

# UNIVERSITY OF WASHINGTON

## EFFICIENCY AND EFFECTIVENESS 2003-2008

Managing our resources efficiently and effectively to support the UW's mission  
DISCOVERY IS AT THE HEART OF OUR UNIVERSITY



# Overview Summary

## UW Efficiency & Effectiveness Achievements

FY2008	<ul style="list-style-type: none"> <li>• \$49M utilities cost avoidance at UW Seattle since 2003</li> <li>• Leveraging UW's debt capacity: Internal Lending Program allows campus units to borrow for large and small capital expenditures at stable interest rates</li> <li>• UW remains as the highest federally funded public research institution with over \$1B in total awards</li> </ul>
FY2007	<ul style="list-style-type: none"> <li>• Husky Promise provides tuition aid for 5,000 undergraduates. 20% of eligible students from Washington families</li> <li>• UW Bothell and UW Tacoma transition to 4 year undergraduate programs; parallel graduate programs</li> <li>• \$1B in research funding</li> <li>• Restore the Core" multi-year construction program renews Seattle Campus legacy buildings: \$18M saved to date in schedule acceleration</li> <li>• UW purchases SAFECO Tower (UW Tower) for \$130M using innovative financing issuing debt to be serviced by rent savings</li> </ul>
FY2006	<ul style="list-style-type: none"> <li>• Global Operations Support Program—coordinates web-based business and financial services to aid UW researchers and educators operating overseas</li> <li>• One of six Universities to receive Aa1 bond rating; allows for additional borrowing authority and lower bond interest</li> <li>• Commercial paper program enables timely borrowing for multiple capital projects resulting in lower interest expense</li> </ul>
FY2005	<ul style="list-style-type: none"> <li>• MyFinancialDesktop deployed: Internet-based real-time financial information allows for better business decisions across UW enterprise</li> <li>• UW Tacoma garage and housing: public-private partnership for development</li> <li>• Local borrowing authority used (UW Bonds) to fund research buildings: Research &amp; Technology; Foege Bioengineering/Genome Sciences (public-private partnership for development), South Lake Union Phase 1</li> </ul>
FY2004	<ul style="list-style-type: none"> <li>• Metro Tract 10 year credit line for capital repairs</li> <li>• Long term lease signed at below-market rate for South Lake Union research hub: public-private partnership for development</li> <li>• UW Workers' Compensation insurance premium reduced by \$700K/year through management of claims</li> </ul>
FY2003	<ul style="list-style-type: none"> <li>• Student fiscal services available online; 70% of student access web, direct deposit and credit card for transactions and information</li> <li>• ProCard (purchase card) reduces processing costs, waste and time for campus users' small-dollar purchases</li> <li>• Independent survey shows UW research grant and contract post-award administration as low-cost and efficient</li> </ul>

# Academic Success at the UW

University of Washington is one of the premiere research universities in the United States and the world. The impressive size, scope and excellence of the UW maintains a competitive advantage in attracting talented and diverse students, faculty and staff, as well as generating billions of research dollars that create new knowledge and generate jobs and funds for the State of Washington. The University is always striving to not only improve performance on every measure of excellence, but also to continually find ways to achieve the same and better results by more efficient and effective means. What follows are just a few of the measures that illustrate the accomplishments of the UW.

- Educates over 45,000 students a year and awards over 12,000 degrees a year;
- 21 percent of this year's undergraduates are eligible for federal Pell Grants. In addition, the UW provides substantial financial aid for 35 percent of its undergraduate students;
- Offers over 250 degrees within 150 departments across 18 colleges and schools and operates two major medical centers that perform cutting edge research and provide a substantial amount of charity care;
- Four Rhodes Scholars since 2000, and has more alumni serving in the Peace Corps than any other University in the US;
- Received \$1.02 billion in grants and contracts funding in fiscal year 2007 -- 78 percent from the federal government -- which supports over 6,800 full-time employees;
- Receives more federal research funding than any other public university in the US, and the 2<sup>nd</sup> most federal research funding of all universities in the US;
- 4th highest number of faculty belonging to prestigious academies among all UW public universities (6 faculty members with Nobel prize and 10 faculty members with 'genius grants' from the MacArthur Foundation);
- UW accomplishes all of the above while keeping tuition affordable and beneath its peer group average by over 25 percent.

# Improving Academic Success at the UW

The University of Washington has long ranked as an excellent institution of higher education. The institution strives to continually grow and change, becoming even better, despite recent trends of reduced state financial support. Some of the recent improvements the UW has made are listed below:

- The UW continues to grow enrollment, increasing by 2 percent in 1999-00 and 2000-01, 4 percent in 2001-02, and then remaining fairly constant until increasing again by 2 percent in 2006-07 and 3 percent in 2007-08;
- The UW, from 2003 to 2008, increased the percentage of freshmen graduating within 6 years from 70.6 to 75.4 percent;
- The UW, from 2003 to 2008, increased the percentage of community college transfer students who graduate within 3 years from 69.7 to 78.5 percent;
- The UW, from 2003 to 2008, decreased the average time to degree for a non-transfer student at the Seattle campus from 4.6 to 4.4 years, and from 3.4 to 3.1 years for transfer students;
- The UW doubled in value the Grant and Contract awards received per year between 1997 (\$509,762,042) and 2007 (\$1,019,488,611);
- The UW increased innovation disclosures from 199 in 2003 to 335 in 2007, and increased patents, licenses and options awarded from 113 in 2003 to 265 in 2007;
- The UW leveraged state funds for recruitment and retention to hire renowned academic researchers who brought major new research initiatives to the UW as well as new external grants;
- The UW created the new College of the Environment in 2008, consolidating several academic programs into one cohesive whole.

# Providing Access and Affordability to Students

University of Washington

## DESCRIPTION

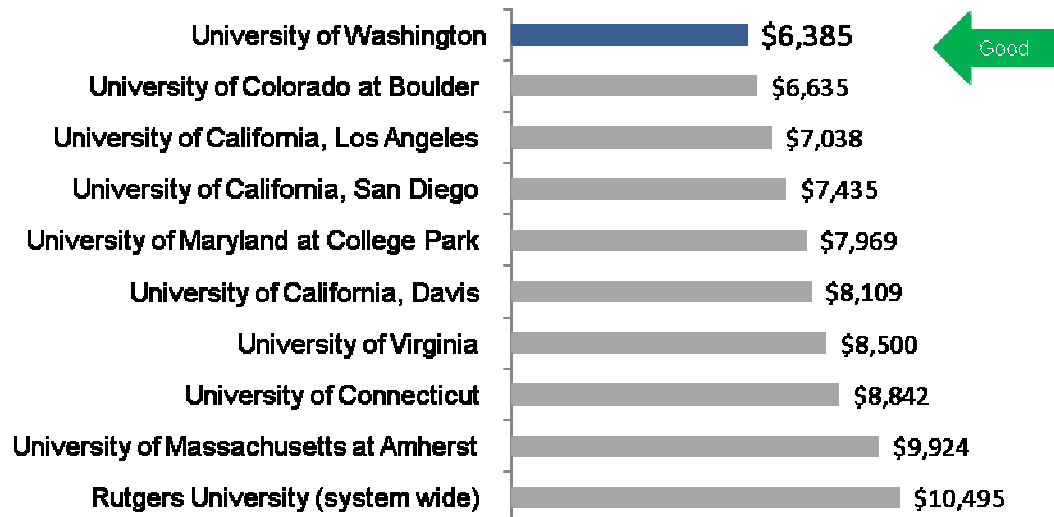
UW is ranked as one of the top four public universities in the world, yet offers one of the lowest in-state tuition among its peers.

- Over 20% of UW undergraduates receive Pell Grant scholarships and support that does not have to be repaid;
- Close to a third of entering freshmen come from families whose income is below the state median;
- One third of freshmen will be the first in their families to earn a bachelor's degree;
- Over 30% of enrolled students are underrepresented minorities (2007)

## BENEFIT

Comparatively low tuition provides Washington students from all economic backgrounds an affordable opportunity to attend a world-class research institution. Kiplinger's Personal Finance ranked UW as one of the ten most affordable academically excellent schools.

## UW has the lowest undergraduate in-state tuition among our Global Challenge\* peers



\*Global Challenge Peers refers to state flagship universities that have medical schools.

# Providing Access and Affordability to Students

University of Washington

## DESCRIPTION

The Federal Pell Grant Program provides need based grants to low-income undergraduate and some post-baccalaureate students to promote access to postsecondary education.

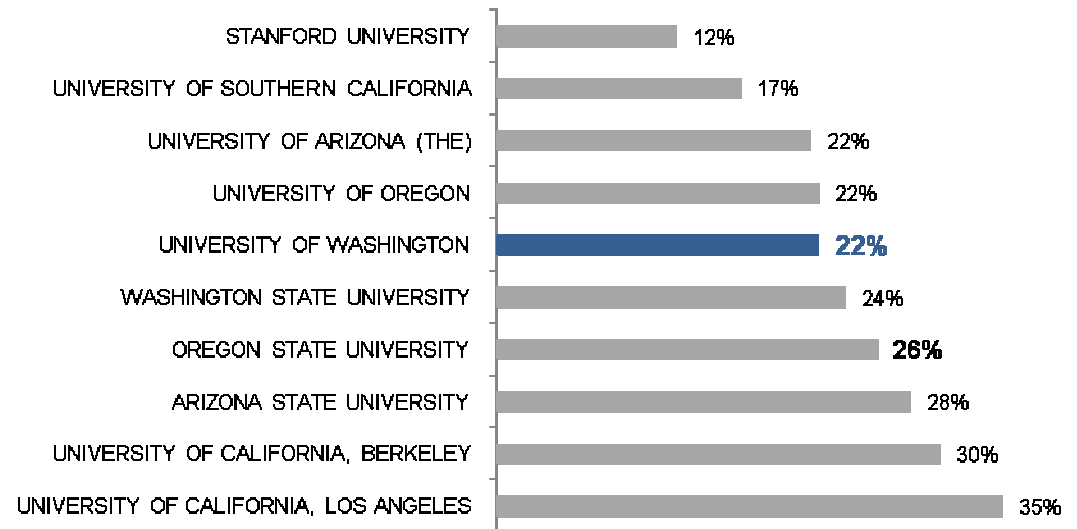
UW has a long history of providing access to all citizens of the State of Washington, regardless of their economic means. The University is committed to ensuring that low- and lower middle-income students can afford to attend.

Ensuring UW's affordability is the Husky Promise. Beginning Autumn quarter 2007, the Husky Promise guarantees low- or lower middle-income Washington resident students full tuition coverage through grant or scholarship support. These grants and scholarships do not have to be repaid. For those who qualify for the Husky Promise, they are assured that any tuition increases during their enrollment will also be covered.

## BENEFIT

Pell Grants and Husky Promise expand access to all citizens of the State of Washington, regardless of their economic means.

## % Pell Grant Recipients PAC 10 Comparison. Award Year 2006-2007.



Source: US Dept of Education, <http://www.ed.gov/finaid/prof/resources/data/pell-institution.html>

# Increasing Electronic Services for Students

Financial Management - Student Fiscal Services

## DESCRIPTION

Student Fiscal Services (SFS) increased its efficiency by:

- Accepting tuition payment via online web check and credit card;
- Disbursing financial aid and refunds issued by direct deposit, to students' banks, or by mailed check;
- Reducing overall cashier and accounting staffing levels;
- Reallocating staff time from manual financial-transaction processing to higher value activities (e.g., improving customer communications, advising, enhancing disaster recovery capabilities, and "greening" operations).

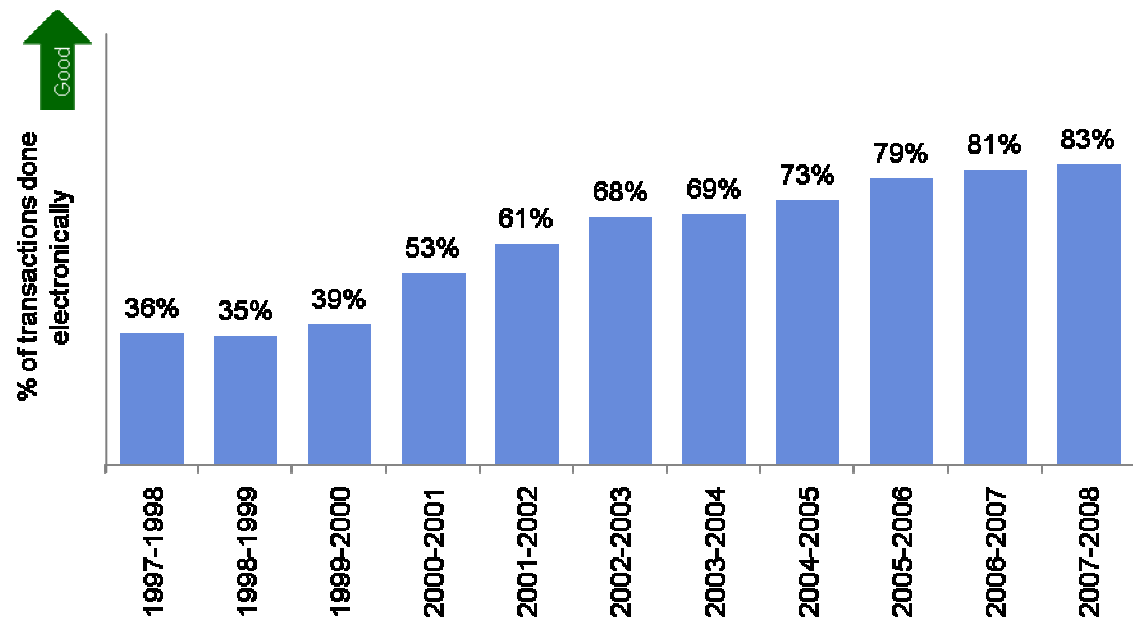
*From academic year 1997-98 to 2007-08, SFS averaged a 57.5% increase in the number of electronic/remote financial transactions processed.*

## BENEFIT

SFS electronic services allow for:

- More payment options and 24x7 payment capabilities;
- Reduced customer wait times for refunds and financial aid disbursements;
- Lower overall liability risks due to smaller cash handling and check printing needs.

## Increase in use of electronic services



# Short-Term Student Financial Assistance

Financial Management - Student Fiscal Services

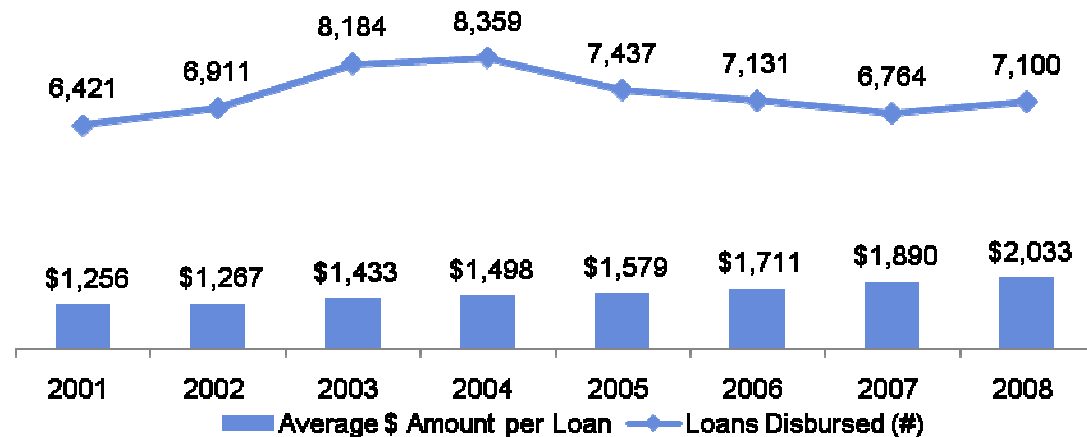
## DESCRIPTION

UW through office of Student Financial Aid offers short-term loans to pay for expenses. Students apply for these loans through an electronic process and may choose to have the loan pay for tuition, or receive the funds to cover other costs.

Terms of the loan are simple:

- Students may only have one short-term loan outstanding at any given time;
- Loans are due "paid in full" within 90 days;
- A flat \$30 administrative is charged;
- Loans may be extended for an additional 90 days with an additional \$30 administrative fee.

## Short-Term Loans Disbursed Annually



## BENEFIT

UW is able to assist students to:

- Receive immediate short-term financial assistance for pressing educational expenses;
- Avoid more expensive short-term payment options – such as credit card or short-term bank loans.

Student Fiscal Services has been able to contain costs for program administration and oversight through electronic processing.

Year	Loans Disbursed (\$ millions)	# Loans
2001	\$8.06	6,421
2002	\$8.75	6,911
2003	\$11.73	8,184
2004	\$12.53	8,359
2005	\$11.74	7,437
2006	\$12.20	7,131
2007	\$12.78	6,764
2008	\$14.43	7,100



# Student Satisfaction

Financial Management - Student Fiscal Services

## DESCRIPTION

Beginning in 2001, SFS initiated an annual spring-quarter survey to gauge student satisfaction with services. The survey is delivered both on paper and via the Web. It asks a specific question about “overall satisfaction” (reported here), and additional questions related to customer communication, staff knowledge and professionalism, and includes an “open ended” comments section.

The survey results for “overall satisfaction” are compared against an Association of American Universities benchmark of 64%. SFS has consistently met or exceeded this target since inception of the measure.

While there is a seemingly dramatic decline from FY07 to FY08, the drop might be attributable to several factors; notably a new and shorter survey format, and a longer data collection period.

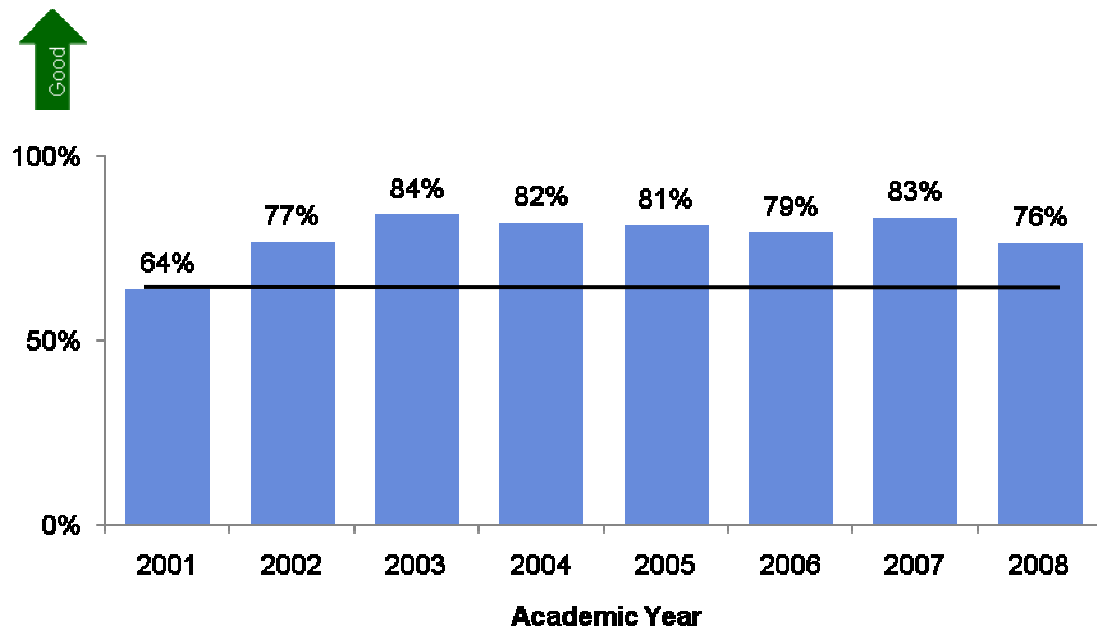
## BENEFIT

SFS has used this measure to:

- Guide the development of strategies to address customer concerns;
- Identify critical customer-service training needs and direct resources to appropriate training;
- Aid prioritization of customer-service, quality and process-improvement initiatives
- Gain direct customer feedback on the impacts of improvements.

## Overall Student Satisfaction with Student Fiscal Services

(rating as “somewhat satisfied” to “very satisfied”)



— 64% Benchmark from Association of American Universities benchmark

# More Students Served Per Staff

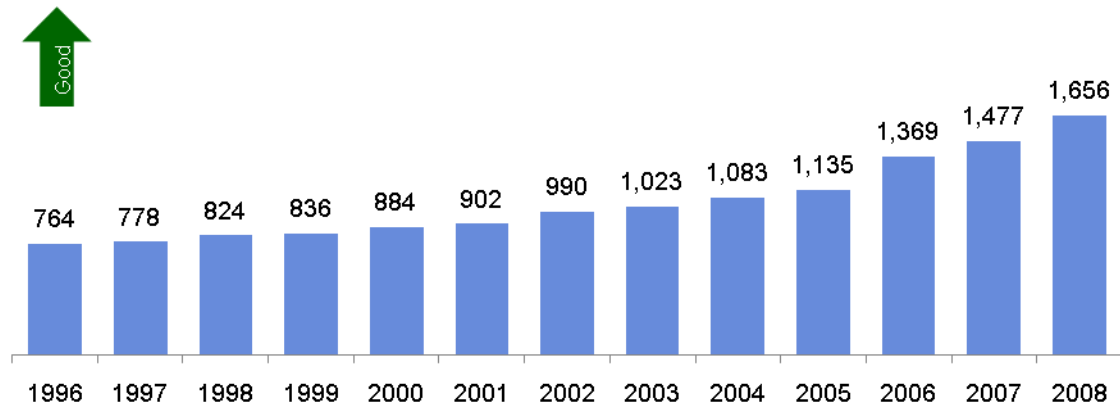
Financial Management - Student Fiscal Services

## DESCRIPTION

Student Fiscal Services (SFS) provides direct services to UW students and their families, and enjoys consistently high customer satisfaction.

As UW's student population increased over time, full-time staffing levels in SFS decreased, and more students are served per staff member.

## Student Fiscal Services serves more students per staff member



	2003	2008	% Change
Students	42,963	45,387	5.6%
SFS Staff	42.0	27.40	-34.8%
Ratio: Student per Staff	1,023	1,656	61.9%

## BENEFIT

SFS has been able to be more productive with fewer staff due to continuous process-improvement activities, careful measurement and analysis of service-delivery strategies, and streamlined operations.

# \$49M Utility Costs Saved @ UW Seattle Since 2003

Facilities Services

## DESCRIPTION

Despite growth in student, staff and faculty populations, and in campus square footage, UW continues to reduce utility consumption. Efficiency savings are attributed to more efficient equipment and systems, process improvements and adoption of "green" practices, including:

- Installing low-flow fixtures (toilets, urinals, showers);
- Retrofitting sterilizers and other lab equipment;
- Using computerized landscape irrigation systems;
- Installing high-efficiency lighting and motion sensors;
- Conducting lighting studies (eliminating unnecessary usage);
- Partnering with Seattle City Light for compact fluorescent lamps (task lighting);
- Retrofitting heating, ventilating and air-conditioning (HVAC) systems with adjustable-speed drives;
- Modifying campus indoor air-temperature standards;
- Installing more efficient boilers in the Power Plant.

## BENEFIT

\$49M saved from anticipated utility costs since 2003 (UW Seattle campus) due to conservation efforts and process improvements. Overall, estimated savings of \$71M since 1996.

## Annual Utility Costs Avoided on Seattle Campus (electricity, water, gas, lighting, etc.)



# UW is a Cost-Effective Research Institution

## DESCRIPTION

In the competitive environment of grants and contracts, each grant proposal contains estimated costs for administrative overhead. Cost control is important to financial and research personnel, and to the Federal agencies making funding decisions. An independent study found UW's administrative costs to be comparatively low to its peers, and well below the national median.

Post-award central administrative costs represent only 0.3% of the total sponsored project costs. At UW, the Office of Sponsored Programs and Research Accounting and Analysis work closely together to improve processes and minimize costs.

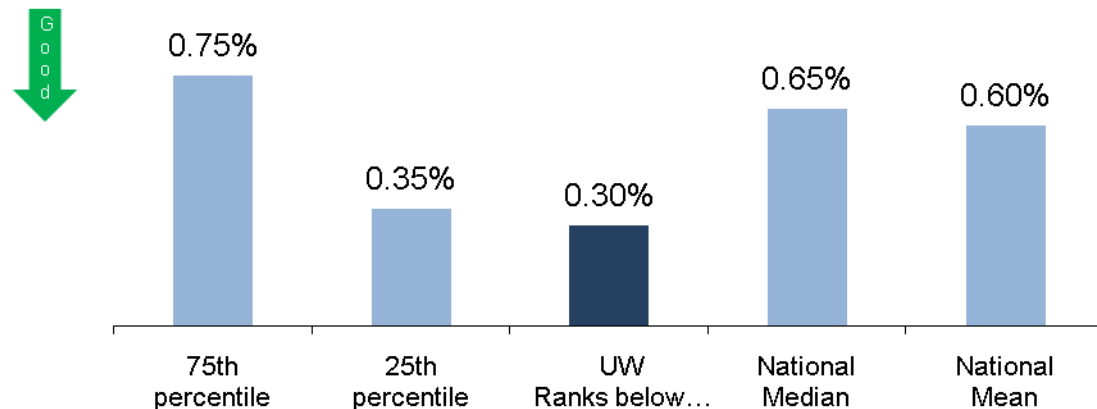
## BENEFIT

Cost-effective administrative overhead is key in ensuring UW's continued success as the largest public university recipient of Federal research awards, compared to other institutions—over \$1B in FY2008.

Financial Management – Grant & Contract Accounting

## Independent 2002 survey ranks UW research administration low relative to total awards

(Source: Bearing Point survey, October 2003)



# Creating a Safer Campus

UW Police Department

## DESCRIPTION

UW Police handles a higher number of dispatched calls, yet continues to reduce response time to calls. In addition, UW Seattle campus has experienced a decrease in crimes over time (*homicide, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, arson*).

## UW Police dispatches more calls and provides faster response times

Year	Number of Dispatched Calls	Average Response Time to Calls	Crimes
Trend	 Increasing	 Decreasing	 Decreasing
2002	N/A	N/A	1002
2003	N/A	N/A	899
2004	8,451	4:46	705
2005	9,170	4:07	752
2006	8,293	5:34	760
2007	10,547	4:26	600
2008	12,794	2:58	559 <i>approximate</i>

## BENEFIT

Fewer crimes and faster response times results in a safer environment for students, staff, and the greater UW community.

# Increased Square Footage Served Per Facilities Staff

Facilities Services

## DESCRIPTION

The Seattle Campus has grown considerably in gross square footage (GSF) through new construction and acquisition of buildings. These buildings require maintenance, custodial, transportation, and utilities services, provided by Facilities Services (FS).

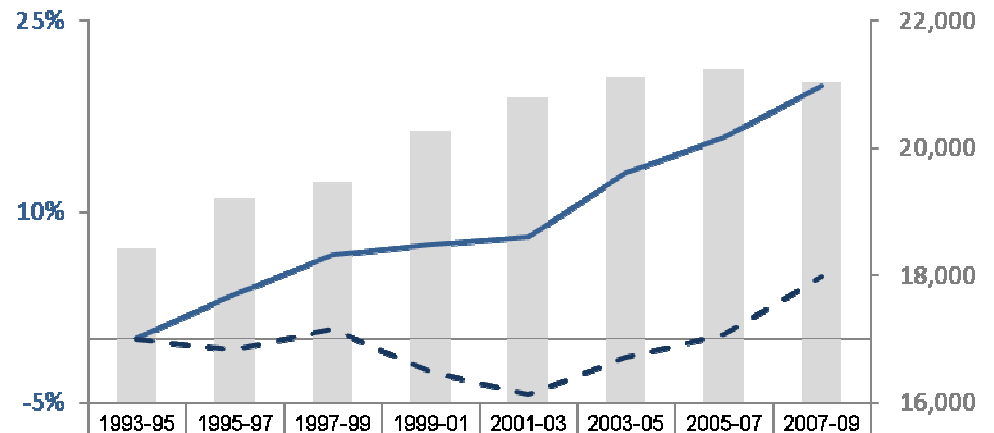
FS continues to streamline processes and invest in technologies to accommodate Seattle Campus growth. While staffing moderately increased, it has not kept pace with the increase in the number of buildings and associated square footage. GSF has grown by almost 20% since 1993-95. During the same time period, staff increased by less than 5%.

These data show the number of square feet per FS staff on the Seattle Campus, including UW Tower.

## Growth in UW Seattle campus exceeds growth of Facilities Services staff

LINE GRAPHS  
% Change since 1993-95

BAR CHART  
GSF per Staff



■ GSF / Staff	18,404	19,183	19,444	20,252	20,774	21,089	21,220	21,025
— % Change in GSF	0.0%	3.4%	6.5%	7.3%	8.0%	12.9%	15.8%	19.8%
- - - % Change in Staff	0.0%	-0.8%	0.8%	-2.5%	-4.3%	-1.4%	0.4%	4.9%

## BENEFIT

Maximizing employee productivity allows for FS to flexibly deploy resources where they're needed most. In this era of limited funding, the challenge is responding to new requirements without lowering service levels for existing customers.

# Lowering Purchase Transaction Costs

Financial Management – Procurement Services

## DESCRIPTION

Average cost to process payments declines as UW buyers migrate from paper-based requisitions to eCommerce alternatives. eCommerce offers UW buyers the option to procure online and make purchases with charge cards

According to independent research, the average administrative cost (sourcing, purchasing and payment activities) of a traditional Purchase Order (PO) process was reported to be \$89 per transaction. UW's equivalent PO process is estimated at \$62 per transaction. Since UW's eCommerce solutions are estimated at \$19 per transaction, we train, support and encourage campus users to migrate purchases to the Web. Further adoption of eCommerce solutions will continue to lower UW's average payment cost.

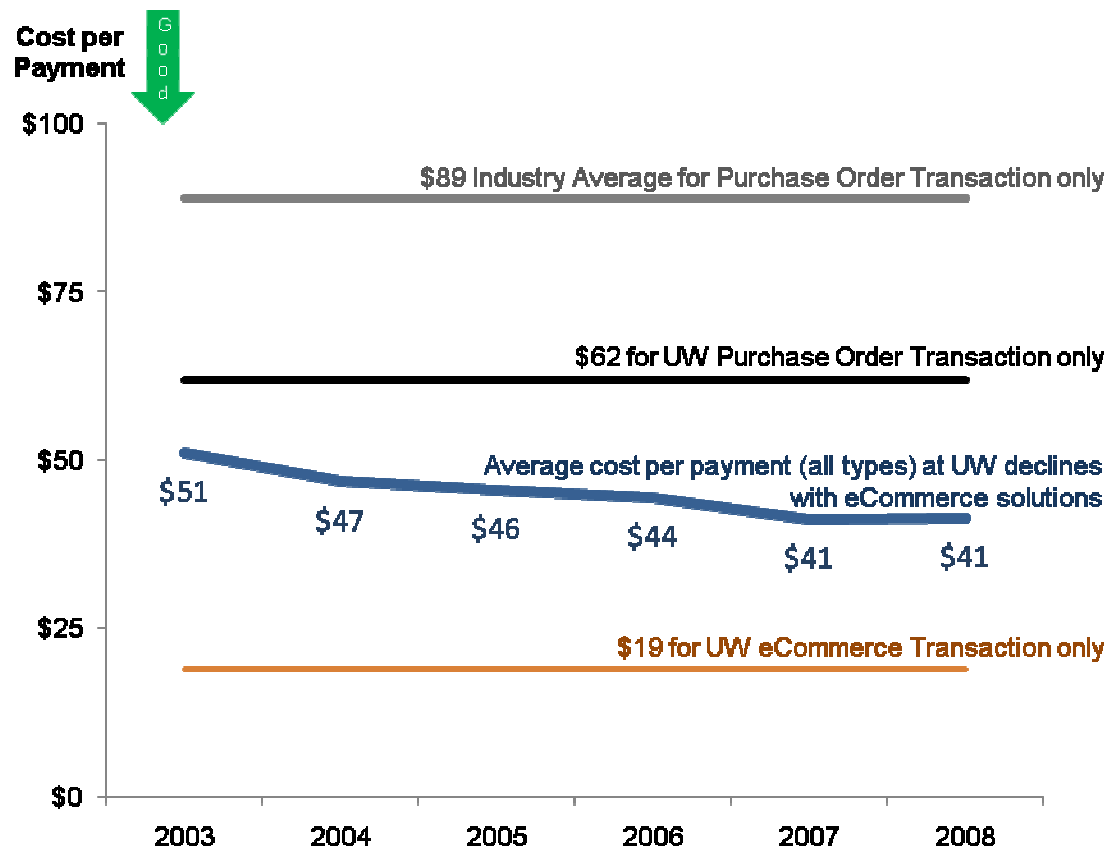
\$54M cost savings is attributed to eCommerce since 2003.

## BENEFIT

Electronic commerce transactions allow for:

- Lower transaction/processing costs through requisition process;
- Aggregated University spending to leverage for volume buying power;
- Standardized and consistent purchasing process;
- An automated process that eliminates manual errors and inefficiencies.

## Implementation of eCommerce solutions drives down cost per payment at UW



# \$1.4M Savings With UW Mail Automation since 2003

## DESCRIPTION

UW Mailing Services handles processing and delivery of incoming, outgoing and inter-departmental mail across all three campuses. Since 1995, process improvements and ongoing performance measurements allow for daily savings through the United States Postal Service's (USPS) automation discount mail programs. These programs use USPS' high-speed optical character readers and barcode sorters, so Mailing Services works to ensure that outgoing mail is automation-compatible.

## BENEFIT

\$1.4M postage costs avoided since 2003.

\$3.4M postage costs avoided since 1995.

Financial Management – Mailing Services

## Automation processing results in postage savings

### Cumulative postage avoided since 2003-04 via Automation (First Class, Automation Presorted, Letters and Flat Mail)





# Processing Paychecks Costs Less Than University of California System

Financial Management - Payroll Office

## DESCRIPTION

UW Payroll increased efficiencies by educating employees to use their Employee Self Service (ESS) accounts to establish, change and retrieve personal account information. On-line activities include:

- Updating address, phone and emergency contact information;
- Retrieving and printing earning statements/advice slips;
- Establishing and updating Form W4 and direct deposit.

Over 90% of active employees receive their paychecks using direct deposit, reducing the average cost per paycheck. In 2006, a new ESS feature allowed for printing replacement W2 forms on-line. Original forms are processed in-house, reducing overall cost per form.

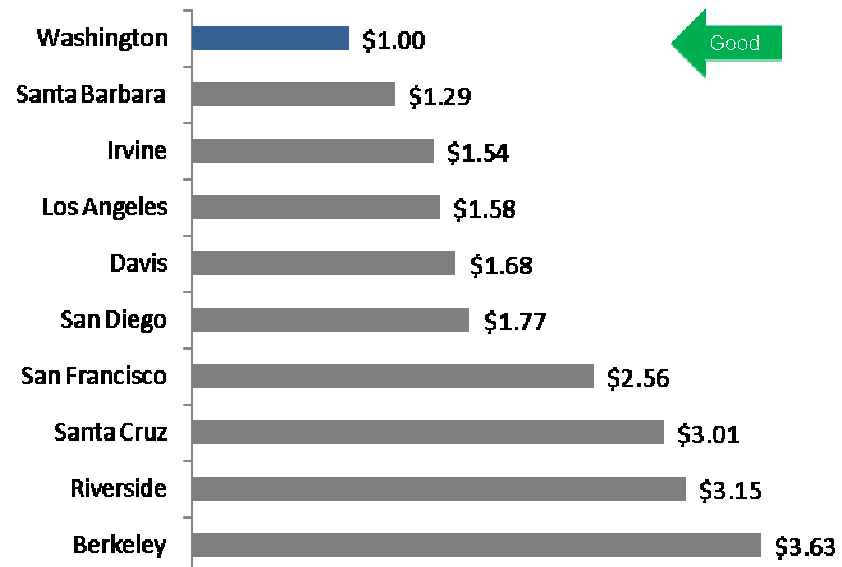
## BENEFIT

Reducing manual processing of forms and information updates allows for reduced temporary staffing during tax season, continuous online access for employees, timely response, reduced mailing and processing costs, and better staff utilization.

Payroll is also better able to respond to increased regulatory and union requirements.

## Cost to produce a paycheck in UW is lower than schools in the University of California system

UW also has a lower cost to produce a W-2 (Wage and tax statement)



# Ranked Highest in University Sustainability Practices

*Environmental Stewardship Advisory Committee*

## DESCRIPTION

Green Report Card is a comparative evaluation of campus and endowment sustainability activities at colleges and universities in the United States and in Canada. In contrast to an academic focus on sustainability in research and teaching, the *Report Card* examines colleges and universities through the lens of institutional environmental sustainability.

The Report Card is designed to identify colleges and universities that are leading by example in their commitment to sustainability.

Source: [www.greenreportcard.org](http://www.greenreportcard.org)

Detailed UW Report Card 2009:  
<http://www.greenreportcard.org/report-card-2009/schools/university-of-washington>

National Center for Public Policy and Higher Education:  
<http://www.highereducation.org/crosstalk/ct0408/news0408-washington.shtml>

**GreenReportCard.org ranks UW among top 15 schools for sustainability. UW is highest among peers, and among Pacific Northwest schools**

	Overall Grade	Investment Priorities	Climate Change & Energy	Food Recycling	Green Building	Student Involvement	Shareholder Engagement	Endowment Transparency	Administration	Transportation
Washington	A-	A	A	A	A	B	B	B	A	A
North Carolina	B+	A	B	A	A	B	-	A	A	A
Oregon	B	A	A	A	A	A	F	F	A	B
Michigan	B	A	B	B	B	C	D	A	B	A
Arizona	B	A	B	B	B	B	F	A	A	B
UC Berkeley	B	B	A	A	B	A	F	D	A	A
UC Los Angeles	B-	B	B	A	B	C	F	B	A	B
Illinois	B-	C	B	B	A	C	F	A	B	B

## BENEFIT

UW's sustainability effort:

- Demonstrates community and institutional stewardship in green initiatives;
- Aligns how the University conducts business with its values.

The Green Report Card is an independent third-party assessment of UW's green practices.

# Fewer Single-Occupant Vehicles Compared to Peers

Facilities Services – Transportation Services

## DESCRIPTION

UW's focus on environmentally friendly transportation modes such as U-PASS, carpools, and bike-friendly amenities results in fewer single-occupant vehicles on the road.

### U-PASS Showcase:

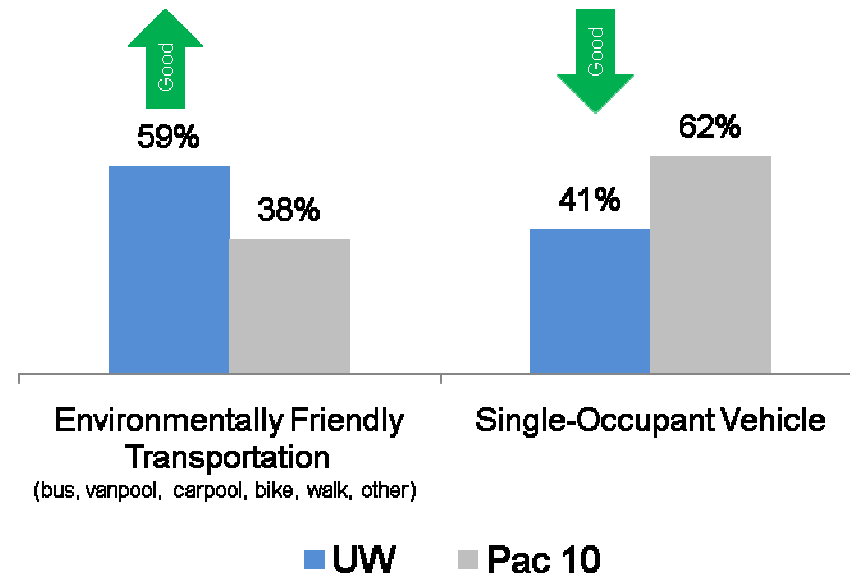
U-PASS is a low-cost commuting option subsidized by the University. U-PASS is designed to support alternative transportation and offers faculty, staff and students at UW Seattle campus an array of commuting choices.

- Full fare coverage on Metro Transit, Community Transit, Pierce Transit, Kitsap Transit, Everett Transit, and Sound Transit buses;
- Full fare coverage on Sounder commuter train service;
- Discounted parking when commuters ride or drive with others;
- Free rides on the Night Ride Shuttle;
- Subsidized vanpool fares;
- Discount on Zipcar car-sharing program;
- Discounts at businesses.

## BENEFIT

Providing sustainable alternative transportation and access to the University provides more options for students and staff, lowers traffic congestion to and from the University, and reduces carbon footprint for all.

## UW has a higher proportion of students and staff travelling to UW using environmentally friendly transportation modes



# UW Ranks First in Peace Corps Volunteers

University of Washington

## DESCRIPTION

Peace Corps volunteers train for 3 months and serve for 2 years abroad in a variety of capacities ranging from work in public health and environment to business and economic development. There are about 8,000 volunteers serving worldwide. As the number-one volunteering university, UW has 113 alumni in the Peace Corps, as of September 30<sup>th</sup>, 2007.

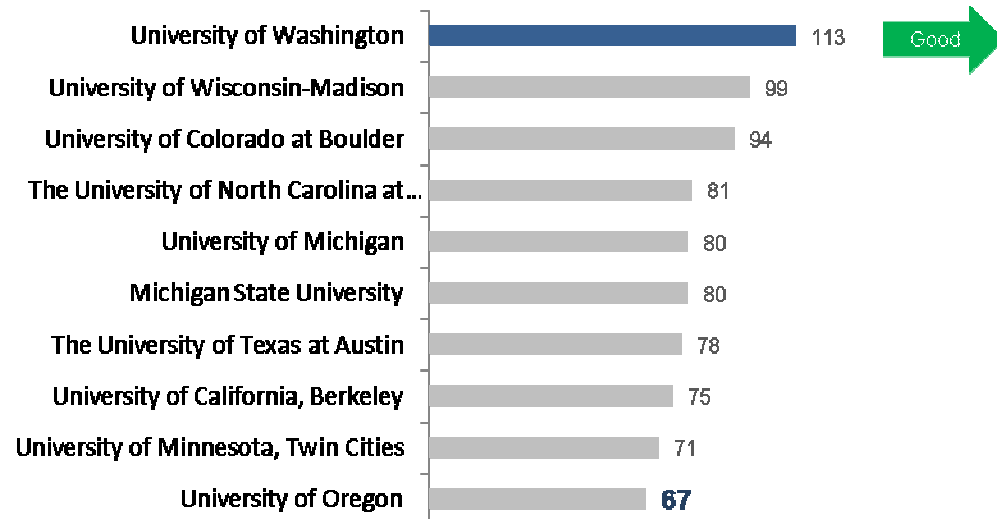
Source: Peace Corps Top Colleges and Universities 2008  
<http://www.peacecorps.gov/multimedia/pdf/stats/schools2008.pdf>

## BENEFIT

Peace Corps volunteers bring needed skills to developing communities around the world, forming bonds of friendship and service. UW's contingent reflects positively on our state's global reach, "can-do" ethic, and willingness to be involved in improving lives—whether through medicine, infrastructure improvements, environmental stewardship or education.

## UW tops the list for Peace Corps volunteers

### Large Colleges and Universities (Top 10)



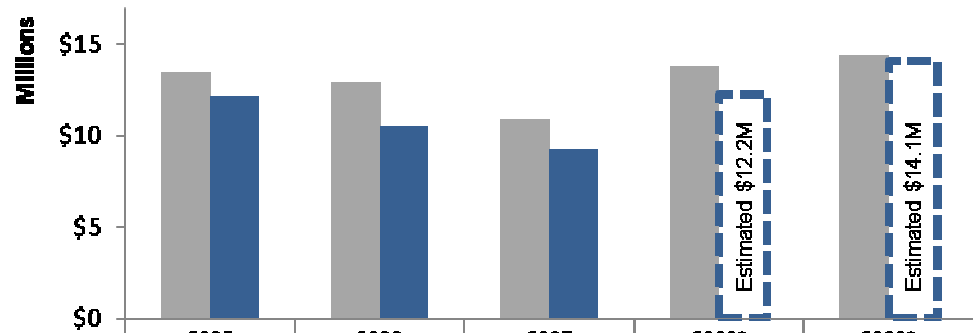
# Labor & Industry Insurance Premium Below Base

University of Washington

## DESCRIPTION

UW's Labor & Industries (L&I) premium is based on the risk of workplace injury or disease and by the UW's "experience factor," which reflects actual claims frequency and severity. For 2008, the projected savings due to favorable claims experience is \$1,513,508.

## Effective management of risk and liability results in Labor & Industries premium savings



	2005	2006	2007	2008*	2009*
■ Base Premium	\$13,410,874	\$12,890,209	\$10,820,022	\$13,766,991	\$14,367,917
■ Assessed Premium	\$12,102,742	\$10,469,957	\$9,252,568	\$12,253,483	\$14,063,317
Savings from Base Premium	\$1,307,932	\$2,420,252	\$1,567,454	\$1,513,508	\$304,600

\*2008 & \*2009 Assessed Premium are estimates

## BENEFIT

UW's ability to achieve an assessed premium below the base premium represents:

- Cost savings to the University;
- The institution's ability to manage/minimize risk and liability in the eyes of Washington State Department of Labor & Industries.

All UW employees benefit from good experience and rates, as they pay a portion of the premium.