Minutes
Senate Executive Committee Meeting
Monday, January 9, 2012, 2:30 p.m.
142 Gerberding

Present: Evans, Nolen, Giebel, Johnson, Carline, Christie, Astley, Gregory, Stygall, Young, Holland, McLean, Cauce, Stern, Plummer, Vogt, Baker, Barsness

Guests: Erdly, Wadden, Breidenthal, Dwyer, Kornberg, Holt, Fraga, Takeuchi

Absent: Taricani, Phillipson, Fridley, Killien

1. Call to Order and Approval of Agenda.
The meeting was called to order at 2:34. The agenda was amended to add under item 6, Consent Agenda, candidates for vice chair: Jack Lee, Professor, Mathematics and Jim Fridley, Professor, Environmental and Forest Sciences and Mechanical Engineering.

2. Report of the Senate Chair – Susan Astley. [Exhibit A]
In addition to her written report, Chair Astley briefed the group on two pieces of Class C legislation regarding the provost search process and repairing shared governance that passed at the December Senate meeting. She also previewed the meeting and called attention to the proposed revisions to the University of Washington Retirement Plan (UWRP) being discussed later in the meeting.

President Young welcomed Provost Cauce to her new role. He went on to say that the legislative session started today. Cuts are expected, but revenue enhancements would likely be proposed that may backfill cuts. The University will also be asking for more control over various processes which should allow the university to save money. The University is also hoping to gain more flexibility in managing investments.

a. Report of the Secretary of the Faculty. [Exhibit B]
b. Report of the Chair of the Senate Committee on Planning and Budgeting. [Exhibit C]
c. Report of the Faculty Legislative Representative. [Exhibit D]
d. Report of the Faculty Council Activities. [Exhibit E]

Senator Giebel asked about some of the retention data included in the SCPB report [Exhibit C] and thanked everyone who worked to gather the information. He originally asked that this information be compiled because of concerns that he heard from colleagues in Arts & Sciences. Under EO 64, it appears to him that any retention offers would be outside of the policy in the Executive Order. The retention section of the salary policy was not changed when EO 64 was amended. However, it was changed in EO 29 which has since expired on June 30, 2011. After reviewing the report, he was surprised by how few retention raises there were in Arts & Sciences compared to how many were made in some other schools. He also expressed concern at the number of pre-emptive offers. He voiced worry that this will take the salary increase practices back to the 1990s that led to the need for the current policies in the first place. He also shared his worry that the salary policies are not being followed as intended.

Chair Astley invited SCPB Chair Stygall to speak to her retention report. Stygall began by stating that Vice Provost for Academic Personnel Cheryl Cameron gathered the data from 2008 to the present, and that some retention offers are still in process (e.g. from July 1 to October 31, as well as commitments going to the next academic year). The Senate office also has information dating back to 2003. A conclusion from Stygall was that it is clear that there are different cultures for retention offers throughout the University; comparing Arts & Sciences to Medicine shows quite a contrast. The data show that there is a trend towards more pre-emptive retention offers than responses to actual outside
offers. Stygall believes that some faculty may be uncomfortable about pre-emptive offers because they are used differently throughout the University and that there is a lack of a clear procedure for these offers in the Faculty Code. It was also pointed out that the School of Medicine has a great deal of non-state money to support retention increases, while Arts & Sciences does not. Senator Johnson pointed out that some faculty used to shop for outside offers to get raises, so he is not sure if pre-emptive offers aren’t better.

Provost Cauce pointed out that every department has to create a policy as to how they will proceed with retention offers and that all groups must follow the process they’ve created. Stygall urged members to speak up and attempt to change their policies if they don’t like what is in place in their departments.

Executive Vice Provost Wadden responded that the meeting’s discussions were good and that the defining point is the difference between state and non-state funds. He also pointed out that retention offers are essential to the quality of the University faculty. Wadden suggested that maybe the focus of future discussion should be on what good policies would look like.

Provost Cauce informed the group that the first item on the agenda for both meetings with faculty leadership and the President were the Faculty Salary Policy. Astley told Giebel that he has been heard and that a workgroup is being formed to continue work on this issue.

Giebel reiterated that he believed that the Senate should have an opportunity to discuss this issue as well and that he would like the SCPB report to be presented at the next Senate meeting. He then went on to share his concern that the written faculty salary policy prioritizes retention after regular merit, while in reality this isn’t happening, whether or not they are state funds. Giebel also believed that there is a way that state funds get involved when regular merit raises start up again since they will be based on current pay which will include retention increases made while others did not receive merit increases. He then shared his opinion on the value of the 1999 changes. Christie wondered if Giebel’s concern about non-state/state funds is as significant as it may look, but unfortunately the data are difficult to find. There was then some discussion about the state pay freeze and what the rules were regarding grant-funded increases.

5. Consent Agenda.
   a. Approval of the November 14, 2011, SEC minutes and December 1, 2011, Faculty Senate Minutes.
   b. Approve Nominees for Faculty Councils and Committees. [Exhibit F]
   c. Approve the 2012-2013 Vice Chair Nominations for Faculty Senate Vote, Jack Lee, Professor, Mathematics and Jim Fridley, Professor, Environmental and Forest Sciences and Mechanical Engineering;
   d. Approval of the January 26, 2012, Faculty Senate Agenda. [Exhibit G]

The consent agenda was approved.

6. Announcements.

There were no announcements.

7. Unfinished Business.

There was no unfinished business.

   a. Update Report on University of Washington Retirement Plan (UWRP). [Exhibit H]
      Bob Breidenthal, Member, Faculty Council on Benefits and Retirement (FCBR) and Fund Review Committee.
      Katy Dwyer, Executive Director of Benefits.
Dwyer and Breidenthal gave a presentation [Exhibit H] that focused on the background, historical timeline, and process undertaken to revise the UWRP. Dwyer also handed out a sheet with the Fund Review Committee (FRC) membership and emphasized that the FRC is advisory to the Provost. FRC members are Susan Bell, Senior Associate Treasurer; J. Ray Bowen, Professor Emeritus, Chemical Engineering; Robert Breidenthal, Professor, Aeronautics and Astronautics and FCBR representative; Kathleen Dwyer, Executive Director of Benefits, Human Resources; Paul Malatesta, Professor, Finance and Business Economics, Senate Executive Committee representative; T. Aaron Morello, Research Scientist, professional staff representative; Frederica (Rica) O’Connor, Associate Professor, Psychosocial and Community Health, Senate Executive Committee representative; Gary Quarfoth, Associate Vice Provost, Office of Planning and Budgeting; Dorothy (Dottie) Smith, Digital Reference Librarian, Association of Librarians representative, V’Ella Warren, Senior Vice President and Treasurer, Board of Regents; one nonvoting representative each from Western Washington University and Central Washington University.

Concerns have been expressed regarding the lack of faculty and professional staff’s participation in the process. UW Vice President for Human Resources suggested holding several town hall meetings for affected faculty and staff to provide input on the proposal. She stressed the fact that there were no plans to take a final draft to the Regents at their February meeting and that shared governance is more important. The main reason for moving ahead in a timely manner is because faculty and staff are currently paying higher fees.

FCBR member Brad Holt hopes for an electronic discussion board to discuss the issue. FCBR believes there are some really good things in it, but there are also some concerns. He said the largest disagreement is over Tier II.

Senator Nolen asked Holt what his concern was and Holt said the administration wanted to pick “best of best” and he questioned the ability of the administration to pick the best of best. The original disagreement was that the administration proposed only one of each, but that has since changed and there are now more choices.

Giebel brought up the concern of having socially responsible investing options, and it was explained that these would be offered through a brokerage window.

UW Bothell representative Steve Holland asked about town halls being conducted at the Bothell and Tacoma campuses. Provost Cauce brought up the possibility of doing so remotely.

b. Class Legislation – First Consideration. [Exhibit I]

David Takeuchi, Chair, Faculty Council on Multicultural Affairs.

Title: Code Revisions to Chapters 24-31 and 24-32: Revisions related to appointment and promotion of faculty.

Action: Approve for Faculty Senate Consideration.

Vice Chair Gregory moved to submit the legislation. Faculty Council on Multicultural Affairs (FCMA) Presidential Designee Luis Fraga introduced the legislation. He explained that the idea came from the University of California system and was adapted to the UW Faculty Code. He stressed the fact that the proposed changes were not adding requirements or mandatory behaviors; they simply clarify that what can be considered in tenure and promotion considerations. FCMA unanimously voted to bring the proposal to SEC.

There was discussion about whether this legislation could be misleading junior faculty to believe that diversity work may carry more weight in promotion and tenure than is the case, and be possibly sufficient for tenure and promotion without other contributions.

Eric Stern moved to amend the legislation and replace “Washington’s diverse population” to “diverse populations.” The amendment was seconded and approved.
Debate was closed and the SEC passed the legislation unanimously.

   Meeting was adjourned at 4:15.

Prepared by:  Marcia Killien, Secretary of the Faculty
Approved by:  Susan Astley, Chair of the Faculty Senate

**NOTE:** If a continuation meeting is necessary to conduct unfinished or special business, it will be held on Tuesday, January 17 at 2:30 p.m. in Gerberding 142.
Welcome Provost Cauce.

- I would like to extend a warm welcome to Provost Ana Mari Cauce. Provost Cauce’s term started January 2, 2012. We look forward to a productive new year.
- Faculty expressed strong support for President Young’s selection of Ana Mari Cauce.
- Members of the SEC and faculty expressed deep concern regarding the search process. What was initially proposed to be an open search for an internal candidate, became a closed search when most of the finalist candidates expressed they would drop out if their names were released as finalists. On November 17, 2011, President Young announced Dr. Ana Mari Cauce as his preferred candidate for UW Provost. He also announced he would set up opportunities for members of the University community to hear Dr. Cauce discuss her plans as our chief academic officer, to ask questions, and to share with him any feedback University members would like him to consider. This public process took place the week of November 19th, prior to formal confirmation of the appointment. President Young announced his decision to appoint Dr. Cauce as Provost on December 6.
- At the December 1, 2011 Senate meeting, the Senate passed a Class C Resolution “Concerning the Provost Search Process” expressing its clear expectation that future searches for academic administrators include open public forums with finalists.

Class C Resolution “Shared Governance and the Faculty Salary Policy“ Passed by Senate.

- A Class C Resolution on “Repairing Shared Governance and the Faculty Salary Policy” was introduced by Senator Giebel at the October 2011 Senate meeting. Discussion ensued with members voicing both support and concern for the Resolution. Following discussion, a motion was approved to refer the Resolution to a committee. The committee’s charge was to bring a revised motion for action to the December 2011 Senate meeting.
  - A committee of 6 Faculty Senators was established. Members included: Zoe Barsness, Chair, UW Tacoma Faculty Assembly; Christoph Giebel, Arts and Sciences; Miéal Vaughan, Arts and Sciences; Kurt Johnson, Medicine; Helen Anderson, Law; and Lynne Manzo, Built Environments.
- Zoe Barsness, chair of the committee presented the revised motion to the Senate. The resolution passed with a unanimous vote of the Senate.
- Discussions are underway to establish a Faculty Salary Policy Workgroup to address immediate and long-term salary policy issues.

Proposed Changes to the University of Washington Retirement Plan (UWRP)

- The Faculty Council on Benefits and Retirement (Gerry Philipsen, Chair) has been working with the administration and the Fund Review Committee (FRC) on proposed changes to the UWRP (see FCBR minutes for Nov 1, 2010 through April 25, 2011). Bob Breidenthal, FCBR and Katy Dwyer Executive, Director of Benefits will provide an update to the SEC later in today’s meeting.
Report of the Secretary of the Faculty  
Marcia Killien, Professor, Family and Child Nursing

1. The nominating committee has been contacting and interviewing candidates for Vice Chair of the Faculty Senate for a term beginning in 2012. The Committee expects to identify candidates for the January Senate meeting.

2. Three proposals for changes in academic programs were reviewed and approved by the Senate Committee on Planning and Budgeting to move forward in the limited RCEP process. These programs are: the transfers of the Institute for Public Health Genetics and the Interdisciplinary Graduate Program in Nutritional Sciences from the Graduate School to the School of Public Health, and the transfer of the Public Health Undergraduate Major from the College of Arts and Sciences to the School of Public Health. The Secretary of the Faculty has notified the affected faculty for these three programs in the School of Public Health and College of Arts and Sciences that they have until January 31, 2012, to petition the Provost if they believe the full RCEP process should be followed.
The Senate Committee on Planning and Budgeting (SCPB) continued to meet throughout the fall quarter and covered a number of issues in their deliberations. We discussed the final report of the Activity Based Budgeting (ABB) Steering Committee. In reaction to the report, SCPB requested that three members of SCPB including the Chair be made a part of the reconstitution of the University Budget Committee. UBC is proposed as the possible oversight committee for ABB. SCPB met both with and without administrators during this period of time. From ABB, we turned to a discussion of tuition approaches, including differential tuition of different types (by school or college, by lower or upper division) and reserved further discussion until such time as there is a proposal before us. We also had an information meeting in which we were provided data from Philip Ballinger, Assistant Vice President for Enrollment, on Admissions, Carol Diem, Director of Institutional Research, on faculty and class statistics (who will return in the winter quarter), and Cheryl Cameron, Vice Provost for Academic Personnel, on retention. We also approved for limited RCEPs: the Interdisciplinary Graduate Program in Nutritional Sciences and the Institute for Public Health Genetics moves from the Graduate School to the School of Public Health; and the Public Health Undergraduate Major from Arts and Sciences to the School of Public Health.

Retention

Attached to this report are the materials provided to SCPB by Vice Provost for Academic Personnel Cheryl Cameron. These materials cover the years 2008-09 through the current academic year. Records of SCPB also provided earlier data from the years 2003-04 through 2007-08. We are providing two additional charts: one comparing Arts and Sciences retention with School of Medicine retention; the other examining retention offers divided into preemptive and competitive. From these materials we can make two observations. First, different schools and colleges have quite different cultures for retention. In the School of Medicine, the percentage of faculty receiving retention offers reached as high as 31.3% of the entire faculty, while in the College of Arts and Sciences, the percentage of faculty receiving retention offers only reached 3.7% of the faculty at its highest. Second, across the university, the preemptive offers dominate the number of competitive offers. Although the Faculty Code provides for departments to choose how they want to review retention offers, there is no Code-approved procedure for preemptive offers to be made. It is possible that in one department a preemptive offer may be made on the possibility that a faculty member might be recruited, while in another department a faculty member must be invited for a campus visit to receive a preemptive offer. This variation in process for preemptive offers may well contribute to the concerns faculty have about how these offers are created.

At the Senate Executive Committee meeting on January 9, 2012, and at the Faculty Senate meeting on January 26, 2012, I will speak briefly about each of the documents appended here.
### RETENTION COMPARISON: A & S and MEDICINE
#### 2003-04 through 2011-12

<table>
<thead>
<tr>
<th>Year</th>
<th>UW total</th>
<th>Arts Sciences</th>
<th>Medicine</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>total retention</td>
<td>total faculty</td>
<td>% retention</td>
</tr>
<tr>
<td>2003-04</td>
<td>693</td>
<td>5007</td>
<td>13.8</td>
</tr>
<tr>
<td>2004-05</td>
<td>842</td>
<td>5154</td>
<td>16.3</td>
</tr>
<tr>
<td>2005-06</td>
<td>497</td>
<td>5185</td>
<td>9.6</td>
</tr>
<tr>
<td>2006-07</td>
<td>546</td>
<td>5282</td>
<td>10.3</td>
</tr>
<tr>
<td>2007-08</td>
<td>554</td>
<td>5455</td>
<td>10.2</td>
</tr>
<tr>
<td>2008-09</td>
<td>683</td>
<td>5455*</td>
<td>12.5</td>
</tr>
<tr>
<td>2009-10</td>
<td>81</td>
<td>5455</td>
<td>1.5</td>
</tr>
<tr>
<td>2010-11</td>
<td>324</td>
<td>5455</td>
<td>5.9</td>
</tr>
<tr>
<td>2011-12</td>
<td>220**</td>
<td>23**</td>
<td>135**</td>
</tr>
</tbody>
</table>

*Total faculty not provided in any of the categories for 2008-2012; we used the last figure given.

**Partial figures for this academic year. These include both the retentions that took effect through 10/31/11 and the commitments made for retention from 11/1/11 through 9/16/12.
COMPARISON: PRE-EMPTIVE v. COMPETITIVE RETENTION
2003-04 through 2011-12
SCPB

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Preempts</th>
<th>Medicine Only</th>
<th>Non-Medicine Preempts</th>
<th>Total Competitive</th>
<th>Medicine Only</th>
<th>University-Wide Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-04</td>
<td>665</td>
<td>621</td>
<td>44</td>
<td>28</td>
<td>1</td>
<td>693</td>
</tr>
<tr>
<td>2004-05</td>
<td>808</td>
<td>544</td>
<td>264</td>
<td>34</td>
<td>0</td>
<td>842</td>
</tr>
<tr>
<td>2005-06</td>
<td>467</td>
<td>330</td>
<td>137</td>
<td>30</td>
<td>1</td>
<td>497</td>
</tr>
<tr>
<td>2006-07</td>
<td>519</td>
<td>453</td>
<td>66</td>
<td>27</td>
<td>7</td>
<td>497</td>
</tr>
<tr>
<td>2007-08</td>
<td>533</td>
<td>411</td>
<td>122</td>
<td>21</td>
<td>0</td>
<td>554</td>
</tr>
<tr>
<td>2008-09</td>
<td>513*</td>
<td>491*</td>
<td>22</td>
<td>19</td>
<td>0</td>
<td>683*</td>
</tr>
<tr>
<td>2009-10</td>
<td>32*</td>
<td>28*</td>
<td>4</td>
<td>14</td>
<td>11</td>
<td>81*</td>
</tr>
<tr>
<td>2010-11</td>
<td>157*</td>
<td>145*</td>
<td>12</td>
<td>43</td>
<td>37</td>
<td>324*</td>
</tr>
<tr>
<td>2011-12**</td>
<td>47+19 (66)</td>
<td>17</td>
<td>8</td>
<td>17+11 (28)</td>
<td>14</td>
<td>220*</td>
</tr>
</tbody>
</table>

*Categories changed between 07-08 and 08-09. Actual total count for 08-09 on is higher than represented here.

**2011-12 has two separate counts, one from 7/1/11 through 10/31/11 and another that begins 11/1/11 and continues until 9/16/12. New salary commitments may have been made that do not start until later in the year.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Preempts</th>
<th>Total Competitive</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-04</td>
<td>665</td>
<td>28</td>
</tr>
<tr>
<td>2004-05</td>
<td>808</td>
<td>34</td>
</tr>
<tr>
<td>2005-06</td>
<td>467</td>
<td>30</td>
</tr>
<tr>
<td>2006-07</td>
<td>519</td>
<td>27</td>
</tr>
<tr>
<td>2007-08</td>
<td>533</td>
<td>21</td>
</tr>
<tr>
<td>2008-09</td>
<td>513*</td>
<td>19</td>
</tr>
<tr>
<td>2009-10</td>
<td>32*</td>
<td>14</td>
</tr>
<tr>
<td>2010-11</td>
<td>157*</td>
<td>43</td>
</tr>
<tr>
<td>2011-12**</td>
<td>47+19 (66)</td>
<td>17+11 (28)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-Medicine Preempts</th>
<th>Total Competitive w/o Medicine</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-04</td>
<td>44</td>
<td>27</td>
</tr>
<tr>
<td>2004-05</td>
<td>264</td>
<td>34</td>
</tr>
<tr>
<td>2005-06</td>
<td>137</td>
<td>29</td>
</tr>
<tr>
<td>2006-07</td>
<td>66</td>
<td>20</td>
</tr>
<tr>
<td>2007-08</td>
<td>122</td>
<td>21</td>
</tr>
<tr>
<td>2008-09</td>
<td>22</td>
<td>19</td>
</tr>
<tr>
<td>2009-10</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>2010-11</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>2011-12**</td>
<td>8</td>
<td>14</td>
</tr>
</tbody>
</table>
**KEY for Retention Charts**

**Competitive Offers:** An offer made by the school or college in response to an offer of employment to a faculty member here from another college or university.

**Pre-Emptive Competitive Offers**
An offer made by the school or college in anticipation of a faculty member receiving an offer of employment from another college or university; a pre-emptive offer may be made at any point in the process—from a sense that it is likely that the faculty member will be recruited up to the point that a faculty member is making an on-campus visit to another college or university.

**Locally-Funded Pre-Approved Retention Form**
Although all of these offers are now locally funded, these offers do not need to receive the Provost’s approval because they are 5% or less of the faculty member’s current salary.

**A/B Retentions**
An A/B salary represents a situation in which the faculty member could be paid more by an outside source (e.g., grant or contract) and gives up some percentage of his or her tenure so that the faculty member will receive all of his or her previous salary plus the additional sums that can be paid by the outside source. An A/B retention might represent an initial switch into the A/B salary plan for a faculty member or it might represent the faculty member giving up an additional tenure percentage, with additional outside funds, in a retention situation.

**.5% Retention Pool**
When the state of Washington last provided raises for the employees of the UW, the Provost set aside .5% of the total funds allotted to raises for a retention pool. There were no raise allotted in the state budget so no retention pool was set aside after the 2009-10 academic year.
<table>
<thead>
<tr>
<th>School/College/Campus</th>
<th>Competitive Offers</th>
<th>Pre-Emptive Competitive Offers</th>
<th>Locally Funded Pre-Approved Retention Form</th>
<th>A/B Retentions</th>
<th>.5% Retention Pool</th>
<th>Total</th>
<th>Academic Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts and Sciences</td>
<td>17</td>
<td>15</td>
<td>0</td>
<td>1</td>
<td>14</td>
<td>47</td>
<td>2008-09</td>
</tr>
<tr>
<td>Built Environments</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>13</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Business</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Dentistry</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>7</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Engineering</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>2</td>
<td>12</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Evans School</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Forest Resources</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>17</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Information</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Law</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>12</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Medicine</td>
<td>0</td>
<td>491</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>491</td>
<td></td>
</tr>
<tr>
<td>Nursing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>Ocean and Fishery Sciences</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>7</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Public Health</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>7</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Social Work</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>UW Bothell</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>UW Tacoma</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Undergrad. Acad. Affairs</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>2008-09 Totals:</strong></td>
<td><strong>19</strong></td>
<td><strong>513</strong></td>
<td><strong>22</strong></td>
<td><strong>5</strong></td>
<td><strong>124</strong></td>
<td><strong>683</strong></td>
<td></td>
</tr>
<tr>
<td>Department</td>
<td>2009-10</td>
<td>2010-11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>---------</td>
<td>---------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Arts and Sciences</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td>14</td>
<td>43</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td>32</td>
<td>157</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Business</strong></td>
<td>23</td>
<td>115</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dentistry</strong></td>
<td>4</td>
<td>277</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Engineering</strong></td>
<td>8</td>
<td>324</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Evans School</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Medicine</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Public Health</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ocean and Fishery Sciences</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Social Work</strong></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>UW Bothell</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**2009-10 Totals:** 14 32 23 4 8 81

**2010-11 Totals:** 43 157 115 9 NA 324
<table>
<thead>
<tr>
<th>Department</th>
<th>2011-12</th>
<th>2011-12</th>
<th>2011-12</th>
<th>2011-12</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts and Sciences</td>
<td>4</td>
<td>11 (1*)</td>
<td>NA</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Dentistry</td>
<td>1</td>
<td>NA</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering</td>
<td>9</td>
<td>1</td>
<td>NA</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>1</td>
<td>NA</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foster School</td>
<td>2</td>
<td>NA</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Law</td>
<td>1</td>
<td>NA</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Libraries</td>
<td>1</td>
<td>NA</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicine</td>
<td>9</td>
<td>45</td>
<td>46 (1*)</td>
<td>NA</td>
<td>100</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>1</td>
<td>NA</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Health</td>
<td>5</td>
<td>NA</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Work</td>
<td>1</td>
<td>NA</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UW Bothell</td>
<td>1</td>
<td>2 (1*)</td>
<td>NA</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td><strong>2011-12 Totals:</strong></td>
<td><strong>17</strong></td>
<td><strong>47</strong></td>
<td><strong>73</strong></td>
<td><strong>4</strong></td>
<td><strong>141</strong></td>
</tr>
</tbody>
</table>

*In response to competitive offer.*
2010-11 Retentions

80 retention salary adjustments were effective between July 1, 2010 and October 31, 2010
7 (8.7%) funded with State funds
73 (91.3%) funded with Non-State funds
Annualized value of State funded retentions - $139,101
Mean value of State funded retentions - $19,872
Median value of State funded retentions - $18,090
Annualized value of Non-State funded retentions - $1,325,206
Mean value of Non-State funded retentions – $18,180
Median value of Non-State funded retentions - $13,872
Mean % increase – 13.5%; Median % increase – 10.0%
26 (32.5%) in response to known competitive offers

39 retention salary adjustments were effective between November 1, 2010 and January 31, 2011
2 (5.1%) funded with State funds
37 (94.9%) funded with Non-State funds
Annualized value of State funded retentions - $70,404
Mean value of State funded retentions - $35,202
Median value of State funded retentions - $35,202
Annualized value of Non-State funded retentions - $635,409
Mean value of Non-State funded retentions - $17,173
Median value of Non-State funded retentions - $11,088
Mean % increase – 11.8%; Median % increase – 9.0%
16 (42.1%) in response to known competitive offers

84 retention salary adjustments were effective between February 1, 2011 and April 30, 2011
1 (1.2%) funded with State funds
83 (98.8%) funded with Non-State funds
Annualized value of State funded retentions - $74,079
Annualized value of Non-State funded retentions - $1,725,234
Mean Value of Non-State funded retentions - $20,786
Median value of Non-State funded retentions - $16,902
Mean % increase – 14.1%; Median % increase – 14.1%
9 (10.7%) in response to known competitive offers
121 retention salary adjustments were effective between May 1, 2011 and June 30, 2011
0 funded with State funds
121 (100%) funded with Non-State funds
Annualized value of Non-State funded retentions - $2,278,351
Mean value of Non-State funded retentions - $18,829
Median value of Non-State funded retentions - $13,776
Mean % increase – 14.6%; Median % increase – 12.3%
5 (4.3%) in response to known competitive offers

2011-12 Retentions

141 retention salary adjustments were effective between July 1, 2011 and October 31, 2011
24 (17.0%) funded with State funds
114 (80.9%) funded with Non-State funds
3 (2.1%) funded with a combinations of State and Non-State funds
Annualized value of State funded retentions - $412,817
Mean value of State funded retentions - $15,290
Median value of State funded retentions - $7,614
Annualized value of Non-State funded retentions - $2,519,916
Mean value of Non-State funded retentions - $21,355
Median value of Non-State funded retentions - $12,732
Mean % increase – 13.79%; Median % increase – 10.0%
20 (14.2%) in response to known competitive offer
<table>
<thead>
<tr>
<th></th>
<th>Competitive Offers</th>
<th>Pre-Emptive Competitive Offers</th>
<th>Locally Funded Pre-Approved Retention Form</th>
<th>A/B Retentions</th>
<th>Total</th>
<th>Academic Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts and Sciences</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>8</td>
<td>11/1/11-9/16/12</td>
</tr>
<tr>
<td>Engineering</td>
<td>0</td>
<td>1</td>
<td>35</td>
<td>0</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>Medicine</td>
<td>5</td>
<td>17</td>
<td>13</td>
<td>0</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>11</strong></td>
<td><strong>19</strong></td>
<td><strong>49</strong></td>
<td><strong>0</strong></td>
<td><strong>79</strong></td>
<td></td>
</tr>
</tbody>
</table>

Retention Adjustments Approved Effective 11/1/11 and Beyond

79 retention salary adjustments were effective between 11/1/11 and 9/16/12 as of 11/22/11

43 (54.4%) funded with State funds
36 (45.6%) funded with Non-State funds

Annualized value of State funded retentions - $403,822
Annualized value of Non-State funded retentions - $1,072,776
Mean value of State funded retentions - $9,391
Mean value of Non-State funded retentions – $29,799
Median value of State funded retentions - $7,470
Median value of Non-State funded retentions - $14,256
Mean % increase – 12.23%; Median % increase – 8.98%

11 (13.9%) in response to known competitive offer

As of 22 November 2011
January 9, 2012, SEC Minutes 17

Exhibit D

Report of the Faculty Legislative Representative
Jim Fridley, Professor, Forest Resources and Mechanical Engineering

The 2012 Session of the Washington State Legislature convenes on Monday January 9th and is scheduled to adjourn sine die on Thursday March 8th. It is a 60 day “short session” this year, supposedly intended to consider only legislation that is necessary to make essential mid-biennium corrections to the budget and policy. This particular short session will be unusual however because mid-biennium corrections to the budget are not only essential but, as is known by everyone who is even vaguely aware of Washington state government and politics, they will be extremely difficult and painful reductions. The severity of the state’s budget problems and the economic crisis that has caused them will also bring policy proposals that while probably not truly essential mid-biennium corrections will be seen by many as necessary to help the state and its citizens through these very difficult economic times.

In the recent special session of the legislature the House and Senate’s Ways and Means Committees heard lots of testimony in their respective sets of public hearings about the Governor’s proposal for the supplemental (in this case supplemental means very severely reduced) budget. Relatively small portions of the cuts proposed to address their $2 billion problem were met with little negative response from the public. As a result the legislature passed a supplemental budget that cut about $323 million in expenditures and directed about $106 million in fund transfers. This is reasonably seen as having solved about 25% of the problem they face. The University of Washington’s share in this initial action was a reduction of about $250 thousand. But that reduction is arguably not really a budget cut to UW since it is essentially the state capturing savings it generated for itself through policy changes enacted in the 2011 regular session.

Starting Monday the work of the legislature must include solving the remaining three quarters of its budget problem. If there is good news for the University of Washington it is that the importance of higher education to the state as a whole is becoming increasingly well recognized by the legislature, the governor and the business community. There is genuine appreciation for the wisdom of investing more not less in higher education right now. Unfortunately though, it’s hard to believe that this appreciation for the importance of higher education can ultimately be enough when there are so few options available for solving the problem. Additionally there are reasons to expect the budget problem to grow when the next economic and revenue forecast report is released in February. In the end I expect that we will be seeing for the University a mix of budget cuts, budget cut restorations that depend on the public’s acceptance of legislation for new revenue, specific budget “adds” that intend to increase our participation in educating more students to be more competitive for jobs with companies in technology and manufacturing, policy intended to allow (or force) higher education to be more efficient in the use of its resources, and policy to encourage/force the education system in general to change in ways that result in more Washingtonians to attend college and earn college degrees.

I am looking forward to working with any and all of you this session. I will use Twitter to communicate to you on a daily basis (@uw_fac_leg_rep). Please sign up and “follow.” Less frequently, but regularly I hope, I’ll use the Faculty Senate Blog (https://depts.washington.edu/senatblg) to provide updates, opioniate, or even just blow off some steam. I will also be using very short and targeted catalyst polls to get your feedback when specific policy or budget questions warrant it. The information I gather in this way helps gives me the opportunity to have meaningful participation in the legislative process so please be responsive if you hear from me, and remember Olympia time runs at least 10 times faster than campus time so don’t delay! Lastly please use your personal (hopefully non-UW) email account to send me an email (jim.fridley@fridleys.net) as soon as you get a chance. I will assemble an email list to contact you if/when I need your help.
Lastly and importantly, remember that our colleagues in the Office of State Relations (http://www.washington.edu/staterelations/) and the Office of Planning and Budgeting (http://opb.washington.edu/) provide lots of useful information for you, through for example their briefing papers and blogs, throughout the entire legislative session. They generally have as up to date information as anybody you will find. Remember, too, to thank these folks when you see them. Their work on our behalf during the legislative session is substantial, the hours they devote to it become endless, and although it might not be readily apparent to all of us they are generally very successful in helping guide state budget and policy proposals toward the best possible outcomes. Unfortunately, their work isn’t usually very apparent to us faculty so in many ways it becomes pretty thankless for them.

Respectfully submitted by:

Jim Fridley
Professor of Environmental and Forest Science
Professor of Mechanical Engineering
UW Faculty Legislative Representative
Faculty Council Activities

Senate Executive Committee

Faculty Council on Academic Standards

In addition to normal business reviewing curriculum changes, major topics that FCAS is undertaking are:

1. Policy for handling students enrolled in programs selected for termination or that have been terminated.
2. Enrollment restrictions imposed on students in fee-based programs.
3. Academic credit for life experiences.

Faculty Council on Benefits and Retirement

1. Will work with the Provost and Fund Review Committee to review a Request for Proposals for University of Washington Retirement Plan changes.
2. Monitoring proposed legislation related to benefits and retirement
3. Review benefits costs including health, life and long-term disability and retirement plan costs and personal cost options and ensure consistency and comparability with best practices for such plans.
4. Provide through the faculty senate process information to faculty on costs and potential alternatives for university-based and SEBB insurance

Faculty Council on Faculty Affairs

1. Adjudication Issues in response to SEC resolution. Three sub-issues have been identified:
   a. Interaction of EO61 (OSI) and the informal dispute resolution process in the Faculty Code.
   b. Ability of Deans to assign disciplinary measures without adjudication.
   c. Notification of rights during dispute resolution process, and rights of appeal.
      FCFA is currently in the issue discussion
2. P&T Issues – Openness and consideration of collegiality in the P&T process.
3. Adjudication Revision – A general reworking of the adjudication process, with ties to item 2, but broader in scope. This is presently in the hands of a task force and will come to FCFA for review.
4. Senate Restructuring Cleanup – Alternate delegates for Senators, SEC nomination process, SEC Faculty Council Chair elections, double Senators (elected and ex officio).

Faculty Council on Multicultural Affairs

FCMA has drafted and proposed changes to the Faculty Code in order to make accomplishments related to enriching diversity in teaching, research and service considered, but not required, in faculty appointments and promotions decisions.
Faculty Council on Research

FCR is continuing to monitor and promote activities strengthening the research environment at the University (our goal as stated in October, 2010).

One of FCR’s activities is to review proposals from UW researchers containing restrictions of various sorts (publication policies, personnel, data transfer, etc). FCR dealt with one such proposal of this sort fall quarter.

At FCR’s monthly meetings over the fall, FCR has heard several presentations by the Office of Sponsored Programs and the Office of Research personnel on items including challenges for the Research at UW, changes in the Grants Information Memoranda, conflict of interest training, revision of federal Human Subjects regulations, the impact of Activity Based Budgeting model on research, and changes in compliance rules for human and animal research, and the “Request for Outside Work” form.

Faculty Council on Student Affairs

FCSA continues to conduct discussions on issues pertinent to students, including recent topics on admissions policies and standards, campus renovations, revisions within the Student Conduct Code, student-athlete issues (sports psychology and missed class time), and the faculty appeal board.

Faculty Council on Teaching and Learning

FCTL continues to discuss strategies for faculty development in the use of educational technology, issues of using technology to increase class size, and increasing student engagement. Current agenda items include technology priorities across campus (Canvas, Tegrity and e-texts), competency based learning models, Classroom Support Services issues, student engagement and discussions with the Senate Chair and Provost on their sense of priorities in the area of teaching and learning.

Faculty Council on Tri-Campus Policy

1. Conducting a review of tri-campus information dissemination and faculty member representation between the three faculty governance structures.
2. Examined processes for issues related to student conduct code violations and how they are disseminated and treated if/when student seeks cross-campus enrollment.
3. Examination of processes for reviewing cross-campus degrees/minors.
4. Coordinated Faculty Senate communication of tri-campus awareness regarding governance, policies, new issues, budget, etc.
5. Budget and legislative representation related to tri-campus strategic planning.

Faculty Council on University Facilities and Services

FCUFS continues to examine current construction projects, including the Stadium, HUB, housing west of 15th, Intellectual House, and police relocation from the Bryant Building, as well as the impact of Sound Transit, 520 bridge, bicycles, and the Burke-Gilman Trail.
Faculty Council on University Libraries

1. Implementation of the Faculty Fund for Library Excellence, as approved by the Faculty Senate. Fund website is located at https://www.washington.edu/giving/make-a-gift?source_typ=3&source=LIBFAC.
2. Facilitation of Open Access publishing at the UW. The FCUL will continue to seek to engage faculty and students in submitting documentation of their past, current, and future research (i.e., archival and grey literature) to the open access repository ResearchWorks.
3. Strengthening educational partnerships/ the development of a sustainable academic business plan. The FCUL will continue to investigate ways to bring emerging Libraries technologies and initiatives into UW courses. The strategic plan will consider a wide variety of issues, including fee-based and distance courses and programs.
4. Employment of multi-institutional approaches. The FCUL will provide input to continuing Libraries efforts to lead and leverage multi-institutional Libraries initiatives, related to e.g., the Hathi Trust, the Western Storage Trust, and Orbis Cascade activities.
5. Libraries issues related to capital projects. The FCUL will continue to monitor the Odegaard renovation and the provision of HUB services in the Libraries.
6. Inclusion of Librarians on the Senate. The FCUL will continue to follow up on the 2009-2011 discussions on representation of Librarians on the Faculty Senate, the SEC, and on the Faculty.
7. General planning for collections, services, and staff. The FCUL will advise the Libraries on changes in collections, services, and staff in support of its strategic plan and necessitated by continuing budget constraints. Initial topics include the subject librarian framework, physical and virtual space planning, etc.

Faculty Council on Women in Academia

1. Survey of Non-Ladder Faculty – Dissemination of the report based on last year's work of FCWA, and follow up with administration to pursue report recommendations.
2. Faculty Mentoring Program – Followup on creation of sub-committee on mentoring by Board of Deans, providing information gathered by FCWA in 2010-11 and supplementing that information as required.
3. Review of issues relevant to women on campus.

Reminder: Approved council minutes are always available online at http://www.washington.edu/faculty/committees/councils.html
Faculty Member Appointments to University and Senate Committees

Adjudication Panel

Joe Janes, Information School, as a new member for a term beginning immediately and ending September 15, 2015.

Faculty Council on Faculty Affairs

Steve Buck, Psychology, College of Arts & Sciences, as a new member for a term beginning immediately and ending September 15, 2014.

Faculty Council on Research

Mike Rosenfeld, Environment and Occupation Health Sciences, School of Public Health, as a new member for a term beginning immediately and ending September 15, 2014.
Agenda
Faculty Senate Meeting
Thursday, January 26, 2012, 2:30 p.m.
Savery Hall, Room 260

1. Call to Order and Approval of Agenda.

2. Report of the Chair – Professor Susan Astley.


4. Opportunities for Questions and Requests for Information.
      i. Approval of the November 14, 2011, SEC minutes.
      ii. Approval of the December 1, 2011, Faculty Senate minutes.
      iii. Report of Faculty Council Activities.
   b. Report of the Secretary of the Faculty.
   c. Report of the Chair of the Senate Committee on Planning and Budgeting.
   d. Report of the Faculty Legislative Representative.

5. Consent Agenda.
   Approve Nominees for Faculty Councils and Committees.

6. Memorial Resolution.

7. Announcements.

8. Unfinished Business.

   a. Nomination of Candidates for 2012-13 Faculty Senate Vice Chair.
   b. 2012-13 Faculty Senate Vice Chair Candidates’ Presentations.
      The vice chair election will occur electronically within a week and will proceed unless there is an objection on the floor. Results will be announced via E-mail following the election certification.
   c. Class A Legislation – First Consideration.
      David Takeuchi, Chair, Faculty Council on Multicultural Affairs.
      Title: Code Revisions to Chapters 24-31 and 24-32: Revisions related to appointment and promotion of faculty.
      Action: Conduct first review of proposal to submit legislation amending the Faculty Code to the faculty for approval or rejection.
      Motions involving Class C actions should be available in written form by incorporation in the agenda or distribution at the meeting. It is preferable that any resolution be submitted to the Senate Chair and Secretary of the Faculty no later than the Monday preceding a Senate meeting.

10. Invited Guests.

11. Good of the Order.


Prepared by: Marcia Killien, Secretary of the Faculty
Approved by: Susan Astley, Chair of the Faculty Senate

NOTE: If a continuation meeting is necessary to conduct unfinished or special business, it will be held on Thursday, February 2 at 2:30 p.m. in Savery 260.
UWRP & VIP

Regents are the fiduciaries
- Plan Document is the legal basis of all plan rules
- Plan is Internal Revenue Code § 403(b)

UWRP Eligibility:
- Faculty & Academic Staff
- Librarians
- Professional Staff

UW Administration: decision makers
- Input from key participant stakeholder committees
- We're all in the plan

Why Make Changes?

New IRS Rules
- IRS regulations issued in 2007 made 403(b) plans more similar to 401(k)
- Before the regulations, significant differences existed:

<table>
<thead>
<tr>
<th>403(b) Plans</th>
<th>401(k) Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple recordkeepers</td>
<td>Single recordkeeper</td>
</tr>
<tr>
<td>100+ investment options</td>
<td>10 - 30 investment options</td>
</tr>
<tr>
<td>Plan sponsor has limited oversight</td>
<td>Plan sponsor selects and monitors service providers</td>
</tr>
<tr>
<td>Fiduciary oversight</td>
<td>Treatment of service provider</td>
</tr>
<tr>
<td>Department of Labor directs to 401(k) employers: Monitor your funds</td>
<td></td>
</tr>
</tbody>
</table>

Fund Review Committee (FRC)

UWRP/VIP Plan Document language authorizing FRC developed by FCBR & Benefits
- ALUW & PSO also on FCBR subcommittee
- FCBR subcommittee reviewed peers & private industry
- FRC model proven effective with UW peers

FRC updated in October 2010
- 1 additional faculty member; 1 Treasury rep
- See handout for FRC members

FRC - cont’d

- FRC has fiduciary status
- UW is not subject to federal ERISA law, but ERISA provides best fiduciary practices
- Two key fiduciary duties:

<table>
<thead>
<tr>
<th>Rule</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Exculsive Purpose Rule</td>
<td>Selection must be made by focusing exclusively on how best to provide benefits to participants and their beneficiaries while ensuring that administrative expenses are reasonable</td>
</tr>
<tr>
<td>2. Prudent Expert Rule</td>
<td>Selection must be made with the skill, prudence, and diligence of a prudent expert</td>
</tr>
</tbody>
</table>

FRC Process

- 2009 – Placed RFP for Investment Consultant
- Investment Consultant role:
  - Track and analyze funds and investment managers
  - Provide reporting to FRC
  - Provide peer and best-practice information
  - No decision-making authority – FRC must generate recommendations
- AON Hewitt selected

FRC Process - cont’d

- AON Hewitt
  - Founded in 1940
  - Leader in investment consulting and retirement administration services
  - Hewitt has over 160 higher education clients
  - Recognized for their expertise and leadership in the 403(b) area of retirement plan consulting
FRC Process – cont’d
• March 2010 – work begins
  - Review fiduciary role
  - Update Investment Policy Statement (Guides the FRC evaluation of funds and Fund Sponsors’ review of existing UWRF funds)
  - AON Hewitt reviews current UWRF funds (67)
• June 2010 FRC receives AON Hewitt findings
  - Significant redundancy (Currently 26 Large Cap Equity Funds)
  - Poor performers
  - Fees too high
  - FRC identifies need for review of alternative funds
  - Benefits receives approval to authorize AON Hewitt to conduct a search

FRC Process – cont’d
• September 2010
  - FRC reviews results of fund search
  - Makes three initial recommendations to Provost:
    1. Four-tier structure
    2. Reduction in “core” funds
    3. Conduct a recordkeeper search utilizing proposed funds

Recommendation 1:
A Tiered Approach

<table>
<thead>
<tr>
<th>Target Date Retirement Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simple packaged solution requires less time and expertise</td>
</tr>
<tr>
<td>Multi-asset allocations that get more conservative as a person gets closer to retirement</td>
</tr>
<tr>
<td>Target date funds are allocated if participant doesn’t act</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Core Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited number of mutual fund options covering key asset classes</td>
</tr>
<tr>
<td>Includes domestic and indexed fund options</td>
</tr>
<tr>
<td>Some include mutual funds and annuities</td>
</tr>
<tr>
<td>Requires asset allocation decision</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annuity Window</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets in the SSA-CRF annuities are not eligible for direct mapping to new funds</td>
</tr>
<tr>
<td>Annuities have an important role in the plans</td>
</tr>
<tr>
<td>Fees for annuities are fixed; but relate to participants’ balances</td>
</tr>
</tbody>
</table>

Why Tiers?
Provides broad range of options for diverse participant community
Provides structure and simplification to the investment decision process for plan participants
All current funds can be accessed through brokerage window
Sophisticated investors can access thousands of investment options, but must take personal responsibility and cost
- Brokerage window carries no annual fees
- Many funds have no trading fees
- Participant will pay trading fees if applicable

Recommendation 2: Core Funds
Consolidation of funds reduces fund fees
- Increased buying power: access to lower cost share classes
- Lowering fees puts more money into the participants’ pockets

Individual funds require burdensome/costly FRC oversight under DOL rules
Current fund choices (67) overwhelming to many participants

Recommendation 3:
Recordkeeper Search
Can’t determine real costs of the plan until a search is performed

Recordkeeping function is distinct set of services
- Employer financial transactions and participant trades
- Web platform for participants and administrator
  - Consolidated recordkeeper means one-stop shopping
- Communications & education
- Compliance & required reporting
Recommendation 3:
Recordkeeper Search – cont’d
Most participants unaware of fees they pay to current vendors for recordkeeping services
Simplifying recordkeeping overhead creates economy of scale
The RFP process gives the recordkeepers an opportunity to reduce their fees to be as competitive as possible
Single portal simplifies participant experience
UW can tap into full spectrum of funds in the marketplace

Participant Fees
Current
- Participants pay all plan costs – but don’t recognize it
  - Fund investment management costs
  - Recordkeeping costs
  - Current plan fees are much higher than future plan fees
Future
- Full fee transparency
  - Recordkeeping fee – either flat or as % of account balance
  - Investment Consultant fee
    - Current cost for AON Hewitt: $125,000 per year
    - UW picked up AON Hewitt outsourcing transition only
Plan rebates will be arranged for any fund charging excess fees (TIAA-CREF)

Participant Fund Fee Savings

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Fund Name</th>
<th>Expense Ratio</th>
<th>Annual Fees 50,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Market</td>
<td>Vanguard Prime Money Market</td>
<td>0.29%</td>
<td>0.09%</td>
</tr>
<tr>
<td>Bond Market</td>
<td>Vanguard Total Bond Market Index</td>
<td>0.22%</td>
<td>0.07%</td>
</tr>
<tr>
<td>Large Cap Equity</td>
<td>Vanguard S&amp;P 500 Index</td>
<td>0.12%</td>
<td>0.04%</td>
</tr>
<tr>
<td>Small/Mid Cap Equity</td>
<td>Vanguard Small Cap Index</td>
<td>0.30%</td>
<td>0.12%</td>
</tr>
</tbody>
</table>

FRC Updates – Key Stakeholders

September 2010
- Provost directs Benefits to communicate recommendations to key stakeholder committees
  - FCBR
  - PSO
  - AUW
Fall 2010
- PSO & AUW endorse recommendations

FRC & FCBR Discussions

2010
Prior to September 2010, FCBR received routine updates at each meeting
- 2009-2010 FCBR Chair was also FCBR rep (Bob)
November: FCBR updated regarding recommendations:
- Requested additional data
December 15: FCBR meets to continue deliberations
December 14: Joint FCBR & FCBR meeting with AON Hewitt
- All FCBR data from AON Hewitt provided to FCBR for joint meeting

2011
January 5: FCBR meets to discuss joint FCBR/FCBR meeting: no resulting recommendations
January 24: FCBR meets to discuss joint FCBR/FCBR meeting: no resulting recommendations
- determination is that chairs should meet to further discuss FRC recommendations

February 13: FCBR/FCBR chairs meet

FRC & FCBR Discussions – cont’d

2011 Cont’d
February 28: FCBR meeting concludes that notice to all key stakeholders is completed
March 1: FCBR recommends to Interim Provost to move aed with September 2010 recommendations
March 15: FCBR provides input to Interim Provost
April 15: Interim Provost approves the draft of agreement: 4-hour structure and is pleased with FCBR for recordkeeper
- Requests that FCBR provide opportunity for FCBR to review final draft of RFP
May 24: Draft RFP is presented at FCBR meeting
- FCBR requests additional scenarios be added
  - FCBR incorporates 3 additional modeling scenarios into RFP
  - FCBR requests additional FCBR faculty member to participate in review
FRC & FCBR Discussions – cont’d

2011 Cont’d
August 9, September 26, October 24 & 25 – FRC meetings
  - Includes RFP review preparation
  - Finalist interviews
  - On-site visits to top 3 finalists – November
December 9: FRC recommendations to interim Provost based on RFP results
  - Reconfirm 4-tier approach
  - Plan Funds
  - Fund mapping
  - Recordkeeper selection
  - That VIP be moved to the new platform at the same time
  - That a Roth-403B feature be added to the VIP
December 14 & 31: FCBR meets to discuss FRC recommendations
December 28: FCBR submits comments to interim Provost

Spectrum of Opinion – cont’d

Recordkeeper – balancing service and cost
  - What is good service worth?
Number of funds – fewer choices at lower cost or maximum freedom?
  - Brokerage window fee removed
Importance of faculty input to help reach decision
  - Most important changes to retirement in decades
  - Representation through FCBR and FRC
  - Faculty Senate

Spectrum of Opinion – cont’d

Consensus

Vendor consolidation:
  - Less faculty and staff confusion
  - Lower fees due to economy of scale
  - Provides total plan perspective; consolidated statement
  - Improved plan compliance
Carefully selected investment choices with lower fees means
more retirement income for faculty and staff
Simplify the plan to make selection of appropriate investments easier for a diverse population
Makes monitoring more manageable and less disruptive for faculty and staff
Peers Consolidating/Changing Recordkeepers

- Arizona University systems
- Caltech
- George Washington University
- Harvard
- Johns Hopkins
- Minnesota State Colleges & Universities
- MIT
- Northwestern
- Oregon University system
- Pepperdine University
- Purdue
- Stanford
- University of California system
- University of Colorado
- University of Louisville
- University of Miami
- University of Missouri
- University of Oklahoma
- University of Pittsburgh
- University of Utah
- Yale

Next Steps

- Decision about recommendations is imminent
- Purchasing notifies apparent successful bidder
- Communication Plan begins immediately:
  - Recordkeeper manages rollout
  - UW Announcement & Vendor Website
  - Communications materials from recordkeeper
  - Large group meetings
  - Departmental and one-on-one participant meetings

Questions?
Class A Legislation, Faculty Council on Multicultural Affairs  
Revisions to Chapters 24-31 and 24-32: Code revisions related to appointment and promotion of faculty members

Rationale: Proposed changes to make accomplishments related to enriching diversity in teaching, research and service considered, but not required, in faculty, appointments and promotions decisions. [Faculty Code Chapter 24.31 and 24.32]

For several decades, the University of Washington has committed itself to increasing the diversity of its students, faculty, and staff. On the University’s main website at www.washington.edu/diversity, it states, “At the University of Washington, diversity is integral to excellence. The University values and honors diverse experiences and perspectives, strives to create welcoming and respectful learning environments, and promotes access, opportunity, and justice for all. Valuing and honoring diversity. It’s the Washington way.”

The proposed changes in the Faculty Code in Section 24-32, unanimously endorsed by the Faculty Council on Multicultural Affairs, are designed to allow that the work done by faculty in research, teaching, and service that enriches diversity at the UW be recognized in the processes of appointment and promotion. We recommend that language be added to the existing Faculty Code that will allow departments, review committees, chairs, deans, and the provost to consider this work in reviewing faculty. At least one set of peer institutions, the University of California system, adopted language similar to the one contained in this proposal.

Nothing in this proposed language requires that any member of the faculty demonstrate accomplishments in this area to be appointed or promoted. However, it does formally allow a faculty member’s success in this area to be part of the file that is reviewed at all appropriate levels of the University. As the University continues to build excellence for the 21st century, a continued focus on diversity integrates the changing demographics of the country with the expansion of intellectual boundaries in many disciplines. A faculty with more of its members committed to diversity in research, teaching, and service will make the University of Washington better positioned to meet its stated goals in the 21st century.

In reviewing Chapter 24 of the Faculty Code, it was determined that Sections 24-31, General Appointment Policy, and 24-32, Scholarly and Professional Qualifications of Faculty Members, each can be amended to include language that allows faculty work that promotes diversity and equal opportunity to be recognized in appointments and promotion. All proposed language appears in the attachment to this statement.
Faculty Code
Chapter 24

Appointment and Promotion of Faculty Members

Section 24–31 General Appointment Policy

The principal functions of a university are to preserve, to increase, and to transmit knowledge. Its chief instrument for performing these functions is its faculty, and its success in doing so depends largely on the quality of its faculty. The policy of this University should be to enlist and retain distinguished faculty members with outstanding qualifications.

Section 13–31, April 16, 1956 with Presidential approval.

Section 24–32 Scholarly and Professional Qualifications of Faculty Members

The University faculty is committed to the full range of academic responsibilities: scholarship and research, teaching, and service. Individual faculty will, in the ordinary course of their development, determine the weight of these various commitments, and adjust them from time to time during their careers, in response to their individual, professional development and the changing needs of their profession, of their programs, departments, schools and colleges, and the University. Such versatility and flexibility are hallmarks of respected institutions of higher education because they are conducive to establishing and maintaining the excellence of a university and to fulfilling the educational and social role of the institution.

In conjunction with the University’s expressed commitment to excellence and equity, faculty contributions in scholarship and research, teaching, and service that promote diversity and equal opportunity are to be encouraged and given recognition in the evaluation of the faculty member’s qualifications. These contributions to diversity and equal opportunity can take a variety of forms including research in a scholar’s area of expertise that highlights inequalities, efforts to advance equitable access to education, or public service that addresses the needs of diverse populations.

A. Scholarship, the essence of effective teaching and research, is the obligation of all members of the faculty. The scholarship of faculty members may be judged by the character of their advanced degrees and by their contribution to knowledge in the form of publication and instruction; it is reflected not only in their reputation among other scholars and professionals but in the performance of their students.

B. The creative function of a university requires faculty devoted to inquiry and research, whose attainment may be in the realm of scholarly investigation, in constructive contributions in professional fields, or in the creative arts, such as musical composition, creative writing, or original design in engineering or architecture. For each of these, contributions to the advancement of equitable access and diversity in education can be included. While numbers (publications, grant dollars, students) provide some measure of such accomplishment, more important is the quality of the faculty member’s published or other creative work.

Important elements in evaluating the scholarly ability and attainments of faculty members include the range and variety of their intellectual interests; the receipt of grants, awards, and fellowships; the professional and/or public impact of their work; and their success in directing productive work by advanced students and in training graduate and professional students in scholarly methods. Other important elements of scholarly achievement include involvement in and contributions to interdisciplinary research and teaching; participation and leadership in professional associations and in the editing of professional journals; the judgment of professional colleagues; and membership on boards and committees.
C. The scope of faculty teaching is broader than conventional classroom instruction; it comprises a variety of teaching formats and media, including undergraduate and graduate instruction for matriculated students, and special training or educational outreach. The educational function of a university requires faculty who can teach effectively. Instruction must be judged according to its essential purposes and the conditions which they impose. Some elements in assessing effective teaching include the ability to organize and conduct a course of study appropriate to the level of instruction and the nature of the subject matter; the consistency with which the teacher brings to the students the latest research findings and professional debates within the discipline; the ability to stimulate intellectual inquiry so that students develop the skills to examine and evaluate ideas and arguments; the extent to which the teacher encourages discussion and debate which enables the students to articulate the ideas they are exploring; the degree to which teaching strategies that encourage the educational advancement of students from all backgrounds and life experiences are utilized; the availability of the teacher to the student beyond the classroom environment; and the regularity with which the teacher examines or reexamines the organization and readings for a course of study and explores new approaches to effective educational methods. A major activity related to teaching is the instructor's participation in academic advising and counseling, whether this takes the form of assisting students to select courses or discussing the students' long-range goals. The assessment of teaching effectiveness shall include student and faculty evaluation. Where possible, measures of student achievements in terms of their academic and professional careers, life skills, and citizenship should be considered.

D. Contributions to a profession through published discussion of methods or through public demonstration of an achieved skill should be recognized as furthering the University's educational function. Included among these contributions are professional service activities that address the professional advancement of individuals from underrepresented groups from the faculty member's field.

E. The University encourages faculty participation in public service. Such professional and scholarly service to schools, business and industry, and local, state, national, and international organizations is an integral part of the University's mission. Of similar importance to the University is faculty participation in University committee work and other administrative tasks and clinical duties, including the faculty member's involvement in the recruitment, retention, and mentoring of scholars and students in an effort to promote diversity and equal opportunity. Both types of service make an important contribution and should be included in the individual faculty profile.

F. Competence in professional service to the University and the public should be considered in judging a faculty member's qualifications, but except in unusual circumstances skill in instruction and research should be deemed of greater importance.


Submitted by:
Faculty Council on Multicultural Affairs
01-09-12

Approved by:
Senate Executive Committee
01-09-12