Guests: Carol Niccolls, Doug Wadden, Daren Anderson, Ravi Venkataraman, Joyce Cooper, Mark Kot, Doug Breckel, Gerry Philipsen, James Gregory, Maddie Lees, Betsy Wilson, Jed Bradley
Absent: Reyneveld, Lidstrom, Lehman, Lazzari

1. Call to Order and Approval of Agenda.

The meeting was called to order at 2:33 p.m. by Senate Chair Harrington, and there were no changes made to the agenda.

2. Report of the Senate Chair – James “JW” Harrington. {Exhibit A}

Harrington addressed several matters in addition to his written report.

Adjudication Practices
The SEC’s work on adjudication practices was discussed at the January Faculty Senate meeting. In response to some of the comments made by Senators, the Senate Chair said that he will be sending a written request to the Faculty Council on Faculty Affairs (FCFA) to review the report of the Advisory Committee on Faculty Code and Regulations and recommend any further actions needed to clarify or improve adjudication practices. One area for future attention by FCFA may be any inconsistencies between procedures in the Faculty Code and Federal regulations regarding accusations of scientific misconduct. Harrington also commented that it is important for all administrators in academic units to be fully aware and act consistently with the procedures outlined in the Faculty Code.

Budget Planning
SCPB Chair Bruce Balick has provided some budget planning information on the Senate blog. The blog also includes links to state and university budget information, including links to budget-cut narratives provided by each dean and vice president to the Provost. The Provost has begun to meet with each unit head to discuss their budget plans.

IT Costing Oversight Committee
This committee has developed recommendations to the Provost regarding Information Technology (IT) charges to administrative and academic units for the coming fiscal year. Interim Vice President and Vice Provost for UW IT, Kelli Trosvig, will present these recommendations and other matters at the March 10, 2011, Senate meeting.

Strategic Academic Business Plan Oversight Committee
This committee has organized many initiatives and goals under three overarching priorities: 1) Maintain quality, 2) Follow mission as a public university pursuing learning, discovery, and external engagements, and 3) Emphasize work on the most pressing societal problems. Financial priorities include increasing revenues, decreasing costs, investing in people, and investing in infrastructure.

In response to this report, one SEC member commented that if the courts agreed that there had been violations of the Faculty Code in a past adjudication case there could be a large judgment against the University at a time when budget cuts were being made. The member also asked if the Senate would receive assurances that University administration will adhere to the Faculty Code. President Wise responded that she believes the administration has followed the Code and will not change from that practice. Harrington mentioned he would meet with the future President and discuss this issue.
3. Report of the President- Phyllis Wise, Interim President

President Wise reported that UW administrators, faculty, students, and others continue with efforts in Olympia to inform legislators and others about the importance of higher education. She has received communication from the state legislature asking for specific plans about how the University would respond to larger cuts in the state’s budget allocation to the University, and that she is considering how best to respond since actual plans for program cuts cannot be finalized until they are addressed through the processes outlined in the Faculty Code and elsewhere. The Provost is meeting with unit heads to discuss in very specific terms what areas of their budgets can be cut. While the UW is modeling cuts, there is no model that makes up for the gap in funding arising from a cut in state funding. President Wise continued to emphasize the grim outlook for the next fiscal year’s budget. The President and Provost will be consulting with faculty, staff, and students to determine what programs and activities are less central to retaining quality and focus on the most important societal problems.

The University’s budget will be presented to the Board of Regents in May and passed in June. This is a challenging timeline as the state legislature may stay in session longer than April. President Wise stated that we must remain a public university and “privatize” only as it relates to a financial model, including gifts and bonding. She said she is not “looking thru rose colored glasses” but believes UW will remain strong.

When asked for clarification about specific budget cut figures, President Wise responded that final decisions on state allocations to the University have not yet been made in Olympia. She mentioned that communicating about the impending budget cut and tuition increases to the public relations is challenging in an environment of no inflation. She referred Senators to the External Relations website for information on messaging about the University.

President Wise was asked at what point might the UW seriously consider a declaration of financial emergency. She responded that former President Emmert’s advice was that such a declaration had the potential for long term harm to the University’s reputation, ability to borrow money, and recruitment of students and faculty. Because of these factors, President Wise indicated that such an action is not under consideration at this time. She indicated that the University will need to make thoughtful decisions about program reorganizations, consolidations, and eliminations and how to adhere to the Faculty Code procedures yet be nimble in decision making.

   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. Faculty Council Activities. {Exhibit E}

There were no questions.

5. Invited Guests.

   Internal Lending Program {Exhibit J}

Douglas Breckel, Associate Vice President, Treasury

Breckel presented as information to the Senate a power point presentation on the University’s internal lending program. The purpose of the program is to keep the overall costs of borrowing money for capital projects down and to provide a predictable internal interest rate to those at UW who borrow. Such rate stabilization doesn’t exist externally. The program was set up in 2008 by the Board of Regents. Also, the program allows for borrowing incrementally as money is needed instead of needing to borrow for the entire project at the outset; this keeps interest payments down. Priorities for lending are set by the President and presented to the Board of Regents. A goal is the diversification of loans to balance the debt portfolio. Currently the Health Sciences is the biggest user of loans for capital projects.
6. Consent Agenda.
   a. Approve the January 10, 2011 Senate Executive Committee minutes.
   b. Approve the January 27, 2011 Faculty Senate minutes.
   c. Approve the Nominees for Faculty Councils and Committees. {Exhibit F}
   d. Approve the March 10, 2011, Faculty Senate agenda. {Exhibit G}

   The Consent agenda was improved with suggestions for correction of typographical errors in the Senate Executive Committee minutes.

7. Announcements.
   The Senate has elected Professor Jim Gregory, History, as the Senate Vice-Chair for 2011-12.

   Professor Henry M. Levy, Computer Science and Engineering, has been elected to the National Academy of Engineering.

   President Obama has named Professor Michelle Williams, School of Public Health, as one of the nation's outstanding mentors in science, math and engineering. Williams, an expert in maternal and infant health, is among 11 individuals and 4 organizations selected as recipients of the prestigious Presidential Awards for Excellence in Science, Mathematics, and Engineering Mentoring.

8. Unfinished Business.

   Discussion: Faculty Oversight of International Activities.
   Míceál Vaughan, Senator and member of the Senate Executive Committee.

   Vaughan indicated that he wished to raise this topic for discussion because faculty in his college have had questions and concerns about various UW international activities and global education. He raised the concern that while faculty members may serve on the Advisory Council of the Office of Global Affairs, they are not serving in an official capacity that links to a faculty governance body. Vaughan suggested that the Faculty Council on Teaching and Learning or another faculty council be charged with this oversight.

   During the general discussion among the Senators, Vaughan clarified that his suggestion about faculty oversight was related to the Office of Global Affairs, not the Department of Global Health. Faculty have raised concerns about study abroad policies and faculty involvement in these programs. The issues addressed by the Office of Global Affairs are multiple and complex and may not fall under the charge of a single faculty council. Vaughan observed that the University has over time tried various structural approaches for faculty participation in shared governance including advisory groups to administrators and faculty councils. He suggested that the only faculty councils can officially speak for the faculty. One Senator recalled past discussions in the Senate about INSER that may illustrate the oversight issue. The Secretary of the Faculty, Marcia Killien, was invited to comment and she suggested that inviting Steve Hansen, Vice Provost for Global Affairs to speak to the Senate could help identify areas where faculty oversight might be appropriate and which faculty council(s) could be charged with this responsibility. In view of the budget, Killien did not favor adding a new council for this matter. Senate Chair Harrington agreed to share this discussion with Vice Provost Hansen and to consider inviting him to speak with the Senate.


   a. Class C Resolution. {Exhibit H}
      Faculty Council on University Libraries.
      Title: Resolution Concerning the Faculty Fund for Library Excellence.
      Action: Approve for Faculty Senate Consideration.

      It was moved and seconded to consider the Class C Resolution from the Faculty Council on University Libraries (FCUL).

      Joyce Cooper, chair of FCUL, presented the background and rationale for the motion.
FCUL seeks endorsement by the Faculty Senate of the proposal to establish the Faculty Fund for Library Excellence. The Fund would be established as a voluntary University gift fund available for current and emeritus faculty donors to support the University Libraries collections which include books, journals, and unique materials. The collections are an important resource used by faculty in both research and educational initiatives; in the UW Libraries Triennial Survey the faculty ranked the Libraries as the most important source of information for their work. Like all units on campus, the budget cuts have had a substantial impact on the Libraries, with reductions in collections contributing to the drop in the ranking of the University Libraries by the American Association of Research Libraries out of the top 15% for the first time since 1932. Because the collections are so important to faculty in our research and educational initiatives, the FCUL asks that the SEC consider the resolution.

In response to questions Cooper clarified that the fund was targeting only faculty donors but that other options to support the Libraries were available to non-faculty. The fund would be for general support of the collections of the Libraries; donors could not specify that their gift be used for a targeted journal, for example.

The Senate voted unanimously to forward the resolution to the Senate.

b. Class C Resolution. {Exhibit I}

Faculty Council on Benefits and Retirement.

Title: Resolution recommending against the elimination of the UW Supplemental Retirement Benefit for new hires.

Action: Approve for Faculty Senate Consideration.

Senate Chair Harrington introduced the resolution by explaining that action on the UW Supplemental Retirement Benefit was being proposed in response to the financial situation and that the matter was scheduled to be addressed by the Board of Regents at their February 17, 2011 meeting. Other universities in the State have ended this benefit and the UW administration believes they cannot afford the financial liability of continuing this benefit. Harrington indicated that the Faculty Council on Benefits and Retirement (FCBR) was fulfilling its charge by requesting to meet with the administration to discuss the matter further. The Council believes there is no short-term or intermediate-term savings to be gained but a too-quick decision could have long-term costs in the quality of benefits available to future faculty and thus have a negative effect on faculty recruitment.

Because the Board of Regents meeting at which action on the matter is expected precedes the next meeting of the Faculty Senate, Harrington asked for a motion to endorse the recommendation by FCBR but to not forward it as a Class C Resolution to the Senate for vote. Harrington indicated he would present the SEC’s position on the recommendation at the Board of Regents meeting.

Gerry Philipsen, FCBR chair, commented that the Council did not wish to oppose the administration but wanted to have further discussion with them. The council also believes that faculty need more information about this benefit available to them before they retire. President Wise explained that the Board of Regents asked that this benefit be ended to demonstrate their fiscal responsibility to the State.

Vaughan moved to amend the title of the resolution to “Resolution recommending reconsideration of the elimination of the UW Supplemental Retirement Benefit for new hires”. He also proposed amending the last sentence of the resolution to read “One cannot adequately plan for retirement without this information and, currently, the information is only provided in the year one retires.”

The amendments to the motion passed with one abstention.

The amended motion passed with 6 in favor, 3 opposed, and 2 abstaining.
Based on this action, it was moved & seconded that item 10A, the Class C resolution on the UW Supplemental Retirement Benefit for new hires be removed from Senate agenda. The motion passed unanimously.

There was no additional new business.

10. Adjournment.

The meeting was adjourned at 4:47 P.M.

Prepared by: Marcia Killien, Secretary of the Faculty
Approved by: James W. Harrington, Chair of the Faculty Senate
Report of the Faculty Senate Chair
JW Harrington, Professor, Geography

Academic misconduct & faculty adjudication
At the 27 January meeting of the Faculty Senate, I summarized the actions that the Senate Executive Committee took on 10 January, regarding the report of the Advisory Committee on Faculty Code and Regulations on the relationship between charges of academic misconduct and the adjudication process. I displayed and read key elements of that report. Senator Janelle Taylor (Arts & Sciences) read from a letter she had received that day from the American Association of University Professors (AAUP), in response to an inquiry she had sent expressing concern about the way that the UW administration had handled a case involving findings of academic misconduct. In that letter, Gregory Scholtz, AAUP’s Director of Academic Freedom, Tenure, and Governance, expressed his opinion that the relationship between the UW Handbook and Faculty Code is consistent with AAUP principles, but that the written statements of UW President Emmert did not seem to be in compliance with UW rules nor AAUP principles. Discussion ensued.

Senators urged Senate leadership (me, vice chair Susan Astley, and Secretary Marcia Killien) to be clear and emphatic in our explanation of these findings to the current and next Presidents. Susan and I began that emphasis during a meeting with Interim President Wise, the next week. The Senate urged the SEC to develop specific interpretations of the relationships spelled out in the Report, to help guide faculty and administrators in the future. This is the background for one item in the SEC’s agenda for 14 February, discussion that may lead to the adoption of a clarifying interpretation.

Finally on this issue, I’ve met at length with Rich Christie, chair of the Faculty Council on Faculty Affairs, gaining agreement on the specific Code sections that the Council may want to consider for proposed modifications. The Council has begun these considerations.

UW Retirement Plan
The Faculty Council on Benefits and Retirement (FCBR) and the Fund Review Committee have been working on a series of issues relating to retirement funds and policies. In the midst of some long-term issues, one issue that flared up recently was the supplementation of retirement benefits to people in the UW Retirement Plan whose accrued accounts fall below a calculated threshold. (For more context, see http://www.washington.edu/admin/hr/benefits/retirement/plans/uwrp/uwsrp.html, look for “UWSRP: Defined Benefit,” and then for detail, click on “UWSRP Plan Document.”) This supplementation policy is unique to Higher Education Retirement Funds in Washington State, and when it comes into play (rarely, but after sharp downturns in investment returns such as the late 2000s), the individual institutions are financially liable.

A quick search of UW’s website shows that this issue has come up repeatedly in the Senate and FCBR for over a decade. Currently the Governor, the UW Regents, and two pending bills (HB 1262 and SB 5162) propose to end this policy for new hires. WSU’s Regents did this on 27 January. Our FCBR would like to see more discussion of this matter, and has drafted a resolution to that effect. That draft resolution will be included in the agenda materials for the 17 February Regents meeting.

Oversight of international activities
At the 10 January SEC meeting, Míceál Vaughan suggested that the SEC discuss the faculty oversight or advising of the University’s international involvements: study abroad, foreign centers, international programs, policies regarding the conduct of international research, etc. He noted that several Faculty Councils could or may already have parts of these matters in their portfolios. We will have a brief discussion of this on the 14th. For this reason and for others, I encourage all Faculty Council chairs to attend this and each SEC meeting.

Fund to support UW Libraries
The Faculty Council on University Libraries has drafted a resolution for consideration by the Faculty Senate, which would endorse the creation of a philanthropic fund to benefit the Libraries in the face of rapidly escalating costs and steadily diminishing budgets. We’ll take that up in SEC on the 14th.

Submitted: February 8, 2011
Report of the Secretary of the Faculty  
Marcia Killien, Professor, Family and Child Nursing

1. The election for Senate Vice Chair for 2011-12 concluded on 2/4/2011 with 74% of eligible voters participating. James Gregory, History, received the majority vote and will begin his term on August 1, 2011.

   The other candidate, Vandra Huber, Foster School of Business, has been nominated to membership on the Faculty Council on Faculty Affairs.

   Of note, the participation rate of eligible voters (74%) in this election was notably higher than the prior year, under the previous Senate structure, when participation in the election for vice chair was 51%.

2. The following Schools/Colleges/Campuses will hold elections for Senators in Spring 2011, with nominations due to the Secretary of the Faculty in March 2011.

   Arts & Sciences
   Business
   Dentistry
   Engineering
   Environment
   Nursing
   Public Health
   Social Work
   UW Tacoma

Submitted: February 7, 2011
Report of the Senate Committee on Planning and Budgeting
Bruce Balick, Committee Chair and Professor, Astronomy

This is a budget update as of February 9, 2011. It’s focused on the Seattle campus since other campuses follow their own budget formulation procedures.

You’ve probably noticed the eerie quiet as we await the decisions from Olympia that will determine our state appropriation and tuition revenues for the next biennium. When that happens the grinding of local budgets will start in earnest. Even before that local planning is continuing along several fronts in anticipation of harder times to come. A full spectrum of planning processes has been in progress since the first of the year.

Crafting the 2011-13 Budget: Academic Units

Interim Provost Lidstrom is receiving the last of the budget plans for 2011-13 from each of the deans. They had been charged to plan strategically, to identify and enact all possible internal efficiencies, to develop specific scenarios for 5% and 10% net budget reductions, and above all, to protect the quality of our academic programs. All of the submissions will be posted on the web site of the Office of Planning and Budgeting, http://www.washington.edu/admin/pb/home/, possibly as soon as the end of this week. (The portfolio of plans will be enormous, so you may wish to take the time to see what is being proposed just for your unit.)

As specified in the Faculty Code, and with the urging for compliance by SCPB, deans were charged to engage in discussions with their faculty members and their elected Faculty Councils in developing their budget scenarios and plans. SCPB will review and comment on the proposed major changes at an inter-unit level (it’s not our business to review the plans of the units separately). In addition to discussing the programmatic changes we will assure ourselves that the genesis of each of the plans was consultative.

Administrative Efforts

Provost Lidstrom has also required 5% and 10% budget reduction scenarios from the leaders of each administrative unit. These too will be posted at Planning and Budgeting’s web site. SCPB is not directly involved in this effort except where administrative changes impact the quality of the academic program.

At the same time two other efforts are underway that may influence the upcoming budgets. One Organizational Efficiency Initiative (OEI) (http://depts.washington.edu/oei/) is aimed at streamlining our internal processes, even if the payoff is a few years out. Their plans will be reviewed at SCPB on February 28 after which I expect to post a report. (I am on the OEI Steering Committee.) The other effort is the strategic planning initiative described next.

Strategic Planning

The 2y2d strategic planning initiative is aimed at sorting through a set of priorities for the University in order to chart a path forward starting next year that is both strategic and based on sustainable sources of revenue. See http://www.washington.edu/discover/leadership/provost/initiatives/2y2d for more details.

The majority of our revenue is shifting (rapidly) from state apparition to tuition. Accordingly Interim Provost Lidstrom has been asking how our (anticipated) declining revenues can best used to sustain our obligations to teach students well and efficiently. For example, it is thinkable that the balance of central support will shift towards centrally strategic and highly enrolled programs. A lengthy list of possible options is under internal review and prioritization. Once the consequences are clearer the Provost will bring the preferred options to SCPB and other advisory groups for review and discussion. The final funding decisions will—as always—be collaborative agreements made between the Provost and the deans and VPs.
Activity-Based Budgeting (ABB)

ABB is a method for directing tuition revenues directly to the units that teach and graduate students. It is a tool for assuring that our highest commitments are sustained in the long term. ABB described at [http://www.washington.edu/admin/pb/home/opb-abb.htm](http://www.washington.edu/admin/pb/home/opb-abb.htm), though the page has not been updated recently to reflect changes in the program details.

Many people have asked about the status of the implementation of ABB. Plans to implement ABB last fall were curtailed amidst the sudden disruptions in our funding as some of our state support was withdrawn during the summer. Full implementation of ABB is now expected for the 2012 academic year that begins this autumn. In the meantime, incremental revenue from increases in tuition is being apportioned to units on the basis of their recent teaching activity.

Legislative Discussions

Outside the University, another event to watch is the release of the February forecast of state revenues. Selecting among the ugly options that confront the Legislature will then shift into higher gear. The early word from our legislative representatives is that the value of higher education is being taken seriously in Olympia, but higher education may not be spared from deep cuts in order to address the growing and immediate needs of state citizens in these difficult times.

Please pay close attention to proposed changes in student financial aid (some of the best information appears in the UW Daily). Also keep an eye on plans to allow the 4-year colleges to set their tuition rates (perhaps by program) and to provide access to higher education at modest cost through on-line academic programs. I might add that two years ago the state agreed to protect higher education budgets when we accepted federal funding through the American Recovery and Reinvestment Act of 2009. These agreements expire as the new biennium opens.

SCPB meetings over the past five weeks were generally directed at obtaining information on a variety of topics. No items or recommendations came to a vote.

- Jan 10: Status report on 2y2d planning with particular emphasis on faculty engagement.
- Jan 17: Holiday.
- Jan 24: Pros and cons of undergraduate direct admission and differential tuition.
- Jan 31: A review of the Reorganization, Consolidation and Elimination of Programs process in general and clarification of the role of SCPB in particular.
- Feb 7: Status report on 2y2d and how strategic planning is likely to affect the crafting of the 2011-13 budget this spring.

Questions on any of these discussions are welcome.

Upcoming meetings will address:

- Feb 14: Quarterly report on faculty hiring, retention, departures, and retirements; review of faculty retirement options.
- Feb 21: Holiday
- Feb 28: Status report on ongoing efforts to develop new operational efficiencies; status report on the evaluation of college/school budget discussions to date; report on UW’s faculty salary competitiveness in the past year vis a vis peer-group universities.
- Mar 7, 14: revenue prognosis for UW's 2011-2013 core budget (legislative appropriation and tuition); review of budget design priorities with emphasis on academic changes; further discussion of direct admission and tuition policies; discussion of 2011-2013 budget scenarios.
The legislative calendar has a quite a few key dates and deadlines, and by some measure they are all important. But the most important dates on the legislature’s calendar for us at the University of Washington are St. Patrick’s Day and Easter Sunday. March 17, St. Patrick’s Day, is the release date of the next Economic Forecast Council Report and April 24, Easter Sunday, is the last day of the “regular” session of the legislature. The budget must be written so that it balances using the Forecast Council’s March 17 revenue predictions and it must be a done deal by April 24. The point here is that there is still a lot of time left for the budget and for bills that are necessary to implement the budget to take shape and be adopted.

A big point of worry right now though is that apparently no higher education or University of Washington issues are showing up on individual member’s (of the legislature) constituent contact/issue tally sheets. Members consult these sheets regularly to see which issues and government services are most important to citizens in their district or around the state. It’s interesting to contemplate how something as important as the future of the University of Washington doesn’t seem to generate calls, emails or letters, but it doesn’t. Its especially interesting given that the University of Washington is the state’s third largest employer (Boeing and Microsoft are bigger) and that there are probably another 90,000 people that would consider themselves to be University of Washington students in one way or another.

Another point of worry is related to the fact that the financial crisis in state government really is nothing but severe and furthermore the expectation is that the revenue forecast for the coming biennium will be very substantially worse than the “it couldn’t be worse” level we have today. So the actual point of worry is that the future of higher education and the University of Washington are in serious jeopardy. Conventional wisdom is that change through legislative processes is incremental, and this includes both policy change and budget change. At the level of crisis we are facing, incremental change will not be enough.

I am asked by many staff and faculty what I think might happen and what, if anything they can do. I’ll venture to say that lacking very big changes to how higher education is funded in our state that the budget cuts we will see will be drastic and the consequences dire. To those who ask what they can do, I’ll suggest that you should be very open to big structural changes in how your university is funded and that you urge others to be very open minded as well.

Submitted: February 8, 2011
2010-2013 Faculty Member Appointments to University and Senate Committees

Faculty Council on Faculty Affairs
- Vandra Huber, Foster School of Business, as a member for a term effective immediately and ending September 15, 2013.

2010-2013 Ex-officio Appointments to University and Senate Committees

Faculty Council on Academic Standards
- Eleanor Canter, Graduate and Professional Student Senate, as an ex-officio member with vote for a term effective immediately and ending September 15, 2011.

Faculty Council on Benefits and Retirement
- LeAnne Jones Wiles, Professional Staff Organization, as an ex-officio member with vote for a term effective immediately and ending September 15, 2011.

Faculty Council on Faculty Affairs
- Rebecca Drieling, Graduate and Professional Student Senate, as an ex-officio member without vote for a term effective immediately and ending September 15, 2011.
- Christina Nordquist, Associated Students of the University of Washington, as an ex-officio member without vote for a term effective immediately and ending September 15, 2011.

Faculty Council on Research
- Athena Pantazis, Graduate and Professional Student Senate, as an ex-officio member without vote for a term effective immediately and ending September 15, 2011.
- Anna Starostina, Associated Students of the University of Washington, as an ex-officio member without vote for a term effective immediately and ending September 15, 2011.

Faculty Council on Teaching and Learning
- Fareed Awan, Graduate and Professional Student Senate, as an ex-officio member with vote for a term effective immediately and ending September 15, 2011.

Faculty Council on University Libraries
- Cortney Leach, Graduate and Professional Student Senate, as an ex-officio member with vote for a term effective immediately and ending September 15, 2011.
1. Call to Order and Approval of Agenda.


4. Opportunities for Questions and Requests for Information.
      a. Approval of January 10, 2011, Senate Executive Committee Minutes.
      b. Approval of January 27, 2011, Faculty Senate Minutes.
   c. 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. Invited Guests.
   a. Overview of Tri campus Relations and Activities at UW Bothell and UW Tacoma.
      Marcia Killien, Secretary of the Faculty,
      Marcie Lazzari, Chair, UW Tacoma Faculty Assembly,
      Bruce Kochis, Chair, UW Bothell General Faculty Organization,
      Amira Davis, ASUW Bothell President,
      Rai Nauman Mumtaz, ASUW Tacoma President.
   b. Information Technology Cost Allocation.
      Kelli Trosvig, Interim Vice President and Vice Provost, UW Information Technology.

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

7. Memorial Resolution.

8. Announcements.


   Class C Resolution.
   Faculty Council on University Libraries.
   Title: Resolution Concerning the Faculty Fund for Library Excellence.
   Action: Approve for Faculty Senate Consideration.

   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.

11. Good of the Order.


Prepared by: Marcia Killien, Secretary of the Faculty
Approved by: James “JW” Harrington, Chair of the Faculty Senate
Resolution Concerning the Faculty Fund for Library Excellence

WHEREAS, the University Libraries is one library serving three campuses and is recognized worldwide for the excellence of its staff and the quality, depth, and breadth of its collections of books, journals, and unique materials; and

WHEREAS, in the UW Libraries Triennial Survey the UW faculty ranks the University Libraries as the most important source of information for their work, with collections thoroughly integrated into research and educational initiatives; and

WHEREAS, recent budget cuts have resulted in reductions in collections that have adversely impacted UW faculty research and educational initiatives and that have contributed to the drop in the ranking of the University Libraries by the Association of Research Libraries out of the top 15% for the first time since 1932; and

WHEREAS, current and emeritus UW faculty may wish to support the University Libraries’ collections financially to benefit themselves, Washington State and the world; therefore

BE IT RESOLVED, that the Faculty Senate endorses the proposal of the Faculty Council on University Libraries that the Faculty Fund for Library Excellence (FFLE) be established as a voluntary University gift fund available for current and emeritus faculty donors to support the University Libraries’ collections.

Submitted by:
Faculty Council on University Libraries
February 4, 2011
Resolution recommending against the elimination of the UW Supplemental Retirement Benefit for new hires.

WHEREAS, the UW Supplemental Retirement Benefit (UWSRP):

- Has helped 5-10% of UWRP participants in retirement over approximately 55 years
- Has protected UWRP participants when they needed it most (during severe economic downturns). While the actuarial liability has increased during the recent economic crisis, this is exactly what it is designed to do. This liability will likely recede as the economy recovers and interest rates rise to "normal" levels.
- Provides a surviving spouse/partner a continuing supplemental monthly benefit upon death of retiree
- Puts UWRP benefits on par with defined benefit plans in place for other University employees (e.g., PERS 1, PERS 2)
- Only serves as downside protection and does not have inflation or other escalator clauses that are included in some other retirement plans (e.g., PERS 1), and thus UWSRP is much less expensive to fund than these other plans
- Is potentially a powerful recruiting and retention tool; and

WHEREAS, elimination of the UW Supplemental Retirement Benefit for new hires:

- Would not save the University or the State any money for at least 10 years, and likely would not save significant money for 30 years or more (as UWRP participants must have a minimum of 10 years of service and cannot retire before age 62 to be eligible for a supplemental benefit) \(^1\)
- Would jettison an important safeguard that differentiates the UW from its competitors
- Would be the largest benefit takeaway in decades and sends a negative message to UWRP participants and potential hires; therefore

BE IT RESOLVED, that the Faculty Council on Benefits and Retirement encourages the UW Administration to reconsider its support for elimination of this important benefit. Its elimination does nothing to solve the current budget crisis and harms yet-to-be hired colleagues many years in the future; and

BE IT FURTHER RESOLVED, that the Faculty Council on Benefits and Retirement encourages the Administration to help current UWRP participants plan for their retirement by supplying an estimate of the value (if any) of their supplemental benefit. One cannot adequately plan for retirement without this information and, currently, the information is only provided after one retires – a Catch 22.

Submitted and Approved by:
Faculty Council on Benefits and Retirement
January 28, 2011

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\(^1\) The 30-year estimate assumes that the typical new hire is age 32 and retires at age 62. The earliest any cash savings could occur from elimination of the UWSRP for new hires is 10 years, i.e., where the new hire is age 52 and retires 10 years later at age 62.
UW Internal Lending Program

UW Faculty Senate Briefing
February 2011
Internal Lending Program (ILP)

Summary

• A “best practice” debt financing program managed by the UW Treasury office for financing large capital projects (adopted by Board of Regents in May 2008)

• Uses the University’s high credit rating to secure the lowest cost of external borrowing to finance capital projects (UW General Revenue Bonds)

• Uses a rate stabilization fund to help manage the ILP rate for campus borrowers when external market rates rise

• Rate stabilization fund cannot be used for any other purpose without Board of Regents approval

• Allows Treasury office to actively manage University’s debt portfolio to secure lowest overall borrowing cost (centralizes debt issuance for entire University)
## Internal Lending Program (ILP) Benefits

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<tbody>
<tr>
<td>Borrower’s interest rate based on current market conditions and unit’s own credit rating</td>
<td>Borrower receives stable and predictable internal rate based on institution’s credit rating</td>
</tr>
<tr>
<td>External conditions determine borrower’s timing</td>
<td>Capital needs determine borrower’s timing</td>
</tr>
<tr>
<td>Borrower accrues (capitalized) interest on entire bond amount during construction</td>
<td>Borrower accrues (capitalized) interest only on amount drawn during construction</td>
</tr>
<tr>
<td>Bond covenants dictated by external debt structure and market conditions</td>
<td>ILP loan covenants tailored to borrower’s creditworthiness</td>
</tr>
<tr>
<td>Borrower pays debt issuance costs of 2% - 3% plus ongoing fees</td>
<td>Borrower pays one-time debt issuance cost of 1%; ILP pays ongoing costs</td>
</tr>
<tr>
<td>Borrower pays fees and potential penalties to prepay debt</td>
<td>Borrower pays no prepayment fees</td>
</tr>
<tr>
<td>Refunding savings benefit individual borrowers</td>
<td>Refunding savings benefits all borrowers</td>
</tr>
</tbody>
</table>
# Internal Lending Program (ILP)

## Estimated Construction Draws and Issuance

<table>
<thead>
<tr>
<th>Approved Project</th>
<th>Remaining Draws</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing, Phase 1</td>
<td>$129</td>
</tr>
<tr>
<td>Student Life Projects</td>
<td>129</td>
</tr>
<tr>
<td>Husky Stadium Renovation</td>
<td>250</td>
</tr>
<tr>
<td>UWMC Expansion, Phase 1</td>
<td>80</td>
</tr>
<tr>
<td>Molecular Engineering – ILP only</td>
<td>20</td>
</tr>
<tr>
<td>J-Wing (Microbiology)</td>
<td>16</td>
</tr>
<tr>
<td>PACCAR Business School</td>
<td>5</td>
</tr>
<tr>
<td>Tacoma Phase 3 – ILP only</td>
<td>6</td>
</tr>
<tr>
<td>Pediatric Dentistry Clinic</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$636</strong></td>
</tr>
</tbody>
</table>

- Debt Proceeds on Hand                        | $21             |
- Additional Debt to be issued in FY2011       | 150             |
- Estimated size of FY2012 Bond Resolution     | 253             |
- Estimated size of FY2013 & FY2014 Bond Resolutions | 212        |
# Internal Lending Program (ILP)

**Future Projects (Not Yet Approved by BOR)**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Estimated Borrowing Amount through 2021 ($Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Housing, Phase 2-4</td>
<td>$705</td>
</tr>
<tr>
<td>South Lake Union 3, Phases 2-3</td>
<td>308</td>
</tr>
<tr>
<td>Metropolitan Tract Recapitalization</td>
<td>200</td>
</tr>
<tr>
<td>Enterprise Information System</td>
<td>125</td>
</tr>
<tr>
<td>Health and Life Sciences Core Research Facilities</td>
<td>120</td>
</tr>
<tr>
<td>UWMC Building Expansion, Phase 2</td>
<td>71</td>
</tr>
<tr>
<td>Global Public Health, Nursing and Pharmacy Research Center</td>
<td>60</td>
</tr>
<tr>
<td>Innovation Collaboration Center</td>
<td>50</td>
</tr>
<tr>
<td>Seattle Parking Improvements</td>
<td>41</td>
</tr>
<tr>
<td>UW Bothell Housing Acquisition</td>
<td>13</td>
</tr>
<tr>
<td>UW Tacoma Student Union - Phase 1</td>
<td>8</td>
</tr>
<tr>
<td>Major Infrastructure Upgrade Projects</td>
<td>7</td>
</tr>
<tr>
<td>Sand Point Building 5 - Archival Storage</td>
<td>5</td>
</tr>
<tr>
<td>Daycare Center Expansion</td>
<td>4</td>
</tr>
<tr>
<td>Intellectual House</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,720</strong></td>
</tr>
</tbody>
</table>
Internal Lending Program (ILP)  
Peer Institutions

Duke University

Emory University

Stanford University

Ohio State University

Princeton University

Harvard University

Johns Hopkins University

University of North Carolina – Chapel Hill

Indiana University

Vanderbilt University

University of Virginia

Columbia University

University of Missouri

University of Pennsylvania