*\* College Board SAT Connect to College Success, year 2011  
\*\*\* UW Data Management Office

**SEATTLE CAMPUS**  
**1st-Year Retention Rates (Entering Freshman Cohorts) at 5-Year Intervals**  
**URM\* vs Student Body**  
**Cohort Years: 1986, 1991, 1996, 2001, 2006, and 2011**



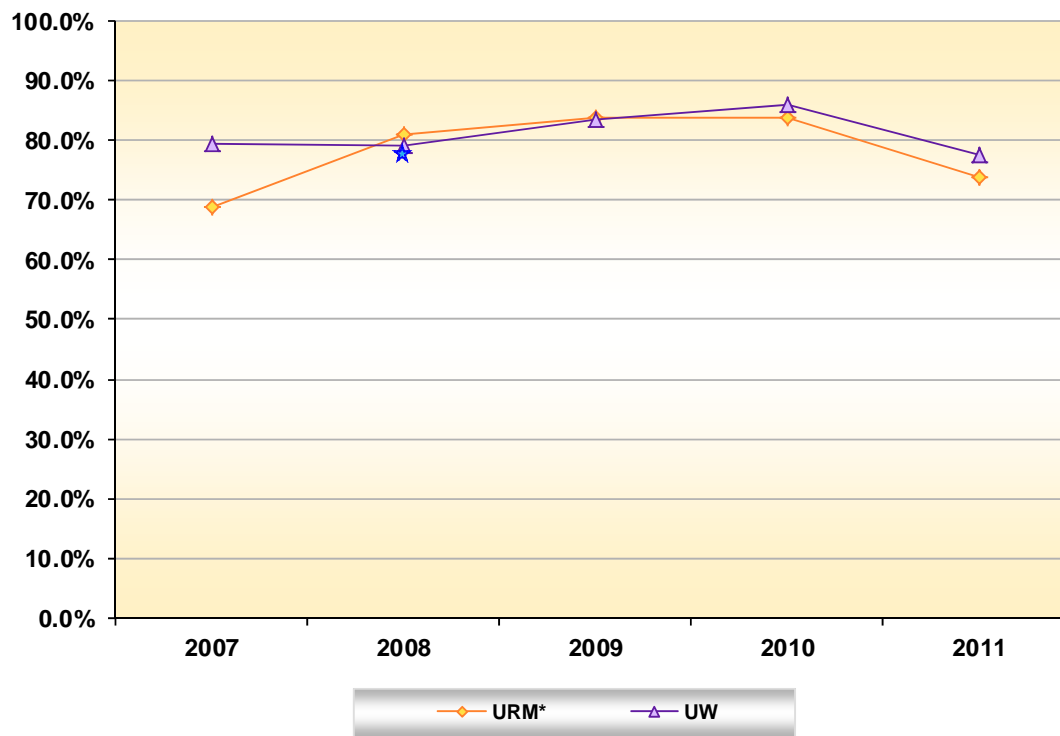
★ 2008 = 78.6% NATIONAL AVERAGE\*\*

YEAR	URM*	UW
1986	82.1%	89.8%
1991	84.2%	89.5%
1996	88.8%	90.7%
2001	89.5%	90.5%
2006	90.2%	92.9%
2011	91.8%	92.9%

URM\* = Underrepresented Minorities (i.e., Black, Hawaiian/Pacific Islander, Latino, and Native American)

\*\*Source: Enrollment in Postsecondary Institutions, Fall 2009; Graduation Rates, 2003 & 2006 Cohorts; and Financial Statistics, Fiscal Year 2009, First Look NCES-2011

**BOTHELL CAMPUS**  
**1st-Year Retention Rates (Entering Freshman Cohorts) Trend**  
**URM\* vs Student Body**  
**Cohort Years: 2007, 2008, 2009, 2010 and 2011**



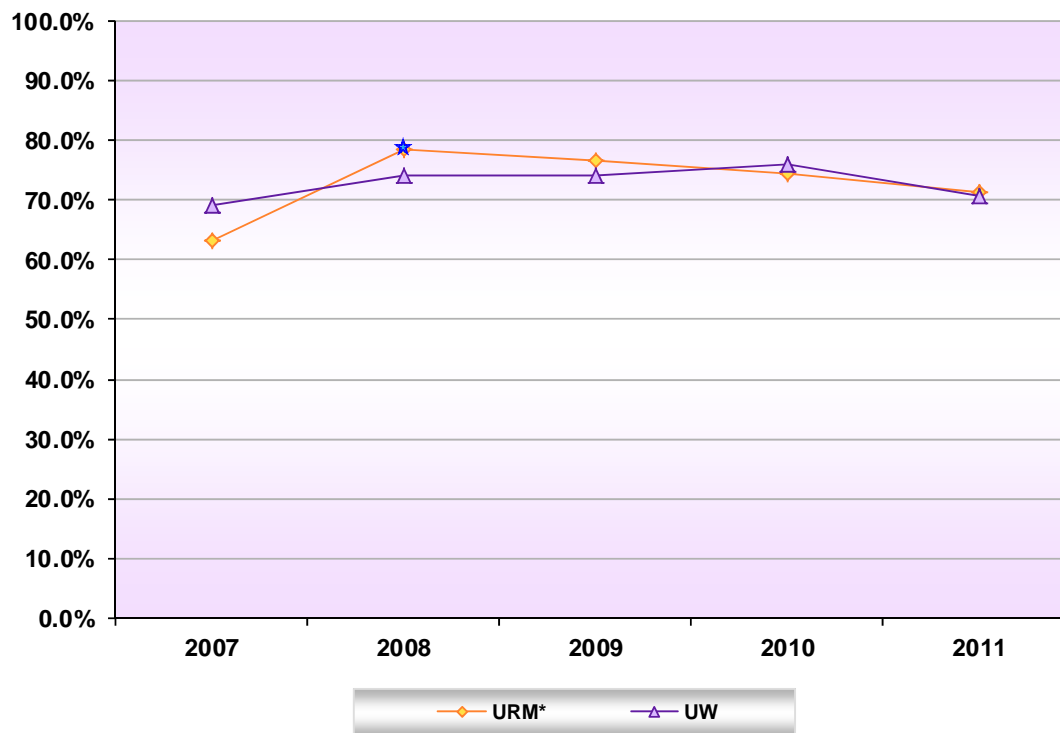
★ 2008 = 78.6% NATIONAL AVERAGE\*\*

YEAR	URM*	UW
2007	68.8%	79.5%
2008	81.0%	79.0%
2009	83.7%	83.5%
2010	83.8%	85.9%
2011	74.0%	77.5%

URM\* = Underrepresented Minorities (i.e., Black, Hawaiian/Pacific Islander, Latino, and Native American)

\*\*Source: Enrollment in Postsecondary Institutions, Fall 2009; Graduation Rates, 2003 & 2006 Cohorts; and Financial Statistics, Fiscal Year 2009, First Look NCES-2011

**TACOMA CAMPUS**  
**1st-Year Retention Rates (Entering Freshman Cohorts) Trend**  
**URM\* vs Student Body**  
**Cohort Years: 2007, 2008, 2009, 2010 and 2011**



★ 2008 = 78.6% NATIONAL AVERAGE\*\*

YEAR	URM*	UW
2007	63.3%	69.0%
2008	78.4%	74.2%
2009	76.7%	74.0%
2010	74.6%	76.0%
2011	71.4%	70.6%

URM\* = Underrepresented Minorities (i.e., Black, Hawaiian/Pacific Islander, Latino, and Native American)

\*\*Source: Enrollment in Postsecondary Institutions, Fall 2009; Graduation Rates, 2003 & 2006 Cohorts; and Financial Statistics, Fiscal Year 2009, First Look NCES-2011



**UW SEATTLE  
6-YR GRADUATION RATES OF 2006 COHORT**

ETHNICITY	Freshman Cohort			Transfer Cohort		
	Cohort	Grad Data		Cohort	Grad Data	
ASIAN	1,400	1,159	82.8%	234	200	85.5%
BLACK	155	111	71.6%	76	57	75.0%
CAUCASIAN	2,899	2,315	79.9%	809	677	83.7%
FILIPINO	137	108	78.8%	24	19	79.2%
HAW/PAC	36	20	55.6%	4	4	100.0%
LATINO	309	236	76.4%	84	65	77.4%
INTERNATIONAL	138	108	78.3%	279	135	48.4%
NATIVE AMERICAN	70	48	68.6%	25	21	84.0%
NOT IND	252	202	80.2%	126	100	79.4%
<b>TOTAL</b>	<b>5,396</b>	<b>4,307</b>	<b>79.8%</b>	<b>1,661</b>	<b>1,278</b>	<b>76.9%</b>
<b>URM**</b>	<b>570</b>	<b>415</b>	<b>72.8%</b>	<b>189</b>	<b>147</b>	<b>77.8%</b>

URM\*\* = Underrepresented Minorities (i.e., Black, Hawaiian/Pacific Islander, Latino & Native American)

**UW BOTHELL  
6-YR GRADUATION RATES OF 2006 COHORT**

ETHNICITY	Freshman Cohort			Transfer Cohort		
	Cohort	Grad Data		Cohort	Grad Data	
ASIAN	39	26	66.7%	27	22	81.5%
BLACK	7	5	71.4%	10	7	70.0%
CAUCASIAN	56	35	62.5%	206	176	85.4%
FILIPINO	5	2	40.0%	6	5	83.3%
HAW/PAC	1	1	100.0%	3	2	66.7%
LATINO	11	6	54.5%	19	17	89.5%
INTERNATIONAL	1	1	100.0%	3	3	100.0%
NATIVE AMERICAN	1	1	100.0%	4	4	100.0%
NOT IND	11	6	54.5%	56	49	87.5%
<b>TOTAL</b>	<b>132</b>	<b>83</b>	<b>62.9%</b>	<b>334</b>	<b>285</b>	<b>85.3%</b>
<b>URM**</b>	<b>20</b>	<b>13</b>	<b>65.0%</b>	<b>36</b>	<b>30</b>	<b>83.3%</b>

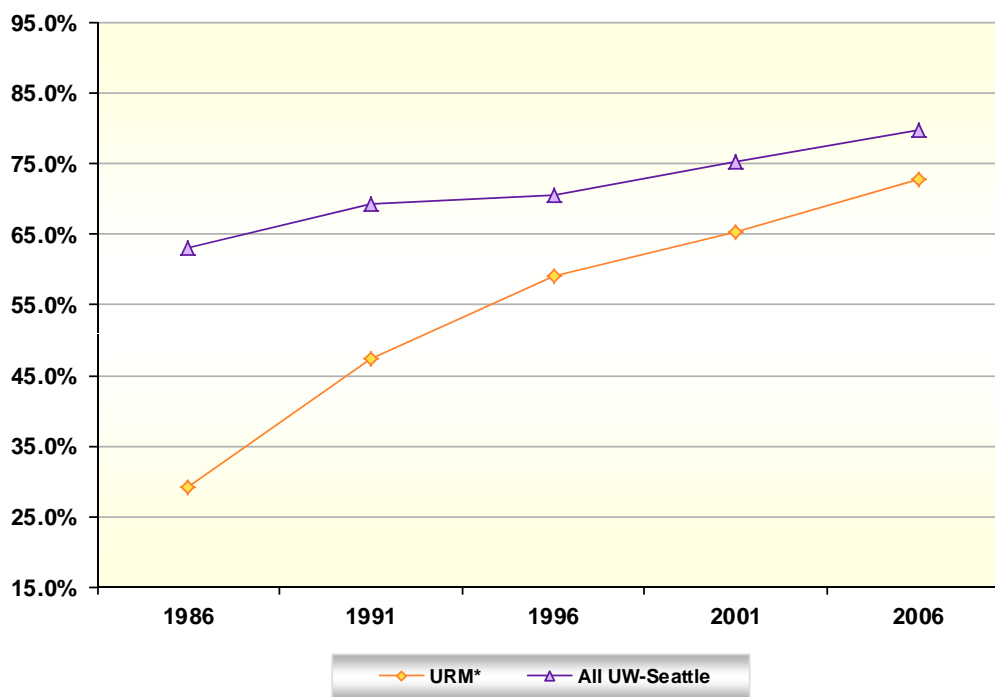
URM\*\* = Underrepresented Minorities (i.e., Black, Hawaiian/Pacific Islander, Latino & Native American)

**UW TACOMA  
6-YR GRADUATION RATES OF 2006 COHORT**

ETHNICITY	Freshman Cohort			Transfer Cohort		
	Cohort	Grad Data		Cohort	Grad Data	
ASIAN	34	19	55.9%	47	40	85.1%
BLACK	21	6	28.6%	29	23	79.3%
CAUCASIAN	72	39	54.2%	318	257	80.8%
FILIPINO	14	2	14.3%	18	13	72.2%
HAW/PAC	3	0	0.0%	3	3	100.0%
LATINO	12	6	50.0%	32	26	81.3%
INTERNATIONAL						
NATIVE AMERICAN	3	1	33.3%	8	8	100.0%
NOT IND	30	12	40.0%	86	63	73.3%
<b>TOTAL</b>	<b>189</b>	<b>85</b>	<b>45.0%</b>	<b>541</b>	<b>433</b>	<b>80.0%</b>
<b>URM**</b>	<b>39</b>	<b>13</b>	<b>33.3%</b>	<b>72</b>	<b>60</b>	<b>83.3%</b>

URM\*\* = Underrepresented Minorities (i.e., Black, Hawaiian/Pacific Islander, Latino & Native American)

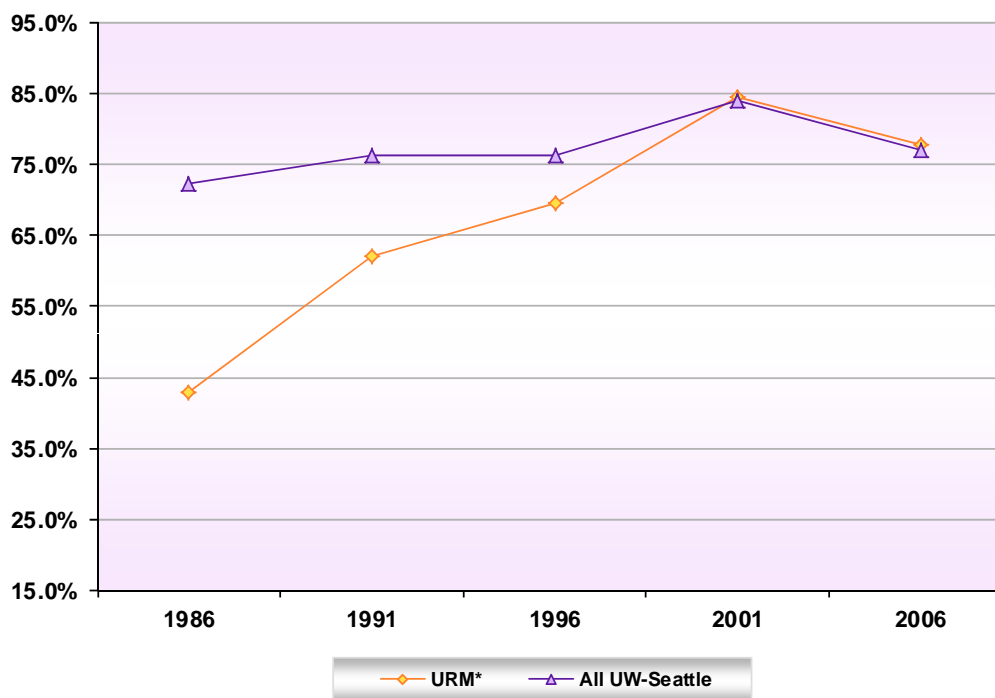
**SEATTLE CAMPUS**  
**6-Year Graduation Rates (Entering Freshman Cohorts) at 5-Year Intervals**  
**URM\* vs Student Body**  
**Cohort Years: 1986, 1991, 1996, 2001, and 2006**



YEAR	URM*	All UW-Seattle
1986	29.2%	63.2%
1991	47.5%	69.3%
1996	59.2%	70.5%
2001	65.3%	75.3%
2006	72.8%	79.8%

URM\* = Underrepresented Minorities (i.e., Black, Hawaiian/Pacific Islander, Latino, and Native American)

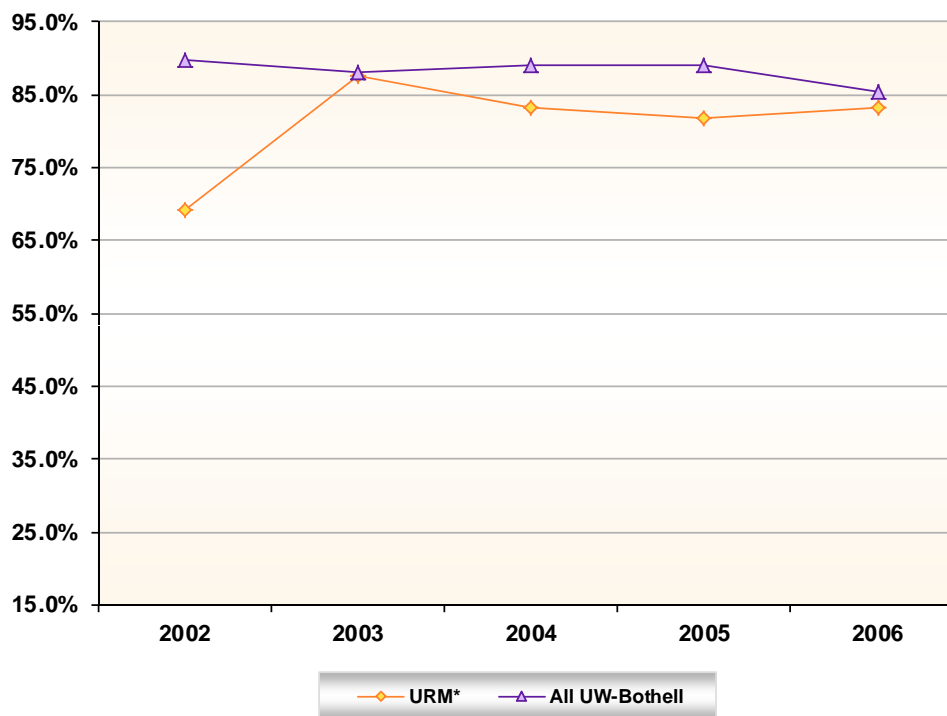
**SEATTLE CAMPUS**  
**6-Year Graduation Rates (Entering Transfer Cohorts) at 5-Year Intervals**  
**URM\* vs Student Body**  
**Cohort Years: 1986, 1991, 1996, 2001, and 2006**



YEAR	URM*	All UW-Seattle
1986	42.9%	72.3%
1991	62.0%	76.4%
1996	69.5%	76.2%
2001	84.4%	84.1%
2006	77.8%	76.9%

URM\* = Underrepresented Minorities (i.e., Black, Hawaiian/Pacific Islander, Latino, and Native American)

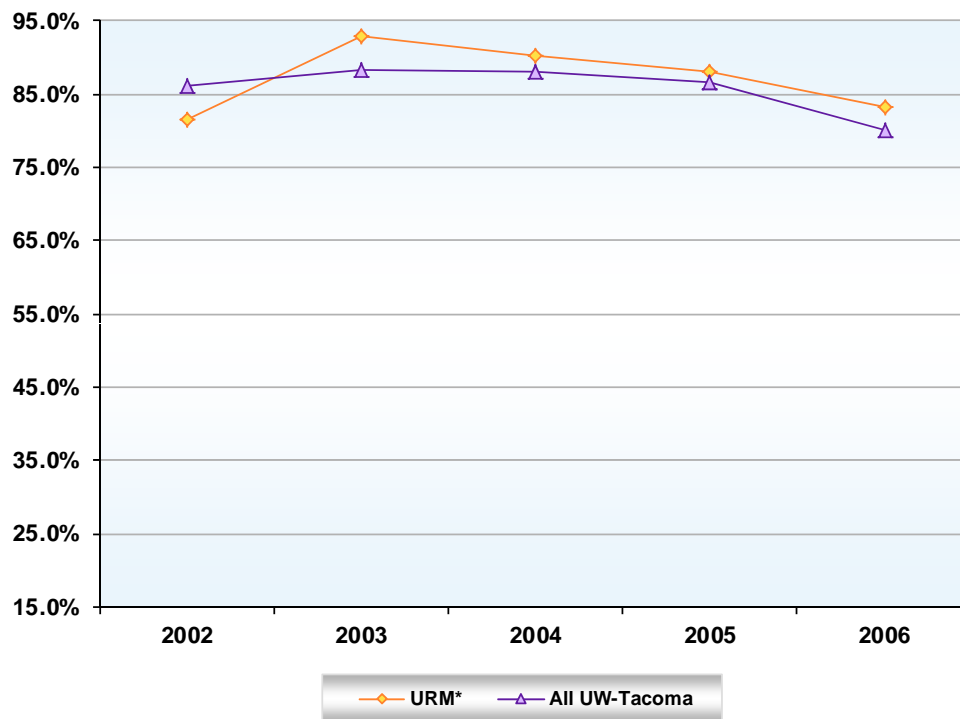
**BOTHELL CAMPUS**  
**6-Year Graduation Rates (Entering Transfer Cohorts)**  
**URM\* vs Student Body**  
**Cohort Years: 2002, 2003, 2004, 2005 and 2006**



YEAR	URM*	All UW-Bothell
2002	69.2%	89.8%
2003	87.5%	88.2%
2004	83.3%	89.0%
2005	81.8%	89.1%
2006	83.3%	85.3%

URM\* = Underrepresented Minorities (i.e., Black, Hawaiian/Pacific Islander, Latino, and Native American)

**TACOMA CAMPUS  
6-Year Graduation Rates (Entering Transfer Cohorts)  
URM\* vs Student Body  
Cohort Years: 2002, 2003, 2004, 2005 and 2006**



YEAR	URM*	All UW-Tacoma
2002	81.6%	86.2%
2003	92.9%	88.2%
2004	90.2%	88.1%
2005	88.0%	86.5%
2006	83.3%	80.0%

URM\* = Underrepresented Minorities (i.e., Black, Hawaiian/Pacific Islander, Latino, and Native American)

Pre-college programs are a great way for prospective students to get engaged with the University of Washington (UW), identify and explore career pathways, and get introduced to college preparation and planning.

The Office of Minority Affairs and Diversity's Recruitment and Outreach Unit wants to help you identify resources on campus that can help prepare you for your future. Below is a list of pre-college programs and resources on campus as well as state and nation-wide college and career planning tools. It is never too early to start exploring!

<b>UW Pre-College Programs</b>	<b>Website</b>	<b>Short Description</b>
College of Engineering K-12 Programs	<a href="http://www.engr.washington.edu/alumcomm/k12.html">http://www.engr.washington.edu/alumcomm/k12.html</a>	Provides programs that introduce elementary through high school age students to the world of engineering with a particular emphasis on reaching underrepresented populations.
School of Medicine's Summer U-DOC Program	<a href="http://depts.washington.edu/omca/leadership/UDOC.html">http://depts.washington.edu/omca/leadership/UDOC.html</a>	A high school summer enrichment program for students from disadvantaged backgrounds and/or students underrepresented in medicine that seeks to foster, affirm and encourage students' interest in the healthcare professions.
Young Executives of Color (YEOC)	<a href="http://www.foster.washington.edu/academic/undergrad/Pages/YEOC.aspx">http://www.foster.washington.edu/academic/undergrad/Pages/YEOC.aspx</a>	A nine-month college pipeline program focused on assisting high school students of color in a comprehensive curriculum including: college readiness, professional development and leadership activities, and lectures rooted in business disciplines.
Dream Project	<a href="http://depts.washington.edu/uwdmproj/">http://depts.washington.edu/uwdmproj/</a>	Offers assistance on the college admissions process to high school students from 16 selected schools in the Seattle area.
Women's Center Making Connections Program	<a href="http://depts.washington.edu/womenctr/programs/making-connections/program-overview/">http://depts.washington.edu/womenctr/programs/making-connections/program-overview/</a>	Provides educational resources for high school students including monthly meetings, mentoring, tutoring, college admission preparation, campus visits, corporate visits, and scholarship programs.
Native Youth Enrichment Program	<a href="http://www.iwri.org/nyep/">http://www.iwri.org/nyep/</a>	Offers a 4-week summer program focused on science, technology, engineering, and math (STEM) career pathways for 7 <sup>th</sup> -10 <sup>th</sup> grade students from the Seattle area school districts.
DO-IT	<a href="http://www.washington.edu/doit/Student/college.html">http://www.washington.edu/doit/Student/college.html</a>	Offers information and support for students with disabilities looking to transition from high school to college.
Street Law	<a href="http://www.law.washington.edu/streetlaw">http://www.law.washington.edu/streetlaw</a>	Taught by current UW Law students, the program engages high school students from Seattle Public Schools in a critical examination of their legal responsibilities and rights.
Accounting Career Awareness Summer Residency Program	<a href="http://www.acapseattle.org/">http://www.acapseattle.org/</a>	Offers a one-week program for Sophomores, Juniors or Seniors in high school at the University of Washington School of Business. It introduces the students to accounting, finance, economics and management.

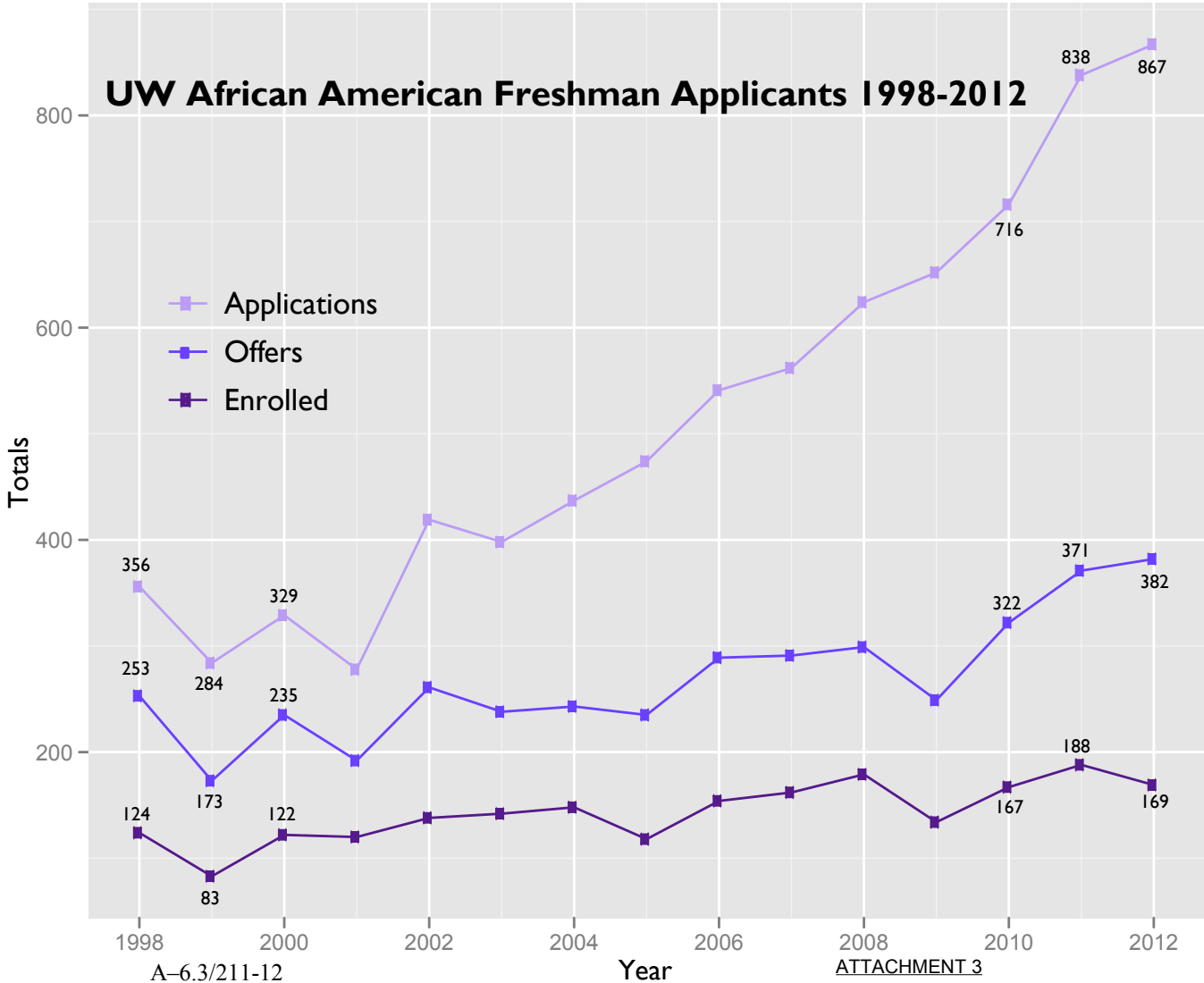


Seattle Digital Literacy Initiative Summer Institute	<a href="http://www.seattledigitalliteracy.org/">http://www.seattledigitalliteracy.org/</a>	Offers a weeklong intensive Summer Institute hosted by the University of Washington and administered by the Common Language Project. Provides courses in audio and video production, web tools such as blogging and online writing, and basic media editing software.
Nurse Camp	<a href="http://nursing.uw.edu/nursecamp">http://nursing.uw.edu/nursecamp</a>	Offers a free week-long program for high school sophomores or juniors interested in exploring the nursing field with a particular emphasis in increasing access and opportunities in nursing to minority and low-income students.
Summer Youth Programs	<a href="http://www.summer-camp.uw.edu/">http://www.summer-camp.uw.edu/</a>	Offers a variety of summer courses and day camps for students in K-12.

Check out these links to learn about lots of other programs and tools to help you with college planning!

Other Pre-College Resources	Website	Short Description
Office of Minority Affairs & Diversity Pre-College & Recruitment	<a href="http://depts.washington.edu/omad/">http://depts.washington.edu/omad/</a>	Offers a variety of programs across WA state for first-generation, economically disadvantaged, and underrepresented minority students.
UW K-12 Resource Guide	<a href="http://www.outreach.washington.edu/k12guide/">http://www.outreach.washington.edu/k12guide/</a>	A database of educational resources for students, families, teachers, schools, and administrators.
UW College of Arts and Sciences Teaching and Learning Engagement (CASTLE)	<a href="http://www.artsci.washington.edu/castle/">http://www.artsci.washington.edu/castle/</a>	An online web resource that highlights k-12 UW campus efforts that provide support for students, teacher education, and collaborative learning.
UW School of Medicine Office of Multicultural Affairs: Pathway in Health Careers Guide	<a href="http://depts.washington.edu/omca/new/images/PdfFile/APathWithPromise2.pdf">http://depts.washington.edu/omca/new/images/PdfFile/APathWithPromise2.pdf</a>	Provides information on high school/college summer programs, premedical, pre-dental, pre-nursing information, and volunteer opportunities.
Washington State Higher Education Coordinating Board	<a href="http://www.hecb.wa.gov/">http://www.hecb.wa.gov/</a>	The Higher Education Coordinating Board is a center for thought, policy development, and action on behalf of students and higher education institutions in Washington, working to ensure greater levels of access, affordability, excellence, and accountability.
Washington State GEAR UP	<a href="http://www.gearup.wa.gov/">http://www.gearup.wa.gov/</a>	Provides tools, tips, and advice on college planning for middle school and high school students.
KnowHow2GO	<a href="http://www.knowhow2go.org/">http://www.knowhow2go.org/</a>	Provides resources and information about college planning for middle school and high school students.
College Board: You Can Go!	<a href="http://youcango.collegeboard.org/">http://youcango.collegeboard.org/</a>	Provides college planning tools for middle school and high school students.

# UW African American Freshman Applicants 1998-2012



# UW Pacific Islander Freshman Applicants 2000-2012

- Applications
- Offers
- Enrolled

Totals

2000

A-6.3/211-12  
11/8/12

2002

2004

Year

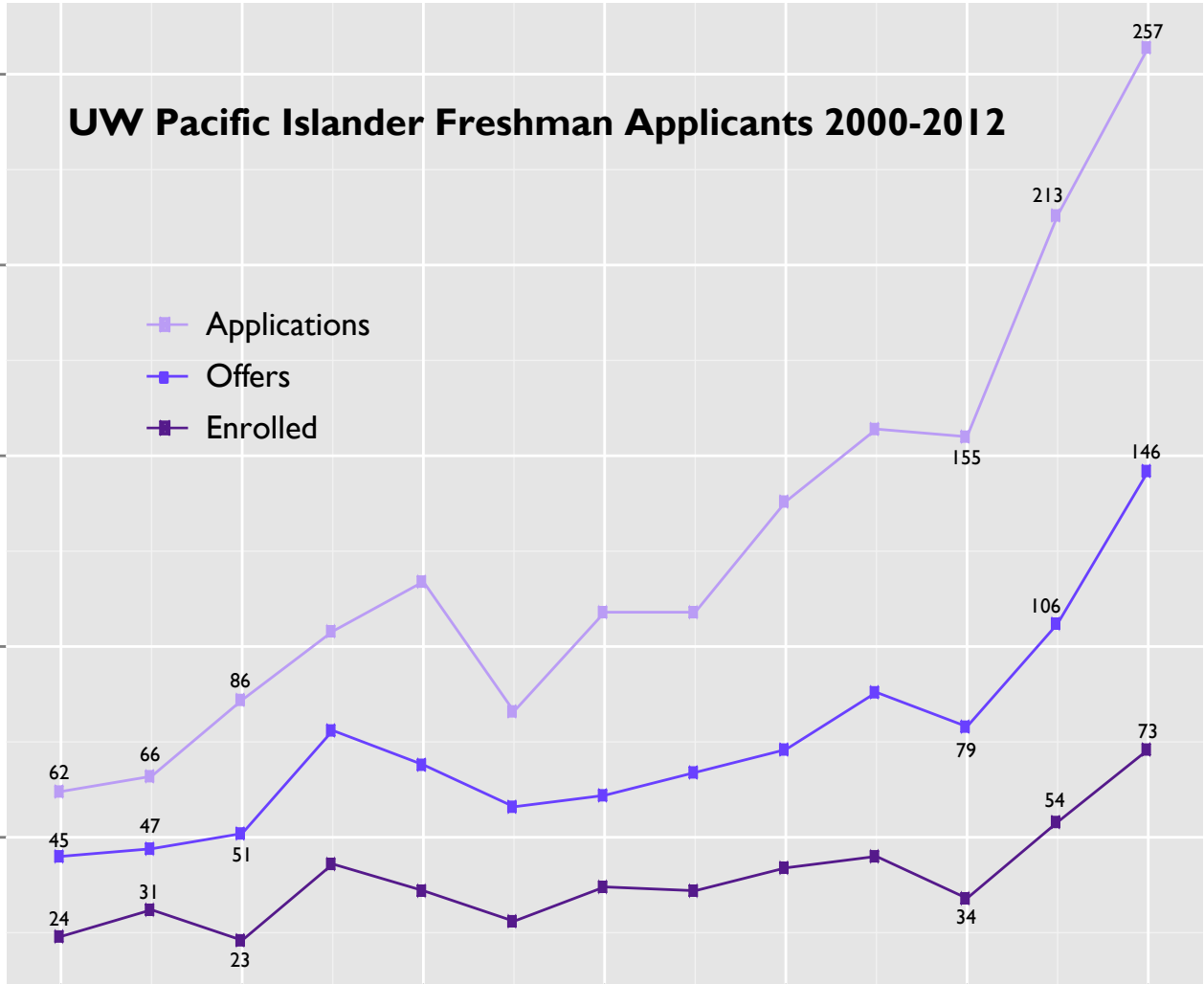
2006

2008

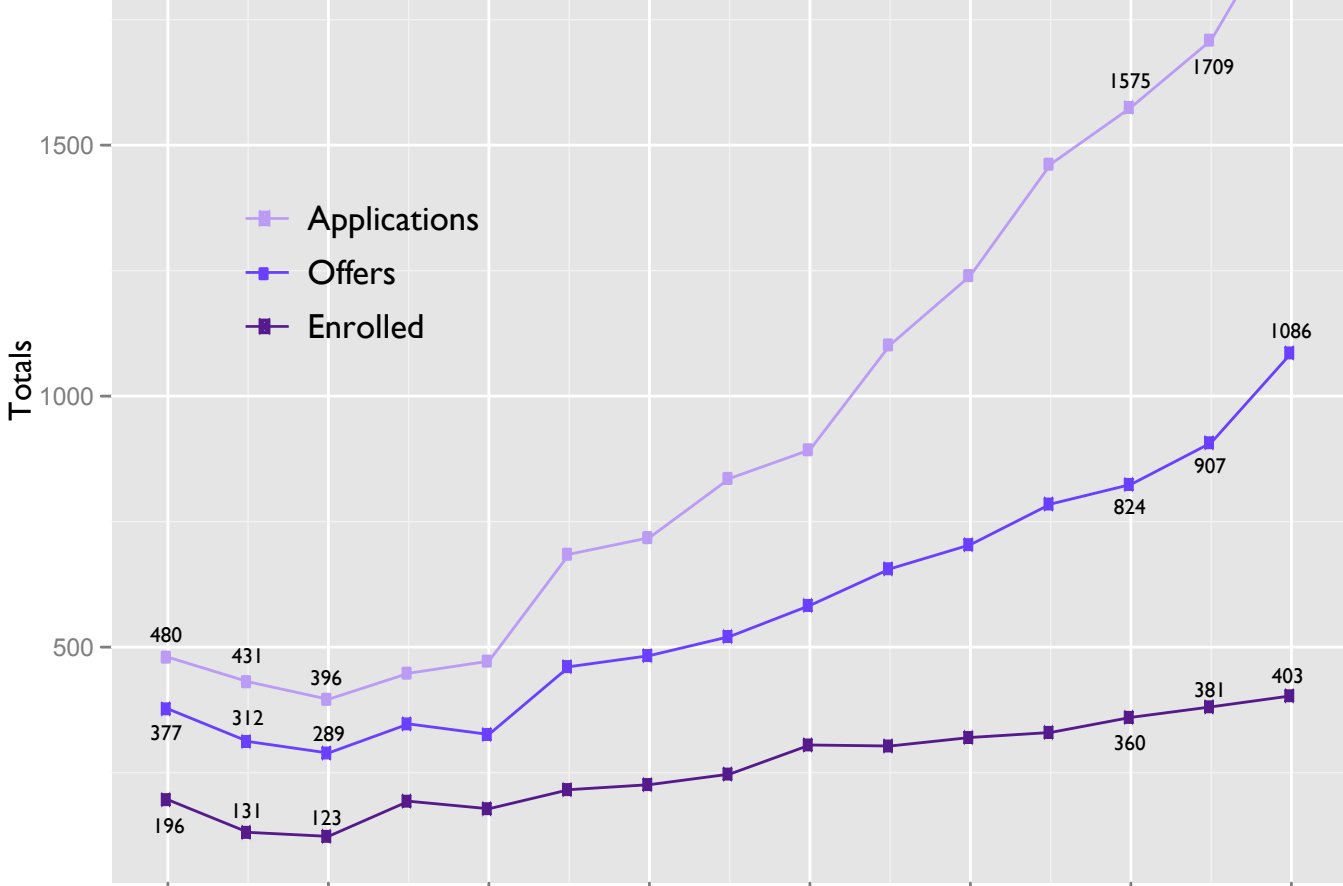
2010

2012

Page 2 of 4



# UW Latino Freshman Applicants 1998-2012



# Diversity at the University of Washington

UW Board of Regents Discussion  
November 8, 2012

# Overview

- Diversity in the Student Body at UW
- Faculty of Color at UW
- Questions and Discussion

# Diversity in Post-I200 Climate

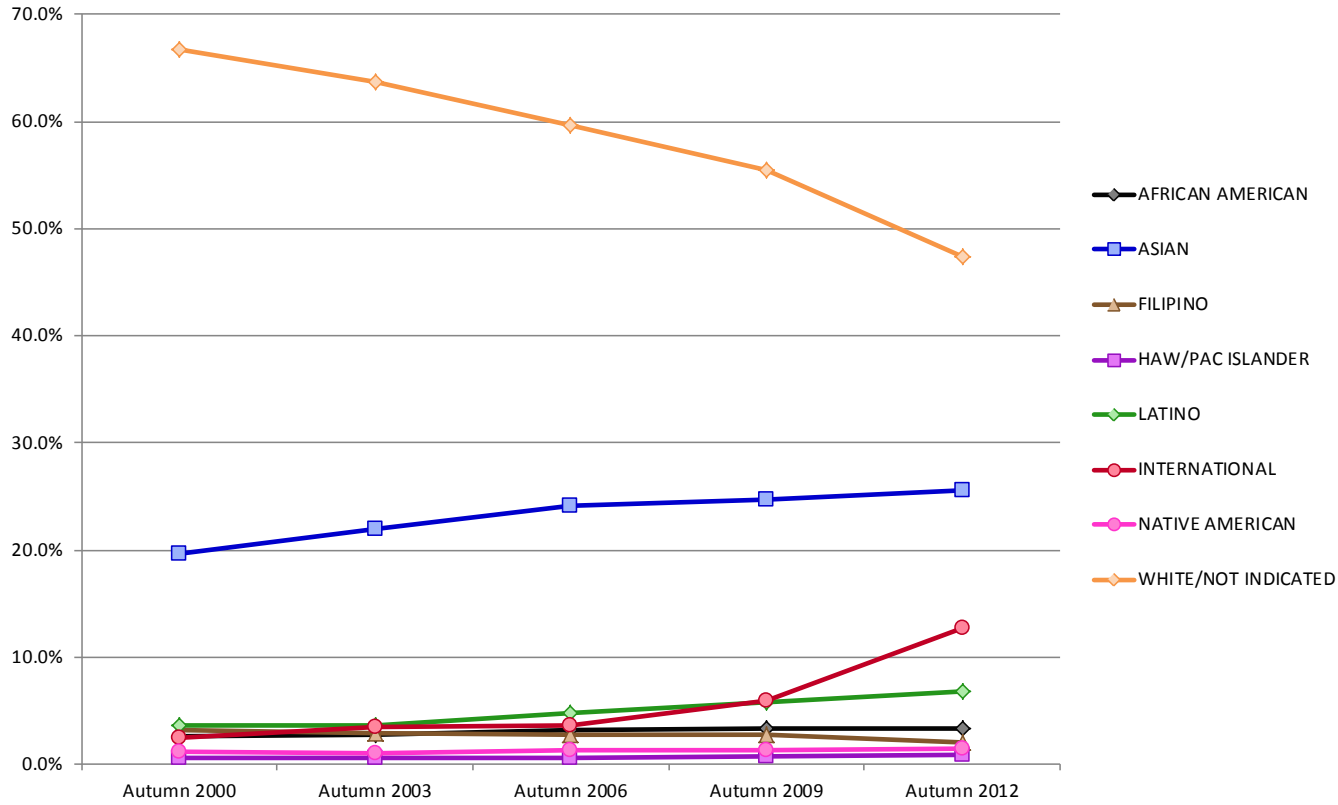
- Immediately after passage in 1998, the Regents adopted new policies on student recruitment and retention, employment, and financial aid
- Since then UW has:
  - Become more explicit about diversity as a core institutional value
  - Shifted its definition of diversity to be broader than race/ethnicity
  - Moved beyond access to an increased focus on retention, student success and institutional transformation
  - Enhanced assessment and data collection on student outcomes
  - Encouraged campus wide engagement on diversity practices and priorities

# Student Outreach & Recruitment

- UW leadership authorized an aggressive outreach and recruitment program to both build the pool of URM students who apply for and accept an offer of admission to the Seattle campus
- Over the past five years, the number of applications received from underrepresented students for Admission at the Seattle campus has increased by 70%, the number of offers have increased by 60% and UW freshman underrepresented enrollment has increased by 29%
- Current UW students are important contributors to outreach and recruitment initiatives

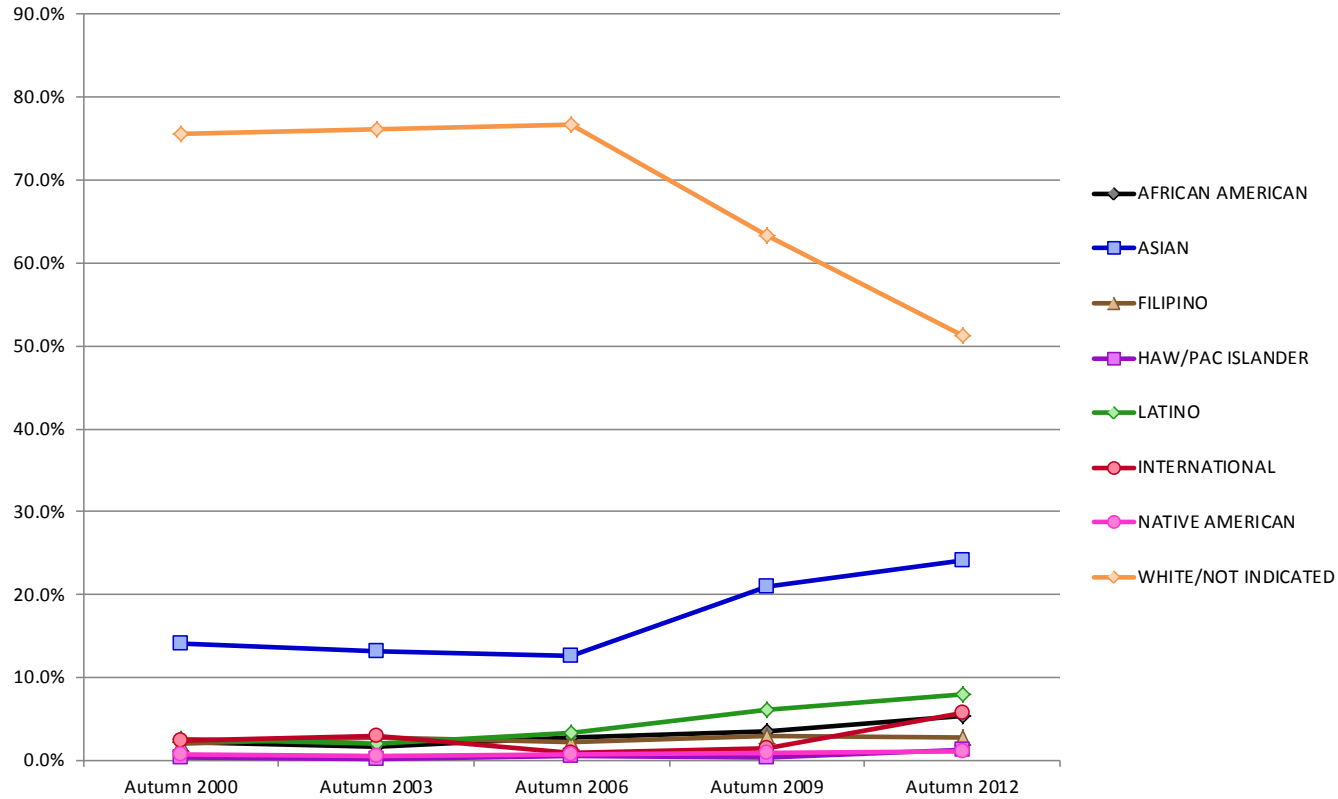


**UW SEATTLE - UNDERGRADUATE ENROLLMENT TREND**



ETHNICITY	Autumn 2000		Autumn 2003		Autumn 2006		Autumn 2009		Autumn 2012	
AFRICAN AMERICAN	675	2.6%	716	2.7%	835	3.2%	929	3.4%	916	3.3%
ASIAN	5,040	19.6%	5,783	22.0%	6,260	24.1%	6,766	24.7%	7,099	25.5%
FILIPINO	811	3.2%	774	2.9%	733	2.8%	746	2.7%	550	2.0%
HAW/PAC ISLANDER	141	0.5%	159	0.6%	162	0.6%	185	0.7%	262	0.9%
LATINO	929	3.6%	949	3.6%	1,259	4.8%	1,604	5.8%	1,881	6.8%
INTERNATIONAL	645	2.5%	910	3.5%	931	3.6%	1,610	5.9%	3,551	12.8%
NATIVE AMERICAN	317	1.2%	280	1.1%	328	1.3%	369	1.3%	388	1.4%
WHITE/NOT INDICATED	17,160	66.7%	16,740	63.6%	15,494	59.6%	15,223	55.5%	13,191	47.4%
<b>TOTAL</b>	<b>25,718</b>	<b>100.0%</b>	<b>26,311</b>	<b>100.0%</b>	<b>26,002</b>	<b>100.0%</b>	<b>27,432</b>	<b>100.0%</b>	<b>27,838</b>	<b>100.0%</b>

**UW BOTHELL - UNDERGRADUATE ENROLLMENT TREND**

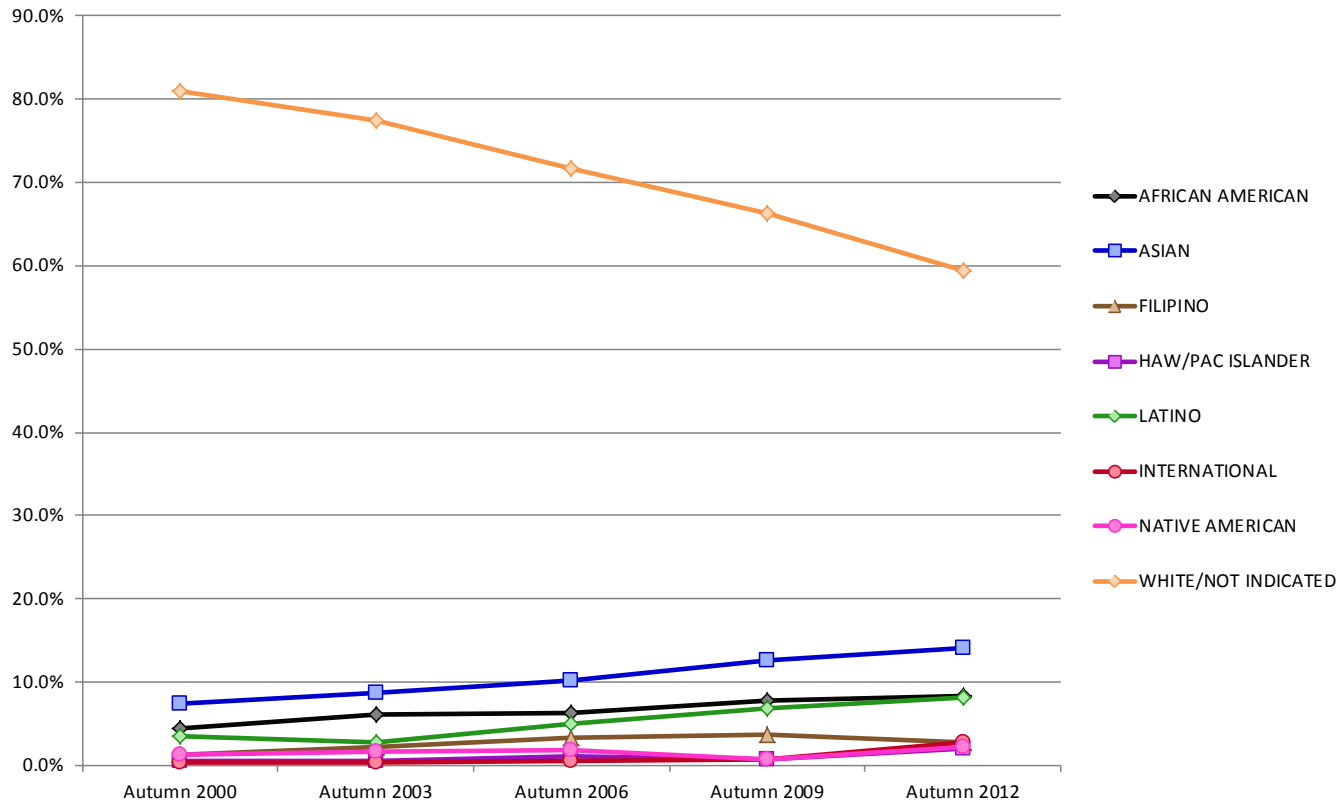


ETHNICITY	Autumn 2000		Autumn 2003		Autumn 2006		Autumn 2009		Autumn 2012	
AFRICAN AMERICAN	28	2.2%	24	1.8%	39	2.7%	83	3.6%	195	5.4%
ASIAN	177	14.1%	179	13.2%	181	12.6%	491	21.1%	875	24.2%
FILIPINO	26	2.1%	37	2.7%	31	2.2%	69	3.0%	104	2.9%
HAW/PAC ISLANDER	4	0.3%	4	0.3%	8	0.6%	11	0.5%	47	1.3%
LATINO	33	2.6%	29	2.1%	48	3.4%	144	6.2%	292	8.1%
INTERNATIONAL	30	2.4%	40	3.0%	14	1.0%	33	1.4%	211	5.8%
NATIVE AMERICAN	9	0.7%	9	0.7%	12	0.8%	23	1.0%	42	1.2%
WHITE/NOT INDICATED	952	75.6%	1,031	76.2%	1,099	76.7%	1,475	63.3%	1,852	51.2%
<b>TOTAL</b>	<b>1,259</b>	<b>100.0%</b>	<b>1,353</b>	<b>100.0%</b>	<b>1,432</b>	<b>100.0%</b>	<b>2,329</b>	<b>100.0%</b>	<b>3,618</b>	<b>100.0%</b>

A-6 and A-7/211-12

11/8/12

**UW TACOMA - UNDERGRADUATE ENROLLMENT TREND**

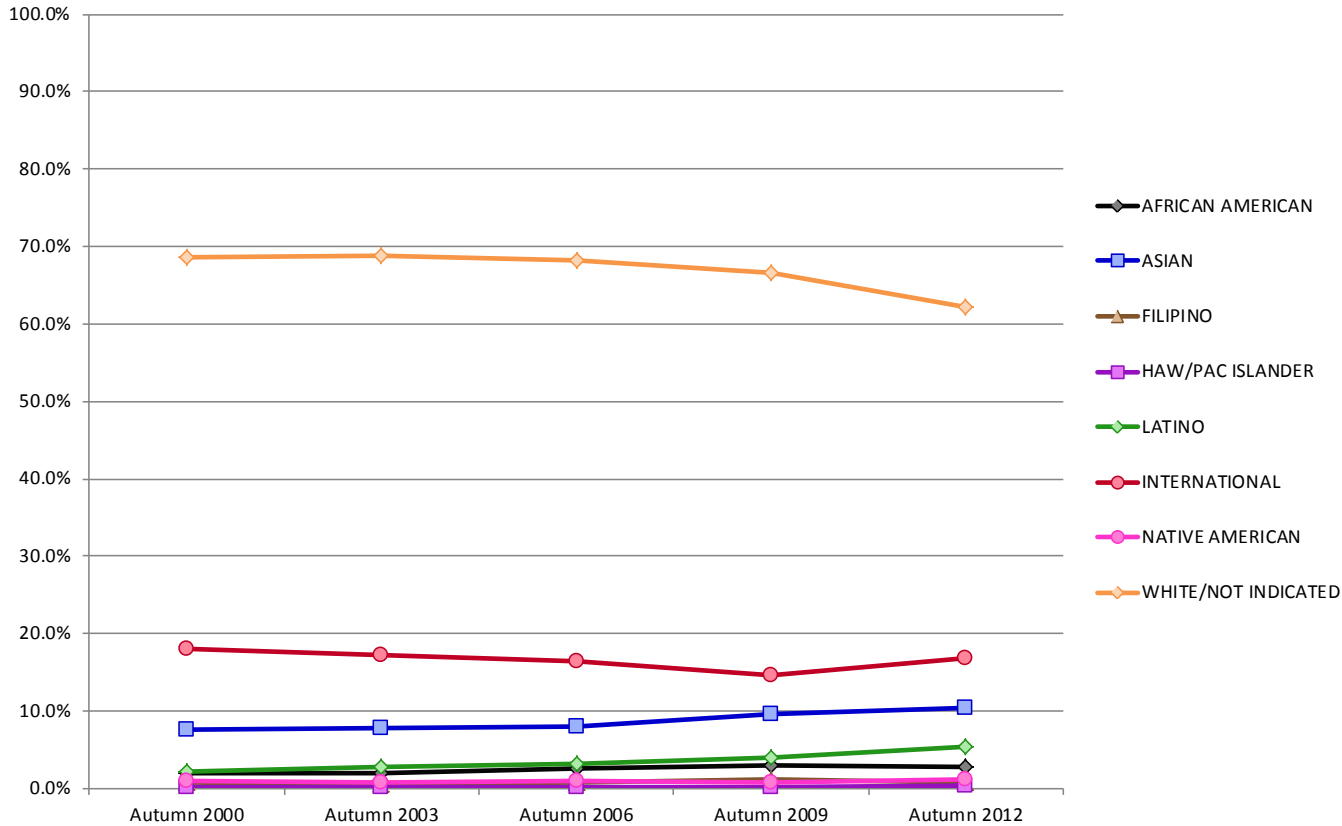


ETHNICITY	Autumn 2000		Autumn 2003		Autumn 2006		Autumn 2009		Autumn 2012	
AFRICAN AMERICAN	58	4.4%	95	6.1%	112	6.3%	200	7.9%	281	8.5%
ASIAN	97	7.4%	134	8.7%	182	10.2%	322	12.7%	471	14.2%
FILIPINO	18	1.4%	34	2.2%	59	3.3%	96	3.8%	93	2.8%
HAW/PAC ISLANDER	7	0.5%	10	0.6%	21	1.2%	20	0.8%	66	2.0%
LATINO	47	3.6%	44	2.8%	89	5.0%	176	7.0%	274	8.2%
INTERNATIONAL	4	0.3%	5	0.3%	11	0.6%	20	0.8%	92	2.8%
NATIVE AMERICAN	17	1.3%	26	1.7%	32	1.8%	20	0.8%	74	2.2%
WHITE/NOT INDICATED	1,058	81.0%	1,198	77.5%	1,278	71.6%	1,676	66.2%	1,972	59.3%
<b>TOTAL</b>	<b>1,306</b>	<b>100.0%</b>	<b>1,546</b>	<b>100.0%</b>	<b>1,784</b>	<b>100.0%</b>	<b>2,530</b>	<b>100.0%</b>	<b>3,323</b>	<b>100.0%</b>

A-6 and A-7/211-12

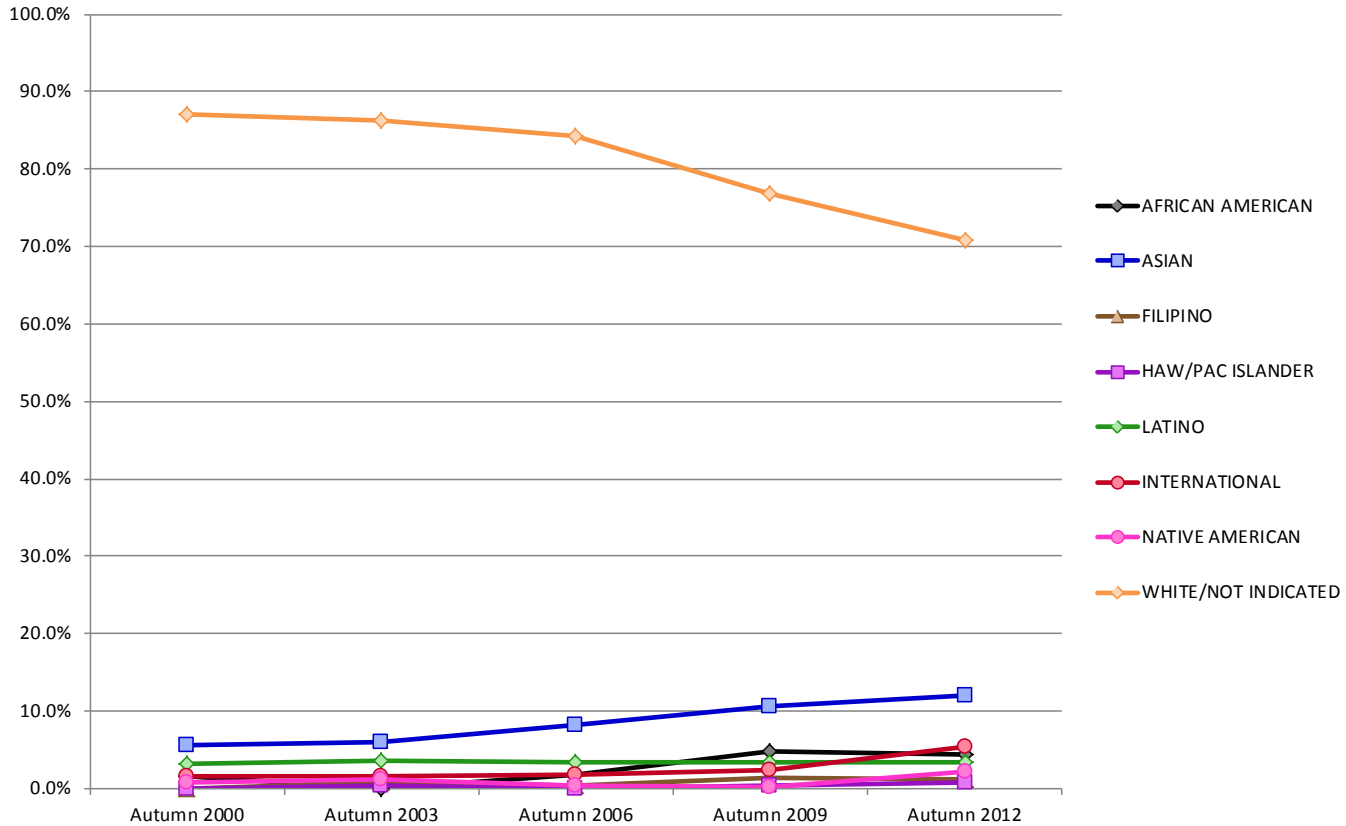
11/8/12

**UW SEATTLE - GRADUATE ENROLLMENT TREND**



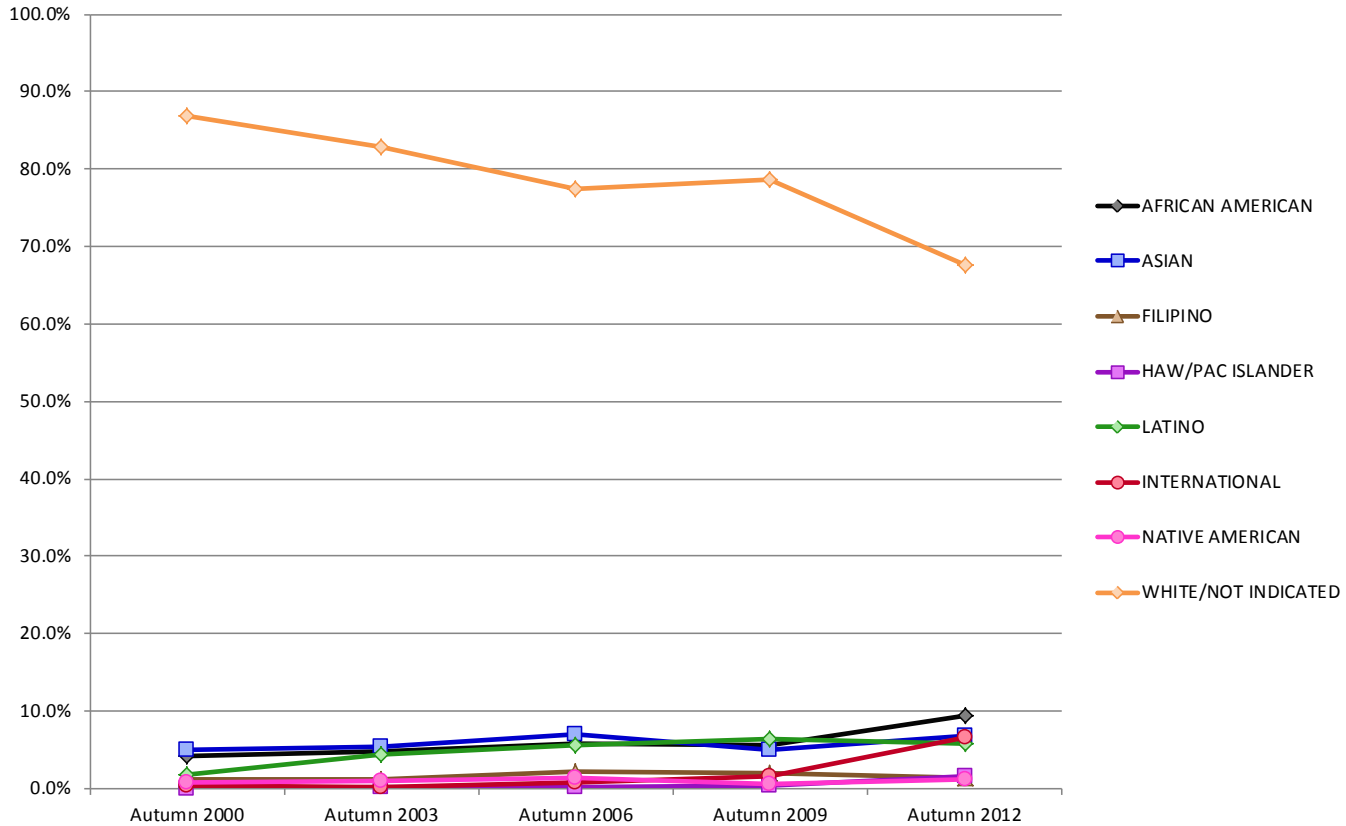
ETHNICITY	Autumn 2000		Autumn 2003		Autumn 2006		Autumn 2009		Autumn 2012	
AFRICAN AMERICAN	160	1.9%	189	2.0%	249	2.5%	308	2.9%	321	2.8%
ASIAN	633	7.5%	733	7.8%	788	8.0%	1,011	9.5%	1,165	10.3%
FILIPINO	64	0.8%	56	0.6%	74	0.7%	118	1.1%	88	0.8%
HAW/PAC ISLANDER	12	0.1%	19	0.2%	18	0.2%	24	0.2%	41	0.4%
LATINO	185	2.2%	261	2.8%	311	3.1%	431	4.1%	612	5.4%
INTERNATIONAL	1,514	18.0%	1,605	17.1%	1,614	16.3%	1,559	14.7%	1,905	16.8%
NATIVE AMERICAN	74	0.9%	64	0.7%	86	0.9%	88	0.8%	136	1.2%
WHITE/NOT INDICATED	5,786	68.7%	6,449	68.8%	6,746	68.2%	7,071	66.6%	7,046	62.3%
<b>TOTAL</b>	<b>8,428</b>	<b>100.0%</b>	<b>9,376</b>	<b>100.0%</b>	<b>9,886</b>	<b>100.0%</b>	<b>10,610</b>	<b>100.0%</b>	<b>11,314</b>	<b>100.0%</b>

**UW BOTHELL - GRADUATE ENROLLMENT TREND**



ETHNICITY	Autumn 2000		Autumn 2003		Autumn 2006		Autumn 2009		Autumn 2012	
AFRICAN AMERICAN	2	1.6%		0.0%	4	1.7%	21	4.8%	21	4.3%
ASIAN	7	5.6%	15	6.0%	19	8.1%	47	10.6%	59	12.0%
FILIPINO		0.0%	2	0.8%	1	0.4%	6	1.4%	6	1.2%
HAW/PAC ISLANDER		0.0%	1	0.4%		0.0%	2	0.5%	4	0.8%
LATINO	4	3.2%	9	3.6%	8	3.4%	15	3.4%	16	3.3%
INTERNATIONAL	2	1.6%	4	1.6%	4	1.7%	10	2.3%	26	5.3%
NATIVE AMERICAN	1	0.8%	3	1.2%	1	0.4%	1	0.2%	11	2.2%
WHITE/NOT INDICATED	108	87.1%	214	86.3%	198	84.3%	340	76.9%	347	70.8%
<b>TOTAL</b>	<b>124</b>	<b>100.0%</b>	<b>248</b>	<b>100.0%</b>	<b>235</b>	<b>100.0%</b>	<b>442</b>	<b>100.0%</b>	<b>490</b>	<b>100.0%</b>

**UW TACOMA - GRADUATE ENROLLMENT TREND**



ETHNICITY	Autumn 2000		Autumn 2003		Autumn 2006		Autumn 2009		Autumn 2012	
AFRICAN AMERICAN	12	4.2%	20	4.8%	25	5.7%	30	5.5%	51	9.3%
ASIAN	14	4.9%	22	5.3%	30	6.9%	27	5.0%	37	6.8%
FILIPINO	3	1.1%	5	1.2%	9	2.1%	11	2.0%	7	1.3%
HAW/PAC ISLANDER		0.0%	1	0.2%	1	0.2%	2	0.4%	9	1.6%
LATINO	5	1.8%	18	4.4%	24	5.5%	35	6.5%	32	5.8%
INTERNATIONAL	1	0.4%	1	0.2%	3	0.7%	8	1.5%	36	6.6%
NATIVE AMERICAN	2	0.7%	4	1.0%	6	1.4%	3	0.6%	6	1.1%
WHITE/NOT INDICATED	246	86.9%	342	82.8%	338	77.5%	426	78.6%	370	67.5%
<b>TOTAL</b>	<b>283</b>	<b>100.0%</b>	<b>413</b>	<b>100.0%</b>	<b>436</b>	<b>100.0%</b>	<b>542</b>	<b>100.0%</b>	<b>548</b>	<b>100.0%</b>

A-6 and A-7/211-12

11/8/12

# Regents Role in Student Diversity

- Communicate with internal and external audiences about the importance of student diversity to UW's pursuit of excellence and innovation
- Set policy priorities and institutional tolerance for legal challenges
- Enhance accountability by keeping diversity on the Regents agenda
- Maintain visibility at signature campus diversity events – EOP Celebration and MAP Breakfast

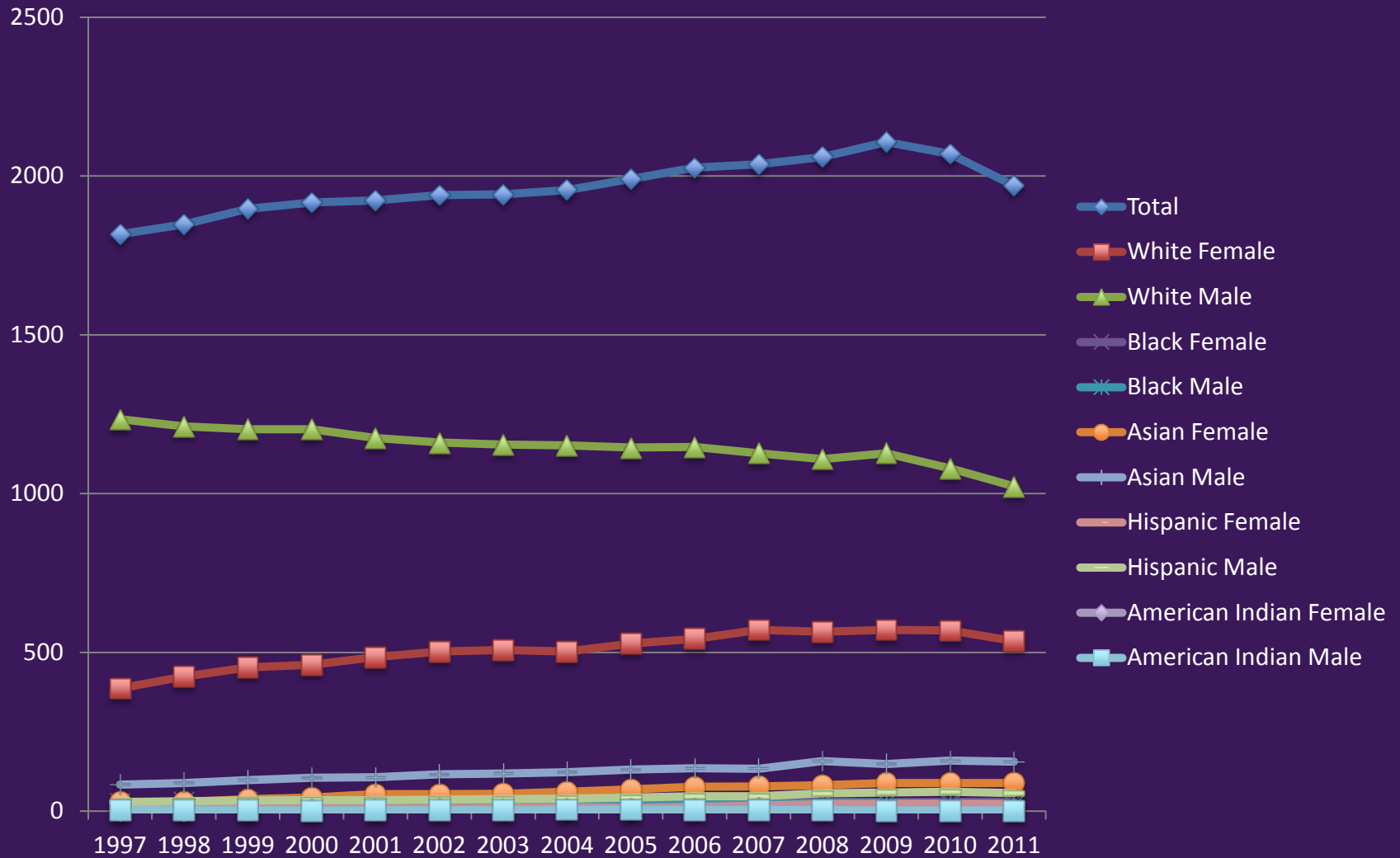
# Questions/Discussion



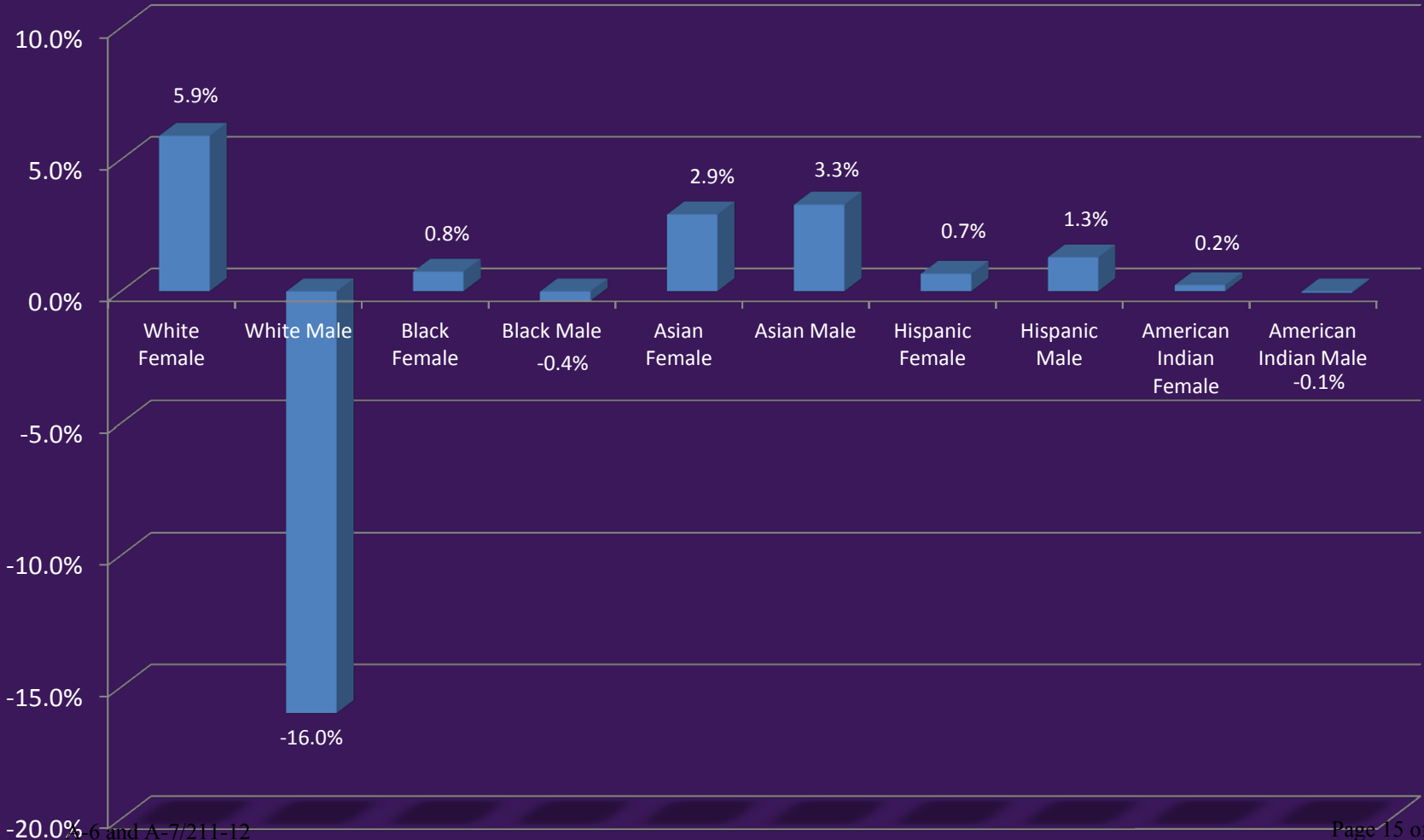
# Faculty of Color at UW

- Excellence requires diverse perspectives and talent
- Faculty of color often serve as mentors and role/models for students of color and pursue research programs that are connected to grand challenge issues in communities of color
- Recruitment and retention of graduate students of color enhanced by UW faculty of color

# Change in Total Tenured and Tenure-Track Faculty, 1997 - 2011



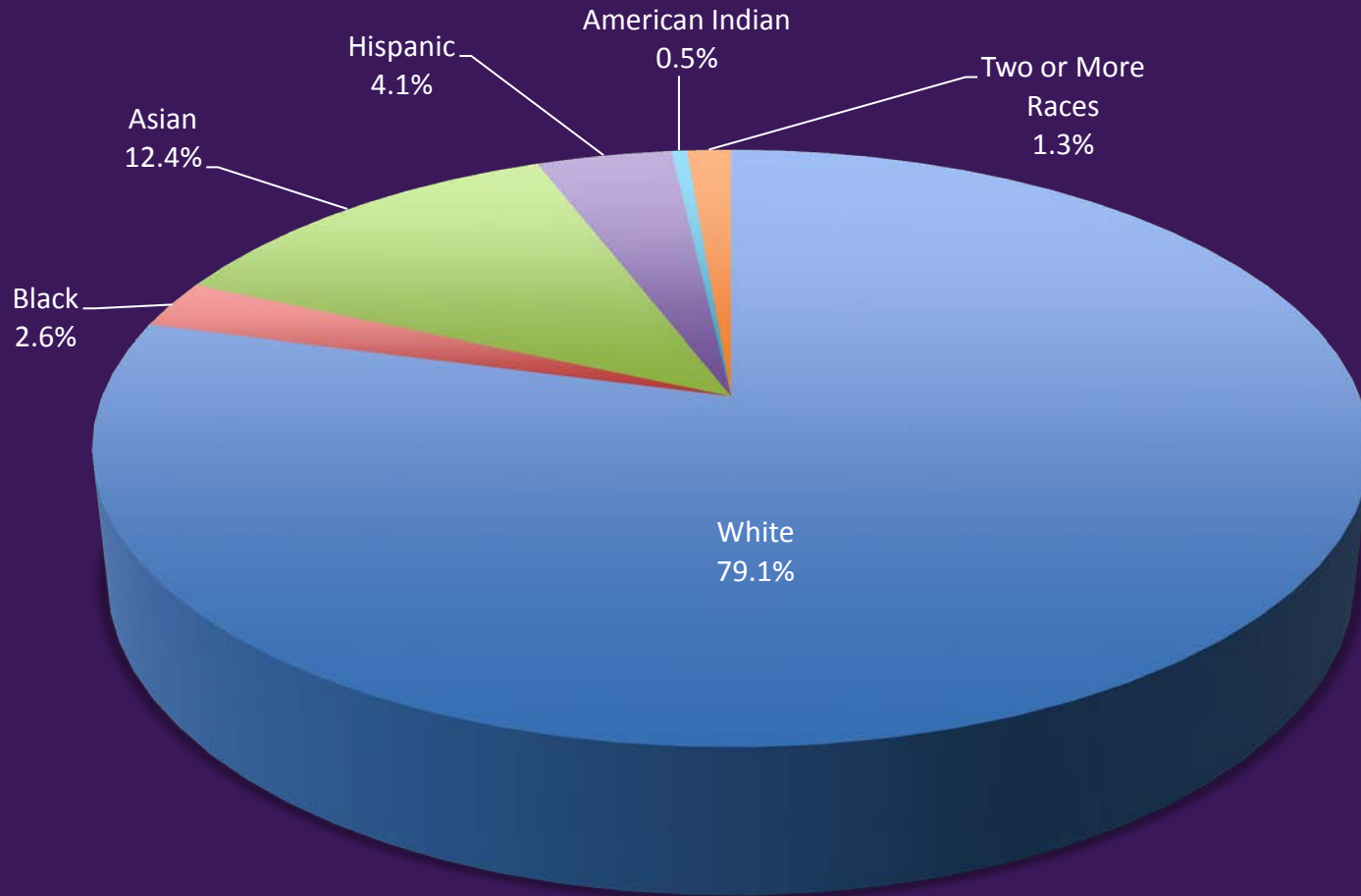
# Percent Change in Tenured and Tenure-Track Faculty, 1997-2011



# Faculty Recruitment & Retention

- Transforming the Discourse on Diversity and Inclusion
  - Provosts, Deans, Department Chairs
  - Expanding Institutional Guidelines: Faculty Code 2012
- Provide Resources
  - Training: Faculty Recruitment Toolkit, Information Sessions
  - Support: Faculty mentoring, Advice to deans, chairs, chairs of search committees
  - Money: Provost, Faculty Recruitment Initiative 2012-13
  - Research: DRI - speaker series, seed grants, faculty and graduate students

# Tenured and Tenure-Track Faculty, 2011

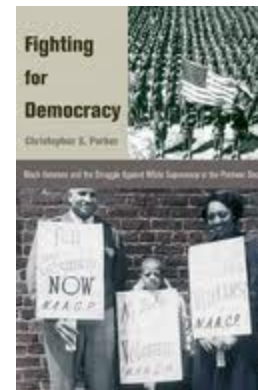
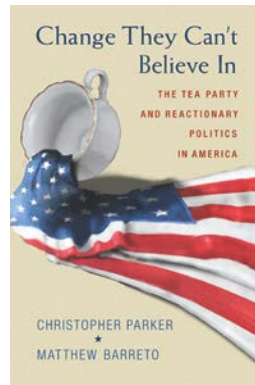


# UW Seattle



**Dr. Christopher Parker**  
Associate Professor  
Political Science  
College of Arts & Sciences

**Research area:** As the Stuart A. Scheingold Professor of Social Justice and Political Science, Dr. Parker's research takes a behavioral approach to historical events. His first book, [Fighting for Democracy: Black Veterans and the Struggle Against White Supremacy in the Postwar South](#) (Princeton University Press, 2009), winner of APSA's Ralph J. Bunche Award, takes a fresh approach to the civil rights movement by gauging the extent to which black veterans contributed to social change. A second book (Princeton University Press, under contract) *The Paranoid Style Revisited: Support for the Tea Party and Contemporary American Politics* (with [Matt Barreto](#)), explores the beliefs, attitudes, and behavior of the Tea Party. A third book examines the ideological and sociological origins of what has come to be known as the urban crisis of the 1960s. In short, it examines the micro-foundations of the disturbances that swept America in the late 1960s.



# UW Bothell



**Research Area:** Health inequities for marginalized populations and focuses on analyzing how these inequities are linked to historical, cultural, socio-political and economic contexts. She examines how socially stratified disadvantages such as oppressive historical relationships, perceived racial discrimination, and low socioeconomic status negatively impact health and health care utilization, particularly for American Indians. Much of her scholarship is theoretically influenced by critical social theory and postcolonialism, and is rooted in decolonizing approaches to research.

**Dr. Selina Mohammed**  
*Associate Professor  
Nursing & Health Studies*



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helping someone live, giving someone life

A-6 and A-7/211-12  
11/8/12



# UW Bothell



**Dr. Deanna M. Kennedy**  
*Assistant Professor  
School of Business*

**Research area:** Her current community work includes heading up a Tribal Leadership Modules and Casebook Project. The project will focus on providing training for leadership and management on tribal lands in the state of Washington. She hopes to bring tribal leaders' stories into the training approach and build on classroom story-telling practices with team activities. She believes this approach may inform better teaching methodologies for many management classrooms. Her past work in this area has focused on Native American knowledge, education, and story-telling. She has collaborated with Native American Business professors across the county to present on storytelling as pedagogy and its application to management education. She has co-authored two papers in the Journal of Management Education.





# UW Tacoma



**Dr. Julia Aguirre**  
Assistant Professor

**Research area:** Culturally responsive teaching and learning, especially as it relates to teacher knowledge and practice. Her work critically examines the role of race/ethnicity, culture, class and language play in math teaching and learning. Her work empowers students, families, communities and teachers to strengthen math access and advancement for all students. She serves as the co-PI for the TEACH Math grant which is dedicated to developing a new generation of k-8 math teachers who can effectively teach math in culturally, linguistically and socio-economically diverse settings.



## Community Math Exploration

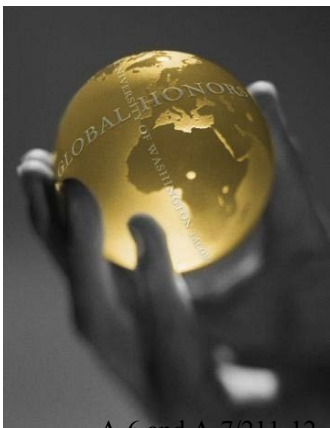


# UW Tacoma

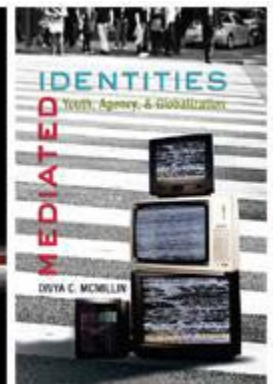
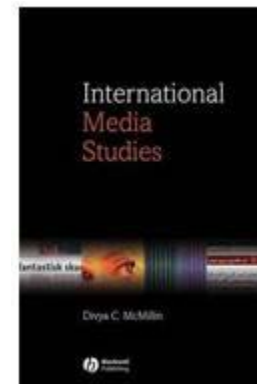


**Dr. Divya McMillin**  
*Assistant Professor*

**Research area:** Examines cultural implications of media globalization, particularly in developing economies. Collaborates with the Bavarian Broadcasting Company to support undergraduate research in transnational media. Serves as the Academic Director of Global Honors, which facilitates merit scholarships to promote global research, leadership and citizenship.



A-6 and A-7/211-12  
11/8/12



# Regents Role in Faculty Diversity

- Communication about the criticality of having a diverse faculty at UW
- Set standards for holding senior leadership accountable for progress

# Questions/Discussion

# Resources for More Information

UW Diversity Portal

<http://www.washington.edu/diversity/>

The College Board Access and Diversity Collaborative

<http://diversitycollaborative.collegeboard.org/>

American Council on Education

<http://www.acenet.edu/higher-education/Pages/Campus-Diversity-and-Inclusion.aspx>

AAC&U Inclusive Excellence

<http://aacu.org/resources/diversity/>

National Center for Institutional Diversity

<http://www.ncid.umich.edu/>

UCLA Civil Rights Project

<http://civilrightsproject.ucla.edu/>

# Contact Information

Dr. Sheila Edwards Lange  
(206) 543-2441  
[sredward@uw.edu](mailto:sredward@uw.edu)

Dr. J.W. Harrington  
(253) 692-5646  
[jwh@uw.edu](mailto:jwh@uw.edu)

Dr. Luis Fraga  
(206) 685-4831  
[lfraga@uw.edu](mailto:lfraga@uw.edu)

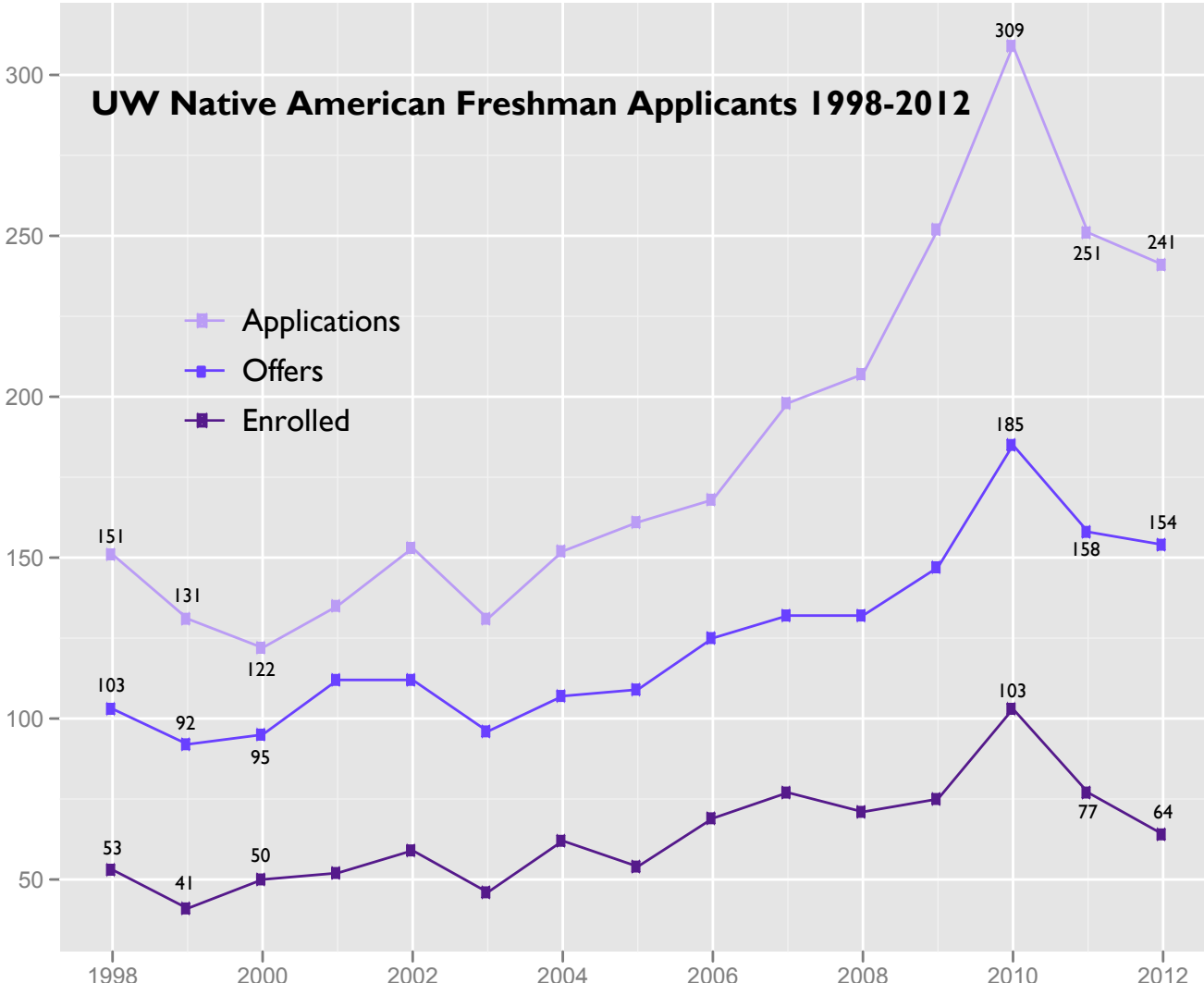
Dr. Bruce Kochis  
(425) 352-5364  
[bkochis@uwb.edu](mailto:bkochis@uwb.edu)

UW Student Ambassadors  
(206) 221-2831  
<http://depts.washington.edu/reach/student-ambassador-program/overview/>

# UW Native American Freshman Applicants 1998-2012

- Applications
- Offers
- Enrolled

Totals



A-6.3/211-12  
11/8/12

## VII. STANDING COMMITTEES

## A. Academic and Student Affairs Committee

Office of Minority Affairs and Diversity – Faculty Diversity at UW

## INFORMATION ONLY

BACKGROUND

The University of Washington has a long-standing commitment to diversity. To that end, the Office of Minority Affairs and Diversity (OMA&D) serves as the central diversity unit charged with both managing diversity-related programs and collaborating with other campus units as they pursue diversity initiatives. The report today includes a summary of efforts to increase racial/ethnic diversity in the student body and the faculty.

FACULTY DIVERSITY

In 2007, the Seattle campus launched the Office for Faculty Advancement to help the UW recruit, promote and retain an excellent and diverse faculty. Reporting jointly to the Provost and OMA&D, this office worked on assessing and revising strategies for faculty recruitment and retention. The office works collaboratively with deans, department chairs and other academic leaders on all three campuses to disseminate best practices for conducting faculty searches and fostering a collegial environment.



# Diversity at the University of Washington

UW Board of Regents Discussion  
November 8, 2012

# Overview

- Diversity in the Student Body at UW
- Faculty of Color at UW
- Questions and Discussion

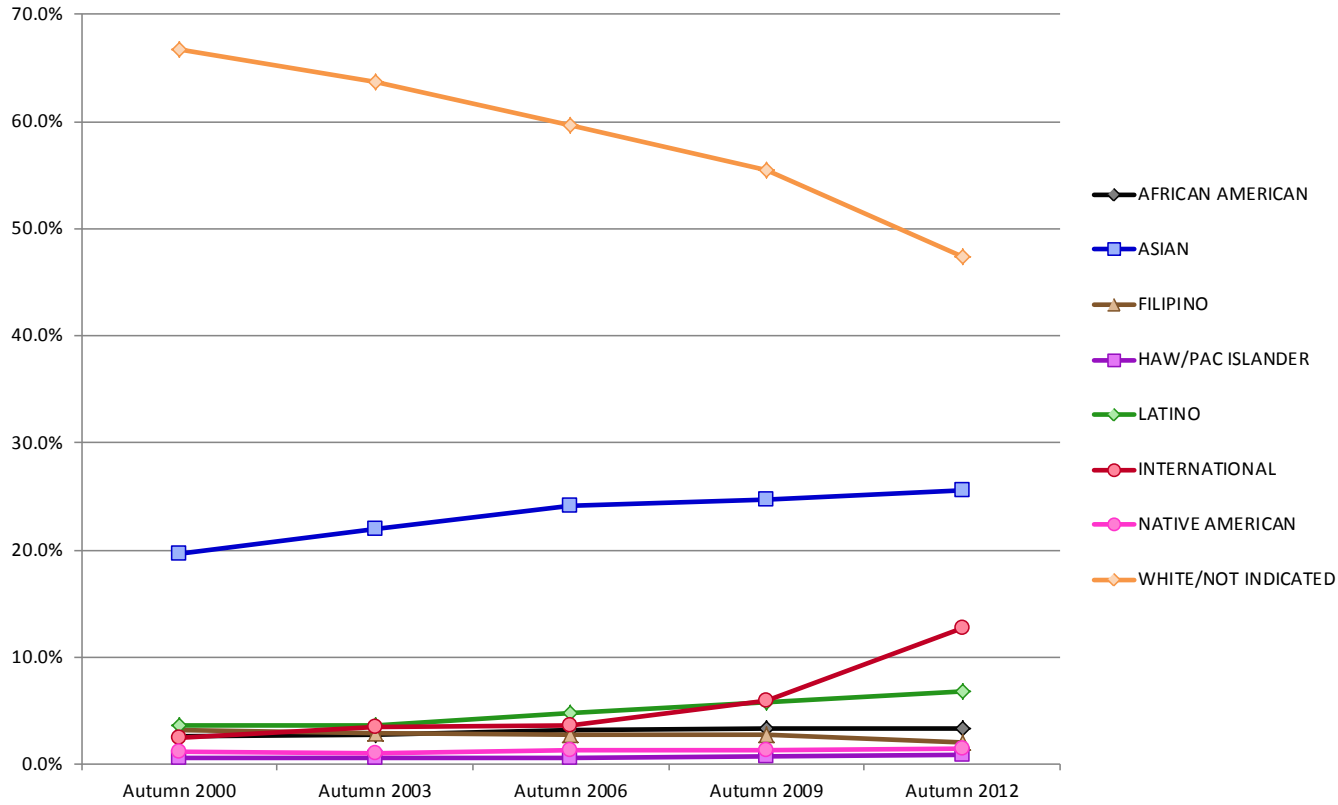
# Diversity in Post-I200 Climate

- Immediately after passage in 1998, the Regents adopted new policies on student recruitment and retention, employment, and financial aid
- Since then UW has:
  - Become more explicit about diversity as a core institutional value
  - Shifted its definition of diversity to be broader than race/ethnicity
  - Moved beyond access to an increased focus on retention, student success and institutional transformation
  - Enhanced assessment and data collection on student outcomes
  - Encouraged campus wide engagement on diversity practices and priorities

# Student Outreach & Recruitment

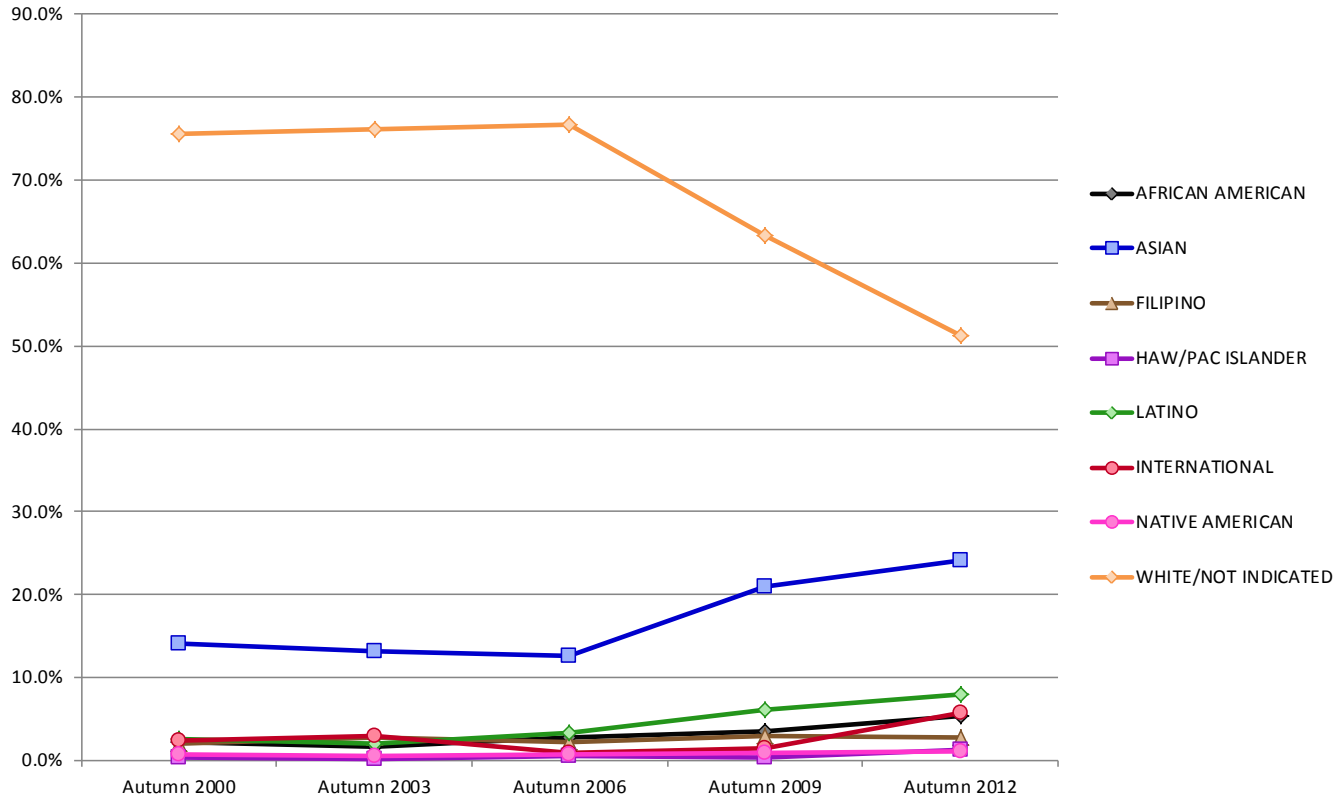
- UW leadership authorized an aggressive outreach and recruitment program to both build the pool of URM students who apply for and accept an offer of admission to the Seattle campus
- Over the past five years, the number of applications received from underrepresented students for Admission at the Seattle campus has increased by 70%, the number of offers have increased by 60% and UW freshman underrepresented enrollment has increased by 29%
- Current UW students are important contributors to outreach and recruitment initiatives

**UW SEATTLE - UNDERGRADUATE ENROLLMENT TREND**



ETHNICITY	Autumn 2000		Autumn 2003		Autumn 2006		Autumn 2009		Autumn 2012	
AFRICAN AMERICAN	675	2.6%	716	2.7%	835	3.2%	929	3.4%	916	3.3%
ASIAN	5,040	19.6%	5,783	22.0%	6,260	24.1%	6,766	24.7%	7,099	25.5%
FILIPINO	811	3.2%	774	2.9%	733	2.8%	746	2.7%	550	2.0%
HAW/PAC ISLANDER	141	0.5%	159	0.6%	162	0.6%	185	0.7%	262	0.9%
LATINO	929	3.6%	949	3.6%	1,259	4.8%	1,604	5.8%	1,881	6.8%
INTERNATIONAL	645	2.5%	910	3.5%	931	3.6%	1,610	5.9%	3,551	12.8%
NATIVE AMERICAN	317	1.2%	280	1.1%	328	1.3%	369	1.3%	388	1.4%
WHITE/NOT INDICATED	17,160	66.7%	16,740	63.6%	15,494	59.6%	15,223	55.5%	13,191	47.4%
<b>TOTAL</b>	<b>25,718</b>	<b>100.0%</b>	<b>26,311</b>	<b>100.0%</b>	<b>26,002</b>	<b>100.0%</b>	<b>27,432</b>	<b>100.0%</b>	<b>27,838</b>	<b>100.0%</b>

**UW BOTHELL - UNDERGRADUATE ENROLLMENT TREND**

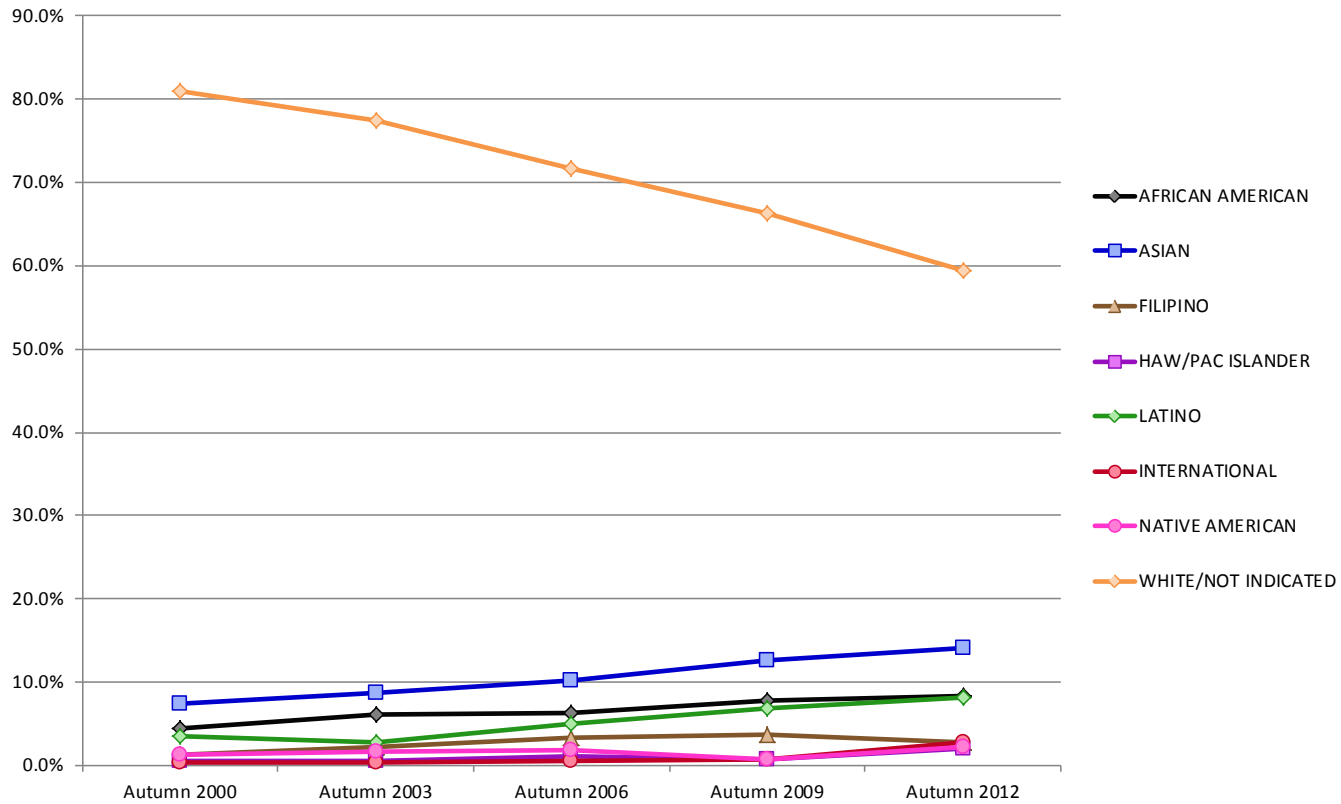


ETHNICITY	Autumn 2000		Autumn 2003		Autumn 2006		Autumn 2009		Autumn 2012	
AFRICAN AMERICAN	28	2.2%	24	1.8%	39	2.7%	83	3.6%	195	5.4%
ASIAN	177	14.1%	179	13.2%	181	12.6%	491	21.1%	875	24.2%
FILIPINO	26	2.1%	37	2.7%	31	2.2%	69	3.0%	104	2.9%
HAW/PAC ISLANDER	4	0.3%	4	0.3%	8	0.6%	11	0.5%	47	1.3%
LATINO	33	2.6%	29	2.1%	48	3.4%	144	6.2%	292	8.1%
INTERNATIONAL	30	2.4%	40	3.0%	14	1.0%	33	1.4%	211	5.8%
NATIVE AMERICAN	9	0.7%	9	0.7%	12	0.8%	23	1.0%	42	1.2%
WHITE/NOT INDICATED	952	75.6%	1,031	76.2%	1,099	76.7%	1,475	63.3%	1,852	51.2%
<b>TOTAL</b>	<b>1,259</b>	<b>100.0%</b>	<b>1,353</b>	<b>100.0%</b>	<b>1,432</b>	<b>100.0%</b>	<b>2,329</b>	<b>100.0%</b>	<b>3,618</b>	<b>100.0%</b>

A-6 and A-7/211-12

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**UW TACOMA - UNDERGRADUATE ENROLLMENT TREND**

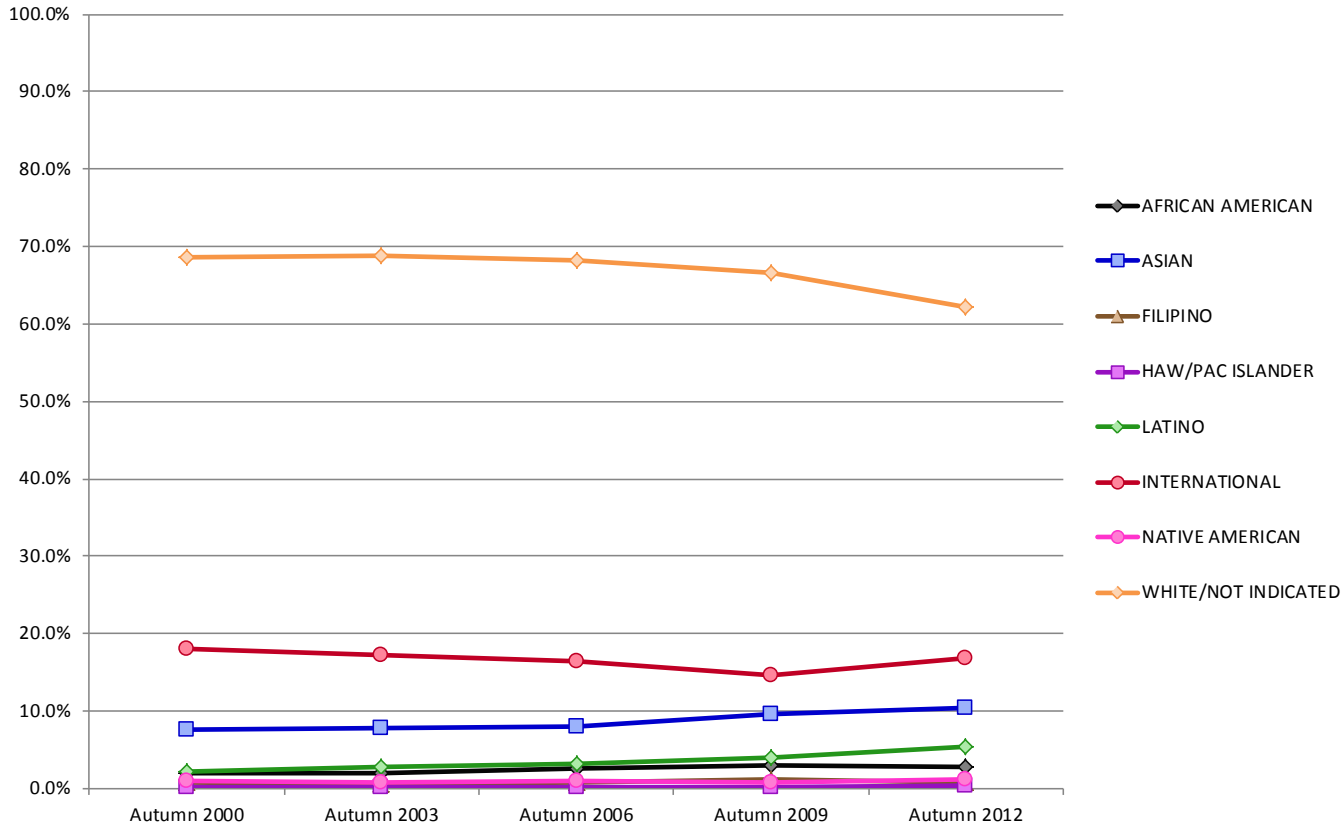


ETHNICITY	Autumn 2000		Autumn 2003		Autumn 2006		Autumn 2009		Autumn 2012	
AFRICAN AMERICAN	58	4.4%	95	6.1%	112	6.3%	200	7.9%	281	8.5%
ASIAN	97	7.4%	134	8.7%	182	10.2%	322	12.7%	471	14.2%
FILIPINO	18	1.4%	34	2.2%	59	3.3%	96	3.8%	93	2.8%
HAW/PAC ISLANDER	7	0.5%	10	0.6%	21	1.2%	20	0.8%	66	2.0%
LATINO	47	3.6%	44	2.8%	89	5.0%	176	7.0%	274	8.2%
INTERNATIONAL	4	0.3%	5	0.3%	11	0.6%	20	0.8%	92	2.8%
NATIVE AMERICAN	17	1.3%	26	1.7%	32	1.8%	20	0.8%	74	2.2%
WHITE/NOT INDICATED	1,058	81.0%	1,198	77.5%	1,278	71.6%	1,676	66.2%	1,972	59.3%
<b>TOTAL</b>	<b>1,306</b>	<b>100.0%</b>	<b>1,546</b>	<b>100.0%</b>	<b>1,784</b>	<b>100.0%</b>	<b>2,530</b>	<b>100.0%</b>	<b>3,323</b>	<b>100.0%</b>

A-6 and A-7/211-12

11/8/12  
UW Office of Minority Affairs & Diversity  
Assessment Unit

**UW SEATTLE - GRADUATE ENROLLMENT TREND**



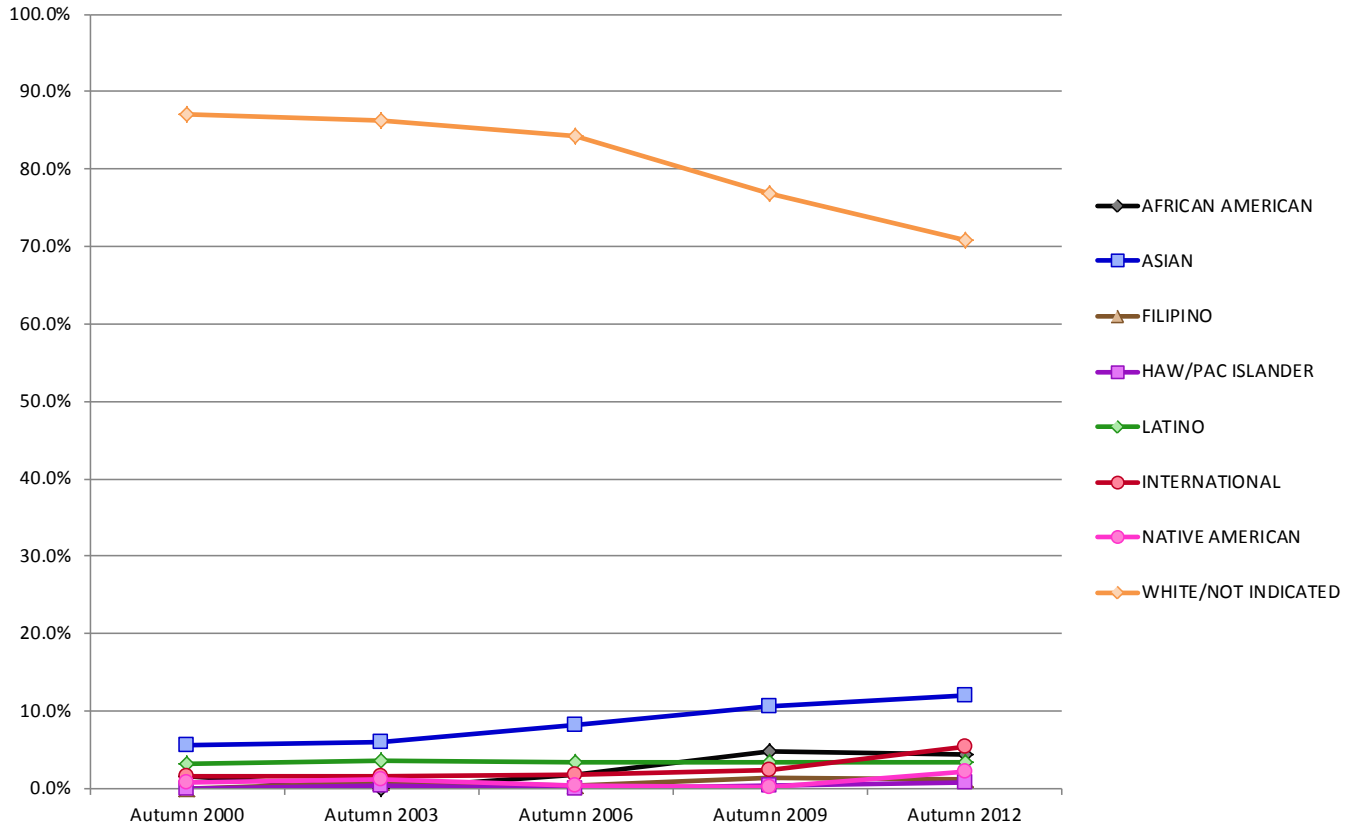
ETHNICITY	Autumn 2000		Autumn 2003		Autumn 2006		Autumn 2009		Autumn 2012	
AFRICAN AMERICAN	160	1.9%	189	2.0%	249	2.5%	308	2.9%	321	2.8%
ASIAN	633	7.5%	733	7.8%	788	8.0%	1,011	9.5%	1,165	10.3%
FILIPINO	64	0.8%	56	0.6%	74	0.7%	118	1.1%	88	0.8%
HAW/PAC ISLANDER	12	0.1%	19	0.2%	18	0.2%	24	0.2%	41	0.4%
LATINO	185	2.2%	261	2.8%	311	3.1%	431	4.1%	612	5.4%
INTERNATIONAL	1,514	18.0%	1,605	17.1%	1,614	16.3%	1,559	14.7%	1,905	16.8%
NATIVE AMERICAN	74	0.9%	64	0.7%	86	0.9%	88	0.8%	136	1.2%
WHITE/NOT INDICATED	5,786	68.7%	6,449	68.8%	6,746	68.2%	7,071	66.6%	7,046	62.3%
<b>TOTAL</b>	<b>8,428</b>	<b>100.0%</b>	<b>9,376</b>	<b>100.0%</b>	<b>9,886</b>	<b>100.0%</b>	<b>10,610</b>	<b>100.0%</b>	<b>11,314</b>	<b>100.0%</b>

A-6 and A-7/211-12

11/8/12

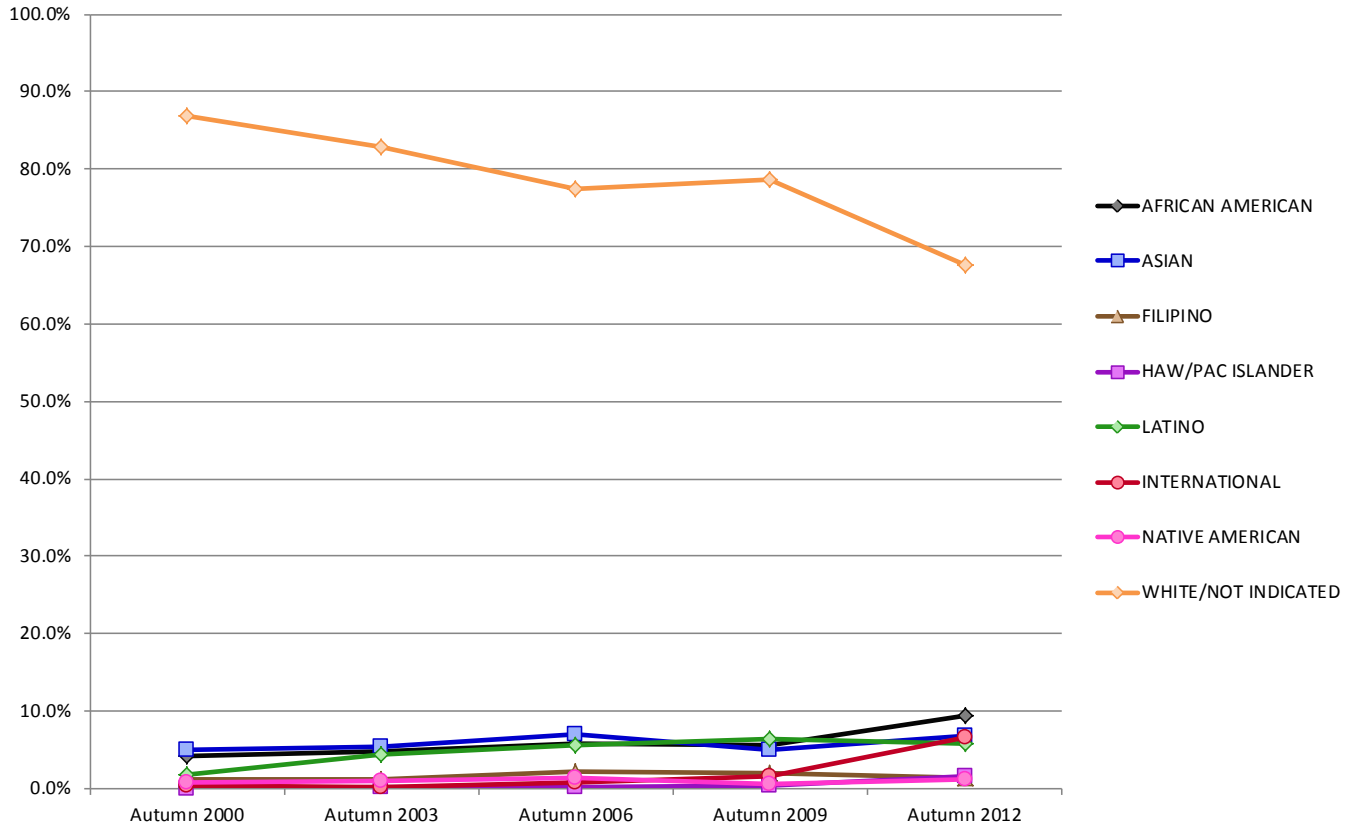


**UW BOTHELL - GRADUATE ENROLLMENT TREND**



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AFRICAN AMERICAN	2	1.6%		0.0%	4	1.7%	21	4.8%	21	4.3%
ASIAN	7	5.6%	15	6.0%	19	8.1%	47	10.6%	59	12.0%
FILIPINO		0.0%	2	0.8%	1	0.4%	6	1.4%	6	1.2%
HAW/PAC ISLANDER		0.0%	1	0.4%		0.0%	2	0.5%	4	0.8%
LATINO	4	3.2%	9	3.6%	8	3.4%	15	3.4%	16	3.3%
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NATIVE AMERICAN	1	0.8%	3	1.2%	1	0.4%	1	0.2%	11	2.2%
WHITE/NOT INDICATED	108	87.1%	214	86.3%	198	84.3%	340	76.9%	347	70.8%
<b>TOTAL</b>	<b>124</b>	<b>100.0%</b>	<b>248</b>	<b>100.0%</b>	<b>235</b>	<b>100.0%</b>	<b>442</b>	<b>100.0%</b>	<b>490</b>	<b>100.0%</b>

**UW TACOMA - GRADUATE ENROLLMENT TREND**



ETHNICITY	Autumn 2000		Autumn 2003		Autumn 2006		Autumn 2009		Autumn 2012	
AFRICAN AMERICAN	12	4.2%	20	4.8%	25	5.7%	30	5.5%	51	9.3%
ASIAN	14	4.9%	22	5.3%	30	6.9%	27	5.0%	37	6.8%
FILIPINO	3	1.1%	5	1.2%	9	2.1%	11	2.0%	7	1.3%
HAW/PAC ISLANDER		0.0%	1	0.2%	1	0.2%	2	0.4%	9	1.6%
LATINO	5	1.8%	18	4.4%	24	5.5%	35	6.5%	32	5.8%
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# Regents Role in Student Diversity

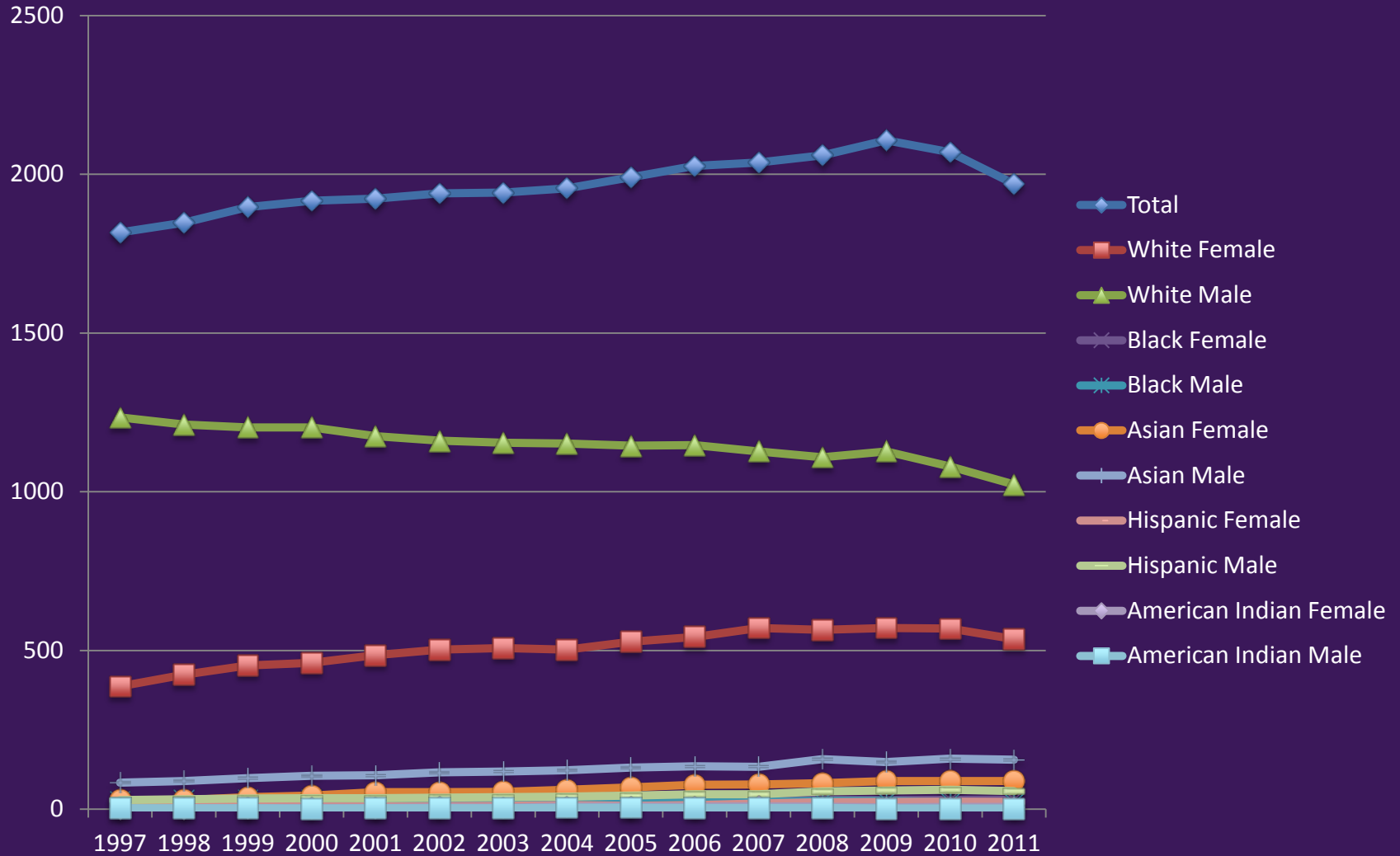
- Communicate with internal and external audiences about the importance of student diversity to UW's pursuit of excellence and innovation
- Set policy priorities and institutional tolerance for legal challenges
- Enhance accountability by keeping diversity on the Regents agenda
- Maintain visibility at signature campus diversity events – EOP Celebration and MAP Breakfast

# Questions/Discussion

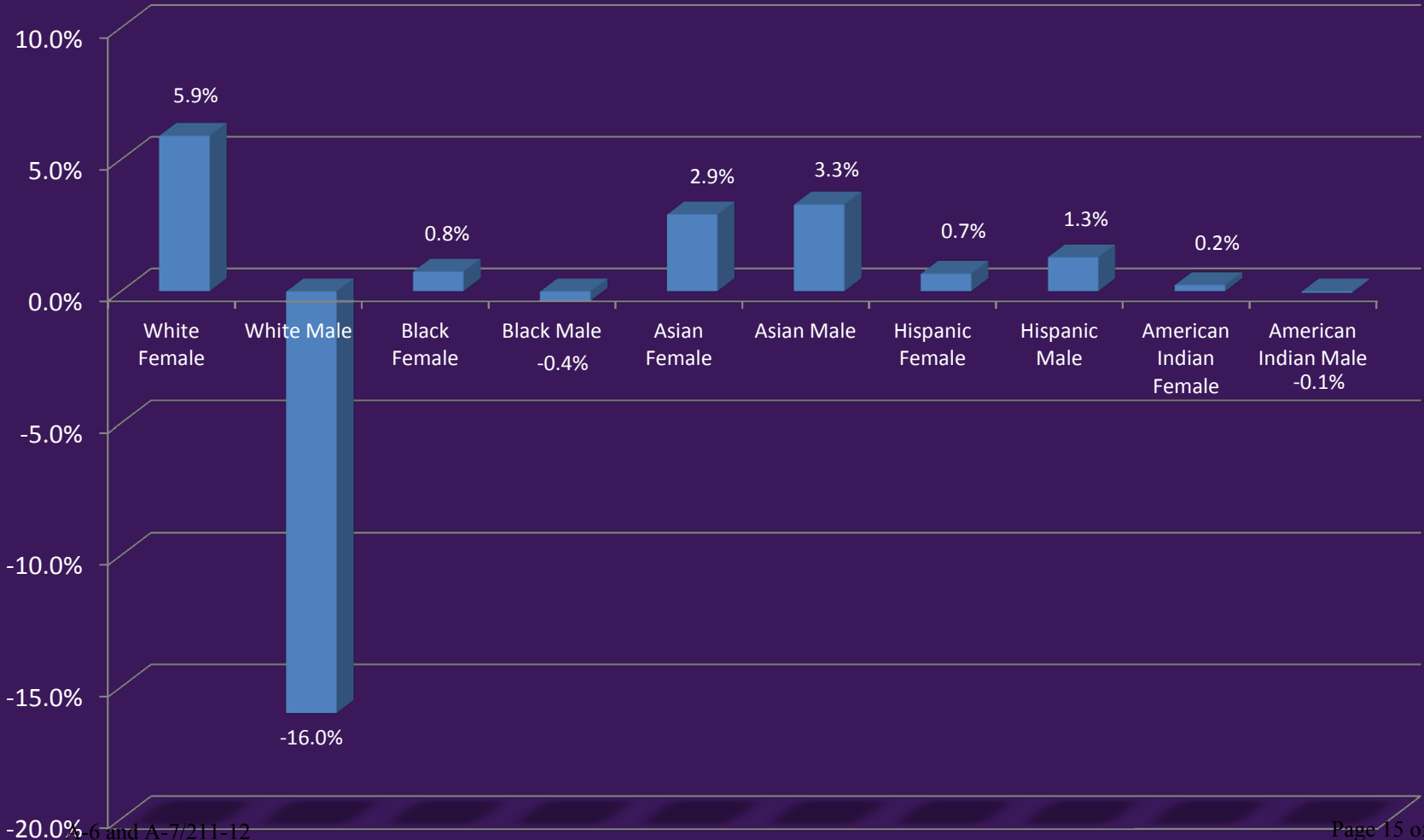
# Faculty of Color at UW

- Excellence requires diverse perspectives and talent
- Faculty of color often serve as mentors and role/models for students of color and pursue research programs that are connected to grand challenge issues in communities of color
- Recruitment and retention of graduate students of color enhanced by UW faculty of color

# Change in Total Tenured and Tenure-Track Faculty, 1997 - 2011



# Percent Change in Tenured and Tenure-Track Faculty, 1997-2011

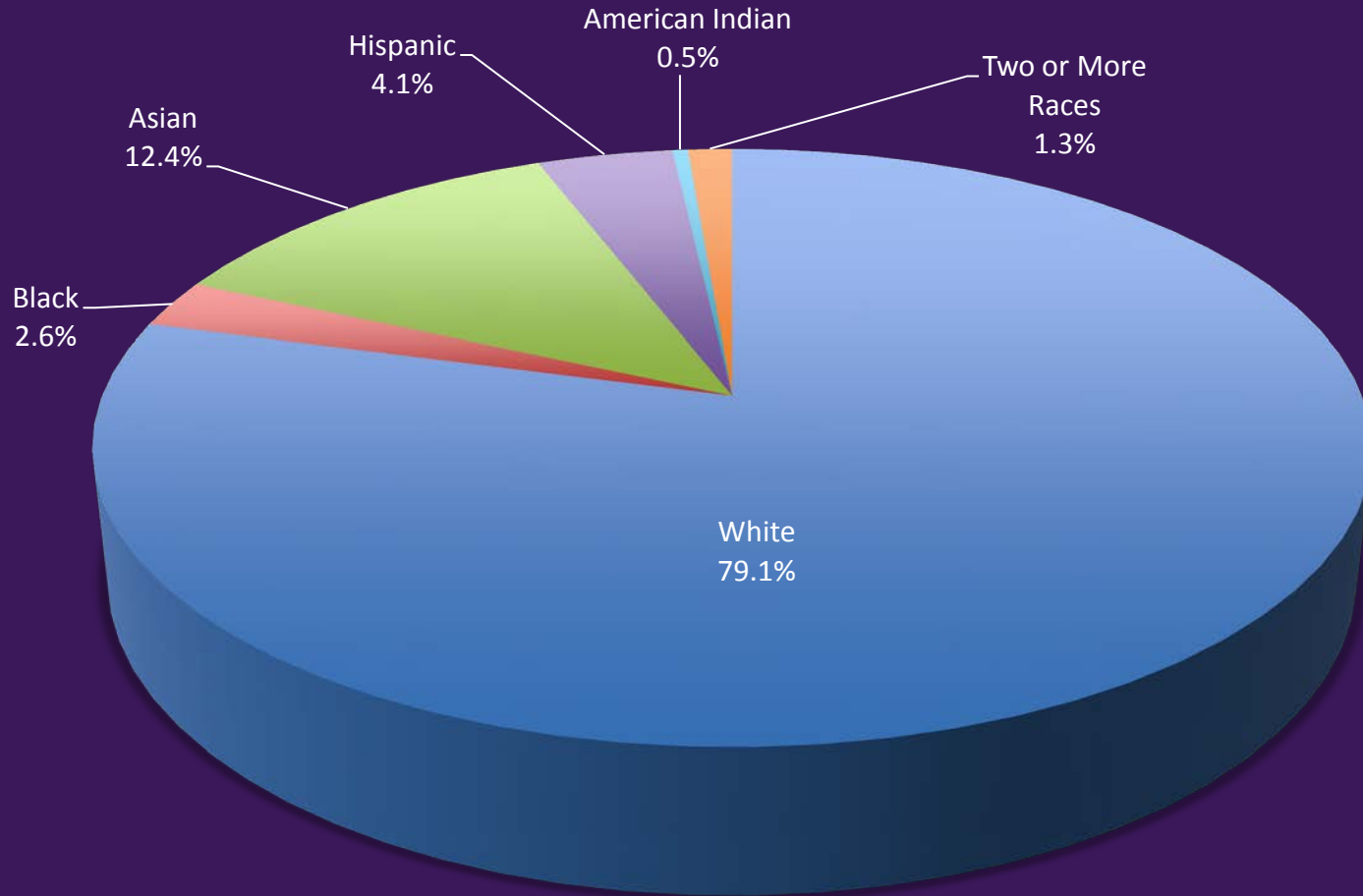


# Faculty Recruitment & Retention

- Transforming the Discourse on Diversity and Inclusion
  - Provosts, Deans, Department Chairs
  - Expanding Institutional Guidelines: Faculty Code 2012
- Provide Resources
  - Training: Faculty Recruitment Toolkit, Information Sessions
  - Support: Faculty mentoring, Advice to deans, chairs, chairs of search committees
  - Money: Provost, Faculty Recruitment Initiative 2012-13
  - Research: DRI - speaker series, seed grants, faculty and graduate students



# Tenured and Tenure-Track Faculty, 2011

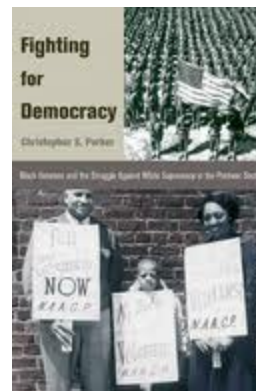
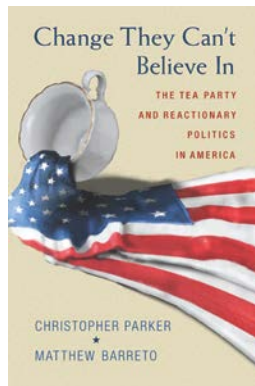


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**Dr. Selina Mohammed**  
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Nursing & Health Studies*



**hali?dx<sup>w</sup>**

helping someone live, giving someone life

A-6 and A-7/211-12  
11/8/12



# UW Bothell



**Dr. Deanna M. Kennedy**  
*Assistant Professor  
School of Business*

**Research area:** Her current community work includes heading up a Tribal Leadership Modules and Casebook Project. The project will focus on providing training for leadership and management on tribal lands in the state of Washington. She hopes to bring tribal leaders' stories into the training approach and build on classroom story-telling practices with team activities. She believes this approach may inform better teaching methodologies for many management classrooms. Her past work in this area has focused on Native American knowledge, education, and story-telling. She has collaborated with Native American Business professors across the county to present on storytelling as pedagogy and its application to management education. She has co-authored two papers in the Journal of Management Education.



# UW Tacoma



**Dr. Julia Aguirre**  
Assistant Professor

**Research area:** Culturally responsive teaching and learning, especially as it relates to teacher knowledge and practice. Her work critically examines the role of race/ethnicity, culture, class and language play in math teaching and learning. Her work empowers students, families, communities and teachers to strengthen math access and advancement for all students. She serves as the co-PI for the TEACH Math grant which is dedicated to developing a new generation of k-8 math teachers who can effectively teach math in culturally, linguistically and socio-economically diverse settings.



## Community Math Exploration

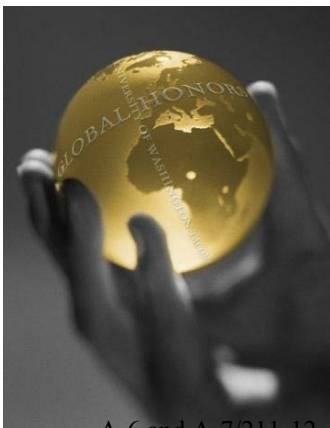


# UW Tacoma

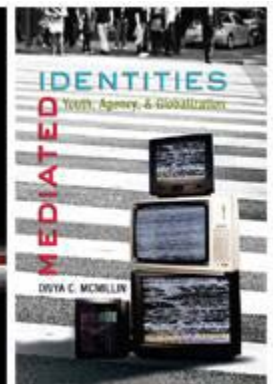
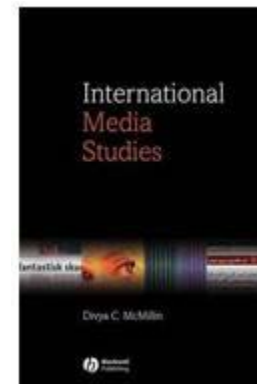


**Dr. Divya McMillin**  
*Assistant Professor*

**Research area:** Examines cultural implications of media globalization, particularly in developing economies. Collaborates with the Bavarian Broadcasting Company to support undergraduate research in transnational media. Serves as the Academic Director of Global Honors, which facilitates merit scholarships to promote global research, leadership and citizenship.



A-6 and A-7/211-12  
11/8/12



# Regents Role in Faculty Diversity

- Communication about the criticality of having a diverse faculty at UW
- Set standards for holding senior leadership accountable for progress

# Questions/Discussion



# Resources for More Information

UW Diversity Portal

<http://www.washington.edu/diversity/>

The College Board Access and Diversity Collaborative

<http://diversitycollaborative.collegeboard.org/>

American Council on Education

<http://www.acenet.edu/higher-education/Pages/Campus-Diversity-and-Inclusion.aspx>

AAC&U Inclusive Excellence

<http://aacu.org/resources/diversity/>

National Center for Institutional Diversity

<http://www.ncid.umich.edu/>

UCLA Civil Rights Project

<http://civilrightsproject.ucla.edu/>

# Contact Information

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Dr. Luis Fraga  
(206) 685-4831  
[lfraga@uw.edu](mailto:lfraga@uw.edu)

Dr. Bruce Kochis  
(425) 352-5364  
[bkochis@uwb.edu](mailto:bkochis@uwb.edu)

UW Student Ambassadors  
(206) 221-2831  
<http://depts.washington.edu/reach/student-ambassador-program/overview/>

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

*In Joint Session with*

B. Finance, Audit and Facilities Committee

State and Federal Elections Update

This is an oral presentation for information only.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Report of Contributions – September 2012

For information only.

*Attachment*

UW Foundation Report of Contributions for September 2012



UNIVERSITY *of* WASHINGTON  
*Foundation*



# Report of Contributions

All Areas | September 2012

## ANNUAL PROGRESS BY CONSTITUENCY

School	Current Month				Year to Date			
	Gifts	Private Grants	Total	Donors <sup>1</sup>	Gifts	Private Grants	Total	Donors
UW Medicine	\$2,254,475	\$3,854,472	\$6,108,947	2,276	\$4,030,328	\$18,834,363	\$22,864,691	3,736
Arts and Sciences	\$1,063,836		\$1,063,836	1,279	\$2,428,216	\$1,858,090	\$4,286,306	2,914
Broadcast Services	\$22,251		\$22,251	5,674	\$331,859		\$331,859	7,330
Built Environments	\$79,640		\$79,640	113	\$170,331		\$170,331	238
Business School	\$273,039		\$273,039	481	\$839,286		\$839,286	796
Dentistry	\$85,070		\$85,070	143	\$226,056		\$226,056	296
Education	\$35,616	\$555,097	\$590,713	93	\$65,821	\$588,949	\$654,770	190
Engineering	\$1,776,725	\$262,294	\$2,039,019	447	\$2,962,755	\$1,373,298	\$4,336,053	866
Environment	\$70,210	\$450,768	\$520,978	235	\$460,713	\$1,568,505	\$2,029,218	476
Evans School of Public Affairs	\$41,818		\$41,818	104	\$84,543	\$109,996	\$194,539	271
Graduate School	\$50,952	\$357,678	\$408,630	26	\$155,730	\$545,828	\$701,559	46
Information School	\$296,953		\$296,953	117	\$361,487		\$361,487	201
Intercollegiate Athletics	\$2,098,262		\$2,098,262	1,159	\$7,862,526		\$7,862,526	4,045
Law	\$280,277		\$280,277	176	\$410,658	\$10,000	\$420,658	400
Libraries	\$147,837		\$147,837	208	\$3,243,489		\$3,243,489	455
Minority Affairs	\$5,969		\$5,969	118	\$75,684		\$75,684	195
Nursing	\$38,547	\$26,553	\$65,100	194	\$256,321	\$420,417	\$676,738	290
Pharmacy	\$170,777		\$170,777	145	\$446,747	\$200,854	\$647,601	240
President's Funds	\$47,568		\$47,568	182	\$143,372		\$143,372	330
Public Health	\$13,554	\$1,554,650	\$1,568,204	90	\$168,483	\$2,429,208	\$2,597,691	180
Social Work	\$62,730		\$62,730	58	\$89,445		\$89,445	104
Student Life	\$676,674		\$676,674	252	\$910,099		\$910,099	505
Undergraduate Academic Affairs	\$36,614		\$36,614	114	\$139,012	\$4,818	\$143,830	206
University Press	\$39,075		\$39,075	9	\$78,430		\$78,430	26
UW Alumni Association	\$59,677		\$59,677	1,320	\$195,015		\$195,015	3,634
UW Bothell	\$12,500		\$12,500	56	\$2,296,086	\$150,638	\$2,446,724	198
UW Tacoma	\$67,673		\$67,673	89	\$168,032	\$214,500	\$382,532	318
Other University Support	\$1,322,019	\$59,000	\$1,381,019	122	\$1,537,251	\$225,871	\$1,763,122	565
<b>Total</b>	<b>\$11,130,336</b>	<b>\$7,120,512</b>	<b>\$18,250,848</b>	<b>14,482</b>	<b>\$30,137,776</b>	<b>\$28,535,336</b>	<b>\$58,673,112</b>	<b>27,114</b>

## MONTHLY HIGHLIGHTS

The UW received \$18.25M in total private voluntary support (\$11.13M in gifts and \$7.12M in grants) in the current month.

Areas including Built Environments, Engineering, Environment, Information School, Libraries, Minority Affairs, Nursing, Student Life, Undergraduate Academic Affairs, University Press, UW Alumni Association, UW Bothell and UW Tacoma are ahead of last year's year-to-date totals.

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

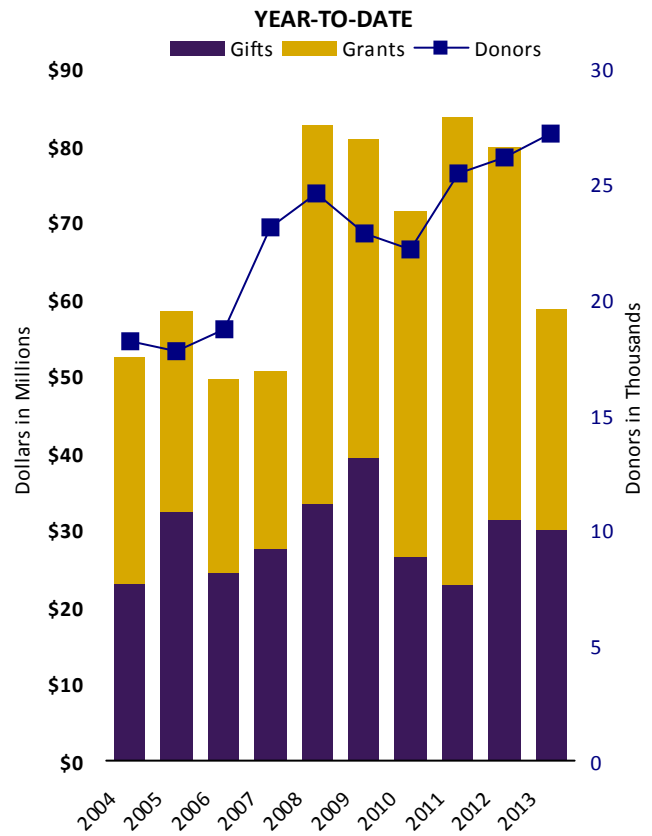
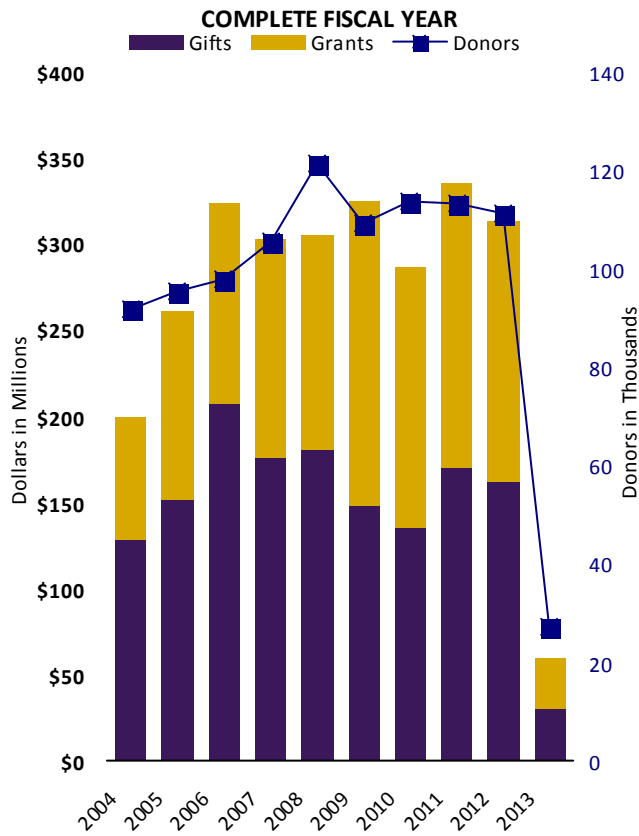
The donor total at the bottom of the chart is not a cumulative total of the rows above. The donor total is the number of unique donors who have been credited with a gift to the UW during the given time period.

**DEVELOPMENT SUMMARY BY CONSTITUENCY**

School	Current Month		Year to Date		Prior Year to Date		Prior Year Total	
	Total	Donors	Total	Donors	Total	Donors	Total	Donors
UW Medicine	\$6,108,947	2,276	\$22,864,691	3,736	\$38,297,383	3,006	\$117,105,011	15,880
Arts and Sciences	\$1,063,836	1,279	\$4,286,306	2,914	\$6,824,903	3,285	\$28,630,072	13,296
Broadcast Services	\$22,251	5,674	\$331,859	7,330	\$1,960,619	6,477	\$6,997,556	19,560
Built Environments	\$79,640	113	\$170,331	238	\$156,324	128	\$1,319,922	1,054
Business School	\$273,039	481	\$839,286	796	\$1,340,077	964	\$20,100,354	4,568
Dentistry	\$85,070	143	\$226,056	296	\$577,425	401	\$1,636,141	1,329
Education	\$590,713	93	\$654,770	190	\$926,285	480	\$7,463,438	1,659
Engineering	\$2,039,019	447	\$4,336,053	866	\$3,033,072	907	\$22,525,824	4,219
Environment	\$520,978	235	\$2,029,218	476	\$2,014,758	541	\$10,129,819	2,489
Evans School of Public Affairs	\$41,818	104	\$194,539	271	\$428,435	159	\$1,593,243	551
Graduate School	\$408,630	26	\$701,559	46	\$911,310	58	\$1,919,499	309
Information School	\$296,953	117	\$361,487	201	\$81,127	363	\$1,007,884	868
Intercollegiate Athletics	\$2,098,262	1,159	\$7,862,526	4,045	\$8,343,249	3,230	\$33,580,010	22,874
Law	\$280,277	176	\$420,658	400	\$568,490	280	\$2,033,388	1,894
Libraries	\$147,837	208	\$3,243,489	455	\$187,532	702	\$1,989,175	5,077
Minority Affairs	\$5,969	118	\$75,684	195	\$66,302	187	\$1,099,134	809
Nursing	\$65,100	194	\$676,738	290	\$303,514	238	\$2,947,291	1,495
Pharmacy	\$170,777	145	\$647,601	240	\$720,771	330	\$10,883,740	1,346
President's Funds	\$47,568	182	\$143,372	330	\$109,379	319	\$591,920	1,297
Public Health	\$1,568,204	90	\$2,597,691	180	\$5,960,659	203	\$11,566,876	748
Social Work	\$62,730	58	\$89,445	104	\$525,917	116	\$3,619,549	953
Student Life	\$676,674	252	\$910,099	505	\$686,154	1,094	\$6,353,413	3,844
Undergraduate Academic Affairs	\$36,614	114	\$143,830	206	\$52,084	97	\$2,037,112	850
University Press	\$39,075	9	\$78,430	26	\$40,265	22	\$203,245	210
UW Alumni Association	\$59,677	1,320	\$195,015	3,634	\$193,854	3,517	\$1,136,496	19,208
UW Bothell	\$12,500	56	\$2,446,724	198	\$1,674,276	181	\$3,967,991	676
UW Tacoma	\$67,673	89	\$382,532	318	\$185,892	248	\$4,872,642	980
Other University Support	\$1,381,019	122	\$1,763,122	565	\$3,473,704	410	\$5,791,037	2,134
<b>Total<sup>1</sup></b>	<b>\$18,250,848</b>	<b>14,482</b>	<b>\$58,673,112</b>	<b>27,114</b>	<b>\$79,643,759</b>	<b>26,111</b>	<b>\$313,101,782</b>	<b>111,145</b>

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

### FISCAL YEAR COMPARISON OF TOTAL CONTRIBUTIONS



Fiscal Year	Complete Fiscal Year				Year to Date			
	Gifts	Private Grants	Total	Donors	Gifts	Private Grants	Total	Donors
2012-2013	\$30,137,776	\$28,535,336	\$58,673,112	27,114	\$30,137,776	\$28,535,336	\$58,673,112	27,114
2011-2012	\$161,989,170	\$151,112,612	\$313,101,782	111,145	\$31,505,383	\$48,138,376	\$79,643,759	26,111
2010-2011	\$170,201,978	\$164,435,696	\$334,637,675	113,114	\$22,792,648	\$60,668,767	\$83,461,416	25,376
2009-2010	\$135,813,022	\$150,815,796	\$286,628,819	113,746	\$26,555,244	\$44,732,283	\$71,287,527	22,118
2008-2009	\$148,364,809	\$175,713,667	\$324,078,477	109,083	\$39,551,169	\$41,037,329	\$80,588,498	22,791
2007-2008	\$180,735,444	\$124,224,214	\$304,959,657	121,447	\$33,546,899	\$48,925,994	\$82,472,893	24,511
2006-2007	\$176,490,215	\$126,399,369	\$302,889,584	105,353	\$27,414,529	\$23,052,463	\$50,466,991	23,091
2005-2006	\$207,744,231	\$115,261,186	\$323,005,417	97,876	\$24,257,352	\$25,307,056	\$49,564,408	18,667
2004-2005	\$151,969,925	\$108,802,371	\$260,772,296	95,227	\$32,475,755	\$25,933,731	\$58,409,486	17,729
2003-2004	\$128,174,367	\$71,603,323	\$199,777,690	91,903	\$23,128,776	\$29,149,098	\$52,277,874	18,183



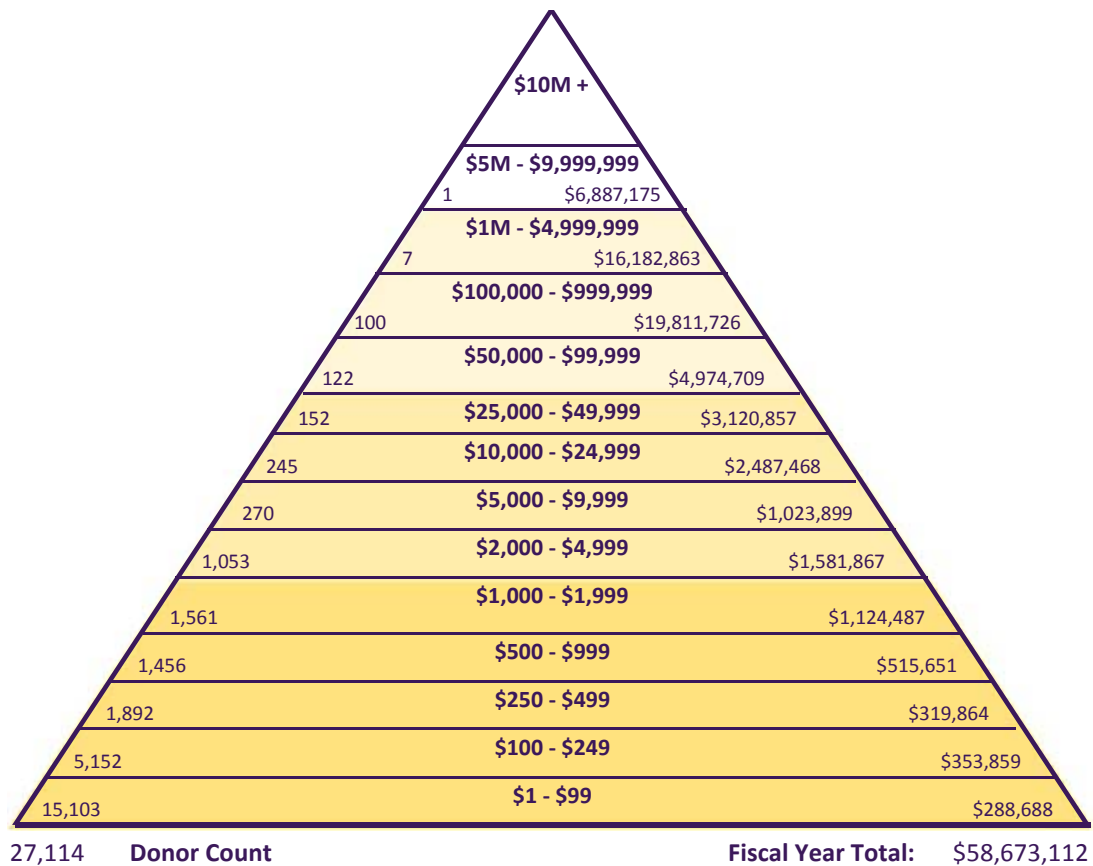
### ANNUAL FUNDING THEME PROGRESS

Theme	Current Use	Year to Date	
		Endowment	Total
Student Support	\$1,477,753	\$2,671,974	\$4,149,726
Faculty Support	\$2,863,285	\$244,278	\$3,107,563
Program Support for Faculty and Students	\$36,819,741	\$4,365,008	\$41,184,750
Capital	\$4,852,509	\$55	\$4,852,564
Excellence Funds	\$5,010,333	\$368,177	\$5,378,510
<b>Total</b>	<b>\$51,023,621</b>	<b>\$7,649,491</b>	<b>\$58,673,112</b>

### DEVELOPMENT ACTIVITY BY DONOR TYPE

Donor Type	Year to Date		Prior Year to Date		Prior Fiscal Year	
	Donors	Total	Donors <sup>1</sup>	Total	Donors	Total
Alumni	11,786	\$6,279,540	12,281	\$6,819,493	50,041	\$46,193,706
Corporations	647	\$9,681,834	654	\$9,938,522	2,784	\$49,922,648
Family Foundations	39	\$3,952,824	39	\$3,479,606	170	\$15,990,521
Foundations	137	\$15,666,759	144	\$32,243,100	407	\$90,656,428
Non-Alumni	14,353	\$6,996,893	12,826	\$6,368,541	57,161	\$39,634,685
Organizations	152	\$16,095,262	167	\$20,794,497	582	\$70,703,795
<b>Total</b>	<b>27,114</b>	<b>\$58,673,112</b>	<b>26,111</b>	<b>\$79,643,759</b>	<b>111,145</b>	<b>\$313,101,782</b>

### DEVELOPMENT ACTIVITY PYRAMID



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



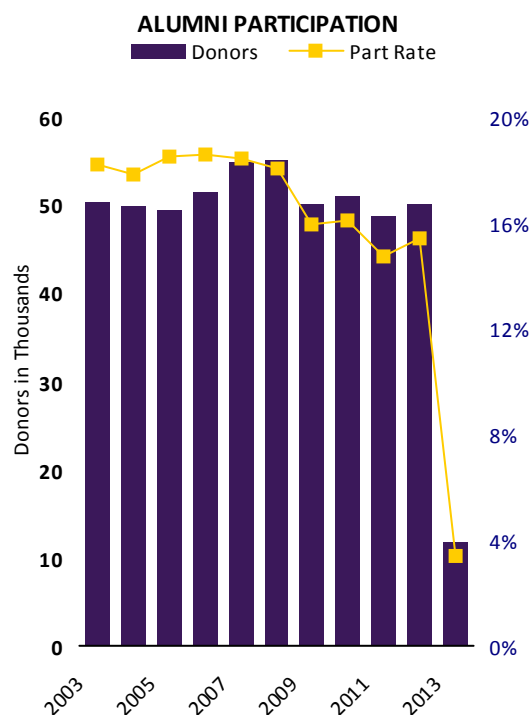
**ANNUAL PROGRESS BY GIVING LEVEL**

Giving Level	Alumni	Non Alumni	Family Fndns.	Corporations	Foundations	Other Orgs.	Total
\$10M +							\$0
\$5M - \$9,999,999						\$6,887,175	\$6,887,175
\$1M - \$4,999,999		\$2,250,000	\$3,050,000	\$1,000,000	\$7,619,368	\$2,263,495	\$16,182,863
\$100,000 - \$999,999	\$1,906,630	\$1,169,633	\$384,631	\$4,694,441	\$6,440,133	\$5,216,259	\$19,811,726
\$50,000 - \$99,999	\$624,879	\$970,750	\$217,274	\$1,529,894	\$776,955	\$854,957	\$4,974,709
\$25,000 - \$49,999	\$680,165	\$585,597	\$152,500	\$957,684	\$355,967	\$388,944	\$3,120,857
\$10,000 - \$24,999	\$566,009	\$407,630	\$101,074	\$744,959	\$373,296	\$294,500	\$2,487,468
\$5,000 - \$9,999	\$283,187	\$233,370	\$26,620	\$327,553	\$34,000	\$119,168	\$1,023,899
\$2,000 - \$4,999	\$769,634	\$432,557	\$12,800	\$274,853	\$39,240	\$52,784	\$1,581,867
\$1,000 - \$1,999	\$591,818	\$415,043	\$6,575	\$83,662	\$18,737	\$8,651	\$1,124,487
\$500 - \$999	\$280,732	\$185,891	\$1,000	\$38,055	\$5,512	\$4,461	\$515,651
\$250 - \$499	\$168,369	\$130,121	\$250	\$16,025	\$2,338	\$2,760	\$319,864
\$100 - \$249	\$217,521	\$121,140	\$100	\$12,552	\$854	\$1,692	\$353,859
\$1 - \$99	\$190,596	\$95,161		\$2,155	\$360	\$416	\$288,688
<b>Total</b>	<b>\$6,279,540</b>	<b>\$6,996,893</b>	<b>\$3,952,824</b>	<b>\$9,681,834</b>	<b>\$15,666,759</b>	<b>\$16,095,262</b>	<b>\$58,673,112</b>

Giving Level	Alumni	Non Alumni	Family Fndns.	Corporations	Foundations	Other Orgs.	Total
\$10M +							0
\$5M - \$9,999,999						1	1
\$1M - \$4,999,999		2	1	1	2	1	7
\$100,000 - \$999,999	14	21	3	23	20	19	100
\$50,000 - \$99,999	25	43	5	24	11	14	122
\$25,000 - \$49,999	45	49	4	30	11	13	152
\$10,000 - \$24,999	69	76	5	54	23	18	245
\$5,000 - \$9,999	95	86	6	56	6	21	270
\$2,000 - \$4,999	500	411	5	103	16	18	1,053
\$1,000 - \$1,999	746	710	6	73	16	10	1,561
\$500 - \$999	700	667	2	72	8	7	1,456
\$250 - \$499	840	981	1	54	8	8	1,892
\$100 - \$249	2,359	2,675	1	99	7	11	5,152
\$1 - \$99	6,393	8,632		58	9	11	15,103
<b>Total</b>	<b>11,786</b>	<b>14,353</b>	<b>39</b>	<b>647</b>	<b>137</b>	<b>152</b>	<b>27,114</b>

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

Area	Solicitable	To UW		To Unit	
		Year to Date	Part Rate	Year to Date	Part Rate
UW Medicine	20,206	796	3.94%	398	1.97%
Arts and Sciences	158,093	5,199	3.29%	1,679	1.06%
Business School	40,686	1,767	4.34%	615	1.51%
Built Environments	8,782	322	3.67%	79	0.90%
Dentistry	4,729	260	5.50%	139	2.94%
Education	18,344	725	3.95%	60	0.33%
Engineering	34,946	1,048	3.00%	525	1.50%
Environment	12,029	345	2.87%	103	0.86%
Evans School of Public Affairs	3,068	159	5.18%	49	1.60%
Interdisc. Grad. Programs	2,457	81	3.30%		
Interschool Programs	2,564	101	3.94%		
Information School	5,322	314	5.90%	182	3.42%
Law	8,572	416	4.85%	209	2.44%
School of Nursing	9,128	410	4.49%	155	1.70%
Pharmacy	3,851	198	5.14%	136	3.53%
Public Health	5,138	202	3.93%	30	0.58%
Social Work	6,969	230	3.30%	45	0.65%
UW Bothell	9,945	254	2.55%	74	0.74%
UW Tacoma	11,337	238	2.10%	119	1.05%
Unspecified	8,909	286	3.21%		
<b>ALL UW TOTAL</b>	<b>345,483</b>	<b>11,786</b>	<b>3.41%</b>		



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

Area	Solicitable	To UW				To Unit			
		Year to Date		FY Total		Year to Date		FY Total	
		Donors <sup>1</sup>	Part Rate	Donors	Part Rate	Donors	Part Rate	Donors	PFY Final
UW Medicine	19,296	673	3.49%	3,580	18.55%	304	1.58%	2,285	11.84%
Arts and Sciences	148,325	5,598	3.77%	20,873	14.07%	1,482	1.00%	5,289	3.57%
Business School	38,811	1,823	4.70%	7,631	19.66%	561	1.45%	2,436	6.28%
Built Environments	8,372	282	3.37%	1,343	16.04%	58	0.69%	483	5.77%
Dentistry	4,598	315	6.85%	1,091	23.73%	200	4.35%	598	13.01%
Education	17,578	750	4.27%	3,173	18.05%	63	0.36%	493	2.80%
Engineering	33,380	1,133	3.39%	4,957	14.85%	475	1.42%	2,240	6.71%
Environment	11,457	344	3.00%	1,717	14.99%	111	0.97%	700	6.11%
Evans School of Public Affairs	2,773	157	5.66%	655	23.62%	45	1.62%	214	7.72%
Interdisc. Grad. Programs	2,239	95	4.24%	328	14.65%				
Interdisc. Undergrad. Programs									
Interschool Programs	2,406	146	6.07%	497	20.66%				
Information School	4,882	385	7.89%	1,075	22.02%	217	4.44%	523	10.71%
Law	8,074	355	4.40%	1,766	21.87%	141	1.75%	916	11.35%
School of Nursing	8,737	372	4.26%	1,715	19.63%	123	1.41%	855	9.79%
Pharmacy	3,705	242	6.53%	958	25.86%	164	4.43%	692	18.68%
Public Health	4,728	166	3.51%	787	16.65%	20	0.42%	233	4.93%
Social Work	6,543	226	3.45%	999	15.27%	55	0.84%	445	6.80%
UW Bothell	8,323	260	3.12%	999	12.00%	40	0.48%	228	2.74%
UW Tacoma	9,481	224	2.36%	971	10.24%	63	0.66%	288	3.04%
Unspecified	9,066	318	3.51%	1,442	15.91%				
<b>ALL UW TOTAL</b>	<b>324,647</b>	<b>12,150</b>	<b>3.74%</b>	<b>50,041</b>	<b>15.41%</b>				

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



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



## UWAA Member Giving by Constituency

School	Solicitable Alumni	Member		Alumni Giving	
		Members <sup>1</sup>	Donors	Members	Non Members
UW Medicine	20,206	1,843	229	12.43%	2.60%
Arts and Sciences	158,093	19,114	1,990	10.41%	1.53%
Business School	40,686	7,222	903	12.50%	1.62%
Built Environments	8,782	1,127	122	10.83%	1.75%
Dentistry	4,729	947	142	14.99%	2.41%
Education	18,344	2,810	278	9.89%	1.83%
Engineering	34,946	4,486	387	8.63%	1.53%
Environment	12,029	1,420	101	7.11%	1.56%
Evans School of Public Affairs	3,068	348	37	10.63%	3.31%
Interdisc. Grad. Programs	2,457	215	24	11.16%	1.83%
Interdisc. Undergrad. Progra					
Interscholar Programs	2,564	556	51	9.17%	1.44%
Information School	5,322	784	100	12.76%	3.70%
Law	8,572	1,074	148	13.78%	3.00%
School of Nursing	9,128	1,308	152	11.62%	2.62%
Pharmacy	3,851	630	93	14.76%	2.70%
Public Health	5,138	419	52	12.41%	2.61%
Social Work	6,969	590	62	10.51%	1.91%
UW Bothell	9,945	884	71	8.03%	1.03%
UW Tacoma	11,337	809	58	7.17%	0.94%
Unspecified	8,909	1,790	150	8.38%	1.17%
Non-Alumni		8,371	1,716	20.50%	
<b>Total</b>	<b>345,483</b>	<b>53,062</b>	<b>6,195</b>	<b>11.68%</b>	

## Alumni Activity

<b>11 in 25 registrants at 2012 UW events were UWAA members</b>
<b>1 in 20 registrants at 2012 UW events were UW donors</b>
<b>9 in 10 registrants at 2012 UW events were Solicitable Alumni</b>
<b>1 in 50 UWAA members attended a 2012 UW event</b>
<b>2 in 5 2011-2012 Football/Basketball season ticket holders were UWAA members</b>
<b>1 in 6 UWAA members were 2011-2012 Football/Basketball season ticket holders</b>

## Top 10 Membership by Class Year

Class Year	Part. Rate	Class Year	Population
1955	22.81%	2012	1,343
1953	21.63%	1971	1,106
1954	21.51%	1973	1,087
1946	20.88%	1974	1,055
1956	20.84%	1970	1,039
1959	20.80%	1972	1,038
1957	20.31%	1976	1,026
1960	20.22%	1975	1,002
1958	20.11%	1977	950
1950	19.94%	1968	905

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

School <sup>2</sup>	Participants	Part. Donors	% Donors	Alum Non-Part.	Alum Non-Par Donor	% Non-Part Donor
Intercollegiate Athletics	1,588	1,559	98.17%			
UW Medicine	3,845	2,716	70.64%	22,139	3,041	13.74%
Arts and Sciences	14,542	2,881	19.81%	145,814	7,192	4.93%
Built Environments	1,674	663	39.61%	7,685	600	7.81%
Business School	6,055	1,683	27.80%	36,164	3,124	8.64%
Dentistry	1,646	643	39.06%	3,304	390	11.80%
Education	1,531	205	13.39%	17,244	729	4.23%
Engineering	2,888	856	29.64%	32,951	3,016	9.15%
Environment	1,213	525	43.28%	11,404	934	8.19%
Evans School of Public Affairs	904	360	39.82%	2,425	288	11.88%
Graduate School	343	133	38.78%	2,295	6	0.26%
Information School	542	200	36.90%	4,994	744	14.90%
Law	1,804	733	40.63%	7,169	1,079	15.05%
Libraries	634	621	97.95%			
Nursing	875	320	36.57%	8,576	1,229	14.33%
Pharmacy	310	199	64.19%	3,745	902	24.09%
Public Health	543	167	30.76%	4,372	348	7.96%
Social Work	727	321	44.15%	6,581	584	8.87%
UW Bothell	747	208	27.84%	9,414	667	7.09%
UW Tacoma	729	278	38.13%	10,850	827	7.62%

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

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

<sup>3</sup> 3-Years consists of any activity since 7/1/2009

Source: University of Washington Alumni Association



## 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 Executive Vice President in Executive 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. Raitt Hall Biodemography Laboratory, Project No. 203986  
Actions Reported: Select Architect/Adopt Budget

On September 19, 2012, an architectural agreement was awarded to Perkins + Will Architects, Seattle office, for the Raitt Hall Biodemography Laboratory project under their existing Master Term Agreement for Architectural Services dated March 14, 2011. The agreement amount is \$98,829 for basic services versus a budget value of \$179,111 for design consultants. The balance of the design budget is intended for hazardous materials consultant, commissioning and a previously completed predesign.

Perkins+ Will is a 75-year old international architectural firm employing 1,600 professionals. They recently completed the major renovation of our Husky Union Building (HUB). Other recent projects on campus have included Kincaid Genetics Lab, Hitchcock Torii Laboratory and Chemistry Library Tenant Improvements. In addition to the UW experience, they have completed projects for the Center for Disease Control and Prevention and the Centre for Interactive Research on Sustainability at the University of British Columbia. Perkins + Will surpassed its 150 LEED certified projects milestone this year.

The purpose of this project is to construct a Biosafety Level (BSL)-2 laboratory on the second floor of Raitt Hall. Included in this project will be the renovation of two existing laboratory spaces into one contiguous research laboratory, office, and break room area. New modular and fixed laboratory casework, architectural laboratory finishes, ceilings, lights, and floor finishes will be included. Changes to the building's mechanical and electrical systems are part of the project.

Design is expected to be completed by December 2012 with construction beginning in February 2013 and with occupancy forecast for July 2013.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### Actions Taken Under Delegated Authority (continued p. 2)

The project budget is established at \$1,250,000. Funding of \$1,250,000 is composed of \$900,000 from state funds, and \$350,000 from local funds. No donor funding is being used nor are any naming opportunities envisioned.

Budget Summary:	Current Approved Budget	Forecast Cost At Completion
Total Consultant Services	\$179,111	\$179,111
Total Construction Cost*	\$895,327	\$895,327
Other Costs	\$72,267	\$72,267
Project Administration	\$103,295	\$103,295
Total Project Budget	\$1,250,000	\$1,250,000

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

#### REPORT OF ACTIONS TAKEN UNDER SPECIFIC DELEGATED AUTHORITY – CAPITAL PROJECT BUDGETS

##### 1. University of Washington Job Order Contract Action Reported: Award Construction Contract

In August 2012, the Capital Projects Office advertised for firms interested in providing Job Order Contract services. Eight firms submitted qualifications and the University selected eight firms to interview. These firms were then invited to submit bids, which consisted of coefficient markups for work to be performed at the University of Washington Seattle, Bothell and Tacoma campuses and associated sites.

At the July 2012 Board of Regents meeting, the President was given delegated authority to award a Job Order Contract (JOC) to the most qualified contractor selected. The maximum total contract amount for the cumulative value of all work orders shall not exceed \$4 million per year for a maximum of three years. Each work order is limited to a maximum of \$350,000.

On October 3, 2012, Berschauer Phillips Construction Company (Berschauer) was awarded a JOC construction contract. Berschauer was the firm with the highest scoring proposal, resulting from the evaluation of the Request for Qualifications, the interview, and the submittal of a composite coefficient. Berschauer is a local construction firm with offices in Tumwater and Seattle that has been in business for over 25 years.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### Actions Taken Under Delegated Authority (continued p. 3)

Berschauer has completed many projects for higher education institutes including the University of Washington Tacoma, Seattle Central Community College, and St. Martin's University in Lacey, Washington.

Funding will be provided by various sources on a project-by-project basis.

**VII. STANDING COMMITTEES****B. Finance, Audit and Facilities Committee**Approval to Name the Michael G. Foster School of Business Phase II Building  
“Dempsey Hall”RECOMMENDED ACTION

It is the recommendation of the President that the Board of Regents approve naming the Phase II facility of the Michael G. Foster School of Business “Dempsey Hall” in recognition of Neal Dempsey’s continuing partnership and philanthropy with the UW and his civic activism, which provides a model of care and humanity for today’s and tomorrow’s students.

Consistent with prescribed Board of Regents Governance, Regent Policy No. 6, Facilities and Spaces Naming Policy, Neal Dempsey III has made a substantial contribution to the Michael G. Foster School of Business’ capital project. Mr. Dempsey’s total commitment to this building effort has reached \$10 million, the naming consideration threshold for this project approved by the Board of Regents at its March 2012 meeting. Mr. Dempsey and his wife, Jan, have been long-time advisors, advocates and benefactors across the University of Washington.

In accordance with the Facilities and Spaces Naming Policy, Mr. Dempsey’s name will remain for the life of the building, assuming his positive image and demonstrated integrity remain in good standing.

BACKGROUND

The University of Washington’s Michael G. Foster School of Business (Foster School) is pursuing a long-term goal to be the best public business school in America. Critical to this effort is a two phased project that has added more than 190,000 square feet of community, office, program and classroom space to the UW’s Foster School complex. The Phase II building opened its doors to students this quarter (Autumn 2012) and presents an opportunity to name the building in recognition of Neal Dempsey III, a long-time volunteer for and supporter of the University of Washington. Mr. Dempsey is a 1964 UW graduate with a BA in business, who has distinguished himself as a business executive and venture capitalist as well as a philanthropist, and we would be proud to further associate the Foster School with this extraordinarily accomplished alumnus of our great university.

Mr. Dempsey has pledged a total of \$10 million to support the new Foster facilities, to be paid in full by 2016. In addition, Neal and Jan Dempsey have committed another \$9.6 million beyond this building support to the University of



## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### Approval to Name the Michael G. Foster School of Business Phase II Building “Dempsey Hall” (continued p. 2)

Washington. Since beginning their philanthropy to the UW in 1993, the Dempseys have made multiple gifts to our institution. Beneficiaries to date have included Men’s and Women’s Athletics (including scholarship endowments in football, golf and tennis), Cinema Studies, the College of Arts and Sciences, the Evans School of Public Affairs, the Husky Band, the Information School, the Office of Global Affairs and the UW Rome Center.

At the Foster School, Mr. Dempsey co-founded what is today the Center for Innovation & Entrepreneurship (CIE), currently ranked #10 in the nation among graduate programs by the *Princeton Review*. In addition to ongoing operating support for this program, the Dempseys endowed a business faculty fellowship in entrepreneurship. To mark Professor Borjie (Bud) Saxberg’s 50<sup>th</sup> anniversary on faculty at the UW, the Dempseys endowed an undergraduate scholarship fund in Professor Saxberg’s name for entrepreneurship students. The Dempseys have also created endowments for a high technology-focused business professorship and MBA fellowships that will attract talented minds in perpetuity.

In terms of the gift of time, Neal Dempsey is a current member and past chair of the Foster School Advisory Board, a long-standing director of the CIE Board, co-chaired Foster’s \$181 million effort as part of *Campaign UW* completed in 2008, and serves as the Foster School’s representative to the UW Foundation Board. He has served on numerous University search committees and task forces. He was the 2012 UW Foster School EMBA/TMMBA Commencement Keynote Speaker, the 2001 UW Recognition Award recipient (today called the Gates Volunteer Service Award), and a 2000 recipient of the (then) UW Business School Distinguished Alumni Award – the Foster School’s highest non-degree honor.

Mr. Dempsey is similarly involved in his local community, serving on the Boards of Trustees for Claremont McKenna College and Eastfield Ming Quong, a Santa Clara, California-based nonprofit that supports emotionally disturbed children and their families.

In honor of Balmer Hall, which served as the Foster School’s primary classroom building from 1962 through 2010, President Young approved the interior naming of the Thomas Balmer Lobby on the ground floor of the proposed Dempsey Hall.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Approval to Name the Michael G. Foster School of Business Phase II Building  
“Dempsey Hall” (continued p. 3)

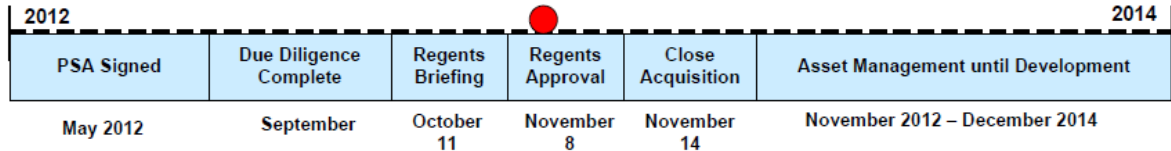
REVIEW AND APPROVALS

The proposed naming is recommended by the President and has also been reviewed and approved by the Provost, the Vice President for Advancement, and the Dean of the Michael G. Foster School of Business.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Purchase of Filer Property



RECOMMENDED ACTIONS

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

1. Approve the purchase of the Filer property for \$5.0 million;
2. Delegate to the President the authority to execute all documents related to this transaction.

BACKGROUND

**Property Description:**

The property is located at the corner of Roosevelt Way NE and NE 42<sup>nd</sup> and consists of three parcels. It includes a two-story office building (constructed in 1969) with a garage for 20 vehicles; a parking lot for 12 vehicles; and a residential triplex (1908). The total site is approximately ½ acre (22,407sf). Current zoning is C1-65 (Commercial 1, 65’ height limit), with development capacity of about 95,000sf.

The University owns and occupies the Roosevelt buildings immediately adjacent on the north side of the Filer property.

**Purpose and Benefit:**

Purchase of the Filer property is a strategic acquisition due to its location and future redevelopment opportunity. Uses could include office, clinics, research or residential.

**Purchase Terms:**

The Purchase and Sale Agreement for the Filer property contains the following essential business terms:

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### Purchase of Filer Property (continued p. 2)

- Seller: C. Don Filer, Sallie L. Filer and Aero Marine Corp.
- Purchase Price: \$5.0 million
- Closing Date: November 14, 2012
- Contingencies:
  - UW approval of property condition
  - UW approval of title report
  - UW Regents Approval

#### **Property Condition and Title:**

Phase 1 and Phase 2 environmental assessments have been completed and show no significant environmental risks. A building condition assessment was completed and some deferred maintenance was noted. The title report is acceptable.

#### **Financing Plan:**

\$5.0 million cash from fund balance.

#### **Management Plan:**

Existing property rentals will be continued with current tenants and managed by a third-party property manager.

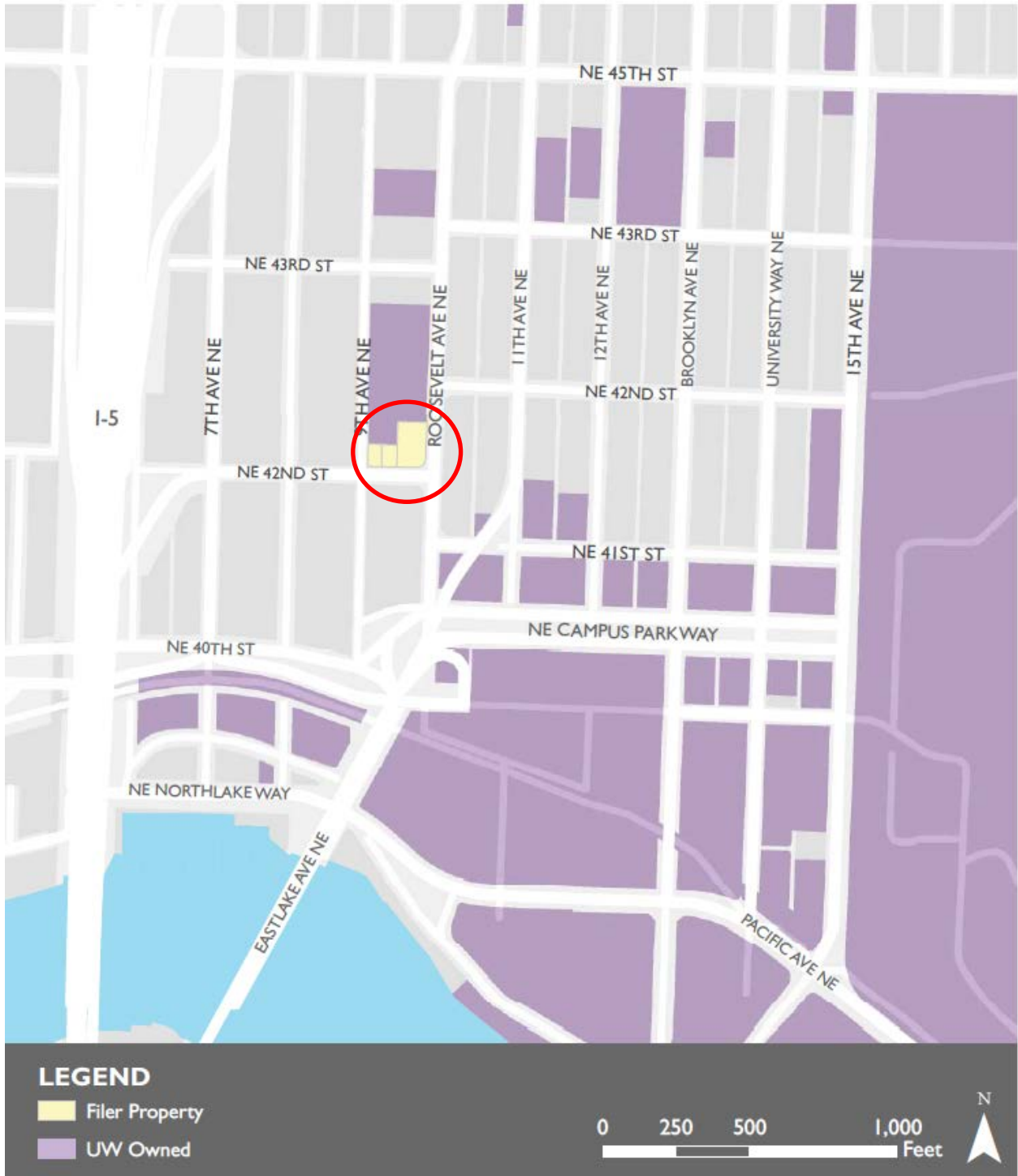
#### REVIEW AND APPROVAL

Purchase of the Filer property and financing of the purchase price have been reviewed and recommended for approval by the Senior Vice President, the Vice Provost for Planning and Budgeting, the Associate Vice President for Treasury and the Chief Real Estate Officer.

#### *Attachment*

Filer Property Location Map

# Filer Property Location Map



## ATTACHMENT

## VII. STANDING COMMITTEES

## B. Finance, Audit and Facilities Committee

Inlandboatmen's Union of the Pacific Collective Bargaining Agreement – UW RatificationRECOMMENDED ACTION

It is the recommendation of the administration that the Board of Regents approve the Collective Bargaining Agreement between the University of Washington and the Inlandboatmen's Union of the Pacific (IBU) that covers approximately 18 employees on the Thomas G. Thompson Research Vessel. The duration of the Agreement is from July 1, 2013 through June 30, 2015.

BACKGROUND

This is a successor Agreement for this bargaining unit negotiated under the Personnel System Reform Act of 2002 and pursuant to RCW 41.80.

Following is a summary of the critical elements of the Agreement.

**Wages:**

July 1, 2013

- 2 percent across-the-board wage increase

July 1, 2014

- 2 percent across-the-board wage increase

The package proposal is contingent upon the Union's acceptance of all provisions of the package. The University of Washington makes its final economic offer conditional on the following: consistent with RCW 41.80, the Office of Financial Management must determine this agreement as being financially feasible; the Governor must include the agreement into the biennial budget; the Legislature must approve the agreements; all of the general operating funds required must be appropriated; the agreement must be approved and appropriations granted in whole, across all bargaining units represented by the IBU.

**VII. STANDING COMMITTEES****B. Finance, Audit and Facilities Committee**SEIU Local 925 Collective Bargaining Agreement – UW RatificationRECOMMENDED ACTION

It is the recommendation of the administration that the Board of Regents approve the Collective Bargaining Agreement between the University of Washington and SEIU Local 925 that covers approximately 5,600 employees on all UW Campuses, UW Medical Center and Harborview Medical Center. In addition, certain provisions of the Agreement will cover regular temporary employees who enter the bargaining unit upon completion of 350 hours of bargaining unit work within a consecutive 12 month period. The duration of this Agreement is from July 1, 2013 through June 30, 2015.

BACKGROUND

This is a successor Agreement for this bargaining unit negotiated under the Personnel System Reform Act of 2002 and pursuant to RCW 41.80.

Following is a summary of the critical elements of the Agreement:

**Efficiencies:**

- This agreement covers SEIU Local 925 Healthcare Professional/Laboratory Technical and HMC Technical, SEIU Local 925 Nonsupervisory, SEIU Local 925 Research Technologist, SEIU Local 925 Research Technologist Supervisor and SEIU Local 925 Supervisory. All bargaining units are included under one master contract.
- In keeping with the UW's green initiative and as a cost savings, contracts will be made available online. Paper copies will no longer be generated for each bargaining unit employee.
- UW Labor Relations office will no longer automatically notify new employees of their responsibility to join the union. These notifications will instead come from the online job announcement, offer letter or new employee orientation.
- Bargaining unit employees who neither appear for work nor report their absence to their supervisor on three consecutive workdays will be recommended for termination.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### SEIU Local 925 Collective Bargaining Agreement – UW Ratification (continued p. 2)

##### **Wages – All Bargining Units:**

July 1, 2013

- 2 percent across-the-board wage increase

July 1, 2014

- 2 percent across-the-board wage increase

The University of Washington makes its final economic offer conditional on the following: consistent with RCW 41.80, the Office of Financial Management must determine this agreement as being financially feasible; the Legislature must approve the agreements; all of the general operating funds required must be appropriated in the budget; the agreement must be approved and appropriations granted in whole, across all bargaining units represented by the SEIU Local 925.

In the event that the above appropriations are not realized, the parties will return to the bargaining table in order to resume collective bargaining on financial matters.

“Me-too” Agreement – If UW agrees to across-the-board salary or general increases for an SEIU 1199 or WSNA bargaining unit during negotiations for the 2013 biennium that are more favorable than those negotiated by SEIU 925, UW will apply the same treatment to the salary schedules of SEIU 925-represented employees.

##### **Wages – Classification Specific:**

#### Surgical Technologists

July 1, 2013

- Eligible for a preceptor pay premium of \$1 per hour for all time spent engaged in a preceptor capacity with newly hired surgical technologists or perioperative registered nurses.
- Granted up to three days of paid release time annually and \$200 each fiscal year, prorated for part-time employees, for educational/professional development purposes.



VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

SEIU Local 925 Collective Bargaining Agreement – UW Ratification (continued  
p. 3)

Public Safety Sergeants HMC

July 1, 2013

- Sergeants trained and qualified to assist clinical staff in restraining patients, will receive a premium pay of \$1.30 per hour for all hours worked.

**VII. STANDING COMMITTEES****B. Finance, Audit and Facilities Committee**Teamsters Local 117 Collective Bargaining Agreement – UW RatificationRECOMMENDED ACTION

It is the recommendation of the administration that the Board of Regents approve the Collective Bargaining Agreement between the University of Washington and Teamsters Local 117 that covers approximately 25 employees at the University of Washington. The duration of the Agreement is from July 1, 2013, through June 30, 2015.

BACKGROUND

This is a successor Agreement for this bargaining unit negotiated under the Personnel System Reform Act of 2002 and pursuant to RCW 41.80.

Following is a summary of the critical elements of the Agreement:

**Efficiencies:**

- In keeping with the UW's green initiative and as a cost savings, contracts will be made available online. Paper copies will no longer be generated for each bargaining unit employee.
- Information request process clarified to route all requests through the UW Labor Relations office.
- New article regarding resignation and job abandonment added.
- Deleted language requiring employees to return jury duty compensation.

**Wages:**

July 1, 2013

- 2 percent across-the-board wage increase

July 1, 2015

- 2 percent across-the-board wage increase

These across-the-board wage increases are contingent on successful completion of a sequence of events in the Washington State government, including a finding of financial feasibility by the Washington State Office of Financial Management

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### Teamsters Local 117 Collective Bargaining Agreement – UW Ratification (continued p. 2)

(OFM), followed by inclusion in the governor's proposed budget for the 2013-2015 biennium, followed by approval by the Legislature, and concluding with appropriation of the state portion of funding for the increases in the 2013-2015 state budget. The across-the-board increases will not occur if any one of the contingencies is not met.

**VII. STANDING COMMITTEES****B. Finance, Audit and Facilities Committee**Washington Federation of State Employees Collective Bargaining Agreement –  
UW RatificationRECOMMENDED ACTION

It is the recommendation of the Administration that the Board of Regents approve a Master Collective Bargaining Agreement between the University of Washington and the Washington Federation of State Employees (WFSE) that covers approximately 2,900 employees in six bargaining units at the University of Washington, UW Medical Center and Harborview Medical Center. The duration of the Agreement is from July 1, 2013 through June 30, 2015.

BACKGROUND

This is a successor Agreement negotiated for these bargaining units under the Personnel System Reform Act of 2002 and pursuant to RCW 41.80.

Following is a summary of the critical elements of the Master Agreement:

**Efficiencies:**

- Consistent with other union contracts, UW has reserved the right to move from calculating employees' Family and Medical Leave Act (FMLA) entitlement using a calendar year to using a "rolling" 12 month period, which is measured backward from the date an employee uses any FMLA.
- Employees absent on FMLA leave will use their accrued paid leave in the following order before taking leave without pay: sick leave, compensatory time, and then vacation time. Employees may choose to retain up to 80 hours of vacation leave while absent on FMLA.
- Employees on the rehire lists will remain on the list for up to 24 months. This is consistent with other union contracts and a reduction from 36 months.
- An employee whose position is reallocated into a class with a lower salary range maximum will no longer retain the salary of their former position.
- In keeping with the UW's green initiative and as a cost savings, contracts will be made available online. Paper copies will no longer be generated for each bargaining unit employee.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### Washington Federation of State Employees Collective Bargaining Agreement – UW Ratification (continued p. 2)

- UW Labor Relations office will no longer automatically notify new employees of their responsibility to join the union. These notifications will instead come from the online job announcement, offer letter or new employee orientation.

#### **Wages – All Bargaining Units:**

July 1, 2013

- 2 percent across-the-board wage increase

July 1, 2014

- 2 percent across-the-board wage increase

These across-the-board wage increases are contingent on successful completion of a sequence of events in the Washington State government, including a finding of financial feasibility by the Washington State Office of Financial Management (OFM), followed by inclusion in the governor's proposed budget for the 2013-2015 biennium, followed by approval by the Legislature, and concluding with appropriation of the state portion of funding for the increases in the 2013-2015 state budget. The across-the-board increases will not occur if any one of the contingencies is not met.

“Me-too” Agreement – If UW agrees to across-the-board salary or general increases for an SEIU 925 bargaining unit during negotiations for the 2013 biennium that are more favorable than those negotiated by WFSE, UW will apply the same treatment to the salary schedules of WFSE represented employees.

#### **Wages – Classification Specific:**

##### Custodial Classifications

July 1, 2013

- Custodian Lead Assignment – For custodians across the University, the lead classification will be converted to an assignment, and will yield an hourly pay premium of \$1.65.

January 1, 2014

- Infection Control Premium – premium pay of \$1 per hour will become available to positions in the custodial series at both Harborview and UW

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### Washington Federation of State Employees Collective Bargaining Agreement – UW Ratification (continued p. 3)

Medical Centers that work in patient care areas. Custodians at the medical centers will be evaluated to demonstrate that they meet all required competencies in order to qualify for the premium.

#### Custodian Supervisor 1 and 2

July 1, 2013

- Placed in higher pay ranges. Custodian Supervisor 1 will increase from pay range 33 to range 37. Custodian Supervisor 2 will increase from range 37 to 41.

#### Surgical Technologists

July 1, 2013

- Eligible for a preceptor pay premium of \$1 per hour for all time spent engaged in a preceptor capacity with newly hired surgical technologists or perioperative registered nurses.
- Granted up to three days of paid release time annually and \$200 each fiscal year, prorated for part-time employees, for educational/professional development purposes.

#### Hospital Central Services Technicians

July 1, 2013

- Granted up to three days of paid release time annually and \$200 each fiscal year, prorated for part-time employees, for educational/professional development purposes.

**VII. STANDING COMMITTEES****B. Finance, Audit and Facilities Committee**Washington Federation of State Employees/Police Management Collective Bargaining Agreement – UW RatificationRECOMMENDED ACTION

It is the recommendation of the administration that the Board of Regents approve the Collective Bargaining Agreement between the University of Washington and Washington Federation of State Employees/Police Management that covers approximately 11 employees at the University of Washington. The duration of the Agreement is from July 1, 2013 through June 30, 2015.

BACKGROUND

This is a successor Agreement for this bargaining unit negotiated under the Personnel System Reform Act of 2002 and pursuant to RCW 41.80.

Following is a summary of the critical elements of the Agreement:

**Wages:**

July 1, 2013

- 2 percent across-the-board wage increase

July 1, 2014

- 2 percent across-the-board wage increase

The package proposal is contingent upon the Union's acceptance of all provisions of the package. The University of Washington makes its final economic offer conditional on the following: consistent with RCW 41.80, the Office of Financial Management must determine this agreement as being financially feasible; the Governor must include the agreement into the biennial budget; the Legislature must approve the agreements; all of the general operating funds required must be appropriated; the agreement must be approved and appropriations granted in whole, across all bargaining units represented by Washington Federation of State Employees/Police Management.

**VII. STANDING COMMITTEES****B. Finance, Audit and Facilities Committee**University of Washington Voluntary Investment Program - Approve Amendments to Plan DocumentRECOMMENDED ACTION

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents approve amendments to the University of Washington Voluntary Investment Program (the “Program”) in the form of an amended and restated plan document. The amendments reflect three major changes: (1) the addition of a “Roth” after-tax deferral feature; (2) Fidelity’s new role as Master Administrator; and (3) technical changes in the law required in order to maintain the tax-deferred status of the Program. Unless otherwise noted, the changes are effective November 1, 2012. A copy of the changes is attached hereto.

EXPLANATION OF PROPOSED CHANGES**Addition of a Roth Feature**

- In addition to traditional pre-tax contributions, participants may now also contribute to the Program on an after-tax basis (Roth contributions).
- Additionally, participants are eligible to convert certain amounts that are eligible for distribution from the Program from pre-tax contributions to Roth contributions without having to take a distribution through the use of an “in-plan Roth rollover.”

**Fidelity as Master Administrator**

- Fidelity is now the Master Administrator of the plan, giving participants a more unified and easier experience when interacting with the Program.
- As part of its responsibilities, Fidelity is taking a more active role in plan enrollment, remittance of contributions, and administration of loans, hardships, and qualified domestic relations orders. Fidelity is working with TIAA-CREF through data sharing in order to provide a better participant experience.
- Fidelity and TIAA-CREF have agreed to share a portion of the revenue generated by the Program in the form of revenue credits that will be allocated back to participants, reducing the overall cost of the Program.



## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### University of Washington Voluntary Investment Program - Approve Amendments to Plan Document (continued p. 2)

##### **Technical Changes**

- The Program must be amended for changes required by the Heroes Earnings Assistance and Relief Tax Act of 2008 (known as the HEART Act) relating to eligible compensation and service accrual for members of the Armed Services during qualified military service. UW has been operating in compliance with the HEART Act and is now amending its plan document.

##### REVIEW AND APPROVAL

The language of this proposed change is technical in nature and required due to Internal Revenue Code requirements for tax-deferred Section 403(b) plans. The amendments were drafted by the UW Special Assistant Attorney General for 403(b) matters; reviewed and endorsed by the Vice President for Human Resources.

##### *Attachments*

1. VIP Plan Document (with proposed changes highlighted)
2. VIP Plan Document (with changes incorporated)

**University of Washington**  
**Voluntary Investment Program (VIP)**  
Amended and Restated, Effective ~~January~~November 1, ~~2009~~2012

# Voluntary Investment Program (VIP) Plan Document

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## **1. Establishment of Voluntary Investment Program**

1.1. **Establishment of Program.** The Board of Regents of the University of Washington established a University of Washington Tax-Deferred Annuity Program as of January 1, 1972, as allowed under State of Washington RCW 28.B.10.480. As of July 1994, the program is named the Voluntary Investment Program (VIP).

This plan document sets forth the provisions of this Program, as in effect on January 1, 2009. Contributions under this Program are made under section 403(b) of the Internal Revenue Code and are invested, at the direction of the Participant, in one or more of the Funding Vehicles available under the Program.

## **2. Definitions**

The words and phrases defined in this Article have the following meanings throughout this plan document:

### **2.1. Accumulation Account**

~~2.1. Accumulation Account~~ means the ~~separate~~ account established for each Participant with each Fund Sponsor, consisting of a Pre-Tax Sub-Account to which ~~VIP~~Pre-Tax Contributions have been made by the Participant shall be credited and a Roth Sub-Account to which Roth Contributions shall be credited. The current value of a Participant's Accumulation Account with a Fund Sponsor includes all VIP Contributions to the Fund Sponsor, less expense charges, transfers, and benefit distributions, and reflecting credited investment experience.

### **2.2. Annuity Contract**

~~2.2. Annuity Contract~~ means a non-transferable contract described in section 403(b)(1) of the Code, that is issued by an insurance company qualified to issue annuities in the State of Washington and that includes payment in the form of an annuity. Beneficiary

~~2.3. Beneficiary~~ means (a) with the written consent of the Participant's spouse, if any, such person or persons who shall have been designated by the Participant in writing duly executed and filed with the Fund Sponsor(s) or (b) if no such person survives the Participant, the surviving spouse of the Participant. A new designation may be made at any time before the Participant or Beneficiary has started to receive annuity payments under the Program; any such new designation shall be subject to the conditions of this Section 2.3.

### **2.4. Board**

~~2.4. Board~~ means the Board of Regents of the University of Washington.

**2.5. Code**

~~2.5. Code~~ means the Internal Revenue Code of 1986, as amended.

**2.6. Custodial Account**

~~2.6. Custodial Account~~ means the group or individual custodial account or accounts, described in section 403(b)(7) of the Code, established for a Participant to hold assets of the Program.

**2.7. Eligible Employee**

~~2.7. Eligible Employee~~ means any employee of the University of Washington, except nonresident aliens who receive no U.S.-source earned income.

**2.8. Fund Sponsor**

~~2.8. Fund Sponsor~~ means an insurance, variable annuity, or investment company that provides Funding Vehicles to Participants under the Program.

**2.9. Funding Vehicles**

~~2.9. Funding Vehicles~~ means the Annuity Contracts and Custodial Accounts available for the purpose of investing contributions under this Program and specifically approved by UW under Section 5.1. **Includible Compensation** \_

means an individual's compensation received from UW that is includible in gross income for federal tax purposes (computed without regard to section 911 of the Code) for the most recent period that is a year of service, as determined under section 403(b)(3) of the Code and the Treasury regulations thereunder, and increased (subject to the limits of section 401(a)(17) of the Code) by any compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code. Effective January 1, 2009, Includible Compensation shall include any differential wage payment (as defined in section 414(u)(12)(D) of the Code) paid to an individual by UW to the extent required under section 414(u)(12) of the Code (and, to the extent required by section 414(u)(12)(A)(i) of the Code, such an individual shall be treated as an Eligible Employee). The amount of Includible Compensation is determined without regard to any community property laws.

**2.11. Master Administrator** \_

means Fidelity Management Trust Company, which has been appointed to be the master administrator of the VIP.

**2.12. Participant** \_

~~2.10. Participant~~ means any employee of UW who participates in the Program in accordance with Section 3.1.

**2.13. Pre-Tax Contribution**

means the dollar amount of a Participant's pre-tax contribution to the Program pursuant to a Salary Reduction Agreement.**Pre-Tax Sub-Account** \_

means the sub-account of an Accumulation Account established for each Participant with each Fund Sponsor to which Pre-Tax Contributions have been made by the Participant. The current value of a Participant's Sub-Account with a Fund Sponsor includes all Pre-Tax Contributions to the Fund Sponsor, less expense charges, transfers, and benefit distributions, and reflecting credited investment experience.**Program** \_

~~2.11. Program~~ means the University of Washington Voluntary Investment Program as set forth in this document.

**2.16. Program Administrator**

~~2.12. Program Administrator~~ is defined in Section 8.1.

**2.17. Program Year**

~~2.13. Program Year~~ means January 1 through December 31.

**2.18. Related Employer**

~~2.14. Related Employer~~ means UW and any other entity which is under common control with UW under section 414(b) or (c) of the Code.

**2.19. Roth Contribution**

means the dollar amount of a Participant's after-tax Roth 403(b) contribution to the Program pursuant to a Salary Reduction Agreement.

**2.20. Roth Sub-Account** \_

means the sub-account of an Accumulation Account established for each Participant with each Fund Sponsor to which Roth Contributions have been made by the Participant. The current value of a Participant's Roth Sub-Account with a Fund Sponsor includes all Roth Contributions to the Fund Sponsor, less expense charges, transfers, and benefit distributions, and reflecting credited investment experience.

**2.21. Salary Reduction Agreement** \_



~~2.15. Salary Reduction Agreement~~ (SRA) is an agreement described in Section 3.1.

## 2.22. VIP Contributions

~~2.16. VIP~~ means Pre-Tax Contributions ~~means contributions~~ and Roth Contributions made by the Participant as described in Section 4.

## 2.23. UW

~~2.17. UW~~ means University of Washington.

### **3. Eligibility and Participation**

3.1. **Eligibility and Participation.** ~~All Eligible Employees may begin participation on the first of the month following~~ immediately upon employment as an Eligible Employee.

~~To participate in this~~ The Program, ~~an Eligible Employee must complete~~ Administrator will prescribe the method and forms required for participation including, without limitation, the necessary enrollment form(s) for the Fund Sponsor(s) and for the Funding Vehicle(s) selected, as well as a Salary Reduction Agreement (SRA), ~~and return them to the UW Benefits Office.~~

An SRA is a written agreement between the employee and UW under which the employee's salary is reduced by an amount equal to the contributions that the employee wishes to have made to the Program. A Participant may elect to make Roth Contributions to the Program in lieu of all or a portion of the Pre-Tax Contributions the Participant is otherwise eligible to make under the Program. Such an election shall irrevocably designate the Roth Contributions as such at the time the election is made. The amount of any Roth Contribution shall be treated as includable in the Participant's income at the time the Participant would have received that amount in cash if the Participant had not made an election to make the Roth Contribution to the Program. An SRA must specify the amount of VIP Contributions which are Pre-Tax Contributions and the amount of VIP Contributions which are Roth Contributions. An SRA shall be subject to such rules and restrictions as may be imposed by the Program Administrator, not inconsistent with section 403(b) of the Code and the regulations thereunder.

3.2. **Termination of Participation.** A Participant will continue to participate in the Program until (a) he or she ceases to be an Eligible Employee, (b) the Program is terminated, or (c) his or her contributions under the Program are terminated, whichever occurs first.

### **4. VIP Contributions**

4.1. **VIP Contributions.** Contributions to this Program (referred to hereafter as "VIP Contributions") are in addition to any contributions which may be made to the University of Washington Retirement Plan (UWRP), or any State of Washington retirement plan. To make VIP Contributions, an Eligible Employee must enter into a Salary Reduction Agreement with UW as described in Section 3.1. Under the Salary Reduction Agreement, the employee's

~~salary~~Includible Compensation is reduced and the amount of the reduction is forwarded to the ~~Funding Vehicles available under this Program.~~Master Administrator. The employee may not elect to reduce Includible Compensation by more than 75%.

4.2. **Salary Reduction Minimum.** \_ A Participant shall be permitted to make contributions under this Program only if the Salary Reduction Agreement provides for annual contributions of at least \$200.

4.3. **Leave of Absence.** \_ During a leave of absence with pay, VIP Contributions will continue to be made in accordance with the Salary Reduction Agreement, if any, then in effect. No VIP Contributions will be made during a leave of absence without pay.

4.4. **Limitations on VIP Contributions.** \_ The total elective deferral contributions transmitted by UW on behalf of the Participant for any year under this Program and all other plans, contracts or arrangements of UW will not exceed the limits imposed by ~~Code~~-section 402(g) of the Code (without regard to 402(g)(7)) and ~~Code~~-section 415 of the Code, except as permitted by ~~Code~~-section 414(v) Code. The limits imposed by ~~Code~~-sections 402(g), 414(v) and 415 of the Code are herein incorporated by reference. If the limitations are exceeded because the Participant is also participating in another plan required to be aggregated with this Program for the purposes of section 402(g), 414(v) or 415 of the Code, and such other plan is maintained by UW or a Related Employer, or UW receives from the Participant sufficient information concerning his or her participation in such other plan, then the extent to which ~~annual contributions~~VIP Contributions under this Program will be reduced, as compared with the extent to which annual benefits or contributions under any other plans will be reduced, will be determined by UW. If the reduction is under this Program, UW will advise the affected Participants of any limitations on their ~~annual contributions~~VIP Contributions required by this Section 4.4.

4.5. **Return of Excess VIP Contributions.** \_ If a Participant has VIP Contributions that exceed the limits in effect under ~~Code~~-section 402(g) or 415 of the Code for the year, he or she may designate the contributions made during a taxable year to this Program as excess VIP Contributions by notifying the Program Administrator of the amount of the excess on or before March 15 of the year following the year in which the excess Contributions occurred. Notwithstanding any other provision of this Program, such excess VIP Contributions, adjusted through December 31 of the year in which the excess VIP Contributions occurred for income, gains, losses or expenses attributable to such excess VIP Contributions, will be distributed no later than April 15 of the year following the year in which the excess contributions occurred. In addition, UW may, in its sole discretion, cause any VIP Contribution in excess of the foregoing limitations, adjusted for income, gains, losses or expenses attributable to such excess VIP Contribution, to be distributed to the Participant to the extent permitted by applicable law.

4.6. **Rollover Contributions and Transfers.**

(a) ~~**Eligible Rollover Contributions.** To the extent provided in the Annuity Contracts and Custodial Account agreements, a Participant who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Program. Such rollover contributions shall be made in the form of cash only. The Fund Sponsor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such other plan is an eligible retirement plan within the meaning of section 402(c)(8)(B) of the Code. However, in no event does the Program accept a rollover contribution from a Roth elective deferral account under an applicable retirement plan described in section 402A(e)(1) of the Code or a Roth IRA described in section 408A of the Code.~~

(1) ~~**Eligible Rollover Distribution.** For purposes of Section 4.6(a), an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (i) any installment payment for a period of 10 years or more, (ii) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee, or (iii) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code. In addition, an eligible retirement plan means an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an~~  
**annuity Contributions.** A Participant may make a rollover contribution to the Program from another plan described in section 401(a), 403(a), or 403(b) of the Code, or from an eligible governmental deferred compensation plan described in section 457(b) of the Code that is maintained by a state or political subdivision or any agency or instrumentality of a state or political subdivision, upon a demonstration satisfactory to the Program Administrator that the amounts are eligible for rollover to the Program under the Code. The Program Administrator may limit the Annuity Contracts or Custodial Accounts to which such amounts may be contributed, or the types of rollovers that will be accepted by the Program.

(2) **Separate Accounts.** The Fund Sponsor shall establish and maintain for the Participant a separate account for any eligible rollover ~~distribution~~contribution paid to the Program and shall further separately account for pre-tax rollover contributions and after-tax rollover contributions. No such rollover shall be taken into account in applying the limits of Section 4.4.”

(b) **In-Plan Roth Rollovers.** A rollover contribution received under Section 4.6(a)(1) above or a Pre-Tax Contribution that satisfies the rules for distribution under the Program and qualifies as an “eligible rollover distribution” (as defined in section 402(c)(4) of the Code) if it were to be distributed may be transferred to a Participant's Roth Sub-Account in accordance with section 402A(c)(3) of the Code. The Program Administrator will maintain such records as are necessary for the proper reporting of in-plan Roth rollovers.”

**(c) ~~(b)~~—Plan-to-Plan Transfers to the Program.**

(1) At the direction of UW, for a class of Employees who are participants or beneficiaries in another plan under section 403(b) of the Code, the Administrator may permit a transfer of assets to the Program as provided in this Section 4.6~~(bc)~~. Such a transfer is permitted only if the other plan provides for the direct transfer of each person's entire interest therein to the Program and the participant is an employee or former employee of UW. The Program Administrator and any Fund Sponsor accepting such transferred amounts may require that the transfer be in cash or other property acceptable to it. The Program Administrator or any Fund Sponsor accepting such transferred amounts may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with §1.403(b)-10(b)(3) of the ~~Income Tax~~Treasury Regulations and to confirm that the other plan is a plan that satisfies section 403(b) of the Code.

(2) The amount so transferred shall be credited to the Participant's Accumulation Account, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to the Participant or Beneficiary immediately before the transfer.

(3) To the extent provided in the Annuity Contract and Custodial Account agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as a VIP Contribution, except that (i) the Annuity Contract or Custodial Account which holds any amount transferred to the Program must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the Annuity Contract or Custodial Account agreement must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed by the transferor plan and (ii) the transferred amount shall not be considered a VIP Contribution in determining the maximum deferral under Section 4.4.

4.7. **Vesting of Contributions.** Each contract and certificate issued in accordance with the provisions of the Program is the property of the Participant. Amounts attributable to VIP Contributions shall be nonforfeitable. However, VIP Contributions based on a good faith mistake of fact shall be returned to UW if UW so requests, as provided in Section 10.5.

4.8. **Quarterly Statement.** ~~At least once per calendar quarter a Fund Sponsor will send~~ The Program Administrator shall make provision for each Participant ~~to receive a quarterly~~ report summarizing the status of his or her Accumulation Account. A Participant may obtain similar reports or illustrations upon termination of employment or at any other time by writing directly to the ~~Fund Sponsor~~Program Administrator or its delegate.

4.9. **No Reversion.** \_ Under no circumstances will any VIP Contributions revert to, be paid to, or inure to the benefit of, directly or indirectly, the UW, except as provided in the second sentence of Section 4.7.

4.10. **Protection of Persons Who Serve in a Uniformed Service.** \_ An Eligible Employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence for qualified military service under section 414(u) of the Code may elect to make additional VIP Contributions upon resumption of employment with UW or any Related Employer equal to the maximum VIP Contributions that the Employee could have elected during that period if the Employee's employment had continued (at the same level of Compensation) without the interruption or leave, reduced by the VIP Contributions, if any, actually made for the Employee during the period of the interruption or leave. Except to the extent provided under section 414(u) of the Code, this right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave). Without limiting the generality of the foregoing, effective January 1, 2007, to the extent required under section 401(a)(37) of the Code, in the case of a Participant who dies on or after January 1, 2007 while performing qualified military service, the Participant's survivors are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Program had the Participant resumed employment with UW in accordance with his or her reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 and then terminated employment on account of death.

## 5. **Fund Sponsors/Funding Vehicles**

5.1. **Fund Sponsors/Funding Vehicles.** \_VIP Contributions are invested in one or more of the Funding Vehicles available to Participants through the Fund Sponsors under this Program. The Fund Sponsors that are available to Participants as of the date of this document are:

A. Fidelity Retirement Services: P.O. Box 31401 Salt Lake City, UT 84131-9921

B. ~~A.~~—Teachers Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF): 730 Third Avenue, New York, NY 10017

~~B. Fidelity Retirement Services: P.O. Box 31401 Salt Lake City, UT 84131-9921~~

~~C. Vanguard Group of Investment Funds: P.O. Box 1101 Institutional Division Valley Forge, PA 19482~~

~~D. Calvert Group: 4550 Montgomery Ave. Ste. 1000 North Bethesda, MD 20814~~

The Institution's current selection of Fund Sponsors is not intended to limit future additions or deletions of Fund Sponsors and Funding Vehicles. The Program Administrator shall maintain a list of all Fund Sponsors under the Program. Such list is hereby incorporated as part of the Program. Each Fund Sponsor and UW shall exchange such information as may be necessary

to satisfy section 403(b) of the Code or other requirements of applicable law. In the case of a Fund Sponsor which is not eligible to receive contributions under the Program (including a Fund Sponsor which has ceased to be a Fund Sponsor eligible to receive contributions under the Program, the Employer shall keep the Fund Sponsor informed of the name and contact information of the Program Administrator in order to coordinate information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

**5.2. Allocation of Contributions.** A Participant may allocate VIP Contributions among Funding Vehicles in any whole number percentages that equal 100 percent.

**5.3. Fund Transfers.** Subject to a Funding Vehicle's rules for transfers and in accordance with the provisions of the Code governing the deferral of income tax with respect to Accumulation Accounts, a Participant may specify that a part or all of his or her Accumulation Account in one Funding Vehicle be transferred to another Funding Vehicle. However, an investment transfer that includes an investment with a Fund Sponsor that is not eligible to receive VIP Contributions (referred to below as an exchange) is not permitted unless the conditions in paragraphs (a) through (c) of this Section 5.3 are satisfied.

(a) The Participant or Beneficiary must have an Accumulation Account immediately after the exchange that is at least equal to the Accumulation Account of that Participant or Beneficiary immediately before the exchange (taking into account the Accumulation Account of that Participant or Beneficiary with both Fund Sponsors immediately before the exchange).

(b) The Annuity Contract or Custodial Account agreement with the receiving Fund Sponsor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the investment being exchanged.

(c) UW enters into an agreement with the receiving Fund Sponsor for the other contract or custodial account under which the Employer and the Fund Sponsor will from time to time in the future provide each other with information necessary for the resulting contract or custodial account, or any other contract or custodial accounts to which contributions have been made by UW, to satisfy section 403(b) of the Code or other tax requirements, including UW providing information as to whether the Participant's employment with UW is continuing, and notifying the Fund Sponsor when the Participant has had a severance from employment and providing information on loans outstanding.

**5.4. Fund Review Committee.**

(a) **Responsibility.** The Fund Review Committee is a standing body responsible for reviewing the performance of Fund Sponsors and Funding Vehicles available through the University of Washington Retirement Plan (UWRP) and Voluntary Investment Program (VIP). The Committee will also evaluate and recommend whether new Fund Sponsors or

Funding Vehicles should be added and whether existing Fund Sponsors or Funding Vehicles should be removed.

If a Funding Vehicle or Fund Sponsor is removed, it shall not be available for subsequent contributions except as otherwise prescribed by the Committee. In addition, the Committee may determine that existing accumulations shall be transferred to one or more other Funding Vehicles specified by the Committee.

The Committee, in coordination with the UW Benefits Office, is to determine the frequency of the performance reviews. In evaluating existing Fund Sponsors and Fund Vehicles, the Committee will monitor and review performance data, analyze participants' comments, requests and concerns, and conduct public meetings on proposed changes. Draft recommendations of the Committee will be presented to and discussed with the Faculty Council on Retirement, Insurance and Benefits. Final recommendations for changes are to be submitted to the Executive Vice President.

The UW Benefits Office shall provide support for the Committee's activities. The Committee may also appoint such advisors and adopt such guidelines, policies or procedures as it deems appropriate.

(b) **Membership.** The Committee shall be appointed by, and serve at the pleasure of, the Executive Vice President who will consult with the Faculty Council on Retirement, Insurance and Benefits in selecting the members. The membership shall include the following representatives and officials:

- One representative of the Faculty Council on Retirement, Insurance, Benefits
- One or more representatives of the Faculty, as recommended by the Faculty Senate Executive Committee
- One representative of the Librarians, as recommended by the Association of Librarians of the University of Washington
- One representative of the Professional Staff, as recommended by the Professional Staff Organization
- One VIP participant representing the Classified or Contract Classified Staff, as recommended by the Vice President, Human Resources
- One retired UWRP representative, as recommended by the UW Retirement Association
- Ex officio, voting members:
  - UW Director of Benefits & Work/Life
  - UW Treasurer, Board of Regents
- Non-voting member:

Representative from a four-year institution of higher education in the State of Washington other than the University of Washington

In appointing members, those groups recommending members and the Executive Vice President shall seek to identify individuals who have expertise in the areas of tax and pension law for 403(b) or similar retirement plans, or of finance, investment, or economics.

The Executive Vice President shall designate the Chair of the Committee.

Term of office for members shall be staggered, three year terms. The Committee shall meet as often as it deems appropriate, but not less than every six months. The Chair of the Committee may appoint such committee officers, advisors, and sub-committees as needed.

5.5. **Third Party Trading.** \_ The Participant may assign responsibility for investment elections and other transactions under the Program to another party, in such manner as may be determined from time to time by the UW Benefits Office.

## 6. **Benefits**

6.1. **Benefits in General.** \_The Participant is entitled to receive benefits under any of the Funding Vehicles at any time and in any form offered by the Fund Sponsors, not inconsistent with section 403(b) of the Code and the regulations thereunder, subject to the written consent of the Participant's spouse, if any, in accordance with Section 6.5. However, distributions attributable to amounts accrued in an annuity contract after December 31, 1988 and amounts accrued in a mutual fund custodial account regardless of date may be paid only after a Participant attains age 59 1/2, severs from employment with UW and all Related Employers, dies or becomes disabled, or in the case of hardship. Hardship distributions are subject to the rules and restrictions set forth in Section 6.3. Distributions to a Participant made prior to attaining age 59 1/2 may be subject to early withdrawal penalties under the Code.

6.2. **Death Benefits.** \_ On the death of a Participant, the entire value of each Accumulation Account is payable to the Beneficiary or Beneficiaries named by the Participant under one of the options offered by the Fund Sponsor. However, to the extent such Account has been applied to purchase an annuity, payments shall be made only if and to the extent provided by the form of annuity. The designation of a Beneficiary other than the Participant's spouse, if any, requires the written consent of the spouse in accordance with Section 6.5.

6.3. **Hardship Distributions.** \_ Hardship distributions under Section 6.1 shall be approved only if the Program Administrator determines that the Participant has an immediate and heavy financial need and the distribution is necessary to satisfy the need. In such cases, there shall be paid to such Participant out of his or her Accumulation Account only such portion of the amount requested as is necessary to prevent or alleviate the hardship. The Program Administrator's determination shall be final and binding. No amount attributable to income



credited after December 31, 1988, on VIP Contributions shall be available for distribution on account of hardship.

The following are deemed to be immediate and heavy financial needs of the Participant: (a) medical expenses described in ~~Code~~ section 213(d) of the Code incurred by the Participant or his or her spouse or dependents; (b) purchase (excluding mortgage payments) of a principal residence for the Participant; (c) payment of tuition, room and board for the next 12 months of post-secondary education for the Participant, his or her spouse, his or her children or his or her dependents; (d) the payment of amounts necessary to prevent the eviction of the Participant from his or her principal residence or the foreclosure on the mortgage of his or her principal residence; (e) burial or funeral expenses for the Participant's deceased parent, spouse, children or dependents; or (f) expenses for the repair of damage to the Participant's principal residence described in section 165 of the Code.

Hardship distributions will be deemed to be necessary to satisfy an immediate and heavy financial need of the Participant if all of the following are satisfied: (a) the distribution does not exceed the amount of the applicable need under the second paragraph of Section 6.3 increased by taxes resulting from the distribution; (b) the Participant has obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under the Program and any other plan maintained by UW or any Related Employer; (c) the Participant's VIP Contributions under the Program and his or her elective and employee contributions under any other deferred compensation plan maintained by UW or any Related Employer are suspended for six (6) months after receipt of the hardship distribution.

#### 6.4. **Minimum Distribution Requirements.**

(a) All distributions under this Program will be made in accordance with ~~Code~~ sections 403(b)(10) and 401(a)(9) of the Code, as each is amended and in effect from time to time, and regulations thereunder. The entire Accumulation Account of each Participant will be distributed over a period not to exceed the life (or life expectancy) of the Participant or over the lives (or life expectancies) of the Participant and a designated Beneficiary. Minimum distributions must begin no later than April 1 of the calendar year following the calendar year in which the Participant attains age 70 1/2, or, if later, April 1 following the calendar year in which the Participant retires from the UW. Notwithstanding the above, the Accumulation Account of each Participant as of December 31, 1986 will be distributed in accordance with IRS Regulation 1.403(b)-6(e)(6). The Participant (or Beneficiary, after the Participant's death) may elect whether to use the permissive recalculation rule for life expectancies under Code section 401(a)(9)(D). Upon the Participant's death after the time benefits are required to begin hereunder, any remaining benefits will be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death.

(b) If the Participant dies before benefit payments are required to begin under the preceding paragraph, any benefits payable to (or for the benefit of) a designated

Beneficiary will be paid by the end of the fifth full calendar year after the Participant's death, or will be paid beginning no later than the end of the first full calendar year after the Participant's death over the life of the designated Beneficiary or over a period not exceeding the life expectancy of the designated Beneficiary. If the designated Beneficiary is the surviving spouse, payment may be delayed until the date the Participant would have attained age 70 1/2.

(c) In applying the foregoing rules, each Annuity Contract or Custodial Account shall be treated as an individual retirement account (IRA) and distribution shall be made in accordance with the provisions of Section 1.408-8 of the IRS regulations, except as provided in Section 1.403(b)-6(e) of the Regulations.

6.5. **Application for Benefits; Spousal Consent.** Procedures for receipt of benefits are initiated by writing directly to the Fund Sponsor(s). Benefits will be payable by the Fund Sponsor(s) upon receipt of a satisfactorily completed application for benefits and supporting documents. The necessary forms will be provided to the Participant, the surviving spouse, or the Beneficiary by the Fund Sponsor(s). In any case in which Section 6.1 or 6.2 requires the consent of the Participant's spouse, the consent must be in writing, must acknowledge the effect of the election or action to which the consent applies, and must be witnessed by a notary public or a Program representative. Unless the consent expressly provides that the Participant may make further elections without further consent of the spouse, the consent will be effective only with respect to the specific election or form of benefit, or Beneficiary, or both, to which the consent relates. Spousal consent will be effective only with respect to that spouse. Spousal consent will not be required if it is established to the satisfaction of the Program representative that there is no spouse, or that the spouse cannot be located.

6.6. **Loans.** Subject to the Code ~~and~~ [any requirements to obtain a Participant's spouse's consent, and the](#) terms of the Funding Vehicles, loans are available to Participants before the commencement of benefit payments.

(a) **Information Coordination Concerning Loans.** ~~Each Fund Sponsor is responsible~~ [The Program Administrator shall provide or make provision](#) for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans from the Program, the [Fund Sponsors shall share information as directed by the Employer, and the](#) Program Administrator shall ~~take such steps as may be appropriate to~~ coordinate [or provide for the coordination of](#) the limitations on loans set forth in (b) below, including the collection of information from [other](#) Fund Sponsors; and [the](#) transmission of information requested by any Fund Sponsor, concerning the outstanding balance of any loans made to a Participant under the Program or any other plan of UW or any Related Employer. The Program Administrator shall also ~~take such steps as may be appropriate to~~ collect [or provide for the collection of](#) information from [other](#) Fund Sponsors, ~~and transmission of~~ [and transmit](#) information to ~~any other~~ Fund

~~Sponsor~~, Sponsors concerning any failure by a Participant to repay timely any loans made to a Participant under the Program or any other plan of UW or any Related Employer.

(b) **Maximum Loan Amount.** No loan to a Participant under the Program may exceed the lesser of:

(1) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Program to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Program to the Participant during the one-year period ending on the day before the date the loan is approved by the Program Administrator (not taking into account any payments made during such one-year period); or

(2) one half of the value of the Participant's Accumulation Accounts (as of the valuation date immediately preceding the date on which such loan is approved by the Program Administrator).

For purposes of this Section 6.6(b), any loan from any other plan maintained by UW and any Related Employer shall be treated as if it were a loan made from the Program, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Program; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

#### 6.7. **Direct Rollover of ~~Eligible~~ Rollover Distributions.**

##### (a) Eligible Rollover Distributions.

(1) ~~(a)~~—A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution (as defined ~~in section 402(e)(4) of the Code~~below) from the Program may elect to have any portion of that distribution paid directly to an eligible retirement plan (as defined ~~in section 402(e)(8)(B) of the Code~~below) specified by the Participant in a direct rollover. In addition, if an eligible rollover distribution is made to a Roth IRA (as such term is defined in section 408A(b) of the Code), the distributee shall recognize ordinary income in the amount of the eligible rollover distribution to the extent provided in section 408A(d)(3)(A) of the Code.

(2) For purposes of this Section 6.7, an "eligible rollover distribution" means any distribution of all or any portion of a Participant's benefit under the Program to another eligible retirement plan, except that an eligible rollover distribution does not include (i) any installment payment for a period of 10 years or more, (ii) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of

the employee, or (iii) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code.

(3) For purposes of this Section 6.7, an “eligible retirement plan” means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a Roth IRA described in section 408A of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code. In the case of a distribution to a Beneficiary who at the time of the Participant’s death was neither the spouse of the Participant nor the spouse or former spouse of the participant who is an alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of section 408(d)(3)(C) of the Code).

(b) Each Fund Sponsor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

(c) Notwithstanding any provision of this Section 6.7 to the contrary, a direct rollover of a distribution attributable to a Participant’s Roth Contributions will only be made to another Roth elective deferral account under an applicable retirement plan described in section 402A(3)(1) of the Code or to a Roth IRA described in section 408A of the Code, and only to the extent the rollover is permitted under the rules of section 402(c) of the code.

## **7. General Provisions and Limitations Regarding Benefits**

7.1. **Non-Alienation of Retirement Rights or Benefits.** To the fullest extent permitted by law, no benefit under the Program may at any time be subject in any manner to alienation, encumbrance, the claims of creditors or legal process. No person will have the power in any manner to transfer, assign, alienate, or in any way encumber his or her benefits under the Program, or any part thereof, and any attempt to do so will be void and of no effect. This Program will, however, comply with any judgment, decree or order which establishes the rights of another person to all or a portion of a Participant's benefit under this Program to the extent that it is treated as a qualified domestic relations order under Code section 414(p). Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Program. UW shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order, as well as for delegating the responsibility for making such determinations to Fund Sponsors. The Fund Sponsors may charge a reasonable fee for these services to a Participant by deducting such fee from a Participant’s Accumulation Account.

## **8. Administration**

8.1. **Program Administrator.** \_UW is the Program Administrator, and has designated the UW Benefits Office to be responsible for the day to day administration of the Program.

8.2. **Authority of the Program Administrator.** \_ The Program Administrator has all the powers and authority conferred upon it herein and further shall have final authority to determine, in its discretion, all questions concerning eligibility and contributions under the Program, to interpret all terms of the Program, including any uncertain terms, and to decide any disputes arising under and all questions concerning administration of the Program. Any determination made by the Program Administrator shall be given deference, if it is subject to judicial review, and shall be overturned only if it is arbitrary and capricious. In exercising these powers and authority, UW will at all times exercise good faith, apply standards of uniform application, and refrain from arbitrary action.

8.3. **Delegation of Authority.** \_ The Program Administrator may delegate any power or powers to one or more other employees of UW, or to any agent or independent contractor of UW, including the Master Administrator or the Fund Sponsors. Any such delegation shall be in writing, and may be obtained from the Program Administrator.

8.4. **Suspense Accounts.** Any reasonable and necessary expense of administering the Program or of any Annuity Contract or Custodial Account, unless paid by UW, a Participant (as described below), or from a suspense account established for such purpose by the Annuity Contract issuer or Custodial Account custodian in the nature of "revenue sharing" or similar deposits of asset management fees in excess of a negotiated amount as determined by the Program Administrator or UW, shall be apportioned among and charged against the individual Annuity Contracts and/or Custodial Accounts in such manner as the Program Administrator may direct, except that expenses allocable to a specific Annuity Contract or Custodial Account may be charged against such Annuity Contract or Custodial Account. To the extent consistent with the Code and applicable law, an Annuity Contract issuer or Custodial Account custodian may charge a Participant directly for certain transactions (such as loans) as may be set forth in the Annuity Contract, Custodial Agreement, or other services agreement. Revenue credits deposited in such a suspense account may also be credited to Participants Accumulation Accounts in a manner determined by the Program Administrator.

## **9. Amendment and Termination**

9.1. **Amendment and Termination.** \_While it is expected that this Program will continue indefinitely, UW reserves the right at any time to amend or terminate the Program, or to discontinue any further VIP Contributions under the Program, by resolution of its Board of Regents. If the Program is terminated or if contributions are discontinued, UW will notify all Participants, all Accumulation Accounts will remain nonforfeitable, and all agreements for

salary reduction that have been entered into will become void with respect to salary amounts yet to be earned.

9.2. **Distribution Upon Termination of the Program.** \_ UW may provide that, in connection with a termination of the Program and subject to any restrictions contained in the Annuity Contracts and Custodial Account agreements, all Accumulation Accounts will be distributed, provided that UW and any Related Employer on the date of termination do not make contributions to an alternative Section 403(b) contract that is not part of the Program during the period beginning on the date of Program termination and ending 12 months after the distribution of all assets from the Program, except as permitted by IRS regulations.

9.3. **Limitation.** \_ Notwithstanding the provisions of Section 9.1, the Board shall not make any amendment to the Program that operates to recapture for UW any contributions previously made under this Program except to the extent permitted by Section 4.7.

## 10. Miscellaneous

10.1. **Program Does Not Affect Employment.** \_ Nothing contained in this Program may be construed as a commitment or agreement on the part of any person to continue his or her employment with UW, and nothing contained in this Program may be construed as a commitment on the part of UW to continue the employment or the rate of compensation of any person for any period. All employees of UW will remain subject to discharge to the same extent as if the Program had never been put into effect.

10.2. **Claims of Other Persons.** \_ No provisions in this Program will be construed as giving any Participant or any other person, firm, or corporation any legal or equitable right against UW or its officers, employees, or regents, except for the rights that are specifically provided for in this Program or created in accordance with the terms and provisions of this Program.

10.3. **Contracts and Certificates.** \_ In the event there is any inconsistency or ambiguity between the terms of the Program and the terms of the contracts between the Fund Sponsors and UW and/or the Participants and any certificates issued to a Participant under the Program, the terms of the Program control.

10.4. **Requests for Information.** \_ Any request for information concerning eligibility, participation, contributions, or other aspects of the operation of the Program should be in writing and directed to the Administrator of this Program. Requests for information concerning the Fund Sponsor(s) and their Funding Vehicle(s), their terms, conditions and interpretations thereof, claims thereunder, any requests for review of such claims, may be directed in writing to the Fund Sponsor(s).

10.5. **Mistaken Contributions.** \_ If any contribution (or any portion of a contribution) is made to the Program by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the UW Benefits Office, the amount of the mistaken contribution (adjusted for any income or loss in

value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the UW Benefits Office, to UW.

10.6. **Governing Law.** Except as provided under federal law, the provisions of the Program are governed by and construed in accordance with the laws of the State of Washington.

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<b>Changes:</b>	
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Delete	152
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Move To	4
Table Insert	0
Table Delete	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format Changes	0
<b>Total Changes:</b>	<b>470</b>



**University of Washington Voluntary  
Investment Program (VIP)**  
Amended and Restated, Effective November 1, 2012

# Voluntary Investment Program (VIP) Plan Document

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## **1. Establishment of Voluntary Investment Program**

1.1. **Establishment of Program.** The Board of Regents of the University of Washington established a University of Washington Tax-Deferred Annuity Program as of January 1, 1972, as allowed under State of Washington RCW 28.B.10.480. As of July 1994, the program is named the Voluntary Investment Program (VIP).

This plan document sets forth the provisions of this Program, as in effect on January 1, 2009. Contributions under this Program are made under section 403(b) of the Internal Revenue Code and are invested, at the direction of the Participant, in one or more of the Funding Vehicles available under the Program.

## **2. Definitions**

The words and phrases defined in this Article have the following meanings throughout this plan document:

2.1. **Accumulation Account** means the account established for each Participant with each Fund Sponsor, consisting of a Pre-Tax Sub-Account to which Pre-Tax Contributions shall be credited and a Roth Sub- Account to which Roth Contributions shall be credited. The current value of a Participant's Accumulation Account with a Fund Sponsor includes all VIP Contributions to the Fund Sponsor, less expense charges, transfers, and benefit distributions, and reflecting credited investment experience.

2.2. **Annuity Contract** means a non-transferable contract described in section 403(b)(1) of the Code, that is issued by an insurance company qualified to issue annuities in the State of Washington and that includes payment in the form of an annuity.

2.3. **Beneficiary** means (a) with the written consent of the Participant's spouse, if any, such person or persons who shall have been designated by the Participant in writing duly executed and filed with the Fund Sponsor(s) or (b) if no such person survives the Participant, the surviving spouse of the Participant. A new designation may be made at any time before the Participant or Beneficiary has started to receive annuity payments under the Program; any such new designation shall be subject to the conditions of this Section 2.3.

2.4. **Board** means the Board of Regents of the University of Washington.

2.5. **Code** means the Internal Revenue Code of 1986, as amended.

2.6. **Custodial Account** means the group or individual custodial account or accounts, described in section 403(b)(7) of the Code, established for a Participant to hold assets of the Program.

2.7. **Eligible Employee** means any employee of the University of Washington, except nonresident aliens who receive no U.S.-source earned income.

2.8. **Fund Sponsor** means an insurance, variable annuity, or investment company that provides Funding Vehicles to Participants under the Program.

2.9. **Funding Vehicles** means the Annuity Contracts and Custodial Accounts available for the purpose of investing contributions under this Program and specifically approved by UW under Section 5.1.

2.10. **Includible Compensation** means an individual's compensation received from UW that is includible in gross income for federal tax purposes (computed without regard to section 911 of the Code) for the most recent period that is a year of service, as determined under section 403(b)(3) of the Code and the Treasury regulations thereunder, and increased (subject to the limits of section 401(a)(17) of the Code) by any compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code. Effective January 1, 2009, Includible Compensation shall include any differential wage payment (as defined in section 414(u)(12)(D) of the Code) paid to an individual by UW to the extent required under section 414(u)(12) of the Code (and, to the extent required by section 414(u)(12)(A)(i) of the Code, such an individual shall be treated as an Eligible Employee). The amount of Includible Compensation is determined without regard to any community property laws.

2.11. **Master Administrator** means Fidelity Management Trust Company, which has been appointed to be the master administrator of the VIP.

2.12. **Participant** means any employee of UW who participates in the Program in accordance with Section 3.1.

2.13. **Pre-Tax Contribution** means the dollar amount of a Participant's pre-tax contribution to the Program pursuant to a Salary Reduction Agreement.

2.14. **Pre-Tax Sub-Account** means the sub-account of an Accumulation Account established for each Participant with each Fund Sponsor to which Pre-Tax Contributions have been made by the Participant. The current value of a Participant's Sub-Account with a Fund Sponsor includes all Pre-Tax Contributions to the Fund Sponsor, less expense charges, transfers, and benefit distributions, and reflecting credited investment experience.

2.15. **Program** means the University of Washington Voluntary Investment Program as set forth in this document.

2.16. **Program Administrator** is defined in Section 8.1.

2.17. **Program Year** means January 1 through December 31.

2.18. **Related Employer** means UW and any other entity which is under common control with UW under section 414(b) or (c) of the Code.

2.19. **Roth Contribution** means the dollar amount of a Participant's after-tax Roth 403(b) contribution to the Program pursuant to a Salary Reduction Agreement.

2.20. **Roth Sub-Account** means the sub-account of an Accumulation Account established for each Participant with each Fund Sponsor to which Roth Contributions have been made by the Participant. The current value of a Participant's Roth Sub-Account with a Fund Sponsor includes all Roth Contributions to the Fund Sponsor, less expense charges, transfers, and benefit distributions, and reflecting credited investment experience.

- 2.21. **Salary Reduction Agreement (SRA)** is an agreement described in Section 3.1.
- 2.22. **VIP Contributions** means Pre-Tax Contributions and Roth Contributions made by the Participant as described in Section 4.
- 2.23. **UW** means University of Washington.

### **3. Eligibility and Participation**

3.1. **Eligibility and Participation.** All Eligible Employees may begin participation immediately upon employment as an Eligible Employee.

The Program Administrator will prescribe the method and forms required for participation including, without limitation, the necessary enrollment form(s) for the Fund Sponsor(s) and for the Funding Vehicle(s) selected, as well as a Salary Reduction Agreement (SRA).

An SRA is a written agreement between the employee and UW under which the employee's salary is reduced by an amount equal to the contributions that the employee wishes to have made to the Program. A Participant may elect to make Roth Contributions to the Program in lieu of all or a portion of the Pre-Tax Contributions the Participant is otherwise eligible to make under the Program. Such an election shall irrevocably designate the Roth Contributions as such at the time the election is made. The amount of any Roth Contribution shall be treated as includable in the Participant's income at the time the Participant would have received that amount in cash if the Participant had not made an election to make the Roth Contribution to the Program. An SRA must specify the amount of VIP Contributions which are Pre-Tax Contributions and the amount of VIP Contributions which are Roth Contributions. An SRA shall be subject to such rules and restrictions as may be imposed by the Program Administrator, not inconsistent with section 403(b) of the Code and the regulations thereunder.

3.2. **Termination of Participation.** A Participant will continue to participate in the Program until (a) he or she ceases to be an Eligible Employee, (b) the Program is terminated, or (c) his or her contributions under the Program are terminated, whichever occurs first.

### **4. VIP Contributions**

4.1. **VIP Contributions.** Contributions to this Program (referred to hereafter as "VIP Contributions") are in addition to any contributions which may be made to the University of Washington Retirement Plan (UWRP), or any State of Washington retirement plan. To make VIP Contributions, an Eligible Employee must enter into a Salary Reduction Agreement with UW as described in Section 3.1. Under the Salary Reduction Agreement, the employee's Includible Compensation is reduced and the amount of the reduction is forwarded to the Master Administrator. The employee may not elect to reduce Includible Compensation by more than 75%.

4.2. **Salary Reduction Minimum.** A Participant shall be permitted to make contributions under this Program only if the Salary Reduction Agreement provides for annual contributions of at least \$200.

4.3. **Leave of Absence.** During a leave of absence with pay, VIP Contributions will continue to be made in accordance with the Salary Reduction Agreement, if any, then in effect. No VIP Contributions will be made during a leave of absence without pay.

4.4. **Limitations on VIP Contributions.** The total elective deferral contributions transmitted by UW on behalf of the Participant for any year under this Program and all other plans, contracts or arrangements of UW will not exceed the limits imposed by section 402(g) of the Code (without regard to 402(g)(7)) and section 415 of the Code, except as permitted by section 414(v) Code. The limits imposed by sections 402(g), 414(v) and 415 of the Code are herein incorporated by reference. If the limitations are exceeded because the Participant is also participating in another plan required to be aggregated with this Program for the purposes of section 402(g), 414(v) or 415 of the Code, and such other plan is maintained by UW or a Related Employer, or UW receives from the Participant sufficient information concerning his or her participation in such other plan, then the extent to which VIP Contributions under this Program will be reduced, as compared with the extent to which annual benefits or contributions under any other plans will be reduced, will be determined by UW. If the reduction is under this Program, UW will advise the affected Participants of any limitations on their VIP Contributions required by this Section 4.4.

4.5. **Return of Excess VIP Contributions.** If a Participant has VIP Contributions that exceed the limits in effect under section 402(g) or 415 of the Code for the year, he or she may designate the contributions made during a taxable year to this Program as excess VIP Contributions by notifying the Program Administrator of the amount of the excess on or before March 15 of the year following the year in which the excess Contributions occurred. Notwithstanding any other provision of this Program, such excess VIP Contributions, adjusted through December 31 of the year in which the excess VIP Contributions occurred for income, gains, losses or expenses attributable to such excess VIP Contributions, will be distributed no later than April 15 of the year following the year in which the excess contributions occurred. In addition, UW may, in its sole discretion, cause any VIP Contribution in excess of the foregoing limitations, adjusted for income, gains, losses or expenses attributable to such excess VIP Contribution, to be distributed to the Participant to the extent permitted by applicable law.

4.6. **Rollover Contributions and Transfers.**

(a) **Rollover Contributions.**

(1) **Eligible Rollover Contributions.** A Participant may make a rollover contribution to the Program from another plan described in section 401(a), 403(a), or 403(b) of the Code, or from an eligible deferred compensation plan described in section 457(b) of the Code that is maintained by a state or political subdivision or any agency or instrumentality of a state or political subdivision, upon a demonstration satisfactory to the Program Administrator that the amounts are eligible for rollover to the Program under the Code.

The Program Administrator may limit the Annuity Contracts or Custodial Accounts to which such amounts may be contributed, or the types of rollovers that will be accepted by the Program.



(2) **Separate Accounts.** The Fund Sponsor shall establish and maintain for the Participant a separate account for any eligible rollover contribution paid to the Program and shall further separately account for pre-tax rollover contributions and after-tax rollover contributions. No such rollover shall be taken into account in applying the limits of Section 4.4.

(b) **In-Plan Roth Rollovers.** A rollover contribution received under Section 4.6(a)(1) above or a Pre-Tax Contribution that satisfies the rules for distribution under the Program and qualifies as an “eligible rollover distribution” (as defined in section 402(c)(4) of the Code) if it were to be distributed may be transferred to a Participant’s Roth Sub-Account in accordance with section 402A(c)(3) of the Code. The Program Administrator will maintain such records as are necessary for the proper reporting of in-plan Roth rollovers.

(c) **Plan-to-Plan Transfers to the Program.**

(1) At the direction of UW, for a class of Employees who are participants or beneficiaries in another plan under section 403(b) of the Code, the Administrator may permit a transfer of assets to the Program as provided in this Section 4.6(c). Such a transfer is permitted only if the other plan provides for the direct transfer of each person’s entire interest therein to the Program and the participant is an employee or former employee of UW. The Program Administrator and any Fund Sponsor accepting such transferred amounts may require that the transfer be in cash or other property acceptable to it. The Program Administrator or any Fund Sponsor accepting such transferred amounts may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with §1.403(b)-10(b)(3) of the Treasury Regulations and to confirm that the other plan is a plan that satisfies section 403(b) of the Code.

(2) The amount so transferred shall be credited to the Participant’s Accumulation Account, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to the Participant or Beneficiary immediately before the transfer.

(3) To the extent provided in the Annuity Contract and Custodial Account agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as a VIP Contribution, except that (i) the Annuity Contract or Custodial Account which holds any amount transferred to the Program must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the Annuity Contract or Custodial Account agreement must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed by the transferor plan and (ii) the transferred amount shall not be considered a VIP Contribution in determining the maximum deferral under Section 4.4.

4.7. **Vesting of Contributions.** Each contract and certificate issued in accordance with the provisions of the Program is the property of the Participant. Amounts attributable to VIP Contributions shall be nonforfeitable. However, VIP Contributions based on a good faith mistake of fact shall be returned to UW if UW so requests, as provided in Section 10.5.

4.8. **Quarterly Statement.** The Program Administrator shall make provision for each Participant to receive a quarterly report summarizing the status of his or her Accumulation Account. A Participant may obtain similar reports or illustrations upon termination of employment or at any other time by writing directly to the Program Administrator or its delegate.

4.9. **No Reversion.** Under no circumstances will any VIP Contributions revert to, be paid to, or inure to the benefit of, directly or indirectly, the UW, except as provided in the second sentence of Section 4.7.

4.10. **Protection of Persons Who Serve in a Uniformed Service.** An Eligible Employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence for qualified military service under section 414(u) of the Code may elect to make additional VIP Contributions upon resumption of employment with UW or any Related Employer equal to the maximum VIP Contributions that the Employee could have elected during that period if the Employee's employment had continued (at the same level of Compensation) without the interruption or leave, reduced by the VIP Contributions, if any, actually made for the Employee during the period of the interruption or leave. Except to the extent provided under section 414(u) of the Code, this right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave). Without limiting the generality of the foregoing, effective January 1, 2007, to the extent required under section 401(a)(37) of the Code, in the case of a Participant who dies on or after January 1, 2007 while performing qualified military service, the Participant's survivors are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Program had the Participant resumed employment with UW in accordance with his or her reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 and then terminated employment on account of death.

## 5. **Fund Sponsors/Funding Vehicles**

5.1. **Fund Sponsors/Funding Vehicles.** VIP Contributions are invested in one or more of the Funding Vehicles available to Participants through the Fund Sponsors under this Program. The Fund Sponsors that are available to Participants as of the date of this document are:

A. Fidelity Retirement Services: P.O. Box 31401 Salt Lake City, UT 84131-9921

B. Teachers Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF): 730 Third Avenue, New York, NY 10017

The Institution's current selection of Fund Sponsors is not intended to limit future additions or deletions of Fund Sponsors and Funding Vehicles. The Program Administrator shall maintain a list of all Fund Sponsors under the Program. Such list is hereby incorporated as part of the Program. Each Fund Sponsor and UW shall exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law. In the case of a Fund Sponsor which is not eligible to receive contributions under the Program (including a

Fund Sponsor which has ceased to be a Fund Sponsor eligible to receive contributions under the Program, the Employer shall keep the Fund Sponsor informed of the name and contact information of the Program Administrator in order to coordinate information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

**5.2. Allocation of Contributions.** A Participant may allocate VIP Contributions among Funding Vehicles in any whole number percentages that equal 100 percent.

**5.3. Fund Transfers.** Subject to a Funding Vehicle's rules for transfers and in accordance with the provisions of the Code governing the deferral of income tax with respect to Accumulation Accounts, a Participant may specify that a part or all of his or her Accumulation Account in one Funding Vehicle be transferred to another Funding Vehicle. However, an investment transfer that includes an investment with a Fund Sponsor that is not eligible to receive VIP Contributions (referred to below as an exchange) is not permitted unless the conditions in paragraphs (a) through (c) of this Section 5.3 are satisfied.

(a) The Participant or Beneficiary must have an Accumulation Account immediately after the exchange that is at least equal to the Accumulation Account of that Participant or Beneficiary immediately before the exchange (taking into account the Accumulation Account of that Participant or Beneficiary with both Fund Sponsors immediately before the exchange).

(b) The Annuity Contract or Custodial Account agreement with the receiving Fund Sponsor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the investment being exchanged.

(c) UW enters into an agreement with the receiving Fund Sponsor for the other contract or custodial account under which the Employer and the Fund Sponsor will from time to time in the future provide each other with information necessary for the resulting contract or custodial account, or any other contract or custodial accounts to which contributions have been made by UW, to satisfy section 403(b) of the Code or other tax requirements, including UW providing information as to whether the Participant's employment with UW is continuing, and notifying the Fund Sponsor when the Participant has had a severance from employment and providing information on loans outstanding.

**5.4. Fund Review Committee.**

(a) **Responsibility.** The Fund Review Committee is a standing body responsible for reviewing the performance of Fund Sponsors and Funding Vehicles available through the University of Washington Retirement Plan (UWRP) and Voluntary Investment Program (VIP). The Committee will also evaluate and recommend whether new Fund Sponsors or Funding Vehicles should be added and whether existing Fund Sponsors or Funding Vehicles should be removed.

If a Funding Vehicle or Fund Sponsor is removed, it shall not be available for subsequent contributions except as otherwise prescribed by the Committee. In addition, the Committee may determine that existing accumulations shall be transferred to one or more other Funding Vehicles specified by the Committee.

The Committee, in coordination with the UW Benefits Office, is to determine the frequency of the performance reviews. In evaluating existing Fund Sponsors and Fund Vehicles, the Committee will monitor and review performance data, analyze participants' comments, requests and concerns, and conduct public meetings on proposed changes. Draft recommendations of the Committee will be presented to and discussed with the Faculty Council on Retirement, Insurance and Benefits. Final recommendations for changes are to be submitted to the Provost and Executive Vice President.

The UW Benefits Office shall provide support for the Committee's activities. The Committee may also appoint such advisors and adopt such guidelines, policies or procedures as it deems appropriate.

(b) **Membership.** The Committee shall be appointed by, and serve at the pleasure of, the Provost and Executive Vice President who will consult with the Faculty Council on Retirement, Insurance and Benefits in selecting the members. The membership shall include the following representatives and officials:

- One representative of the Faculty Council on Retirement, Insurance, Benefits
- One or more representatives of the Faculty, as recommended by the Faculty Senate Executive Committee
- One representative of the Librarians, as recommended by the Association of Librarians of the University of Washington
- One representative of the Professional Staff, as recommended by the Professional Staff Organization
- One VIP participant representing the Classified or Contract Classified Staff, as recommended by the Vice President, Human Resources
- One retired UWRP representative, as recommended by the UW Retirement Association
- Ex officio, voting members:
  - UW Director of Benefits & Work/Life
  - UW Treasurer, Board of Regents
- Non-voting member:
  - Representative from a four-year institution of higher education in the State of Washington other than the University of Washington

In appointing members, those groups recommending members and the Provost and Executive Vice President shall seek to identify individuals who have expertise in the areas of tax and pension law for 403(b) or similar retirement plans, or of finance, investment, or economics.

The Provost and Executive Vice President shall designate the Chair of the Committee.

Term of office for members shall be staggered, three year terms. The Committee shall meet as often as it deems appropriate, but not less than every six months. The Chair of

the Committee may appoint such committee officers, advisors, and sub-committees as needed.

5.5. **Third Party Trading.** The Participant may assign responsibility for investment elections and other transactions under the Program to another party, in such manner as may be determined from time to time by the UW Benefits Office.

## 6. **Benefits**

6.1. **Benefits in General.** The Participant is entitled to receive benefits under any of the Funding Vehicles at any time and in any form offered by the Fund Sponsors, not inconsistent with section 403(b) of the Code and the regulations thereunder, subject to the written consent of the Participant's spouse, if any, in accordance with Section 6.5. However, distributions attributable to amounts accrued in an annuity contract after December 31, 1988 and amounts accrued in a mutual fund custodial account regardless of date may be paid only after a Participant attains age 59 1/2, severs from employment with UW and all Related Employers, dies or becomes disabled, or in the case of hardship. Hardship distributions are subject to the rules and restrictions set forth in Section 6.3. Distributions to a Participant made prior to attaining age 59 1/2 may be subject to early withdrawal penalties under the Code.

6.2. **Death Benefits.** On the death of a Participant, the entire value of each Accumulation Account is payable to the Beneficiary or Beneficiaries named by the Participant under one of the options offered by the Fund Sponsor. However, to the extent such Account has been applied to purchase an annuity, payments shall be made only if and to the extent provided by the form of annuity. The designation of a Beneficiary other than the Participant's spouse, if any, requires the written consent of the spouse in accordance with Section 6.5.

6.3. **Hardship Distributions.** Hardship distributions under Section 6.1 shall be approved only if the Program Administrator determines that the Participant has an immediate and heavy financial need and the distribution is necessary to satisfy the need. In such cases, there shall be paid to such Participant out of his or her Accumulation Account only such portion of the amount requested as is necessary to prevent or alleviate the hardship. The Program Administrator's determination shall be final and binding. No amount attributable to income credited after December 31, 1988, on VIP Contributions shall be available for distribution on account of hardship.

The following are deemed to be immediate and heavy financial needs of the Participant: (a) medical expenses described in section 213(d) of the Code incurred by the Participant or his or her spouse or dependents; (b) purchase (excluding mortgage payments) of a principal residence for the Participant; (c) payment of tuition, room and board for the next 12 months of post-secondary education for the Participant, his or her spouse, his or her children or his or her dependents; (d) the payment of amounts necessary to prevent the eviction of the Participant from his or her principal residence or the foreclosure on the mortgage of his or her principal residence; (e) burial or funeral expenses for the Participant's deceased parent, spouse, children or dependents; or (f) expenses for the repair of damage to the Participant's principal residence described in section 165 of the Code.

Hardship distributions will be deemed to be necessary to satisfy an immediate and heavy financial need of the Participant if all of the following are satisfied: (a) the distribution does not exceed the amount of the applicable need under the second paragraph of Section 6.3 increased by taxes resulting from the distribution; (b) the Participant has obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under the Program and any other plan maintained by UW or any Related Employer; (c) the Participant's VIP Contributions under the Program and his or her elective and employee contributions under any other deferred compensation plan maintained by UW or any Related Employer are suspended for six (6) months after receipt of the hardship distribution.

#### **6.4. Minimum Distribution Requirements.**

(a) All distributions under this Program will be made in accordance with sections 403(b)(10) and 401(a)(9) of the Code, as each is amended and in effect from time to time, and regulations thereunder. The entire Accumulation Account of each Participant will be distributed over a period not to exceed the life (or life expectancy) of the Participant or over the lives (or life expectancies) of the Participant and a designated Beneficiary. Minimum distributions must begin no later than April 1 of the calendar year following the calendar year in which the Participant attains age 70 1/2, or, if later, April 1 following the calendar year in which the Participant retires from the UW. Notwithstanding the above, the Accumulation Account of each Participant as of December 31, 1986 will be distributed in accordance with IRS Regulation 1.403(b)-6(e)(6). The Participant (or Beneficiary, after the Participant's death) may elect whether to use the permissive recalculation rule for life expectancies under Code section 401(a)(9)(D). Upon the Participant's death after the time benefits are required to begin hereunder, any remaining benefits will be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death.

(b) If the Participant dies before benefit payments are required to begin under the preceding paragraph, any benefits payable to (or for the benefit of) a designated Beneficiary will be paid by the end of the fifth full calendar year after the Participant's death, or will be paid beginning no later than the end of the first full calendar year after the Participant's death over the life of the designated Beneficiary or over a period not exceeding the life expectancy of the designated Beneficiary. If the designated Beneficiary is the surviving spouse, payment may be delayed until the date the Participant would have attained age 70 1/2.

(c) In applying the foregoing rules, each Annuity Contract or Custodial Account shall be treated as an individual retirement account (IRA) and distribution shall be made in accordance with the provisions of Section 1.408-8 of the IRS regulations, except as provided in Section 1.403(b)-6(e) of the Regulations.

**6.5. Application for Benefits; Spousal Consent.** Procedures for receipt of benefits are initiated by writing directly to the Fund Sponsor(s). Benefits will be payable by the Fund Sponsor(s) upon receipt of a satisfactorily completed application for benefits and supporting documents. The necessary forms will be provided to the Participant, the surviving spouse, or

the Beneficiary by the Fund Sponsor(s). In any case in which Section 6.1 or 6.2 requires the consent of the Participant's spouse, the consent must be in writing, must acknowledge the effect of the election or action to which the consent applies, and must be witnessed by a notary public or a Program representative. Unless the consent expressly provides that the Participant may make further elections without further consent of the spouse, the consent will be effective only with respect to the specific election or form of benefit, or Beneficiary, or both, to which the consent relates. Spousal consent will be effective only with respect to that spouse. Spousal consent will not be required if it is established to the satisfaction of the Program representative that there is no spouse, or that the spouse cannot be located.

**6.6. Loans.** Subject to the Code, any requirements to obtain a Participant's spouse's consent, and the terms of the Funding Vehicles, loans are available to Participants before the commencement of benefit payments.

(a) **Information Coordination Concerning Loans.** The Program Administrator shall provide or make provision for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans from the Program, the Fund Sponsors shall share information as directed by the Employer, and the Program Administrator shall coordinate or provide for the coordination of the limitations on loans set forth in (b) below, including the collection of information from other Fund Sponsors and the transmission of information requested by any Fund Sponsor, concerning the outstanding balance of any loans made to a Participant under the Program or any other plan of UW or any Related Employer. The Program Administrator shall also collect or provide for the collection of information from other Fund Sponsors and transmit information to other Fund Sponsors concerning any failure by a Participant to repay timely any loans made to a Participant under the Program or any other plan of UW or any Related Employer.

(b) **Maximum Loan Amount.** No loan to a Participant under the Program may exceed the lesser of:

(1) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Program to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Program to the Participant during the one-year period ending on the day before the date the loan is approved by the Program Administrator (not taking into account any payments made during such one-year period); or

(2) one half of the value of the Participant's Accumulation Accounts (as of the valuation date immediately preceding the date on which such loan is approved by the Program Administrator).

For purposes of this Section 6.6(b), any loan from any other plan maintained by UW and any Related Employer shall be treated as if it were a loan made from the Program, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Program; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

## 6.7. Direct Rollover of Rollover Distributions.

### (a) Eligible Rollover Distributions.

(1) A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution (as defined below) from the Program may elect to have any portion of that distribution paid directly to an eligible retirement plan (as defined below) specified by the Participant in a direct rollover. In addition, if an eligible rollover distribution is made to a Roth IRA (as such term is defined in section 408A(b) of the Code), the distributee shall recognize ordinary income in the amount of the eligible rollover distribution to the extent provided in section 408A(d)(3)(A) of the Code.

(2) For purposes of this Section 6.7, an "eligible rollover distribution" means any distribution of all or any portion of a Participant's benefit under the Program to another eligible retirement plan, except that an eligible rollover distribution does not include (i) any installment payment for a period of 10 years or more, (ii) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee, or (iii) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code.

(3) For purposes of this Section 6.7, an "eligible retirement plan" means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a Roth IRA described in section 408A of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code. In the case of a distribution to a Beneficiary who at the time of the Participant's death was neither the spouse of the Participant nor the spouse or former spouse of the participant who is an alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of section 408(d)(3)(C) of the Code).

(b) Each Fund Sponsor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

(c) Notwithstanding any provision of this Section 6.7 to the contrary, a direct rollover of a distribution attributable to a Participant's Roth Contributions will only be made to another Roth elective deferral account under an applicable retirement plan described in section 402A(3)(1) of the Code or to a Roth IRA described in section 408A of the Code, and only to the extent the rollover is permitted under the rules of section 402(c) of the code.



## **7. General Provisions and Limitations Regarding Benefits**

7.1. **Non-Alienation of Retirement Rights or Benefits.** To the fullest extent permitted by law, no benefit under the Program may at any time be subject in any manner to alienation, encumbrance, the claims of creditors or legal process. No person will have the power in any manner to transfer, assign, alienate, or in any way encumber his or her benefits under the Program, or any part thereof, and any attempt to do so will be void and of no effect. This Program will, however, comply with any judgment, decree or order which establishes the rights of another person to all or a portion of a Participant's benefit under this Program to the extent that it is treated as a qualified domestic relations order under Code section 414(p). Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Program. UW shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order, as well as for delegating the responsibility for making such determinations to Fund Sponsors. The Fund Sponsors may charge a reasonable fee for these services to a Participant by deducting such fee from a Participant's Accumulation Account.

## **8. Administration**

8.1. **Program Administrator.** UW is the Program Administrator, and has designated the UW Benefits Office to be responsible for the day to day administration of the Program.

8.2. **Authority of the Program Administrator.** The Program Administrator has all the powers and authority conferred upon it herein and further shall have final authority to determine, in its discretion, all questions concerning eligibility and contributions under the Program, to interpret all terms of the Program, including any uncertain terms, and to decide any disputes arising under and all questions concerning administration of the Program. Any determination made by the Program Administrator shall be given deference, if it is subject to judicial review, and shall be overturned only if it is arbitrary and capricious. In exercising these powers and authority, UW will at all times exercise good faith, apply standards of uniform application, and refrain from arbitrary action.

8.3. **Delegation of Authority.** The Program Administrator may delegate any power or powers to one or more other employees of UW, or to any agent or independent contractor of UW, including the Master Administrator or the Fund Sponsors. Any such delegation shall be in writing, and may be obtained from the Program Administrator.

8.4. **Suspense Accounts.** Any reasonable and necessary expense of administering the Program or of any Annuity Contract or Custodial Account, unless paid by UW, a Participant (as described below), or from a suspense account established for such purpose by the Annuity Contract issuer or Custodial Account custodian in the nature of "revenue sharing" or similar deposits of asset management fees in excess of a negotiated amount as determined by the Program Administrator or UW, shall be apportioned among and charged against the individual Annuity Contracts and/or Custodial Accounts in such manner as the Program Administrator may direct, except that expenses allocable to a specific Annuity Contract or Custodial Account may be charged against such Annuity Contract or Custodial Account. To the extent consistent with

the Code and applicable law, an Annuity Contract issuer or Custodial Account custodian may charge a Participant directly for certain transactions (such as loans) as may be set forth in the Annuity Contract, Custodial Agreement, or other services agreement. Revenue credits deposited in such a suspense account may also be credited to Participants Accumulation Accounts in a manner determined by the Program Administrator.

## **9. Amendment and Termination**

9.1. **Amendment and Termination.** While it is expected that this Program will continue indefinitely, UW reserves the right at any time to amend or terminate the Program, or to discontinue any further VIP Contributions under the Program, by resolution of its Board of Regents. If the Program is terminated or if contributions are discontinued, UW will notify all Participants, all Accumulation Accounts will remain nonforfeitable, and all agreements for salary reduction that have been entered into will become void with respect to salary amounts yet to be earned.

9.2. **Distribution Upon Termination of the Program.** UW may provide that, in connection with a termination of the Program and subject to any restrictions contained in the Annuity Contracts and Custodial Account agreements, all Accumulation Accounts will be distributed, provided that UW and any Related Employer on the date of termination do not make contributions to an alternative Section 403(b) contract that is not part of the Program during the period beginning on the date of Program termination and ending 12 months after the distribution of all assets from the Program, except as permitted by IRS regulations.

9.3. **Limitation.** Notwithstanding the provisions of Section 9.1, the Board shall not make any amendment to the Program that operates to recapture for UW any contributions previously made under this Program except to the extent permitted by Section 4.7.

## **10. Miscellaneous**

10.1. **Program Does Not Affect Employment.** Nothing contained in this Program may be construed as a commitment or agreement on the part of any person to continue his or her employment with UW, and nothing contained in this Program may be construed as a commitment on the part of UW to continue the employment or the rate of compensation of any person for any period. All employees of UW will remain subject to discharge to the same extent as if the Program had never been put into effect.

10.2. **Claims of Other Persons.** No provisions in this Program will be construed as giving any Participant or any other person, firm, or corporation any legal or equitable right against UW or its officers, employees, or regents, except for the rights that are specifically provided for in this Program or created in accordance with the terms and provisions of this Program.

10.3. **Contracts and Certificates.** In the event there is any inconsistency or ambiguity between the terms of the Program and the terms of the contracts between the Fund Sponsors and UW and/or the Participants and any certificates issued to a Participant under the Program, the terms of the Program control.

10.4. **Requests for Information.** Any request for information concerning eligibility, participation, contributions, or other aspects of the operation of the Program should be in writing and directed to the Administrator of this Program. Requests for information concerning the Fund Sponsor(s) and their Funding Vehicle(s), their terms, conditions and interpretations thereof, claims thereunder, any requests for review of such claims, may be directed in writing to the Fund Sponsor(s).

10.5. **Mistaken Contributions.** If any contribution (or any portion of a contribution) is made to the Program by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the UW Benefits Office, the amount of the mistaken contribution (adjusted for any in come or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the UW Benefits Office, to UW.

10.6. **Governing Law.** Except as provided under federal law, the provisions of the Program are governed by and construed in accordance with the laws of the State of Washington.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Internal Audit – Planned Activities for 2013

This item is for information only.

*Attachment*

Internal Audit 2013 Audit Plan



**INTERNAL AUDIT**  

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**UNIVERSITY *of* WASHINGTON**

# 2013 Audit Plan

Finance, Audit and Facilities Committee  
Board of Regents

November 2012

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## Executive Summary

The 2013 Audit Plan contains key information on our planned audit activity for calendar year 2013. The plan was based on the results of our annual risk assessment process.

### Audit Goals

Internal Audit's major goals for 2013 are:

- Complete audits within fifteen 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 of operations;
- Complete internal control reviews of departments either as a request of management or due to losses of University resources;
- Continue to develop our student intern program;
- Provide training on internal controls, WA Ethics Law and other related subjects; and
- Continue to lead and participate in the Pacific Northwest College and University Internal Audit Conference.

### Audit Plan 2013

The University of Washington Internal Audit Plan for 2013 is designed to provide audit coverage across the entirety of the University, deploying Internal Audit resources in an effective and efficient manner.

To focus on the appropriate areas, we considered the strategic plans and initiatives the University has articulated over the last two years including Tomorrow's University Today, Two Years Two Decades (2Y2D), Activity Based Budgeting (ABB), and Organizational Effectiveness Initiative.

We continue to focus on the highest risk areas as identified in our risk assessment. The Audit Plan was developed through the completion of a risk assessment project which included interviews with senior management, review of strategic, financial and historical information regarding the individual University auditable units as defined by Internal Audit.

The Audit Plan documents presented here include:

- Overview of the Audit Plan;
- Analysis of Audit Coverage by University Auditable Units from 2008 - 2013;
- Heat Map of University Auditable Units;
- Listing of Planned Audit Projects; and
- Allocation of Audit Resources.

## 2013 Audit Plan

Internal Audit engages in three primary activities – audits, management advisory services, and investigations. Our focus is to actively work with the schools, colleges and the UW Health System to assist management in addressing strategic, financial, operational, and compliance risks and exposures. Internal Audit focuses on both University wide and departmental level processes and control systems. In order to focus our audit resources, we consider the work completed by other audit professionals and compliance officers across the University such as KPMG LLP, Peterson Sullivan LLP, State Auditor’s Office, UW Medicine Compliance and other regulatory agencies in setting our overall audit plan and in planning the work conducted on any specific project. Additionally, we provide liaison services between the University and external audit parties to assist in the effective conduct of outside auditor’s projects.

Internal Audit’s goals for 2013 are:

- Complete audits within fifteen 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 of operations;
- Complete internal control reviews of departments either as a request of management or due to losses of University resources;
- Deploy our team in the most effective and efficient manner;
- Continue to develop our student intern program;
- Continue to strengthen our audit team through focused industry training;
- Provide training on internal controls, WA Ethics Law and other related subjects
- Continue to lead and participate in the Pacific Northwest College and University Internal Audit Conference; and
- Continue to coordinate with and participate in the further development of the University-wide enterprise risk management framework.

The University of Washington Internal Audit Plan for 2013 is designed to provide audit coverage across the entirety of the University, deploying Internal Audit resources in areas of increased risk or operations we have not audited in the recent past. The methodology that we utilized for performing our risk assessment and developing our audit plan is included in Appendix A. We have included a heat map representing the results of our risk assessment on page 4.

To enable us to focus on the appropriate areas, we considered the strategic plans and initiatives the University has articulated over the last two years including Tomorrow’s University Today, 2Y2D, ABB, Organizational Effectiveness Initiative and the need to expand future revenue streams. We have also acknowledged the increasing external forces (State budget reductions, changes in Federal regulations) that could adversely impact the internal controls processes previously developed within the University.



## Analysis of Coverage of University Auditable Units

The University auditable units, listed below, are ranked from high to low in terms of the relative risk based on the 2013 risk assessment performed by Internal Audit (IA). Additionally, we have included the relative ranking from previous risk assessments. The previous year columns identify the relative IA risk ranking in those periods and the type of audit work conducted within the respective unit.

AUDITABLE UNIT	2013/2012		2011/2010		2009/2008	
	Rank	Audit Coverage	Rank	Audit Coverage	Rank	Audit Coverage
UW Health System	1	IA	1	IA	2	IA
School of Medicine	2	IA	2	IA	1	IA
Health Sciences Administration	3	IA	16	Reg	5	IA
Intercollegiate Athletics	4	IA	3	IA	9	IA
Office of Research	5	IA	6	IA	25	IA
Grant and Contract Accounting	6	IA	10	IA	17	Reg
School of Public Health	7	IA	13	IA	7	-
UW Information Technology	8	IA	24	IA	8	IA
Housing and Food Services	9	IA	14	Ext	28	Ext
School of Dentistry	10	-	12	IA	6	-
Student Life	11	-	35	IA	36	IA
UW Tacoma	12	IA	25	IA	13	IA
Educational Outreach	13	-	15	-	4	IA
UW Bothell	14	-	26	IA	12	IA
School of Nursing	15	IA	19	IA	14	IA
Office of the President/Provost	16	-	37	IA	33	IA
College of Arts and Sciences	17	IA	21	IA	3	IA
Student Financial Aid	18	Reg	5	-	34	Reg
Center for Commercialization	19	IA	17	-	21	-
Facilities Services	21	Ext	29	IA	27	-
Capital Projects	21	-	7	IA	11	-
Human Resources	22	-	18	IA*	19	-
Office of Planning and Budgeting	23	IA	20	-	37	-
Finance	24	IA	8	IA	26	IA
College of the Environment	25	IA	4	Reg	23	Reg
Treasury Office	26	Ext	11	Ext	30	Ext
University Advancement	27	-	23	-	10	IA
College of Education	28	-	30	IA*	35	-
College of Engineering	29	-	9	IA	15	-
Information School	30	-	38	IA*	38	-
School of Law	31	-	34	IA*	22	-
School of Social Work	32	-	36	IA	24	-
Foster School of Business	33	-	28	IA*	16	IA
Graduate School	34	-	22	IA*	29	-
Evans School of Public Affairs	35	-	33	IA*	32	-
School of Pharmacy	36	-	32	IA*	18	-
College of the Built Environments	37	-	27	IA*	31	-
Libraries	38	-	31	-	20	-

Legend: IA - Audited by Internal Audit  
 IA\* - Audited by Internal Audit as part of a University wide process audit  
 Ext - Audited by KPMG LLP or Peterson Sullivan LLP  
 Reg - Audited by Regulatory Agencies, including State Auditor's Office

## University Auditable Units - Heat Map

		Ranking of Audit Unit within University				
		Insignificant	Minor	Moderate	Major	Critical
Likelihood	Almost certain				3	1 2
	Likely			15	10 9 6 4 13,12 7 5 8	
	Possible			28 22 20 25 31 26 34 29 36 33	18 14 11 17,16 19 24	
	Unlikely		38 37	32 30 35		21 27
	Remote					
			Insignificant	Minor	Moderate	Major
		Impact				

### Listing of University Auditable Units

(Numbers in chart below correspond to the chart above)

1	UW Health System	20	Facilities Services
2	School of Medicine	21	Capital Projects
3	Health Sciences Administration	22	Human Resources
4	Intercollegiate Athletics	23	Office of Planning and Budgeting
5	Office of Research	24	Finance
6	Grant and Contract Accounting	25	College of the Environment
7	School of Public Health	26	Treasury Office
8	UW Information Technology	27	University Advancement
9	Housing and Food Services	28	College of Education
10	School of Dentistry	29	College of Engineering
11	Student Life	30	Information School
12	UW Tacoma	31	School of Law
13	Educational Outreach	32	School of Social Work
14	UW Bothell	33	Foster School of Business
15	School of Nursing	34	Graduate School
16	Office of the President/Provost	35	Evans School of Public Affairs
17	College of Arts and Sciences	36	School of Pharmacy
18	Student Financial Aid	37	College of the Built Environments
19	Center for Commercialization	38	Libraries

## Planned Audit Projects

We will continue to focus on the high risk areas as identified in our risk assessment. We identified both audit units and university wide processes within which to focus our audit activities during 2013. As part of our risk assessment, we continued our focus begun in 2011 to consider audit projects whose results could be shared across the campus to improve control effectiveness. Additionally, based on risk and controls reviews conducted in the audit planning process, we may validate and/or expand upon the areas of focus and risks in each respective audit unit. We will conduct audits in the units identified below.

Our risk assessment process will be further refined for the UW Health System to include a more in-depth identification of audit units and possible audit projects within the system. This process will include expanded meetings with the executives within the UW Health System, operational management and meetings with the Boards of UW Medicine and the respective Medical Centers. We expect this process will further refine the projects to be included in our audit plan.

<b>Audit Unit</b>	<b>Audit Focus</b>
<b>UW Health System</b>	Clinic registration, physician compensation, system post-implementation reviews, quality metrics, meaningful use attestations, and additional audit projects
<b>School of Medicine</b>	Federal grant activities and business operations review
<b>Intercollegiate Athletics - 2013</b>	Recruiting, rules education, reporting rules violations
<b>Office of Research</b>	Financial conflict of interest audit
<b>School of Public Health</b>	I-TECH business operations reviews (in Africa)
<b>UW Information Technology</b>	Network access controls review, Enterprise Data Warehouse general IT controls review
<b>UW Tacoma</b>	Facilities use audit
<b>Center for Commercialization</b>	Licensing and royalties review
<b>Office of Planning and Budgeting</b>	Activity Based Budgeting review
<b>College of the Environment</b>	Federal grant activities controls review
<b>Multiple Audit Units</b>	Federal grant allowable costs review

## Audit Resources

The audit plan for calendar year 2013 is based on a professional staffing complement of 14 FTE. The plan represents the anticipated minimum level of staffing in 2013 to account for the continuing uncertainty around the University budget, impact of Federal funding and the expectation that Internal Audit will participate in any University wide budget reductions. However, we will augment our staff by continuing our IA Internship Program in which we currently employ two UW students.

Approximately 50% of the Internal Audit's available resources are committed to the completion of planned audit projects and follow-up audit procedures. The annual audit plan is designed to provide appropriate coverage utilizing a variety of audit methodologies: audits of individual units both on campus and within the UW Health System, functional and process audits, University-wide reviews, and information system projects. Internal Audit semi-annually conducts follow-up audit procedures to ensure that management is implementing controls as described within their responses to Internal Audit report findings.

In selecting specific units/functions for inclusion in the audit plan we placed priority on providing coverage of higher risk units/processes, and areas of interest to University and UW Health System administrative leadership.

We have a number of audit projects from our 2012 Audit Plan which will be carried over to the 2013 Audit Plan as they continue to be considered high risk. Additionally, we will have a number of audit projects begun in 2012 which will carryover for completion in early 2013. The amount of carryover work is in line with a normal audit process where audits begun in the last few months of the year are completed and issued early in the following year.

The remainder of our FY 2013 audit resources is allocated as follows:

- 18% to accommodate requests from the President, the Board, or other executive management and consultations with University departments. Additionally we plan to incur hours conducting investigations into whistleblower claims, regulatory, ethics and fraud allegations.
- 9% for employee professional development, internal quality improvement projects (LEAN), our Quality Assurance Review and ongoing expansion and maintenance of our electronic work paper system.
- 6% for risk mitigation efforts such as the audit liaison function for the University, advisory services regarding WA State Ethics regulations, training provided to University personnel, and University risk mitigation committee work.
- 17% has been further allocated for internal administrative functions, including employee performance evaluations, interviews of Internal Audit candidates and manager/staff meetings.

# Appendices

## Risk Assessment Methodology / Development of Annual Plan

We use a two year risk assessment model to prioritize audit coverage and ensure timely reviews of high exposure areas. This is the second year of our risk assessment process.

We began the process in year one by utilizing previous Internal Audit risk assessments as a starting point. We identified the risk categories to be considered in the risk assessment and updated the categories to acknowledge the changing profile of the University.

The following risk categories were considered in the development of our annual plan:

Strategic Risk	Impairment to the strategic mission of the University.
Operational Risk	Impairment of the ability to carry out day-to-day operations of the University.
Compliance Risk	Failure to comply with laws, regulations and internal policies of the University.
Financial Risk	Loss of financial resources or assets.
Reputational Risk	Risk that public image or reputation is damaged by actions of a unit or individual connected to the University.

We reviewed risk assessment models used by peer institutions and utilized their experience and knowledge of university and medical center operations to ensure our risk assessment model included factors relevant to the University of Washington and UW Health System.

We gathered information about any trends or emerging risks, significant changes in organizations, information systems complexity, prior audits/results, and obtained input from key senior management regarding high risk areas. We also reviewed the new and developing information being provided to the University from the President and Provost offices over the last twelve months. We then evaluated both the financial and budgetary data for all audit units identified and updated our current risk assessment model and related risk rankings identified during the last few years. The above risk factors were then grouped to determine likelihood and impact, and arrive at an overall risk ranking.

In year two we identified any significant changes in organizations, trends, or emerging risks, and obtained input from key senior management regarding high risk areas. We then evaluated the data and made any changes necessary to the risk rankings identified during year one, creating the heat map shown on page 4.

Our proposed audit projects for 2013 were then selected from a number of the highest ranked auditable areas and individual audit units within these groupings. The list of the proposed audit projects is included in the audit plan on page 5.

## Internal Audit Charter

**Mission** - The mission of Internal Audit is to assist the Board of Regents and University management in the discharge of their oversight, management and operating responsibilities. This is achieved by providing independent assurance, consulting and education services to the University community. Our services add value by improving the control, risk management and governance processes to help the University achieve its business objectives.

**Authority** - Internal Audit functions under the authority of the Finance, Audit and Facilities Committee of the Board of Regents of the University of Washington.

Internal Audit is authorized to have full, free, and unrestricted access to information including records, computer files, property, and personnel of the University. Internal Audit is free to review and evaluate all policies, procedures and practices of any University activity, program or function.

In performing the audit function, Internal Audit has no direct responsibility for, or authority over any of the activities reviewed. Therefore, the internal audit review and appraisal process does not in any way relieve other persons in the organization of the responsibilities assigned to them.

**Scope** - The scope of the internal audit activity encompasses the examination and evaluations of the adequacy and effectiveness of the University's system of internal control and the quality of the performance in carrying out assigned responsibilities including appropriate training and consulting assistance. Internal auditors are concerned with any phase of University activity in which they may be of service to management. This involves going beyond the accounting records to obtain a full understanding of operations under review.

**Independence** - To permit the rendering of impartial and unbiased judgment essential to the proper conduct of audits, internal auditors will be independent of the activities they audit. This independence is achieved through organizational status and objectivity.

**Organizational Status:** The Executive Director of Internal Audit is responsible to the Treasurer, Board of Regents, whose scope of responsibility and authority assures that audit findings and recommendations will be afforded adequate consideration and the effectiveness of action will be reviewed at an appropriate level. The Executive Director of Internal Audit has direct access to both the President and the Board of Regents, and may take matters to them that are believed to be of sufficient magnitude and importance to require their immediate attention.

**Objectivity:** Because objectivity is essential to the audit function, an internal auditor does not develop and install procedures, prepare records, or engage in any other activity which the auditor would normally review and appraise and which could reasonably be construed to compromise the auditor's independence. The auditor's objectivity is not adversely affected, however, by determining or recommending standards of control to be adopted in the development of systems and procedures under review.

**Responsibility** - The internal audit staff has a responsibility to report to University management on the areas examined and to evaluate management's plans or actions to correct reported findings. In addition, the Executive Director of Internal Audit has a responsibility to report at least annually to the Board of Regents Finance, Audit and Facilities Committee and to inform the Board of any significant findings that have not been reasonably addressed by University management.

The Executive Director of Internal Audit will coordinate internal and independent outside audit activities to ensure adequate coverage and minimize duplicate efforts.

**Standards** - The responsibility of Internal Audit is to serve the University in a manner that is consistent with the standards established by the internal audit community. At a minimum it shall comply with the relevant professional audit standards and code of conduct of the Institute of Internal Auditors (IIA) and the Association of College and University Auditors (ACUA).

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Advancement Return on Investment

INFORMATION

The material presented here offers Fiscal Year 2012 and FY08-12 average Advancement Returns, and Revenue and Expenditures.

*Attachment*

1. Return on Investment and Cost per Dollar Raised for FY11-12
2. Expenditure Details FY11-12
3. Central Revenue and Expenditures



**University Advancement**  
**Return on Investment and Cost per Dollar Raised**  
**FY11-12**

Constituency Unit	Costs	Gifts	Grants	Total Gifts & Grants	1-Year ROI/Dollar	5-Year Avg. ROI/Dollar	1-Year Cost/Dollar	5-Year Avg. Cost/Dollar
UW Medicine	5,473,458	29,272,105	87,832,906	117,105,011	21.40	26.32	0.047	0.039
Arts and Sciences	3,464,817	18,308,722	10,321,350	28,630,072	8.26	8.27	0.121	0.127
Built Environments	264,278	1,314,922	5,000	1,319,922	4.99	8.26	0.200	0.139
Business School	1,717,348	20,055,354	45,000	20,100,354	11.70	11.03	0.085	0.099
Dentistry	387,878	1,580,736	55,404	1,636,140	4.22	8.62	0.237	0.138
Education	635,503	1,387,346	6,076,092	7,463,438	11.74	7.57	0.085	0.149
Engineering	2,529,830	13,991,553	8,534,271	22,525,824	8.90	9.81	0.112	0.108
Environment	1,210,301	4,309,600	5,820,219	10,129,819	8.37	13.36	0.119	0.098 *
Evans School of Public Affairs	293,278	266,564	1,326,679	1,593,243	5.43	6.06	0.184	0.216
Graduate School	388,940	1,236,535	886,209	2,122,744	5.46	5.15	0.183	0.208
Information School	527,051	765,112	242,772	1,007,884	1.91	5.51	0.523	0.268
Intercollegiate Athletics	1,734,396	33,580,010	-	33,580,010	19.36	14.16	0.052	0.074
Law	901,123	1,875,146	158,242	2,033,388	2.26	2.74	0.443	0.408
Libraries	368,986	1,989,175	-	1,989,175	5.39	4.31	0.185	0.263
Minority Affairs	311,347	1,080,734	18,400	1,099,134	3.53	2.37	0.283	0.476 *
Nursing	508,928	2,158,012	789,280	2,947,292	5.79	7.57	0.173	0.134
Pharmacy	396,939	1,004,664	9,879,076	10,883,740	27.42	13.70	0.036	0.086
Public Health	305,325	657,492	10,909,384	11,566,876	37.88	87.88	0.026	0.016
Social Work	811,504	1,927,800	1,691,749	3,619,549	4.46	4.60	0.224	0.223
Student Life	321,100	6,353,413	-	6,353,413	19.79	29.30	0.051	0.064 *
Undergraduate Academic Affairs	212,233	587,682	1,449,430	2,037,112	9.60	5.66	0.104	0.263 *
UW Bothell	583,845	593,634	3,374,357	3,967,991	6.80	4.93	0.147	0.361
UW Tacoma	602,551	4,792,452	80,190	4,872,642	8.09	7.42	0.124	0.131
Other Constituencies <sup>1</sup>	3,504,037	12,900,406	1,616,603	14,517,009	4.14	na	0.241	na
AVP Constituency Programs	1,008,003	-	-	-	na	na	na	na
<b>Total Constituency Units <sup>2</sup></b>	<b>28,462,999</b>	<b>161,989,169</b>	<b>151,112,613</b>	<b>313,101,782</b>	<b>11.00</b>	<b>12.56</b>	<b>0.091</b>	<b>0.081</b>
<b>University-wide Services <sup>3</sup></b>	<b>15,566,731</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>na</b>	<b>na</b>	<b>na</b>	<b>na</b>
<b>TOTAL <sup>4,5</sup></b>	<b>44,029,730</b>	<b>161,989,169</b>	<b>151,112,613</b>	<b>313,101,782</b>	<b>7.11</b>	<b>7.89</b>	<b>0.141</b>	<b>0.125</b>

**Notes**

<sup>1</sup> *Other Constituencies* includes: UW Alumni Association, President's Funds, Broadcast Services (KUOW and KEXP), and other University support.

<sup>2</sup> *Total Constituency Units Costs* category detail:

Units	14,199,071
University Advancement	14,263,928
<b>Total Constituency Units' Costs:</b>	<b>28,462,999</b>

<sup>3</sup> *University-wide Services* category includes: Advancement Communications, Advancement Services, Finance & Administration (includes rent), Individual Giving Programs, UA Vice President's Office, and UW Foundation Support.

<sup>4</sup> *Total Costs* category detail:

Units	14,199,071
University Advancement	29,830,659
<b>Total Costs:</b>	<b>44,029,730</b>

<sup>5</sup> *Total 5-Year Averages* for ROI/Dollar and Cost/Dollar are the average of the total actual annual amounts for each of the fiscal years 2008-2012

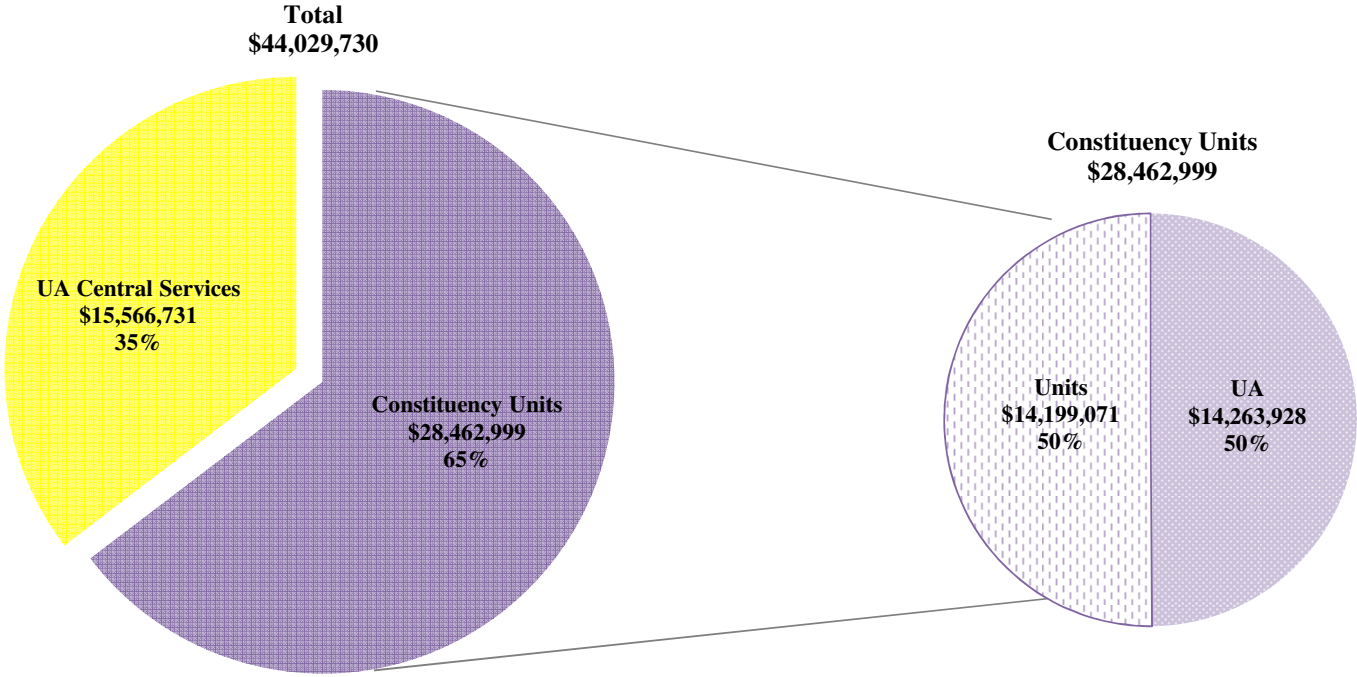
\* 4-year average; new units in FY08-09

**ATTACHMENT 1**

F-13.1/211-12

11/8/12

**University Advancement  
Expenditure Details  
FY11-12**



## University Advancement Central Revenue and Expenditures

	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13 Projections
<b>Revenue Sources</b>						
80 Basis Points Endowment Fee	16,901,481	14,317,691	14,256,637	15,687,770	16,912,294	17,344,976
Parking	1,543,000	1,148,270	437,586	578,040	535,773	600,000
Endowment Suspense	1,418,000	700,000	512,017	1,101,035	321,079	447,000
Gift Interest	7,126,000	7,410,931	7,478,391	7,356,973	8,295,092	7,800,000
Institutional Support (DOF)	3,846,090	4,173,071	3,729,410	4,386,483	4,858,580	7,097,105
UW Foundation Support	0	0	0	200,000	0	320,000
<b>Total Revenue</b>	<b>30,834,571</b>	<b>27,749,963</b>	<b>26,414,041</b>	<b>29,310,301</b>	<b>30,922,818</b>	<b>33,609,081</b>
<b>Total Expenditures</b>						
	(28,534,962)	(28,826,327)	(25,353,244)	(27,593,992)	(29,830,659)	(35,894,915)
<b>Ending Fund Balance</b>						
	<b>8,195,638</b>	<b>6,572,641</b>	<b>7,401,555</b>	<b>9,282,421</b>	<b>9,512,730</b>	<b>7,226,896</b>

### Notes

#### Revenue Sources

Calculations for basis points, parking, endowment suspense and gift interest based on projections from UW Treasury CEF (80 Basis Points) revenue distribution rate of 0.8% of CEF average balance (20-quarter rolling average)  
 Parking revenue distribution rate of 2% for two quarters (4% annual) of newly invested endowments  
 Endowment Suspense revenue distribution rate of 3% of year-end suspense balance  
 Gift Interest revenue distribution rate of 2% of year-end current use balance  
 Institutional Support (DOF) funding:  
     FY09-10: cut of 11%  
     FY10-11: cut of 2.3% offset by 8 months' decentralized benefit increases  
     FY11-12: cut of 5% offset by decentralized benefits increases  
     FY12-13: \$2M plus decentralized benefit increases

#### Expenditures (all years)

Non-operating adjustments are due to capital expenditures and timing differences.

#### Reserve Policy

Advancement leadership strives to maintain a 5% reserve in the University Advancement Fund Balance to hedge against volatility in revenue sources.

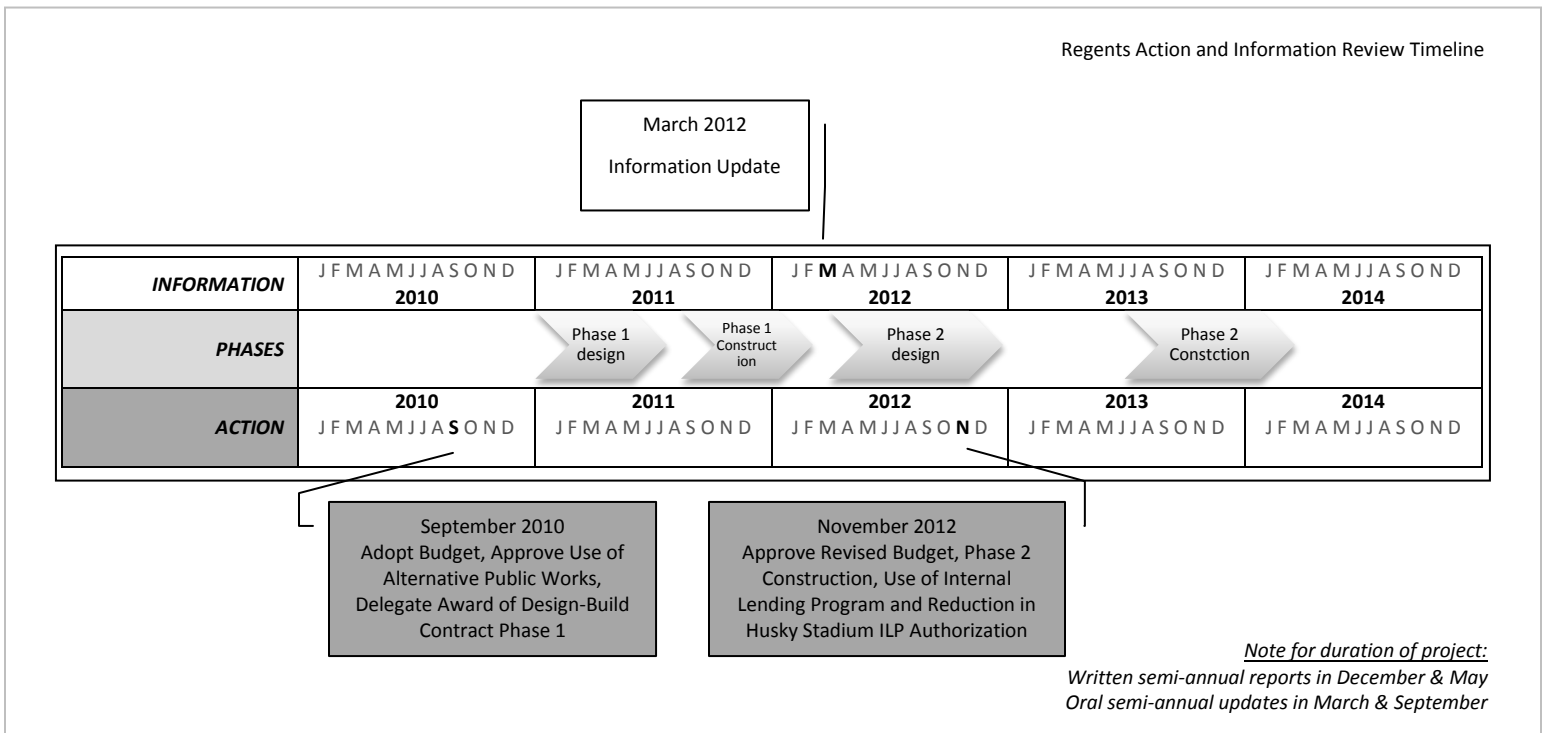
#### Other

Constituency Unit Advancement costs for FY11-12 totaled \$14,199,071. These costs are not reflected in the above figures.

**VII. STANDING COMMITTEES**

**B. Finance, Audit and Facilities Committee**

Husky Ballpark Project – Approve Revised Budget, Approve Phase 2 Construction, Approve Use of Internal Lending Program, and Approve Reduction in Husky Stadium ILP Authorization



**RECOMMENDED ACTIONS**

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

- 1) increasing the Husky Ballpark Project budget from \$13,509,000 to \$19,500,000;
- 2) beginning construction on the Phase 2 Husky Ballpark Grandstands;
- 3) using the Internal Lending Program to fund up to \$15 million for design, construction and financing costs for the project; and
- 4) reducing the Husky Stadium ILP authorization by \$15 million to \$246.5 million.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

Husky Ballpark Project – Approve Revised Budget, Approve Phase 2 Construction, Approve Use of Internal Lending Program, and Approve Reduction in Husky Stadium ILP Authorization (continued, page 2)

#### BACKGROUND

This Design-Build project was separated into two phases: Phase 1 Team Building and Phase 2 Grandstands. The Design-Build selection process, completed in December 2010 with Architectural Commission recommendation, resulted in the selection of the team of Bayley Construction and SRG Architects and a schematic design for both phases including a corresponding cost. The Design-Build team was given a notice to proceed with the Phase 1 Team Building only and construction was completed and the building was occupied in February 2012.

Subsequent to an informational update to the Board of Regents in March 2012, Intercollegiate Athletics (ICA) proceeded with the design and permitting only for the Phase 2 Grandstands. This work includes: completion of the documentation and applying for the Master Use Permit; completion of the design and construction drawings; and applying for the Building Permit.

#### PROJECT DESCRIPTION

The Husky Ballpark field was relocated in 1995 to its current location on the east campus, and a new playing field with an artificial infield surface was constructed. Over the years, a number of improvements have been added including: field lighting; an enclosed practice batting facility; upgraded infield playing surface; dugouts; and batter's eye. Facilities for the coaches and players remained off-site in the Graves Annex building and the Hec Edmundson Pavilion. Spectator facilities consist of "temporary" wooden bleachers, portable toilets, a small concessions trailer and gravel walking surface. Attempts to build a proper grandstand with adequate team and spectator facilities have not been successful, and the overall ballpark, though having probably the best physical location in the Pac 12, is considered one of the worst overall ballparks.

#### PROJECT SCOPE

The Husky Ballpark Project will add on to the present playing field in its current location. The project is envisioned as two phases. Phase 1 Team Building, completed and occupied in February 2012, constructed a 9,000 gross square feet two-story building located adjacent to the right field foul line to provide a home for the baseball team. Included are a team locker room, training room, showers and toilets, meeting rooms, offices for coaches, locker room for umpires, an elevator and a field-viewing deck.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### Husky Ballpark Project – Approve Revised Budget, Approve Phase 2 Construction, Approve Use of Internal Lending Program, and Approve Reduction in Husky Stadium ILP Authorization (continued, page 3)

Phase 2 Grandstand will construct facilities for spectators and press located behind home plate and extending down each foul line. Included will be: seating for approximately 2,500; partial roof; press box; home and visitor dugouts; ticketing office, concessions, public restrooms; site development including grading, paving, drainage, fencing, utilities, lighting, and signage.

Design and permitting for the Phase 2 Grandstands is being completed, the Master Use Permit was applied for in July, and the Building Permit was applied for in October. The plan is to be able to start construction at the end of the baseball season in June 2013, and complete the Grandstands in February 2014 in time for the 2014 baseball season.

#### SCHEDULE

Design-Build Team Selection	September to December 2010
Contract Award	December 2010
Phase 1 Design	January to July 2011
Phase 1 Construction	July 2011 to February 2012
Phase 2 Design and Permitting	March 2012 to December 2012
Phase 2 Construction	June 2013 to February 2014

#### PREVIOUS REGENT ACTIONS

At the March 2012 meeting, the schematic design was reviewed and a project update was given which included proceeding with the design and permitting work.

At the October 2011 meeting, the Board of Regents approved naming the Phase 1 Team Building the “Wayne Gittinger Baseball Team Building.”

At the September 2010 meeting, the Board of Regents approved: the project budget be established at \$13,509,000 for the Husky Ballpark Project; the use of alternative public works utilizing the Design-Build process; and the President be delegated authority to award design-build contract including Phase 1, subject to the scope, budget and funding remaining within 10% of the established budget.

#### CONTRACTING STRATEGY

The recommendation of the Capital Projects Office (CPO) was to use the alternate public works contracting procedure, Design-Build, authorized by RCW 39.10 for

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### Husky Ballpark Project – Approve Revised Budget, Approve Phase 2 Construction, Approve Use of Internal Lending Program, and Approve Reduction in Husky Stadium ILP Authorization (continued, page 4)

design and construction of this project. The use of the Design-Build process is appropriate for a number of reasons. The space program, site planning and conceptual design has been previously completed as a gift in place to the University, and will result in minimal user feedback during the design completion effort. This previous work will form the basis for the project proposal performance specifications. The grandstand seating system technology is highly specialized and a design-build approach is critical in developing the construction methodology. There are a number of advantages with this process. By completing the schematic design process for both phases at one time, the overall ballpark design will be coordinated and integrated as one complete design. The competitive proposal process resulted in a number of design options that allowed the University to choose based on design appropriateness, technical quality and cost effectiveness. The University had a design and associated cost for Phase 2 to inform the funding raising, and to be able to initiate the completion of this phase quickly.

#### BUDGET SUMMARY

At the September 2010 Regents meeting, a total project budget was approved for \$13,509,000 with Phase 1 Team Building budgeted at \$3,500,000 and Phase 2 Grandstands budgeted at \$10,009,000. The Design-Build proposal selected in December 2010 resulted in a slightly higher cost for Phase 1 and lower cost for Phase 2. During the Phase 1 Team Building design development phase, a number of additional scope and design refinements (such as increasing the size of the locker room and adding brick to the exterior) were added to the design for a project cost increase of approximately \$1,000,000. At the completion of construction, the Phase 1 Team Building project cost forecast is approximately \$4,500,000.

At the March 2012 informational meeting, the budget forecast for Phase 1 Team Building was \$4.5 million and Phase 2 Grandstands was \$9.4 million. During the design development phase, a number of added scope and design refinements (such as a revised entry and plaza, exterior brick, increased roof size, glass enclosures for wind protection, graphics, television production provisions, and a player development facility with pitching and batting cages) were added to the design for a project cost increase of approximately \$5,600,000. The Phase 2 Grandstands project cost forecast is \$15,000,000 for a forecast total project cost of \$19,500,000.

See Attachment for Project Budget Summary.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

Husky Ballpark Project – Approve Revised Budget, Approve Phase 2 Construction, Approve Use of Internal Lending Program, and Approve Reduction in Husky Stadium ILP Authorization (continued, page 5)

#### FINANCING PLAN

Phase 1 of the Husky Ballpark Project was funded with \$4.5 million consisting of gifts and ICA reserves. Phase 2 of the Husky Ballpark Project will be funded with \$2 million in expected gifts and a \$13 million ILP loan. It has been included in the One Capital Plan and the associated debt service has been projected by ICA in their October SABRe (Semi-Annual Borrower Report) report.

The maximum \$15 million authorization for the ballpark is occurring in conjunction with a reduction by the same amount for Husky Stadium. When the stadium was approved by the Regents in November 2010, the proforma was tested at a maximum \$250 million loan, since the amount of gifts was uncertain at that time. At the November 2011 meeting, the use of the Internal Lending Program was increased to \$261.5 million to reflect the addition of the Sports Medicine and Sports Performance Center to the Husky Stadium project scope. As the project has progressed and stadium gifts have been received as expected, ICA no longer needs the full borrowing authority for the stadium.

Sources and uses for the Husky Ballpark Project are below (\$000):

#### Sources of Funds

Reserves/Gifts Phase 1	4,500
Reserves/Gifts Phase 2	2,000
ILP Loan	13,000
<b>Total Sources of Funds</b>	<b>19,500</b>

#### Uses of Funds

Phase 1 Team Building	4,500
Phase 2 Grandstands	15,000
<b>Total Uses of Funds</b>	<b>19,500</b>

NOTE: Total project cost and debt includes 1% cost of issuance on the ILP draws.

Annual Debt Service is \$894,500 (30 years at 5.5%)

ICA expects to begin drawing on the loan in June 2013 and will pay interest-only on the loan until the ballpark is completed in February, 2014, when principal and interest will be paid.



## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

Husky Ballpark Project – Approve Revised Budget, Approve Phase 2 Construction, Approve Use of Internal Lending Program, and Approve Reduction in Husky Stadium ILP Authorization (continued, page 6)

#### REVIEW AND APPROVALS

This recommendation has been reviewed and approved by the Athletic Director, the Senior Vice President, and the Vice Provost for Planning and Budgeting. The structure of the transaction and the viability of the financing plan have been reviewed by Intercollegiate Athletics and the Treasury Office.

*Attachment*

Project Budget Summary

## Husky Ballpark Project

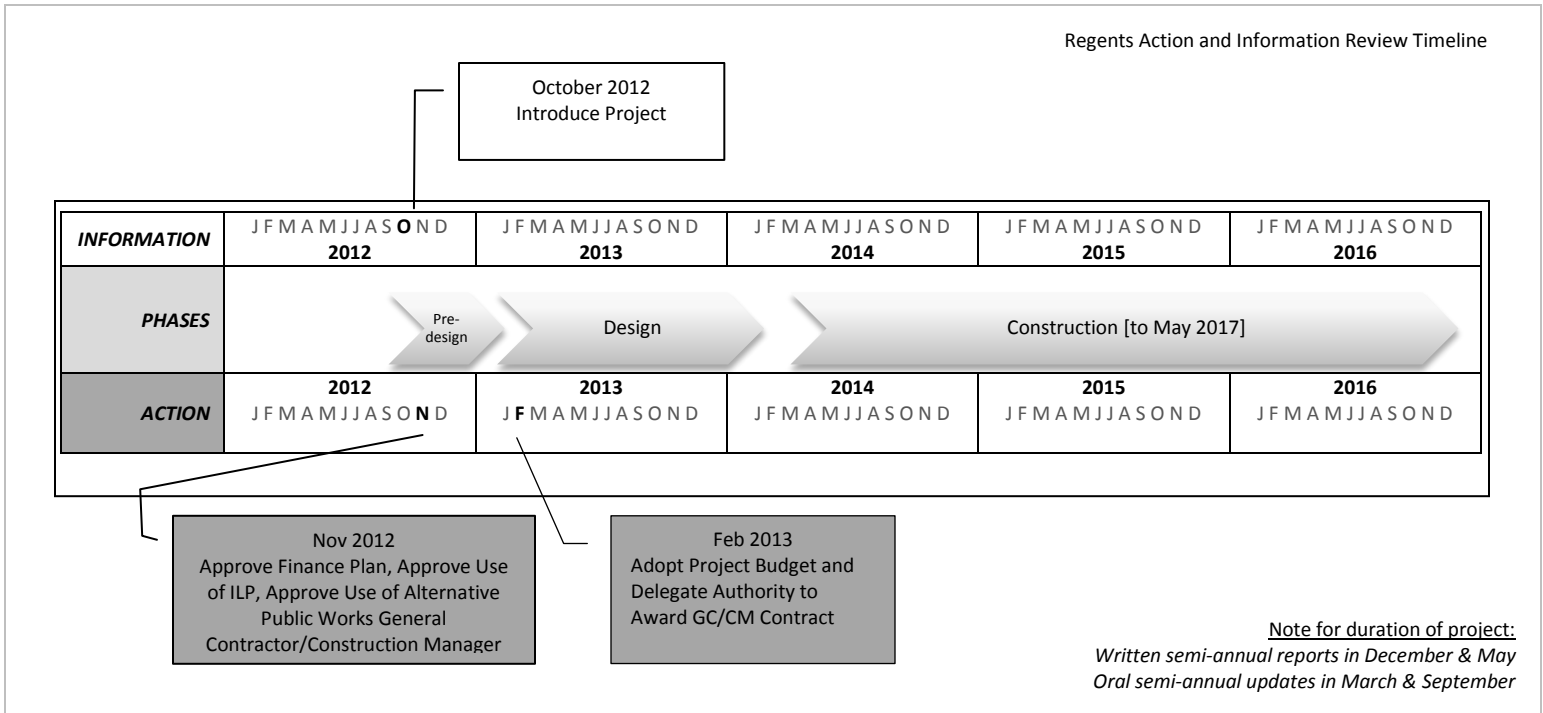
### Project Budget Summary

	<b>Actual Phase 1 <u>Team Building</u></b>	<b>Previous Phase 2 <u>Grandstands</u></b>	<b>Previous Total <u>Both Phases</u></b>	<b>Revised Phase 2 <u>Grandstands</u></b>	<b>Revised Total <u>Both Phases</u></b>	<b><i>% of Total Project Cost</i></b>
Consultants	\$277,627	\$0	\$277,627	\$0	\$277,627	1.4%
<b>Predesign</b>	<b>\$277,627</b>	<b>\$0</b>	<b>\$277,627</b>	<b>\$0</b>	<b>\$277,627</b>	<b>1.4%</b>
Other Design	\$42,967	\$100,000	\$142,967	\$100,000	\$142,967	0.7%
Design/Construction	\$3,422,801	\$6,829,565	\$10,252,366	\$11,527,043	\$14,949,844	76.7%
Hazardous materials	\$0	\$110,000	\$110,000	\$124,000	\$124,000	0.6%
Contingencies	\$0	\$990,844	\$990,844	\$863,844	\$863,844	4.4%
Sales Tax	\$325,166	\$648,817	\$973,983	\$1,095,069	\$1,420,235	7.3%
<b>Design-Build</b>	<b>\$3,790,934</b>	<b>\$8,679,226</b>	<b>\$12,470,160</b>	<b>\$13,709,956</b>	<b>\$17,500,890</b>	<b>89.7%</b>
Equipment	\$0	\$50,000	\$50,000	\$256,119	\$256,119	1.3%
Furnishings	\$132,381	\$50,000	\$182,381	\$50,000	\$182,381	0.9%
Special Construction	\$0	\$61,000	\$61,000	\$151,423	\$151,423	0.8%
Sales Tax	\$0	\$15,295	\$15,295	\$43,466	\$43,466	0.2%
<b>Furnishings/Equip.</b>	<b>\$132,381</b>	<b>\$176,295</b>	<b>\$308,676</b>	<b>\$501,008</b>	<b>\$633,389</b>	<b>3.2%</b>
Fees	\$40,000	\$10,000	\$50,000	\$50,000	\$90,000	0.5%
In-Plant Services	\$13,737	\$14,659	\$28,396	\$14,659	\$28,396	0.1%
Permits	\$286	\$82,404	\$82,690	\$82,327	\$82,613	0.4%
Insurance	\$0	\$8,998	\$8,998	\$8,998	\$8,998	0.0%
UW Technology	\$63,500	\$24,875	\$88,375	\$24,875	\$88,375	0.5%
Campus Engineering	\$11,527	\$27,701	\$39,228	\$27,701	\$39,228	0.2%
Project Management	\$181,555	\$366,929	\$548,484	\$568,929	\$750,484	3.8%
<b>Other</b>	<b>\$310,605</b>	<b>\$535,566</b>	<b>\$846,171</b>	<b>\$777,489</b>	<b>\$1,088,094</b>	<b>5.6%</b>
<b>Total Project Cost</b>	<b>\$4,511,547</b>	<b>\$9,391,087</b>	<b>\$13,902,634</b>	<b>\$14,988,453</b>	<b>\$19,500,000</b>	<b>100.0%</b>

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

UW Medical Center Expansion Phase II: Montlake Tower – Approve Financing Plan, Approve Use of Internal Lending Program and Approve Use of Alternative Public Works General Contractor/Construction Manager (GC/CM)



RECOMMENDED ACTION

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

- 1) Approve the UW Medical Center Expansion Phase II: Montlake Tower Financing Plan;
- 2) Approve use of the Internal Lending Program to fund up to \$136,100,000 for design, construction, and financing costs; and
- 3) Approve use of the General Contractor/Construction Manager (GC/CM) Alternative Public Works contracting method.

BACKGROUND

The University of Washington Medical Center Phase II Expansion: Montlake Tower is a two-phase project. The \$170 million five story Phase I was approved by

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### UW Medical Center Expansion Phase II: Montlake Tower – Approve Financing Plan, Approve Use of Internal Lending Program and Approve Use of Alternative Public Works General Contractor/Construction Manager (GC/CM) (continued p. 2)

the Board of Regents in February 2008. To take advantage of a favorable construction cost climate by building out the entire eight story superstructure and leaving as shelled space three inpatient floors and future operating room areas, the budget was increased to \$204 million in January 2010. In June 2010, the Board of Regents was advised that in order to accommodate additional demand for oncology services identified in the strategic planning process, the eighth floor of the Montlake Tower would be built out as an inpatient oncology unit with special environmental protections for bone marrow transplant and other immunocompromised patients in lieu of completing the fifth floor as a regular medical/surgical inpatient unit, increasing the project cost to \$215 million.

Phase I construction was substantially complete in July 2012 and the facility began operation in October 2012.

Inpatient bed and operating room capacity constraints are now impacting the execution of the strategic plan. Increased patient volumes have put significant demands on current capacity which has resulted in UW Medicine Executive Leadership concluding that Phase II of the UW Medical Center (UWMC) Expansion project needs to be accelerated in order to have additional ICU and operating room capacity in FY15 and 16. The Medical Center's inability to accommodate commercial volumes in strategically significant services will put its market strategy at risk.

UWMC management has completed an update of the UWMC facility plan for the medical center core campus. The plan integrates the Montlake Tower capacity and enhances the operational efficiency for the entire medical center. The cost of the core infrastructure improvements is estimated at \$104 million.

The total project cost for the revised Phase II is \$186.3 million and, subject to Regent approval, will be funded with \$50.2 million in UWMC cash reserves and \$136.1 million from the Internal Lending Program.

In order to add to the licensed bed capacity of UWMC with this project, the Washington State Department of Health must approve a *Certificate of Need* for the additional licensed bed capacity that Phase II will create. In order to receive *Certificate of Need* approval, the medical center must have Board of Regents approval of the financing for the project. If Regent approval of the financing plan is given at the November 8 meeting, UWMC will file its Certificate of Need application immediately.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### UW Medical Center Expansion Phase II: Montlake Tower – Approve Financing Plan, Approve Use of Internal Lending Program and Approve Use of Alternative Public Works General Contractor/Construction Manager (GC/CM) (continued p. 3)

##### PROJECT DESCRIPTION

The Phase II Expansion project includes completion of the three shelled-in inpatient floors of the Montlake Tower, including a mix of Intensive Care beds and medical/surgical beds. Completion of the shelled operating room areas will be done as well. Improvements to the core infrastructure of the Medical Center which were not included in the 2008 plan for Phase II have been incorporated into the current project plan. These improvements will enhance operating efficiencies of the entire medical center, as significant additional capacity would otherwise strain the existing infrastructure. Improvements include updates to pre-procedure patient preparation and recovery spaces and support areas for the operating rooms and second floor procedure areas. Updates to other clinical spaces such as infusion, neuro-diagnostic areas, oncology clinic, and chemotherapy pharmacy are also included.

##### 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 Montlake Tower phase II project.

CPO proposes to commence the GC/CM selection process in November 2012. Subject to the Board's delegated authority at its February 2013 meeting, it is anticipated that a preconstruction services agreement with the highest scoring firm will be awarded in March 2013. It is anticipated that the Board of Regents will be informed of the selected GC/CM at their May 2013 meeting in a report of actions taken under delegated authority.

## VII. STANDING COMMITTEES

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UW Medical Center Expansion Phase II: Montlake Tower – Approve Financing Plan, Approve Use of Internal Lending Program and Approve Use of Alternative Public Works General Contractor/Construction Manager (GC/CM) (continued p. 4)

#### SCHEDULE

Pre-design	September 2012 – January 2013
Design	February 2013 – February 2014
Construction	March 2014 – May 2017

#### CREDIT ANALYSIS

##### **Overview**

In conjunction with UW Medicine leadership, the Treasury Office undertook a rigorous due diligence on the Montlake Tower Phase II project. The process included reviewing the Medical Center's base case proforma, evaluating the key risks, performing stress tests and determining appropriate mitigation plans. In addition to working with UWMC management, the Treasury Office discussed the financial plan with an outside health care consultant to validate the underlying assumptions and business plan. The impact of the Montlake Tower project on the UW's overall debt capacity was also reviewed.

The sources and uses of funds are below:

##### Sources of Funds

Equity (both phases)	105,200	From UWMC reserves
ILP Debt Phase I	160,000	Approved February 2008
ILP Debt Phase II (See NOTE)	136,100	Regent's action in November 2012
<b>Total Sources of Funds</b>	<b>401,300</b>	

##### Uses of Funds

Phase I	215,000	
Phase II (original scope)	81,800	Includes savings of \$8.2m from original estimate
Additional Projects Phase II	104,500	
<b>Total Uses of Funds</b>	<b>401,300</b>	

Annual Debt Service for Phase II is \$9.3 million (30 years, 5.5%)

NOTE: Includes 1% cost of issuance on the ILP draws

## VII. STANDING COMMITTEES

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UW Medical Center Expansion Phase II: Montlake Tower – Approve Financing Plan, Approve Use of Internal Lending Program and Approve Use of Alternative Public Works General Contractor/Construction Manager (GC/CM) (continued p. 5)

#### **Base Case Assumptions and Proforma**

Net patient revenues are projected to grow at 4% annually over the planning period, reflecting a combination of moderate inflationary growth and additional revenue from the Montlake Tower expansion. Operating expenses also are projected to grow at 4% and include new hiring as well as wage and benefit increases. The operating margin averages 4.3%, which is well above the Moody's median for A-rated hospitals. Average debt service coverage is 4.7 times, which is also in line with A-rated hospitals. Days-cash, while growing over the planning period, remains below the Moody's A-rated median.

The base case proforma is shown in Attachment 1.

#### **Risks, Stress Tests and Mitigation**

Three stand-alone stress tests were applied to the base case proforma as well as one simultaneous stress test. The impact of these stresses was benchmarked against Moody's A medians and Treasury Office requirements.

For the first stress test, ICU volume growth was reduced from a range of 8% to 6% annually to 4% annually in the first five years. Under this scenario, the operating margin percentage remains above Moody's A median, but debt service coverage and days-cash are at or below the Moody's A medians. All results are above the minimum levels established by the Treasury Office.

For the second stress test, commercial payer reimbursement rates were assumed to grow at 1% annually, which is half the growth assumed in the base case. Under this scenario, operating margin, debt service coverage and days-cash decline to well below the Moody's A medians, which would drive mitigation planning.

For the third stress test, the assumed repayment rate from a future health care exchange program was assumed to be closer to the Medicaid reimbursement rate. Under this scenario, the average operating margin and debt service coverage remain above Moody's A medians and the days-cash is above Treasury Office minimums but below A medians.

Under the simultaneous stress scenario, the medical center's debt service coverage and reserves remain below Moody's medians but above treasury office minimums during the planning period. Mitigation actions would need to be taken in this case.

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#### UW Medical Center Expansion Phase II: Montlake Tower – Approve Financing Plan, Approve Use of Internal Lending Program and Approve Use of Alternative Public Works General Contractor/Construction Manager (GC/CM) (continued p. 6)

A summary of the results of the stress tests is shown in Attachment 2.

The Medical Center's management team has ongoing plans in place to mitigate negative financial impacts, including completely reviewing programs and services, adjusting scope and staffing levels to optimize efficiency while maintaining quality and safety, continued performance initiatives, and deferring capital expenses.

#### **Health Care Reform and Sequestration**

Health care reform and sequestration have both been discussed as variables impacting the long range financial plan for UWMC and for all of UW Medicine. At this point, there remain significant uncertainties around the impact of health care reform subsequent to FY14. Management has analyzed a number of the anticipated impacts at each site through the long range financial planning process. Those impacts have been included in each plan. Sequestration is estimated to impact a very small portion of the Medicare program and will likely be offset by other changes such as wage or market basket adjustments.

#### **Future Capital Needs**

UW Medicine does extensive long range capital planning in concert with strategic and long range financial planning. Forecast capital expenditures for FY14 – FY18 for the four medical centers have been included as capital investments within each individual plan. Significant construction projects, IT investments and replacement capital needs are currently all assumed to be purchased using cash reserves of each medical center, with the exception of the Montlake Tower Phase II, which assumes additional borrowings of \$136 million. Total capital spending for FY14 for the four medical centers is approximately \$170 million, including the MLT.

#### **Institutional Debt Capacity**

This project has been included on the One Capital Plan since Phase I was approved in 2008. The increases in the project scope since that time have been reviewed and approved by the Provost and the Regents. The size of the ILP loan at \$136 million reflects the Medical Center's need to balance cash reserves with debt levels. With the addition of the borrowing from the Phase II project and current authorized projects, UW's total debt reaches a maximum level of \$2.5 billion in 2015. The addition of this debt maintains key ratios within the Moody's Aa range.

Attachment 3 projects the impact of this debt on UW's credit rating.



## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

UW Medical Center Expansion Phase II: Montlake Tower – Approve Financing Plan, Approve Use of Internal Lending Program and Approve Use of Alternative Public Works General Contractor/Construction Manager (GC/CM) (continued p. 7)

#### REVIEW AND APPROVALS

The project and the financing plan have been reviewed and approved by the UWMC Finance Committee of the UW Medicine Board, the UW Medicine Board, the Vice Provost, the Senior Vice President and the Treasury Office.

#### *Attachments*

- 1) Base Case Proforma
- 2) Stress Test Summary
- 3) Current and Projected UW Credit Rating
- 4) Montlake Tower Expansion Phase II

**UW MEDICAL CENTER MONTLAKE TOWER PHASE II**  
**TEN YEAR PRO FORMA 2011 - 2020**  
**BASE CASE**

(\$ in millions)	Actual, Audited	Actual, Pre-Audit	Budget	UWMC Projected						
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Operating revenue	847.9	876.0	936.3	996.9	1,041.1	1,086.4	1,131.7	1,173.5	1,209.6	1,255.6
Operating expense	790.7	815.9	891.0	938.5	985.7	1,021.9	1,068.0	1,103.6	1,143.8	1,186.9
Interest expense	3.9	2.6	11.8	11.4	11.0	10.6	17.4	16.8	16.2	15.6
<b>Operating Margin</b>	53.2	57.5	33.5	47.0	44.4	53.9	46.3	53.1	49.5	53.1
<b>Operating Margin %</b>	<b>6.3%</b>	<b>6.6%</b>	<b>3.6%</b>	<b>4.7%</b>	<b>4.3%</b>	<b>5.0%</b>	<b>4.1%</b>	<b>4.5%</b>	<b>4.1%</b>	<b>4.2%</b>
Nonoperating income	6.7	(22.3)	(14.8)	(13.1)	(11.3)	(11.1)	(10.8)	(10.3)	(9.8)	(9.1)
<b>Net Income</b>	59.9	35.2	18.8	33.9	33.1	42.8	35.5	42.7	39.7	44.0
<b><u>Debt Service Coverage</u></b>										
Net income	59.9	35.2	18.8	33.9	33.1	42.8	35.5	42.7	39.7	44.0
Depreciation & amortization	40.1	41.1	51.3	54.4	56.8	58.9	69.2	70.6	71.9	73.4
Interest expense	3.9	2.6	11.8	11.4	11.0	10.6	17.4	16.8	16.2	15.6
<b>Revenue Available for DS</b>	103.9	78.8	81.8	99.8	101.0	112.3	122.1	130.2	127.9	133.0
<b>Total Debt Service</b>	9.8	8.5	20.2	20.6	20.9	20.2	27.9	27.9	27.8	27.8
<b>Debt Service Coverage</b>	<b>10.6</b>	<b>9.3</b>	<b>4.1</b>	<b>4.8</b>	<b>4.8</b>	<b>5.6</b>	<b>4.4</b>	<b>4.7</b>	<b>4.6</b>	<b>4.8</b>
<b>Cash Reserves</b>	307.1	254.3	277.4	286.9	296.4	298.4	323.9	350.7	381.2	420.5
<b>Days Cash on Hand</b>	<b>148.6</b>	<b>119.4</b>	<b>118.9</b>	<b>116.9</b>	<b>115.1</b>	<b>111.9</b>	<b>116.4</b>	<b>121.9</b>	<b>127.9</b>	<b>136.0</b>

UW MEDICAL CENTER MONTLAKE TOWER PHASE II  
 TEN YEAR PRO FORMA 2011 - 2020  
 STRESS TEST SUMMARIES

1. ICU VOLUME STRESS (VOLUME GROWTH AT 4% PER YEAR)

	Actual, Audited	Actual, Pre-Audit	Budget	UWMC Projected						
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Margin	53.2	57.5	33.5	47.0	37.5	40.8	28.9	35.3	31.8	33.9
Operating Margin %	6.3%	6.6%	3.6%	4.7%	3.6%	3.8%	2.6%	3.1%	2.7%	2.7%
Net Income	59.9	35.2	18.8	33.9	26.2	29.4	17.5	24.1	20.8	23.1
Debt Service Coverage	10.6	9.3	4.1	4.8	4.5	4.9	3.7	4.0	3.9	4.0
Days Cash on Hand	148.6	119.4	118.9	116.9	112.7	104.9	103.4	102.9	103.2	105.5

2. NET REVENUE STRESS (COMMERCIAL PAYOR RATE INCREASE BY 1% ANNUALLY)

	Actual, Audited	Actual, Pre-Audit	Budget	UWMC Projected						
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Margin	53.2	57.5	33.5	41.0	32.6	36.2	22.8	22.5	11.3	6.7
Operating Margin %	6.3%	6.6%	3.6%	4.1%	3.2%	3.4%	2.1%	2.0%	1.0%	0.6%
Net Income	59.9	35.2	18.8	27.9	21.1	24.6	11.1	10.7	(0.5)	(5.3)
Debt Service Coverage	10.6	9.3	4.1	4.5	4.3	4.7	3.5	3.5	3.2	3.0
Days Cash on Hand	148.6	119.4	118.9	114.8	108.7	99.2	95.7	91.2	85.0	79.1

3. EXCHANGE PLAN PAYMENT RATE STRESS (REIMBURSEMENT AT MIDPOINT BETWEEN MEDICARE AND COMMERCIAL)

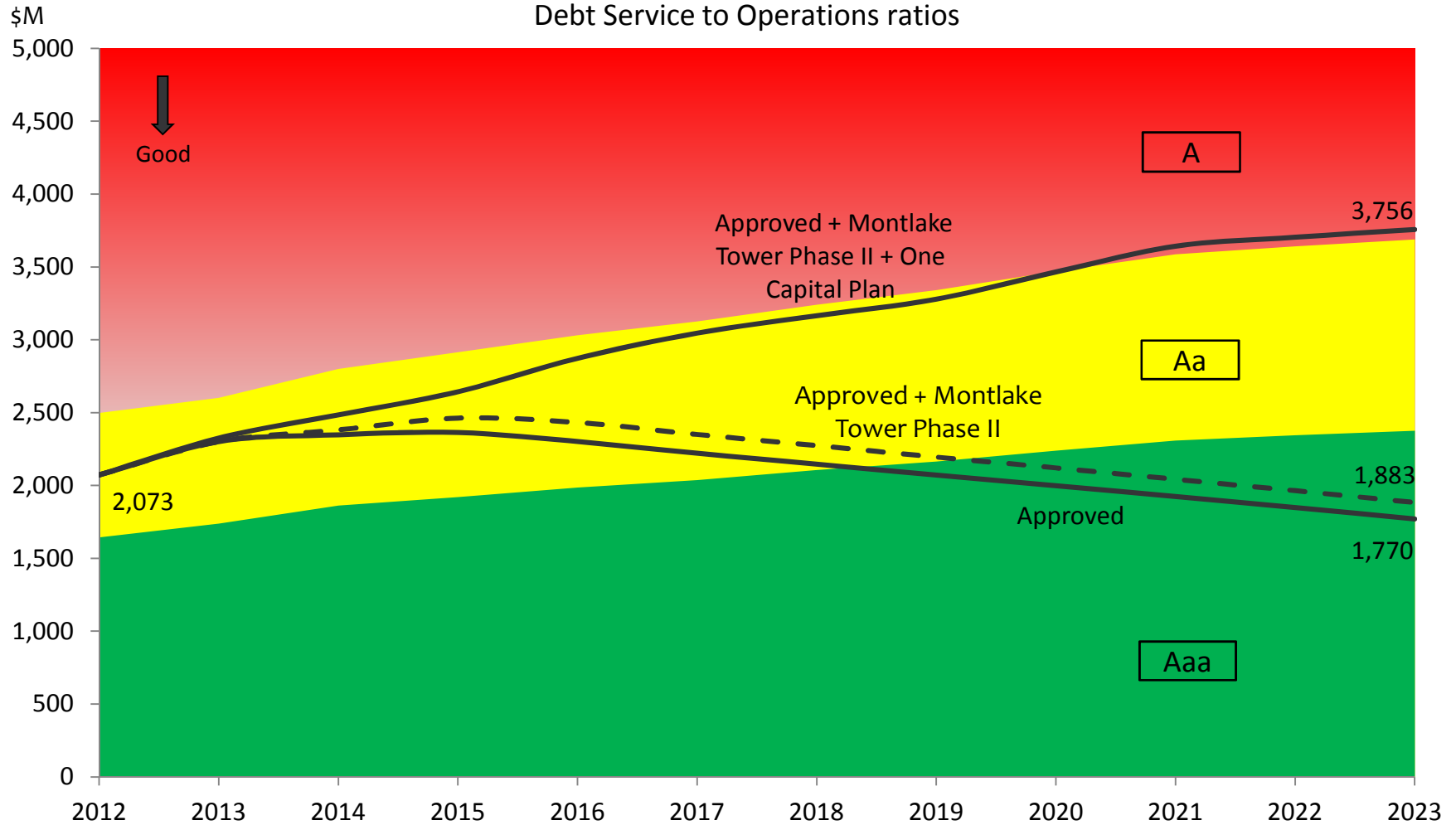
	Actual, Audited	Actual, Pre-Audit	Budget	UWMC Projected						
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Margin	53.2	57.5	33.5	47.0	39.2	43.5	30.6	37.1	33.2	36.4
Operating Margin %	6.3%	6.6%	3.6%	4.7%	3.8%	4.0%	2.7%	3.2%	2.8%	2.9%
Net Income	59.9	35.2	18.8	33.9	27.9	32.2	19.4	26.0	22.3	25.9
Debt Service Coverage	10.6	9.3	4.1	4.8	4.6	5.0	3.8	4.1	4.0	4.1
Days Cash on Hand	148.6	119.4	118.9	116.9	113.3	106.4	105.6	105.8	106.4	109.5

4. COMBINED ICU & EXCHANGE RATE STRESS

	Actual, Audited	Actual, Pre-Audit	Budget	UWMC Projected						
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Margin	53.2	57.5	33.5	47.0	32.3	30.3	13.1	19.0	15.0	16.6
Operating Margin %	6.3%	6.6%	3.6%	4.7%	3.1%	2.8%	1.2%	1.7%	1.3%	1.4%
Net Income	59.9	35.2	18.8	33.9	20.9	18.7	1.2	7.0	2.8	4.4
Debt Service Coverage	10.6	9.3	4.1	4.8	4.3	4.4	3.2	3.4	3.3	3.4
Days Cash on Hand	148.6	119.4	118.9	116.9	111.0	99.4	92.6	86.6	81.4	78.4

# Current and Projected UW Credit Rating 2012-2023

Financial ratio approach with Expendable Resources to Direct Debt, Debt Service Coverage and Debt Service to Operations ratios



Based on FY2011 Moody's Public Higher Education medians; includes Valley Medical Center & Northwest Hospital debt

# **MONTLAKE TOWER (MLT) EXPANSION PHASE II**

## **BOARD OF REGENTS**

**NOVEMBER 8, 2012**

F-15.4/211-12  
11/8/12

# PRESENTATION OVERVIEW

- **Project Background and Proposed Recommendations**
- **UW Medicine Strategic Plan**
- **Proposed Montlake Tower Facility Configuration and Core Hospital Infrastructure Enhancements**
- **Proposed Sources and Uses of Funds and Long Range Financial Plan**
- **Stress Tests, Sensitivities and Mitigation Strategies**
- **Approval Timeline**

# BACKGROUND & PROPOSED RECOMMENDATIONS

**2005 -2007 The Project.** The Expansion project was conceived in FY05 and received Board of Regents (BOR) approval in FY08. The scope of work envisioned an 8-story 226,000 square foot patient care services tower to be built in two phases. The BOR approved funding for Phase I and conceptually agreed to Phase II. **Original project cost - \$310 million**

**2010 – Approved Change in Scope to Phase I.** In January 2010, the Board of Regents approved a change in scope to Phase I which included construction of three Phase II shelled floors. Build out of a special air-handling-needs 30 bed Oncology unit was added to the Phase I scope in June 2010. Subsequent Phase II planning was anticipated to begin in FY15 with occupancy occurring in FY17. **Revised project cost - \$305 million**

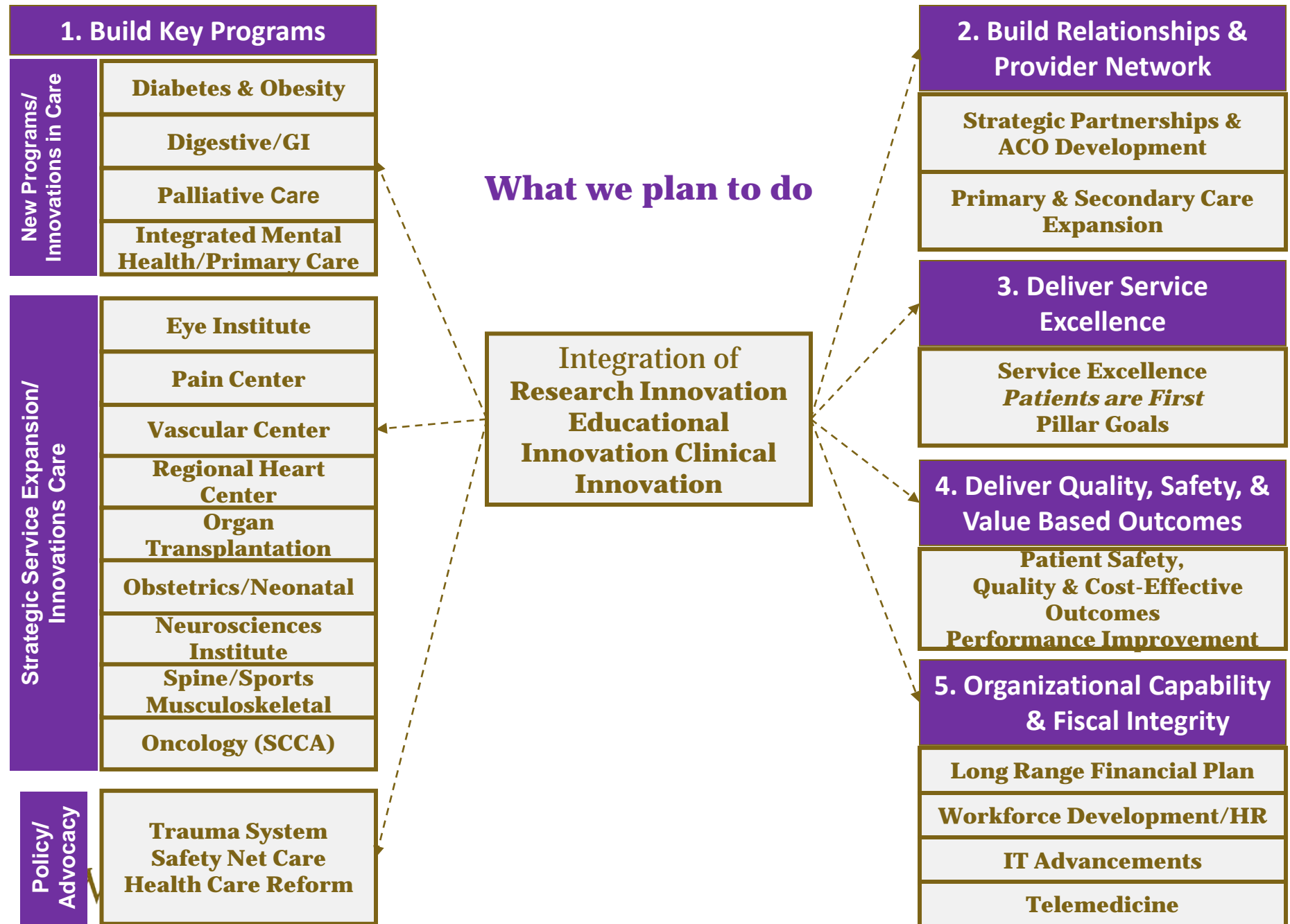
**2012 Proposed Accelerated Phase II recommendation.** Inpatient capacity has become very constrained and is impacting the ability to execute the strategic plan. Management recommends accelerating the build out of the shelled inpatient floors to increase ICU, Medical/Surgical and Operating Room capacity beginning mid-FY13. **Revised project cost - \$297 million**

**2012 Core Hospital Infrastructure recommendation.** Management has completed an update of the Medical Center's 10-year facility plan for its core hospital campus. The plan integrates the MLT capacity and enhances operational efficiencies for the entire campus. Enhanced infrastructure cost \$104.5 million. **Total revised/expanded project cost - \$401 million**

**Project Financial Plan.** The proposed project financial plan includes \$136 million of long term debt and incorporates the \$401 million capital costs. The plan has been reviewed/stress tested by the UW Treasury.

**Certificate of Need Approval.** Increasing UWMC licensed beds from 450 to 529 will require Certificate of Need approval.

# UW MEDICINE STRATEGIC PLAN 2012 SUMMARY

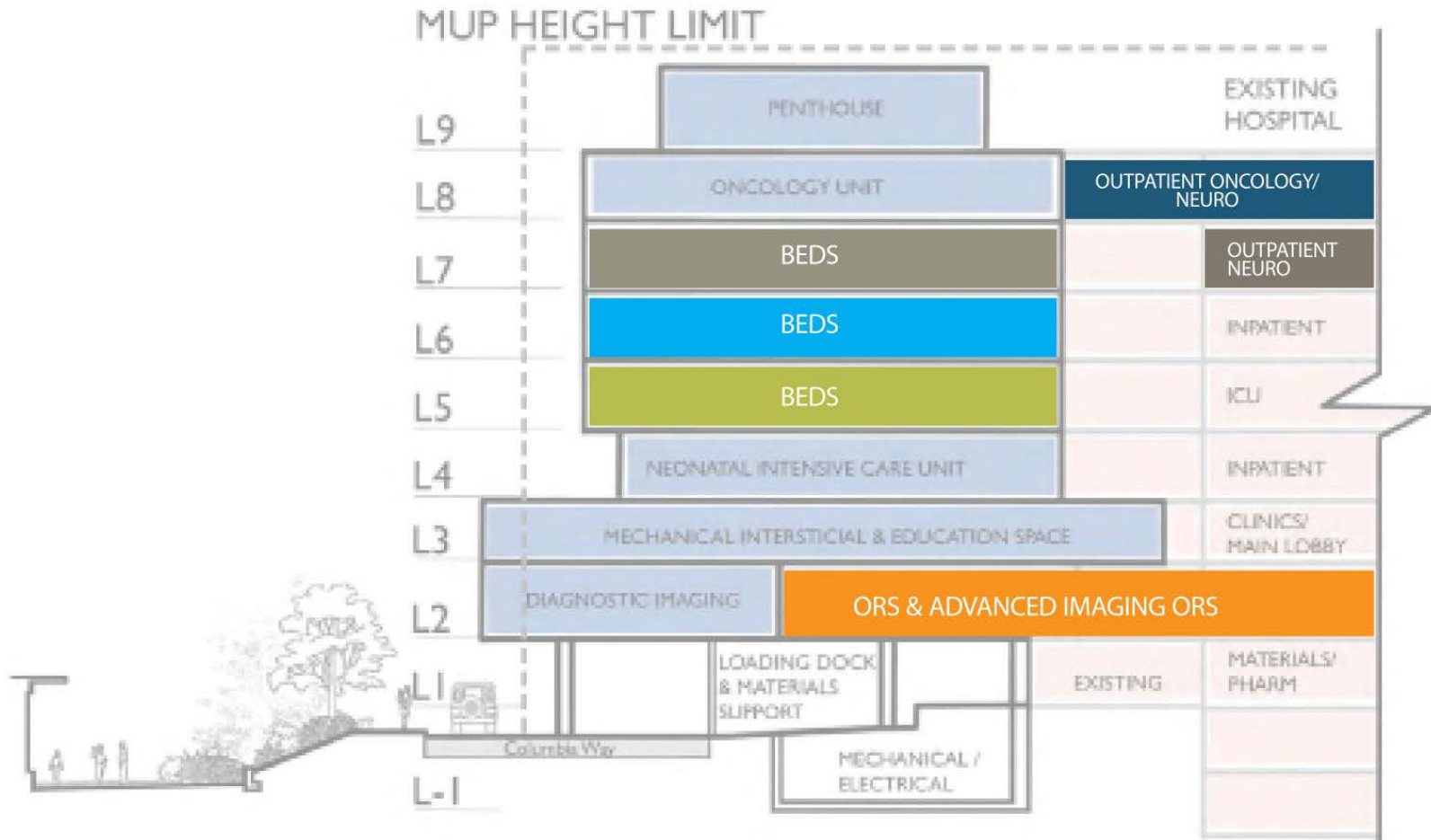




# UW MEDICAL CENTER



# MONTLAKE TOWER PHASE II



# PROPOSED CORE HOSPITAL INFRASTRUCTURE ENHANCEMENTS

The recently updated ten year facility plan includes substantial remodeling of the core hospital to maximize the MLT expansion, address future strategic growth and position the UWMC facility for the next decade. Projects include:

- Preparation and recovery space for the operating rooms and second floor procedure areas
- 7EE Clinic space (to accommodate displaced clinics)
- 8SS Neuro-diagnostic Center (including EEG and EMG)
- 8SE Infusion, Satellite Pharmacy & Oncology Clinic

These additional projects are estimated to cost \$104.5 million.

Costs associated with updating and significantly expanding and enhancing the medical center lobby and front entrance are not included in the above cost estimate but have been included in the long range capital plan. Front entrance costs are estimated to be \$18 million and will be brought forward as an equity financed project for BOR approval in the next three to six months.

# PROPOSED SOURCES AND USES

(\$ IN MILLIONS)

## Sources of Funds

Equity	\$	105.2	From UWMC reserves
ILP Debt Phase I		160.0	Approved 2008
ILP Debt Phase II		136.1	Regents action in November 2012
<b>Total Sources of Funds</b>	<b>\$</b>	<b>401.3</b>	

## Uses of Funds

Phase I	\$	215.0	
Phase II (original scope)		81.8	Includes savings of \$8.2m from original estimate
Additional Projects Phase II		104.5	
<b>Total Uses of Funds</b>	<b>\$</b>	<b>401.3</b>	

NOTE: Total project cost and debt includes 1% cost of issuance on the ILP draws

Key Indicator	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Days Cash on Hand	118.9	116.9	115.1	111.9	116.4	121.9	127.9	136.0	144.8	154.1
Debt Service Coverage	4.1	4.8	4.8	5.6	4.4	4.7	4.6	4.8	5.0	5.2

# OVERVIEW OF LONG RANGE PLAN

The UWMC Long Range Financial Plan (LRFP) was last updated as a five year projection in the fall of 2011. The current update reflects a ten year projection in order to fully incorporate the long term impacts of the Montlake Tower.

1. Significant components of the LRFP have been updated to reflect FY12 experience and updated assumptions:
  - Volume and net revenue assumptions
  - Expense assumptions
  - Capital expenditures
  - Financial indicators
  
2. Phase II impacts are included:
  - Accelerated timing of the build out
  - Volumes for Phase II additional capacity
  - Cost estimates for infrastructure work to update existing facility in order to support new volumes in addition to original Phase II work planned in Montlake Tower
  - Proposed debt/equity assumption of funding

# STRESS TESTS, SENSITIVITIES AND MITIGATION STRATEGIES

As part of the due diligence process, a number of stress tests were analyzed in order to evaluate potential risks. Those stress tests focused on the following key variables:

- Volumes (ICU, Radiology and NICU)
- Net revenue assumptions

Additionally, sensitivities were reviewed. The chart below illustrates the impact of a 1% shift in key revenues and/or expenses and no improvement in productivity.

	Annual Change from Base Case	One Year Resulting Change (\$ in millions)
<b><u>Revenue</u></b>		
All Volumes	1% decrease	<b><u>FY14</u></b> \$(6)
Reimbursement (Commercial only)	1% decrease	\$(6)
Case Mix (Inpatient)	1% decrease	\$(6)
<b><u>Expense</u></b>		
Labor (Base Wages)	1% increase	\$(5)
FTE/Adjusted Occupied Bed	No improvement	\$(16)

Mitigation strategies were developed and would be employed should any of the above scenarios occur.

# APPROVAL TIMELINE

## COMPLETED

- Concurrence of UW Treasury on debt capacity analysis and proforma – August through October 2012.
- Board of Regents informational briefing at the October 11<sup>th</sup> Facilities and Finance Committee.
- UWMC Committee of the UW Medicine Board – approval at the October 25<sup>th</sup> meeting.

## PENDING APPROVALS

- UW Medicine Board - approval at the November 5<sup>th</sup> meeting.
- Board of Regents – approval at the November 8<sup>th</sup> meeting of the following:
  1. approval of financing
  2. approval of alternative public works utilizing the General Contractor/Construction Manager (GC/CM) method of contracting
- If Regents approval is obtained, the Certificate of Need application will be filed November 9<sup>th</sup>.
- Board of Regents - approval of project budget and delegation of authority to award GC/CM Contract at the February 2013 meeting.

***Construction anticipated to begin - Winter, 2014***

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

UW Medicine Board Annual Financial Report

This report is for information only.

*Attachment*

UW Medicine Board Annual Financial Report to the UW Board of Regents,  
November, 2012





**UW Medicine Board**  
**Annual Financial Report to the UW Board of Regents**  
**November, 2012**

## EXECUTIVE SUMMARY

UW Medicine performed well financially in FY 2012, exceeding budgeted expectations. Federal healthcare reform advanced, with a landmark ruling by the Supreme Court, and general economic conditions remained challenging.

In line with national trends, UW Medicine's overall hospital volumes remained relatively flat. However, the complexity and severity level of UW Medicine's patient population increased, with strong volumes in high intensity services. While less funding was received from the special, one-time American Recovery and Reinvestment Act (ARRA), other federal funds were obtained for progress UW Medicine made in implementing Meaningful Use (MU) milestones specified in the health reform bill related to the Electronic Medical Record (EMR).

Factors contributing to growth in FY 2012 included the addition of Valley Medical Center as the eighth entity of UW Medicine on July 1, 2011; expansion of the primary care network with two new clinics in Ravenna and Northgate and an expansion of space at the Kent Des Moines clinic. Major construction projects include: Phase I of the Montlake Tower construction at UWMC, which began occupancy in October 2012, expands and replaces the existing Neonatal ICU, provides additional inpatient beds for oncology services and expands diagnostic and interventional imaging; and South Lake Union Phase 3.1 scheduled to be substantially complete in February 2013, which will provide expanded research space.

Total revenue in FY 2012 for UW Medicine was \$3.6 billion, \$2.6 billion from the hospitals, clinics and practice plans and \$1 billion from the School of Medicine. This represented a 17 percent increase compared to FY 2011. Net income for the UW Medicine hospitals, clinics and practice plans was \$49.9 million, yielding a 1.9% margin. The consolidated balance sheet for UW Medicine remained stable. Cash increased by over \$80 million during the year.

The SOM absorbed additional reductions in Washington State funding in FY2012. Revenue from research declined as a result of the ramp-down of American Recovery and Reinvestment Act (ARRA) awards. However, overall revenues for the School of Medicine (SOM) increased 1 percent in FY 2012 compared with the prior year from self-sustaining program revenue, institutional support and transfers from practice plans. Reserves increased primarily as a result of endowment principal additions and unspent Research Cost Recovery funds.

Working with Chartis LLC, UW Medicine continues to make progress in assessing Accountable Care Organization (ACO) strategies to position the system for the changes required for national health reform. UW Medicine strategic expansion, coupled with our high-quality patient care and cost reduction efforts, are crucial as payment reforms are implemented.

## **Financial Highlights for FY 2012**

### **UW Medical Center (UWMC)**

UWMC experienced strong operating revenues of \$881 million in high-intensity services such as cardiology, neonatal intensive care, solid organ transplantation and oncology. Net income was \$40.5 million, including \$6.5 million in Electronic Health Record (EHR) incentive payments. Construction of the Montlake Tower continued during the year, and the new 50-bed neonatal intensive care unit is expected to open in late fall 2012, followed by the 30 bed oncology unit.

### **Harborview Medical Center (HMC)**

Harborview had higher-intensity inpatient case mix, strong outpatient volumes in the Emergency Department and Specialty Clinics, and continued to be successful in executing process improvement initiatives in the areas of Revenue Cycle Improvements, Supply Chain Management and Transformation of Care. Total operating revenues were \$766 million with net income of \$7.9 million, including \$9.0 million in EHR incentive payments.

### **Northwest Hospital (NWH)**

UW Medicine continued the integration of the strategic plan at the NWH campus. Key initiatives implemented included the relocation of the UWMC midwife deliveries, UWMC orthopedic joint surgical cases, and the UWMC Multiple Sclerosis Center to the Northwest Hospital campus. Construction of the SCCA's Procure proton beam facility was substantially completed on the campus, with patient care scheduled to begin in early 2013. Total operating revenues increased by \$24 million to \$300 million in FY 2012. Significant performance improvement activities occurred at NWH during the year. A net loss of \$(2.7) million was reported for the year which is an improvement of \$(5.7) million over the prior year. The loss included \$0.3 million in EHR incentive payments.

### **Valley Medical Center (VMC)**

VMC experienced growth in both its inpatient hospital and clinic activities. UW Medicine continued the integration of the strategic plan on the VMC campus with the work of the Operational Integration Oversight Committee. Highlights included providing expanded clinical coverage for neurological surgery and thoracic surgery consultation and expanding the training site for the UW emergency medicine residency program to VMC. Additional integration was completed in areas of quality & safety, compliance, pharmacy, marketing and a variety of other services. During most of 2012, the organization focused on the replacement of clinical and financial information systems and began implementation of Epic, which should be fully implemented in November 2012 in primary care, specialty care, and urgent care clinics and the inpatient hospital. Operating costs supporting the systems implementation were approximately \$10 million. Total operating revenues were \$428 million with a net loss of \$(5.6) million, which included \$1.3 million in EHR incentive payments.

### **UW Neighborhood Clinics (UWNC)**

UWNC's operating funding support in FY 2012 was \$16.2M. This was \$520k in excess of expectations. Financial performance was impacted by inclement weather and higher than expected start-up costs for new clinics. The expansion of the Kent-Des Moines clinic was completed and the Ravenna and Northgate clinics opened in FY12. UWNC's required subsidy for primary care is consistent with national benchmarks and experiences at other comparable practices in academic medical centers and private settings. The secondary and tertiary care referrals generated by UWNC result in significant revenue for UW Medicine hospitals.

### **University of Washington Physicians (UWP)**

FY 2012 operating revenues were \$253.0 million, an increase of \$22.0 million over FY 2011. Patient care revenue increased \$11.9M over FY11 and was primarily associated with a four percent increase in volumes (as measured in relative value units). UWP reserves decreased \$24.0M, primarily due to a combination of increased support for physician compensation and lower investment earnings in FY12.

### **Airlift Northwest (ALNW)**

Flight volumes at ALNW were on budget for the year. Fuel costs were higher than planned; however, management successfully reduced other expenses to end the year on budget, reporting an operating income of \$2.1 million on total operating revenues of \$39 million for FY 2012. ALNW successfully expanded service to the Yakima area by day-basing a turbocommander aircraft in the region.

### **UW School of Medicine (SOM)**

Due to ongoing economic issues the State of Washington, financial support for the SOM was reduced by 5 percent, resulting in a \$3.1 million reduction in FY 2012. In addition, revenue generated from research activities declined \$27 million (4 percent) from FY 2011 as a result of the ramp-down of American Recovery and Reinvestment Act (ARRA) awards. These reductions were offset by increases in self-sustaining revenue, institutional support, and transfers from practice plans. Overall, revenue of \$ 1.0 billion for the SOM remained relatively flat from FY 2011 to FY 2012, with a slight increase of 1 percent.

### **Private Support and Gifts**

Total private support for UW Medicine for FY 2012 was \$117.0 million, comprising 37 percent of the University's total private support for the year. Private grants decreased in FY 2012, from \$95.7 million in FY 2011 to \$87.8 million in FY 2012. Gifts decreased from \$32.3 million in FY 2011 to \$29.3 million in FY 2012. The decrease in private grants and gifts partially reflects the impact of the economic recession on funding from private foundations.

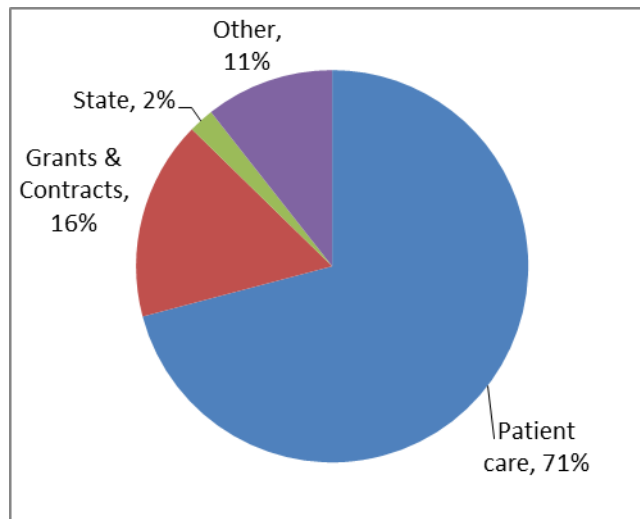
### **Transfers and Support**

Approximately \$618 million of total revenues were transferred between various UW Medicine entities and affiliates to support teaching, research and patient care activities. In FY 2012, the major transfer components included: \$283 million from the physician practice plans (UWP and CUMG) to support School of Medicine faculty salaries, clinical department operations, and central SOM expenditures; \$160 million from UWMC, HMC, and Seattle Children's Hospital to SOM clinical departments to provide faculty salary and program support; \$47 million from UWMC and HMC to the SOM clinical departments to support graduate medical education; \$26 million in purchases of SOM developmental lab services by the medical centers; \$25 million from the medical centers, practice plans and SOM to support the central administrative and service functions of UW Medicine; \$8 million in UWMC and HMC purchases of services from the Consolidated Laundry; and \$5 million in research facilities support from SOM to HMC. There was a total of \$64 million in purchases of supplies and services between UWMC, Fred Hutchinson Cancer Research Center, and the Seattle Cancer Care Alliance related to the operation of inpatient and outpatient oncology services at the SCCA and UWMC.

## KEY STATISTICS & RESULTS

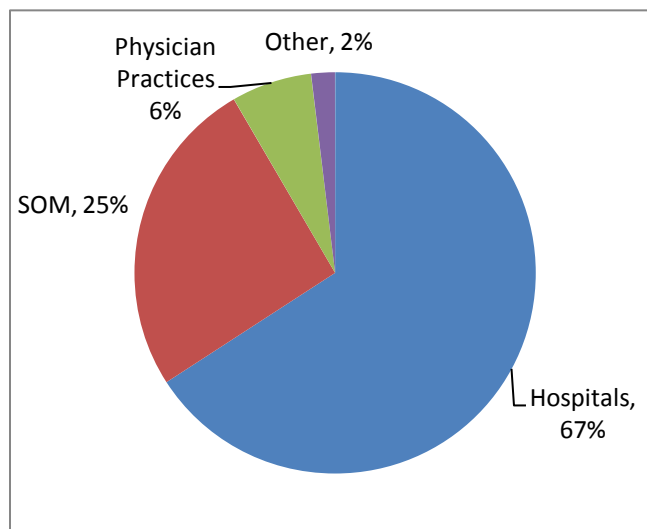
In FY 2012, UW Medicine revenues were \$3.6 billion. This represents an increase of approximately 17 percent compared with FY 2011, in large part due to the addition of Valley Medical Center. Without Valley Medicine Center the growth rate would have been 3 percent. The following charts summarize the sources of revenue for UW Medicine. Over the last five years, total UW Medicine revenue has increased at an average rate of 11 percent per year. These increases have occurred in the context of a competitive local healthcare market, significant reductions in state-funded programs and increased competition for peer reviewed research grant funding.

**Fiscal Year 2012 – Revenue by Source Total Revenue \$3.6 billion**



(Other includes support from Wyoming, Alaska, Montana, and Idaho, and revenue from endowments and gifts).

**Fiscal Year 2012 – Revenue by Entity Category Total Revenue \$3.6 billion**



(“Other” includes Airlift Northwest and the Consolidated Laundry.)

UW Medicine revenues come primarily from patient care revenue (71%) and research grants and contracts (16%). The following sections highlight the performance in each of these areas.

## PATIENT CARE

The following table summarizes operating revenue received by the UW Medicine hospitals, clinics and practice plans in FY 2011 and FY 2012. This table does not include research grants or other funds (total of \$1.0 billion) received by the School of Medicine and does not include revenue from the Seattle Cancer Care Alliance outpatient services.

UW Medicine Health System	Operating Revenue (in millions)	
	2011	2012
Harborview Medical Center	\$725.3	\$765.7
UW Medical Center	847.9	881.3
Northwest Hospital & Medical Center	275.8	300.0
Valley Medical Center	N/A	428.2
UW Physicians	231.0	252.7
UW Neighborhood Clinics	25.2	27.2
Airlift Northwest	33.6	38.6
Eliminations and Other	(18.3)	(20.7)
<b>Total</b>	<b>\$2,120.5</b>	<b>\$2,673.0</b>

Net operating income from UW Medicine clinical operations for FY 2012, after adjusting for revenues counted in more than one entity (e.g., UWP billings for physicians working in UWNC), was \$56.1 million or 2.1 percent of operating revenue. UWMC generated \$65.3 million in operating income, Harborview generated \$18.2 million, Northwest Hospital had an operating loss of (\$4.6) million, and Valley Medical Center reported an operating loss of (\$7.1) million. Airlift NW generated \$2.0 million of operating income. The UW Neighborhood Clinics required \$16.2 million in support from UWMC and Harborview in order to offset expenses. The net income (operating and non-operating) generated by UWP (\$75.9 million) and CUMG (\$33.6 million) is distributed to the School of Medicine departments, the Dean's office, and Seattle Children's Hospital (for a portion of CUMG revenue) in order to support operations.

The following tables provide comparisons of key financial indicators for the four medical centers:

Ratio/Indicator	UW Medical Center	Harborview Medical Center	Northwest Hospital & Medical Center	Valley Medical Center
Operating margin	7.4%	2.4%	-1.5%	-1.6%
Debt to capitalization	23.3%	0.7%	54.0%	60.3%
Days cash on hand	119.7	105.1	67.9	125.7
Days in A/R (net)	52.1	57.3	44.9	46.9

- Harborview provided over \$210 million of charity care in FY 2012, as measured by foregone charges – an increase of \$21 million over FY 2011. Total charity care across all UW Medicine hospitals was \$292 million, an increase of \$43 million over FY2011.
- The Harborview low debt-to-capitalization number reflects the capital support provided by King County through voter-approved general obligation bonds.

## 5-YEAR PERFORMANCE COMPARISON

The overall patient care activity of the UW Medicine clinical entities remains stable. The following tables summarize the clinical activities for the owned and managed components of UW Medicine.

### Harborview Medical Center

Statistic	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Admissions & Short Stays	21,764	20,463	20,984	19,879	19,094
Patient Days	136,662	136,687	135,124	136,619	134,930
Outpatient Visits	230,315	224,769	246,420	241,924	247,246
Emergency Visits	68,987	65,515	62,174	61,307	62,432
Average Length of Stay	7.4 days	7.0 days	6.9 days	6.9 days	7.1 days
Case Mix Index (CMI)	1.84	1.86	1.84	1.83	1.91

### UW Medical Center

Statistic	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Admissions	18,993	19,322	19,260	18,919	17,915
Patient Days	115,270	113,468	114,362	115,447	120,745
Outpatient Visits	324,812	333,675	323,393	306,825	300,487
Emergency Visits	29,038	27,046	25,602	24,119	23,487
Average Length of Stay	6.1 days	5.9 days	5.9 days	6.1 days	6.7 days
Case Mix Index (CMI)	1.66	1.70	1.78	1.87	1.99

### Northwest Hospital & Medical Center

Statistic	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Admissions				10,743	10,383
Patient Days				47,194	45,754
Outpatient Visits				418,442	455,768
Emergency Visits				35,146	33,832
Average Length of Stay				4.4 days	4.4 days
Case Mix Index (CMI)				1.45	1.37

### Valley Medical Center

Statistic	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Admissions					16,842
Patient days					63,001
Outpatient Visits					551,796
Emergency Visits					75,586
Average Length of Stay					3.7 days
Case Mix Index (CMI)					1.30

### UW Neighborhood Clinics

Statistic	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Clinic Visits	201,645	188,148	193,280	189,597	204,094
New Patients	11,768	10,264	11,567	11,894	13,097

Inpatient admissions for the SCCA 20-bed unit at UWMC are included in the UWMC admission total.

## RESEARCH PROGRAMS

UW Medicine research continues to grow. UW School of Medicine grant and contract awards through the University of Washington totaled \$610.8 million in FY 12. This was a \$37 million 6.4% increase over FY11. ARRA awards were \$2.2 million in FY 12 and \$94.3 million in FY11, \$90.4M in FY10 and \$3.5M in FY 09.

The following table summarizes the UW based SOM research awards over the past five years excluding ARRA awards:

(\$ in millions)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012 (prelim)	5-year CAGR
Federal	\$371.5	\$358.3	\$388.4	\$389.3	\$414.2	2.8%
Non-Federal	\$145.8	\$204.4	\$177.1	\$184.5	\$196.6	7.8%
<b>Total</b>	<b>\$517.3</b>	<b>\$562.7</b>	<b>\$565.5</b>	<b>\$573.8</b>	<b>\$610.8</b>	<b>4.2%</b>

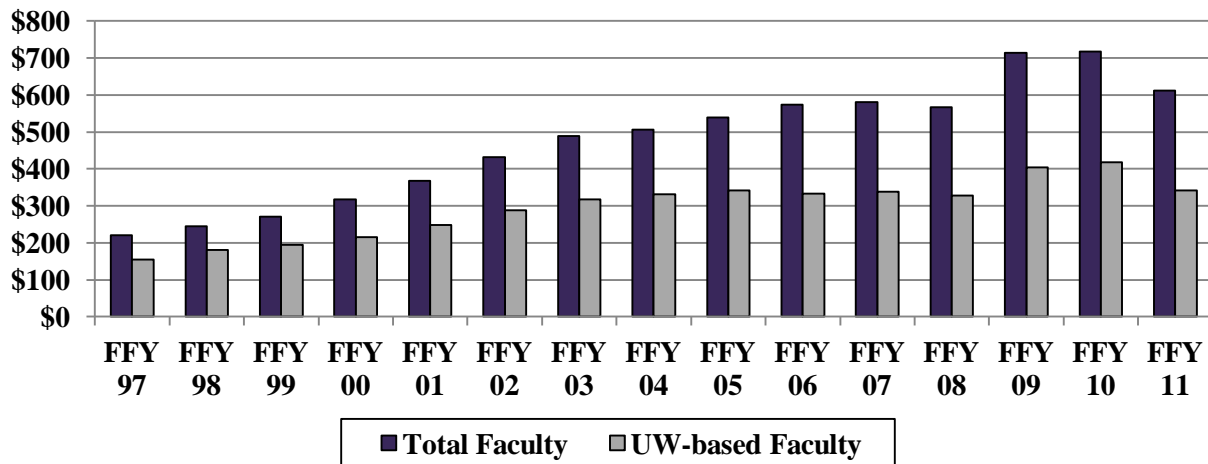
The following table summarizes the UW-based SOM research awards over the past five years including ARRA awards:

(\$ in millions)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Average Annual Change
Federal	\$371.5	\$361.8	\$470.6	\$475.3	\$414.2	2.8%
Non-federal	\$145.8	\$204.4	\$185.2	\$192.8	\$198.9	8.1%
<b>Total</b>	<b>\$517.3</b>	<b>\$566.2</b>	<b>\$655.8</b>	<b>\$668.1</b>	<b>\$613.1</b>	<b>4.3%</b>

NIH awards represent the single largest source of awards received by UW Medicine faculty. The following chart tracks the growth of NIH awards to UW Medicine faculty over the past 15 federal fiscal years ending in federal fiscal year 2011. NIH funding is on a federal fiscal year basis and comparative information is not available until several months after the close of the federal fiscal year on September 30.

**NIH Grant Awards to UW Medicine**  
(\$ in millions)



15-year Compound Annual Growth Rate (CAGR) (FFY 97-11): 28.9% for Total Faculty, 21.9% for UW-based Faculty  
5-year CAGR (FFY 07-11): 1.3% for Total Faculty, 0.4% for UW-based Faculty



In federal fiscal year 2011, there were 737 separate NIH awards to 491 UW-based SOM principal investigators. An estimated 826 UW-based SOM regular and research faculty worked on those grants. In addition to these NIH awards managed by the University of Washington, 358 NIH awards were received by UW School of Medicine faculty and were managed by affiliated institutions (e.g., Fred Hutchinson Cancer Research Center, Seattle Children’s Hospital, and Seattle Biomedical Research Institute). In total, NIH awards to UW Medicine faculty were \$611.4 million in federal fiscal year 2011, an increase of \$24.1 million (4%) over federal fiscal year 2010 when excluding ARRA funding received in federal fiscal year 2010. ARRA funding was a factor in federal fiscal years 2009 and 2010, with UW Medicine receiving \$129.1 million in 2009 and \$130.5 million in 2010.

UW Medicine faculty were second in the United States among all medical schools, and first among all public medical schools, in NIH research funding based on federal fiscal year 2011 awards.

----- (\$ in millions) -----

<b>Institution</b>	<b>2007 NIH Awards</b>	<b>2008 NIH Awards</b>	<b>2009 NIH Awards</b>	<b>2010 NIH Awards</b>	<b>2011 NIH Awards</b>	<b>Average Annual</b>
Harvard	\$1,178.5	\$1,228.7	\$1,413.1	\$1,729.2	\$1,346.3	3.4%
<b>U of Washington</b>	<b>\$579.7</b>	<b>\$566.1</b>	<b>\$713.2</b>	<b>\$717.8</b>	<b>\$611.4</b>	<b>1.3%</b>
Johns Hopkins	\$450.8	\$471.9	\$444.7	\$480.0	\$586.6	6.8%
UCLA	\$426.7	\$493.9	\$468.7	\$569.4	\$552.1	6.7%
UCSF	\$442.7	\$457.3	\$471.2	\$535.9	\$539.6	5.1%
U of Pennsylvania	\$486.7	\$516.2	\$641.6	\$662.0	\$533.6	2.3%
Columbia	\$362.3	\$342.9	\$468.3	\$473.1	\$424.6	4.0%
Yale	\$320.2	\$340.5	\$353.9	\$408.8	\$398.1	5.6%
Michigan	\$320.2	\$347.5	\$443.4	\$447.1	\$382.1	4.5%
Washington Univ.	\$347.0	\$347.2	\$348.0	\$431.6	\$372.3	1.8%
U of Pittsburgh	\$358.3	\$354.6	\$410.2	\$410.9	\$368.2	0.7%
Vanderbilt	\$285.8	\$306.1	\$315.1	\$406.9	\$353.9	5.5%
Cornell	\$239.7	\$233.1	\$275.2	\$321.6	\$339.3	9.1%
Stanford	\$259.0	\$236.2	\$265.0	\$344.9	\$329.7	6.2%
Duke	\$369.4	\$338.7	\$398.8	\$412.6	\$328.8	-2.9%

UW Medicine’s comparative success in NIH funding is due to a number of factors, including the interdisciplinary breadth of our research programs, the addition of new laboratory space at South Lake Union, and the increased emphasis on 21st century science, such as genomics, proteomics, regenerative medicine, and global health research.

## **LOOKING FORWARD – FY 2013**

Several key internal and external factors will continue to influence UW Medicine's financial performance in FY 2013 and beyond. External factors include the general state of the economy, the impact of state budget reductions on healthcare funding for governmental programs, federal health reform legislation, and the federal budget. Significant internal factors influencing performance include UW Medicine's continued success in implementing rapid and system-wide process improvements that mitigate the impact of state healthcare program budget reductions as well as executing on our strategic priorities. We recognize and acknowledge the major demands and challenges to UW Medicine in the short and long term and are proactively addressing them. This section presents some of our actions to date, as well as going forward, that will allow UW Medicine to perform and remain financially healthy.

### **Imperative to reduce costs with declining payments for services from all payers**

- Performance improvement initiatives that have been built into FY13 budgets total \$80 million. Explicit operating plans have been developed and are being implemented to assure that these improvements occur and continue to support quality of care and patient safety.
- Specific services have been moved and consolidated into our community hospitals to optimize efficiency and access to care.

### **Balancing our social responsibility to provide the highest quality of care to all we serve with the recognition that not all health care systems in our region share this obligation**

- UW Medicine provided \$292 million in charity care in 2012, an increase of \$43 million over the prior year.
- Leadership has worked proactively with other hospitals and health care providers in the community to share in this responsibility, which has resulted in an increase in charity care reported by others.
- Contracting with all the new Medicaid Managed Care plans in 2013 and beyond will assure that we are able to continue to serve the newly eligible Medicaid beneficiaries in 2014 as well as beginning to receive payment for the currently uninsured that will be eligible for the new insurance exchange products.

### **The ability to be successful in the health care environment of the future requires that UW Medicine continue to successfully accomplish its internal integration activities and execute its priorities as reflected in its strategic plan**

- Priorities for the strategic plan are focused on providing better care for patients, better health for the populations, and reduced per capita costs.
- Significant accomplishments have occurred over the past four years in the five priority areas of building clinical programs, building networks and affiliations, delivering excellent service, delivering high-quality, safe and effective patient care, and enhancing the integration of research, teaching, and patient care.
- The UW Medicine Operational Integration Oversight Committee (OIOC) began its work at Valley Medical Center in August 2011. More than 20 clinical initiatives have been completed or are in process.

**Financing health care in the future will require that UW Medicine be prepared to assume financial risk as the transition takes place from being paid for each service provided to accepting fixed payments for taking care of a specific population**

- UW Medicine is in the process of creating an Accountable Care Organization (ACO) to contract with payers, large employers, and others.
- Competencies to be successful as an ACO are being developed and/or refined including care management, performance management, network operations, compliance, administration, and information management/analytics.
- A relationship has been established with an actuarial firm to provide consultation on potential risk arrangements.

**Payment for services in the future will be based on UW Medicine's ability to deliver high quality, safe and effective care**

- The UW Medicine Board Patient Safety and Quality Committee was established.
- Specific metrics have been identified and goals established across a broad range of appropriate indicators.
- Five additional safety and quality improvement initiatives have been launched and funded.

**UW Medicine needs to continue to deliver world class research as the federal government experiences significant fiscal challenges**

- The development of new research space at South Lake Union is a major step in ensuring the continued growth of UW Medicine's research programs.
- Continued development of information technology platforms to support the needs of researchers are occurring.
- Aggressive recruitment continues to attract strong research professionals to UW Medicine.
- Work to assure a supportive environment for interdisciplinary and translational research continues with a focus on retaining leaders of important research areas.

Our ability to be successful going forward in the face of these significant challenges requires that UW Medicine have strong, effective and visionary leadership, make well-informed strategic choices, recruit and retain excellent staff and faculty, implement best practices in all aspects of its business, and strengthen its financial health to be able to invest in its future.

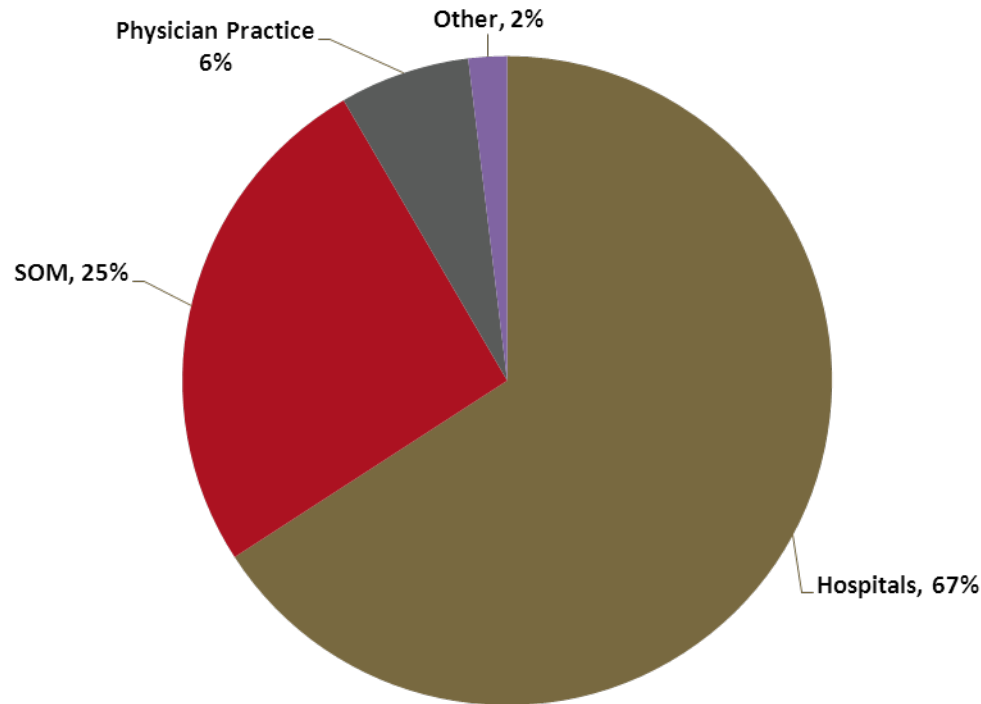
**UW Medicine**  
**Annual Financial Report**  
**to the University of Washington**  
**Board of Regents**

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November 8, 2012

# UW Medicine Annual Financial Report

## FY 2012 Revenue by Entity



\$3.6 billion in total revenue  
Increase of 17% over FY11

# UW Medicine Annual Financial Report

## Positive financial performance

	Budget	Actual		%
	FY 2012	FY 2012	Increase	Change
Hospital and Clinical Total Income (millions)	\$41.7	\$49.9	\$8.2	20%

- Overall hospital volumes remained relatively flat. However, complexity and severity of patients increased.
- Total revenue from the hospitals, clinics, and practice plan totaled \$2.6B. Net income of \$49.9M represents a 1.9% margin.

# UW Medicine Annual Financial Report

School of Medicine revenue exceeded budget by 3%

	<u>Budget</u>	<u>Actual</u>	<u>Increase</u>	<u>%</u>
	<u>FY 2012</u>	<u>FY 2012</u>		<u>Change</u>
School of Medicine Revenue (millions)	\$1,111	\$1,149	\$38	3%

- Research continues to grow. Grant and contract awards excluding American Recovery and Reinvestment Act (ARRA) funds totaled \$611M in FY12 compared to \$574M in FY11, an increase of 6%
- UW Medicine remained second in the U.S. among medical schools in NIH research funding for FY11

UW Medicine

# UW Medicine Annual Financial Report

- Operating expenses were managed to budget
- Clinical entities consolidated balance sheet remained stable
  - Cash and investments increased \$80M
  - Days in accounts receivable stable and in line with benchmarks
- School of Medicine reserves at June 30, 2012 of \$307M compared to \$289M for the prior year



# UW Medicine Annual Financial Report

## Looking Forward – FY2013

- Imperative to reduce costs
- Social responsibility to serve all walks of life
- Continued integration and implementation of strategic plan
- Increased assumption of financial risk under healthcare reform
- Future payments for services based on value defined by high quality, safe and effective care
- Continue to deliver world class research as the federal government experiences fiscal challenges

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

*in Joint Session with*

**B. Finance, Audit and Facilities Committee****University of Washington 2013-15 State Operating and Capital Budget Requests****INFORMATION**

This item is intended to reiterate previously communicated information about the 2013-15 capital and operating budget requests submitted to the Office of Financial Management as well as begin discussions with the Board of Regents about various legislative ideas that are in development.

This item contains information covering:

1. Technical operating budget requests to the Office of Financial Management;
2. Capital budget request to the Office of Financial Management; and,
3. Possible fee increases for the upcoming biennium (as required by Initiative I-960).

***Attachments***

1. 2013-15 State Operating and Capital Budget Requests
2. 2013-15 Operating Budget Request
3. 2013-15 State Capital Budget Request

# **2013-15 State Operating and Capital Budget Requests**

## **Previous Discussion of the 2013-15 State Operating and Capital Budget Requests**

The University of Washington's 2013-15 state operating and capital budget requests were covered in brief as an information item to a joint session of the Academic and Student Affairs Committee and the Finance, Audit and Facilities Committee at the June 2012 meeting of the Board of Regents. In addition, President Young sent correspondence about the submission to Regents in September 2012.

## **Financial Context for the Proposed 2013-15 Operating and Capital Budgets**

### ***State Fiscal Outlook for 2013-15***

Washington's Legislature has reconciled two biennia of multi-billion dollar deficits. Since FY 2009, the University of Washington has sustained cuts to its state general fund base budget of nearly 50 percent, when comparing budgeted state appropriations in FY09 (\$402 million) to FY13 (\$209 million).

The Office of Financial Management's (OFM) outlook for the state general fund currently assumes another \$1.3 billion deficit for the biennium. This outlook anticipates increased demand for essential state services, repayment of temporary 3 percent across-the-board salary reductions, increased commitment of state funding for K-12 (including levy equalization and a down payment on the McLeary Supreme Court decision), and debt service payments.

These and other pressures indicate that state support for new budget initiatives is expected to be negligible. Thus, OFM instructed state agencies to include only constitutionally mandated or emergency funding requests in their 2013-15 operating and capital state budget requests. OFM and the current Governor have committed any possible additional revenue above current forecasted levels to K12. We also know that current collections of sales tax revenue are running at projected levels; but, for the coming two fiscal years, required expenditures will far outweigh potential revenues and create a \$1 billion deficit out the gate. We hope to maintain our current level of funding as a best case scenario and have little hope that additional state resources will come our way.

### ***Components of the 2013-15 Budget Submission***

To satisfy OFM budget submission requirements, the UW is required to submit a variety of materials including reports on tuition waivers, enrollments, maintenance and operations costs, student debt and information related to Initiative-960 (I-960). While we are not able to submit a full complement of state performance level budget requests with the required components of the operating budget, the UW asked for a series of technical operating budget requests and a list of potential capital requests.

## **ATTACHMENT 1**

## 2013-15 Operating Budget Request

As required by OFM, proposed UW budget requests are listed in priority order. The 2013-15 state operating budget submission was primarily technical in nature, and does not represent the full complement of possible initiatives that the UW Board of Regents and UW administration may pursue during the 2013 Legislative Session. At the December meeting of the Board of Regents, the administration will present an updated summary of our proposed legislative platform.

### Compensation Flexibility and State Support for Raises

The cornerstone of our request was a cover letter from the UW to OFM imploring the state to release the UW from its ongoing salary freeze and highlighting our estimated range of expenses associated with a 2 to 5 percent salary increase for UW personnel. This estimate was plainly stated as a critical element to maintain excellence at the University and while we could only provide a range of estimated expenses, we noted that irrespective of what the final costs are, these expenses should be covered by the state.

We will work with the Legislature throughout session to articulate the need and responsibility of the state in supporting UW salary increases. **For information, the following cost projections for a 2 percent and 5 percent salary increase on general operating fund (GOF) supported compensation is presented below but note, these increase levels are for illustrative purposes only and future projections may differ. In addition, the final, negotiated increase amount will depend on numerous variables and public administrative and academic processes.**

2% Increase			
Employee Type	FY14	FY15	13-15 Biennium
<i>Faculty</i> <sup>1</sup>	6,399	6,552	19,350
<i>Professional</i>	2,596	2,648	7,840
<i>Classified</i>	1,214	1,238	3,666
<i>Other</i>	222	226	670
<i>Total</i>	10,431	10,664	31,526
5% Increase			
<i>Faculty</i>	14,434	15,156	44,024
<i>Professional</i>	6,491	6,815	19,797
<i>Classified</i>	3,035	3,187	9,257
<i>Other</i>	555	583	1,693
<i>Total</i>	24,515	25,741	74,771

Without the ability to provide sensible pay increases to meritorious faculty and staff next fiscal year, it will be tremendously difficult to preserve our long tradition of academic program excellence and to maintain our competitive success in preparing the workforce of the future.

Other, more minor, requests were included in the budget.

**1. Shellfish Biotoxin Monitoring – Increased Expenditure Authority (\$90,000).**

Note that the UW is also requesting \$50,000 of increased expenditure authority at the maintenance level for FY2013. In addition, \$90,000 of increased spending authority is requested in the 2013-15 biennium for shellfish biotoxin monitoring by the Olympic Regional Harmful Algal Bloom (ORHAB) Program of the Olympic Natural Resources Center. The ORHAB program expenditures will exceed the current appropriation by \$90,000 in the 2013-2015 biennium. Therefore, the UW is requesting one-time increased spending authority above the appropriated level as a means of accessing the balance from past biennia to cover these expenditures. These increased expenditures are the result of increased costs associated with monitoring activities including travel, supplies for detection kits, and increases in staff costs.

**2. Molecular Engineering Operations & Maintenance Support (\$2.5 million).**

A total of \$2.5 million in state support is requested in the 2013-15 biennium for operations and maintenance costs for the Molecular Engineering Building, for which the UW has acquired full use. The Molecular Engineering Building will accommodate the growth occurring in this emerging field. The project includes research lab space as well as ultra-sensitive ground contact lab space, each with support space. Phase 1 of this project includes the completion of approximately 90,000 gross square feet (GSF).

**3. Foster School of Business “Balmer Hall” Operations & Maintenance Support (\$1.4 million).**

A total of \$1.4 million in state support is requested in the 2013-15 biennium for operations and maintenance costs for the second phase of the Foster School of Business "Balmer Hall" renovation. The expanded and modern space will accommodate the growth occurring in the School of Business. The project includes student interview rooms, undergraduate program offices, graduate program offices, meeting rooms, and student support services.

**4. University of Washington School of Medicine South Lake Union 3.1 Operations & Maintenance Support (\$4.9 million).**

A total of \$4,977,035 in state support is requested in the 2013-15 biennium for operations and maintenance costs for UW Medicine at South Lake Union Phase 3.1, for which UW Medicine will complete construction in February of 2013. Phase 3.1 of South Lake Union development will accommodate significant growth in UW Medicine research by providing 156,000 gross square feet of laboratory and research space above grade and 192,000 gross square feet below grade for underground parking and loading facilities. Given significant growth in UW Medicine awards, National Institutes of Health (NIH) funding, and significant grant activity, there is no surplus research space on campus and given the full occupancy of the prior two phases of this work, Phase 3.1 is expected to be fully occupied immediately upon completion.

**5. Restore Operations & Maintenance Fund Shift (\$25.8 million).**

The UW is requesting \$25.8 million in the 2013-15 biennium to restore operations and maintenance (O&M) funding that was shifted from the operating budget to the capital budget.

## Initiative 960 and Initiative 1053 “Fee Approval” Process

As required by the voter-approved Initiatives 960 and 1053, all state agency fee increases (including tuition) must receive legislative approval. OFM asked that agencies include and justify as part of the budget submittal, any fees expected to be initiated or increased during the 2013-15 biennium. For the UW, this includes all categories of tuition and related fees not yet adopted by the Board of Regents for the 2013-14 and 2014-15 academic years, in addition to a variety of other student and course fees.

The table below shows the categories of fees and possible increases that the UW submitted for information purposes. It also shows estimates of the increases the administration anticipates for 2013-15. For most programs, the actual increases will **be less than the maximum percent projected in the table below. The tuition increases noted below are based on prior statutory limits and do not represent any current or future decision on the part of the Board of Regents or UW leadership.**

In addition, the administration has no knowledge of new, across-the-board fees, though throughout the coming academic years, new fees may be imposed on students by their own vote with approval from the Board of Regents.

### *Possible Increases to Existing Fees*

Name of Fee	Statutory Change Required?	New or Increased?	Estimated FY14 Increase	Estimated FY15 Increase
Resident Undergraduate Tuition	No	Increased	7%	7%
Tuition for non-resident and graduate programs	No	Increased	7%	7%
Existing on-campus lab, course , etc. fees	No	Increased	10%	10%
Existing on-campus lab, course , etc. fees - summer quarter	No	Increased	10%	10%
Summer Quarter Tuition - Resident Undergraduates	No	Increased	7%	7%
Summer Quarter Tuition - Non-Residents and Graduate Programs	No	Increased	7%	7%
Services and Activities Fees	No	Increased	2%	2%
Fee-Based Programs/Degree Fees	No	Increased	28%	20%
Contract Instructional Offerings (with organizations)	No	Increased	20%	20%

\*Fee-based programs do not receive any state support.

# 2013-15 State Capital Budget Request

## Background for the Capital Budget Request

### *State Capital Funding in the Current Biennium*

In fiscal years 2012 and 2013 (2011-13 biennium) the state budgeted \$62.6 million in state building construction funds compared to \$114 million in 2009-11 and \$146.9 million in 2007-09. State bonding capacity is severely limited and, consequently, the state's use of the UW Building Account to fund new projects, at the expense of funding minor repairs and preventative maintenance, is growing.

### *Capital Prioritization Process*

In 2008, the Legislature passed House Bill 3329, creating a capital prioritization process for public baccalaureate institutions. From that point forward, any major project without design funding has been required to go through a significant scoring process, managed by OFM. In 2012, the Legislature passed House Bill 2483, which directs the Washington Student Achievement Council to submit recommendations on operating budget priorities in support of the ten-year statewide master plan. However, the bill relieved the Council of any recommendation or prioritization duties related to capital budget

## Requested Projects

As discussed during review of the One Capital Plan in June 2012, UW administration is requesting a total of \$175.7 million in state capital funds in the 2013-15 state budget and authority to spend \$62 million out of the UW Building Account (for a total of \$237.6 million). A summary of the UW's capital budget request (in priority order and shown in thousands) is below and brief project descriptions follow on the next page:

Priority	Requested Projects			2013-15	
	Name	Type	Phase	State Funds	UW Building Account
1	Minor Capital Repair - Preservation	Repair	D/C	64,700	40,000
2	Minor Capital Repair - Program Renewal	Teaching	D/C	-	22,000
3	Major Infrastructure - UW Tower Chilled Water System Replacement	Infrastructure	D/C	7,500	-
4	Major Infrastructure - MHSC Roofing Replacement Project	Infrastructure	D/C	7,000	-
5	Major Infrastructure - UW District Energy Resource Center	Infrastructure	D	2,200	-
6	Health Sciences Education Phase I - T-Wing Renovation/Addition	Teaching	PD/D	8,000	-
7	CoE - UW College of Engineering Classroom & Research Renovation	Teaching/Research	PD/D/C	13,400	-
8	UW Tacoma Classroom Building Renovation - Urban Solutions Center	Teaching	PD/D	1,900	-
9	Health and Life Sciences - Hitchcock West	Research	PD/D	10,500	-
10	CAS - Denny Hall Renovation	Teaching	C	54,600	-
11	CAS - Lewis Hall Renovation	Teaching	C	3,650	-
12	UW Libraries Archival Storage - Sand Point Building 5	Teaching	PD/D	1,000	-
13	Innovation Collaboration Center	Research	PD	350	-
14	CoE - Interdisciplinary Education/Research Center I	Teaching/Research	PD	350	-
15	UW Tacoma Innovation Partnership Zone Development - Phase 1	Teaching	PD	500	-
<b>Biennial TOTAL:</b>				<b>175,650</b>	<b>62,000</b>

**1. Minor Capital Repairs – Preservation (\$104,700,000).**

This request is split into \$64.7 million of state funds and \$40 million of UW Building Account funds for the repair and renewal of buildings, utility and electrical systems, and roads and pathways, and for the improvement of data and communications infrastructure and fire and life safety systems.

**2. Minor Capital Repairs – Program (\$22,000,000).**

Requested only of UW Building Account, funds would go toward classroom and class laboratory renovations at the Seattle campus, classroom and facility upgrades to accommodate increased student enrollment at both UW Bothell and Tacoma, and sustainability efforts at UW Tacoma.

**3. UW Tower Chilled Water System Replacement (\$7,500,000).**

The current chiller system servicing the UW Tower and surrounding UW-occupied buildings is over 40 years old, energy inefficient, and well beyond its useful life. This project will significantly improve the resilience and reliability of UW campus space utilization.

**4. Magnuson Health Sciences Center Roofing Replacement (\$7,000,000).**

Despite expensive repair attempts, multiple leaks throughout the expansive, 5,700,000 square foot building continue to accelerate the roof's deterioration. A permanent and comprehensive remedy is needed to avoid disrupting academic activities, potential health problems, and continued maintenance expenses.

**5. UW District Energy Resource Center (\$2,200,000).**

To improve the reliability and efficiency of UW's existing district energy system and to plan for thermal district energy system growth, the UW is proposing a UW District Energy Resource Center. The Center will supplement the existing UW District Energy system by expanding central process cooling and uninterruptable electrical power that service key research and educational activities.

**6. Health Sciences Education Phase I – T Wing (\$8,000,000).**

This request for predesign/design funding is the first of four phases in a long-range T wing renovation plan. The plan emerged during development of the UW Board of Health Sciences Dean Precinct Plan as a means to ensure continued success of UW's medical, nursing, pharmacy, dentistry, public health and social work academic programs. The renovation/addition will include flexible learning labs, meeting spaces, immersive learning centers (including multiple simulation-based learning environments), classroom improvements, and digital and/or other library facilities.

**7. UW College of Engineering Classroom and Research Renovation (\$13,400,000).**

The requested design and construction funds will address the College of Engineering's critical and immediate instructional and research needs. The project will include repurposing approximately 8,500 square feet of existing office space to accommodate state-of-the-art classrooms and additional seating needs of increasing enrollment.

**8. UW Tacoma Classroom Building Renovation, Urban Solutions Center (\$1,900,000).**

Requested for predesign and design phases, this funding would allow UW Tacoma to renovate the TPS Company Building. The project will provide critical capacity to accommodate UWT's projected



student enrollment growth and its associated, continued need for additional multi-classroom and academic support space.

**9. *Health and Life Sciences, Hitchcock West (\$10,500,000).***

The requested state funds would support the predesign and design phases of Hitchcock West—a collaborative and highly flexible research building to be centrally located in the life and health sciences hubs of UW Seattle. The project will support the UW’s highest priority for immediate and mid-term consolidation and growth of critical research needs in health and life science disciplines.

**10. *College of Arts & Sciences, Denny Hall Renovation (\$54,600,000).***

This state funding is requested to complete the design and construction phases of the oldest building on campus (consequently on the Washington State Heritage Register). The last significant structural and interior renovation of Denny occurred in 1956. The project will focus on Denny’s structural, life safety, and information technology infrastructure, as well as the building’s dated electrical distribution, plumbing and mechanical systems. These improvements could extend Denny’s useful life another 100 years.

**11. *College of Arts & Sciences, Lewis Hall Renovation (\$3,650,000).***

This construction project is estimated to take over 4 biennia to fund. Requested state funds will support the first phase—construction of the building envelope and energy consideration improvements which will stabilize further deterioration of the building and reduce operating and maintenance costs.

**12. *UW Libraries Archival Storage – Sand Point Building 5 (\$1,000,000).***

Requested state funds will go toward predesign and design phases for the renovation of existing UW-owned warehouse space which will house additional University Libraries collection materials.

**13. *Innovation Collaboration Center (\$350,000).***

State funds are requested to support the Center’s predesign phase. The Center will be equipped for effective technology transfer and entrepreneurship and will support collaborative projects for translational research, prototyping, and testing.

**14. *College of Engineering, Interdisciplinary Education/Research Center I (\$350,000).***

State funding is requested for a predesign study that will examine relocating civil, mechanical, environmental, structural and material science engineering programs to UW buildings that can support these disciplines’ ever-increasing technological demands.

**15. *UW Tacoma Innovation Partnership Zone Development, Phase I (\$500,000).***

UW Tacoma is requesting predesign funding to conduct a study for future area development and the first proposed building of the Innovation Partnership Zone. The total project is expected to develop over the next ten years on UW Tacoma property.

**IV. REPORT OF THE CHAIR OF THE BOARD OF REGENTS**

**Resolution Regarding Schedule of Regular Board Meetings in 2013**

**RECOMMENDED ACTION:**

It is the recommendation of the Chair of the Board of Regents that the Board approve the following resolution regarding its schedule of regular meetings for 2013.

**RESOLUTION**

**WHEREAS**, the By-Laws of the Board of Regents and WAC 478-04-030 call for regular monthly meetings, and

**WHEREAS**, the schedule of meetings is to be established yearly by resolution of this Board,

**NOW, THEREFORE, BE IT RESOLVED** that the regular meetings of the Board of Regents be held on the following dates in 2013, subject to change, providing that due notice is given by the Secretary of the Board in accordance with the By-Laws of the Board of Regents:

<b><u>Day</u></b>	<b><u>Date</u></b>	<b><u>Location</u></b>
Thursday	January 10	UW – Gerberding Hall 142; 1 p.m. session, Petersen Room, Allen Library
Thursday	February 14	UW Tower, Board Room
Thursday	March 14	UW Bothell
Thursday	April 11*	UW – Gerberding Hall 142; 1 p.m. session, Petersen Room, Allen Library
Thursday	May 9	UW – Gerberding Hall 142; 1 p.m. session, Petersen Room, Allen Library
Thursday	June 13	UW – Gerberding Hall 142; 1 p.m. session, Petersen Room, Allen Library
Thursday	July 11	UW – Allen Center, Room CSE 691
Thursday	August 8*	UW – Gerberding Hall 142; 1 p.m. session, Petersen Room, Allen Library
Thursday	September 12	UW – Gerberding Hall 142; 1 p.m. session, Petersen Room, Allen Library
Thursday	October 10	UW – Husky Union Building, Room 334
Thursday	November 14	UW Tower, Board Room
Thursday	December 12*	UW – Gerberding Hall 142; 1 p.m. session, Petersen Room, Allen Library

The Regents will meet for dinner at the residence of the University President, at 5:30 p.m. on the following dates:

<b><u>Day</u></b>	<b><u>Date</u></b>
Wednesday	January 9
Wednesday	February 13
Wednesday	March 13
Wednesday	April 10*
Wednesday	May 8
Wednesday	June 12
Wednesday	July 10
Wednesday	August 7*
Wednesday	September 11
Wednesday	October 9
Wednesday	November 13
Wednesday	December 11*

*\*The April, August, and December meetings may be canceled, circumstances permitting.*

#### IV. REPORT OF THE CHAIR OF THE BOARD OF REGENTS

##### **Resolution Regarding Schedule of Regular Board Meetings in 2013** (continued p. 2)

Except as otherwise noted above, the Board's meetings begin with a series of Regent committee meetings attended by some or all of the members of the Board. These will commence at 8:30 a.m., or such later time as may be announced on the Board's webpage (<http://www.washington.edu/regents/>) and followed by a meeting of the full Board at 1:00 p.m., unless otherwise noted above. Except as otherwise indicated, the meetings listed above are held at the University of Washington Seattle Campus, Seattle, Washington, at the locations noted above, unless a different location is established an public notice given in accordance with RCW Chapter 42.30.

To request disability accommodation, contact the Disability Services Office at: 206.543.6450 (voice), 206.543.6452 (TTY), 206.685.7264 (fax), or email at [dso@uw.edu](mailto:dso@uw.edu). The University of Washington makes every effort to honor disability accommodation requests. Requests can be responded to most effectively if received as far in advance of the event as possible, preferably at least 10 days.

**University of Washington  
Board of Regents  
Resolution of Appreciation to  
Bill Gates Sr.**

WHEREAS, William H. Gates has completed three terms as a member of the University of Washington Board of Regents, contributing nearly fifteen years of exemplary service to the Board, the University of Washington, and the citizens of the state; and

WHEREAS, his extraordinary career in the practice of law, as well as his leadership in the profession—recognized by numerous awards from State of Washington and American Bar Associations and his being named the 1991 Distinguished Alumnus by the University of Washington School of Law—are tributes to the bachelor's and law degrees he earned from the University of Washington; and

WHEREAS, his deep commitment to his community and his strong sense of civic responsibility are manifest in his serving on and leading boards and initiatives too numerous to cite in their entirety, but which include the Greater Seattle Chamber of Commerce, King County United Way, the Seattle Foundation, Planned Parenthood Foundation, Seattle Repertory Theatre, the Seattle Symphony Foundation, founder of the Technology Alliance and of the Initiative for Global Development, as well as chairing the Seattle Public School Levy Campaign in 1971, and serving as the founding co-chair of the Bill & Melinda Gates Foundation; and

WHEREAS, his devotion to his alma mater has been exhibited in countless ways over the years, in service on the School of Law Visiting Committee, the UW Medical Center Board, the College of Arts & Sciences Visiting Committee, and the UW Foundation Board as Director for Life; and his unparalleled spirit of generosity led to his robust volunteer leadership as General Chair from 2001 to 2008 of the \$2.6 billion UW Campaign, "Creating Futures"; and

WHEREAS, he provided outstanding leadership to the Board of Regents, serving as chair of the Board in 1999-2000, and as chair, vice-chair and long-time member of the Academic and Student Affairs Committee; and

WHEREAS, he is the patriarch of the First Family of the University, whose service and philanthropy in support of the University of Washington are unprecedented and unsurpassed, starting with his late wife three-term Regent Mary Maxwell Gates, serving on the Board with his daughter Regent Kristianne Blake, and culminating in the profoundly generous support from the entire Gates family and especially the Bill & Melinda Gates Foundation; and

WHEREAS, his remarkable intelligence and wisdom, his keen—almost uncanny—insight, and his capacious curiosity and spirit of inquiry have infused the deliberations of the Board with reason, facts, reliable information, and knowledge; and

WHEREAS, his unwavering and uncompromising fidelity to quality, especially quality in the educational experience of students, has helped set a standard for the University to which all may aspire and which is worthy of the very best minds comprising our students, faculty, and staff;

NOW, THEREFORE, BE IT RESOLVED: That the members of the Board of Regents express to Bill Gates Sr. their sincere gratitude and abiding admiration on behalf of the entire University community, and their own personal thanks for his warm friendship, his passionate and loyal service, and his transformative and lasting contributions to the work of the Board—which has never seen his like and may never again—that we consider him a true friend, that we wish him continued success and happiness in all his endeavors, and that this resolution be spread upon the minutes of the Board as a permanent record of the Board’s sincere appreciation; and

BE IT FURTHER RESOLVED: That the Board of Regents, in recognition of all of the foregoing and of Bill Gates Sr.’s extraordinary and enduring service as a Regent of the University, hereby confers upon him a title heretofore reserved for no other: Regent Emeritus of the University of Washington, effective October 1, 2012.

**University of Washington  
Board of Regents  
Resolution of Appreciation to  
Chris Gregoire**

WHEREAS, Governor Chris Gregoire, after serving three terms as State Attorney General, was elected to serve two terms as Governor of the great State of Washington, giving twenty years of outstanding public service as an elected leader for the citizens of Washington; and

WHEREAS, she earned a Bachelor of Arts degree in speech and sociology from the University of Washington and a Juris Doctor degree from Gonzaga University, demonstrating the opportunity for making a meaningful and positive contribution to society through higher education; and

WHEREAS, her unwavering and steadfast commitment to education and higher education throughout her public life and particularly as Governor resulted in greater access to education and greater opportunity for thousands and thousands of Washington citizens, especially during recent challenging fiscal times; and

WHEREAS, her leadership and initiative to improve all of higher education through such efforts as the Higher Education Funding Task Force of 2010, which led to tuition setting authority for institutional governing boards, and the Higher Education Steering Committee of 2011, which resulted in the establishment of the Office of Student Achievement, resulted in a streamlined, improved, and progressive system of higher education; and

WHEREAS, understanding completely the reliance of the state's diverse and vibrant industry on a well-educated and well-supplied workforce able to meet the needs of a 21<sup>st</sup> Century economy, she led the expansion of graduates in high-demand fields like engineering and science; and

WHEREAS, recognizing the special relationship at a research university between education and research and developing the next generation of pathbreakers and intellectual explorers, and the good that can come from research conducted by students under the guiding hand of faculty, she created the Life Sciences Discovery Fund to help nurture the state's life sciences sector and improve the health and well-being of the citizens of Washington; and

WHEREAS, the Board of Regents of the University of Washington wishes to demonstrate its deep and sincere appreciation to Governor Gregoire for her years of dedicated service to the State of Washington;

NOW, THEREFORE, BE IT RESOLVED: that the members of the Board of Regents express to Chris Gregoire their gratitude on behalf of all of the students, faculty, and staff of the University of Washington who have benefited over the years from her leadership, her wisdom, and her belief in the power of education; and

BE IT FURTHER RESOLVED: That to honor and celebrate her leadership on behalf of the University of Washington and all of higher education, the Board of Regents hereby confers

upon Chris Gregoire the Regents Medal in recognition of her exceptional service to the citizens of the State of Washington and their great flagship University; and

BE IT FURTHER RESOLVED: That this Resolution be spread upon the minutes of the Board as a permanent record of the Board's sincere gratitude and appreciation.