University of Washington BOARD OF REGENTS SPECIAL MEETING

PAUL JENNY, VICE PROVOST, PLANNING & BUDGETING

April 5, 2012

UW BY THE NUMBERS

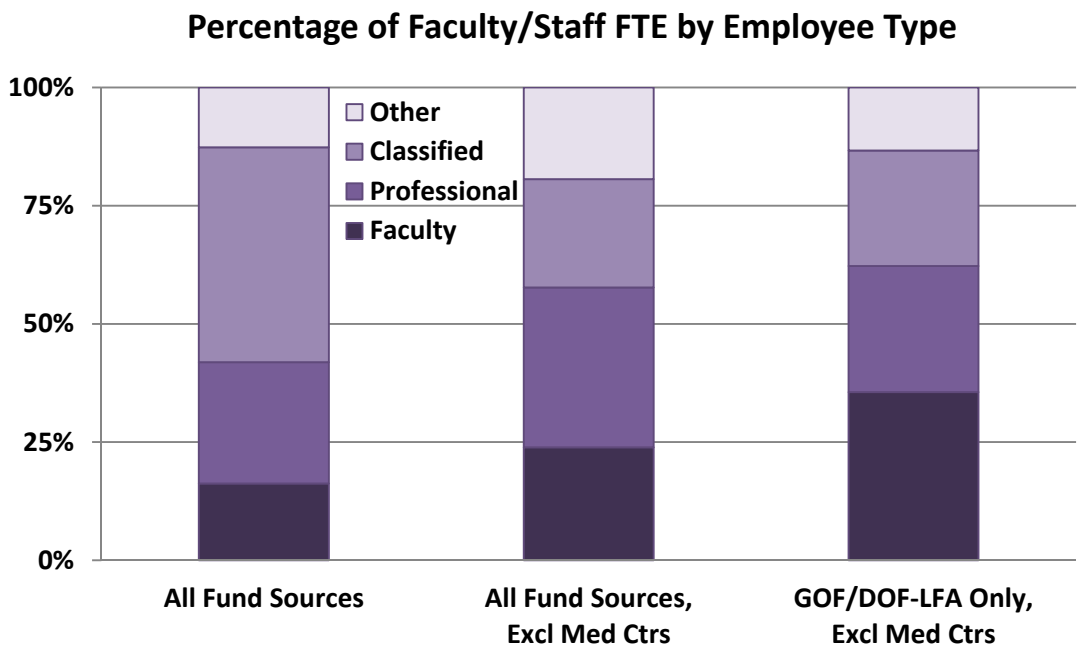
- Three campuses support over 50,000 graduate, professional and undergraduate students (plus an additional 41,000 Educational Outreach students)
- Last year, we awarded more than 14,000 degrees
- One quarter of UW undergrads are Husky Promise eligible and half of our undergrads leave the UW without any debt
- Even a after 20% tuition rate increase, the UW has the third lowest undergrad, resident tuition and fee rate of Global Challenge State peers

PERSONNEL

Fall 2011 FTE:

- 31,000 – All fund sources, including medical centers
- 20,100 – All fund sources, excluding medical centers
- 6,800 – GOF/DOF-LFA funded only, excluding medical centers

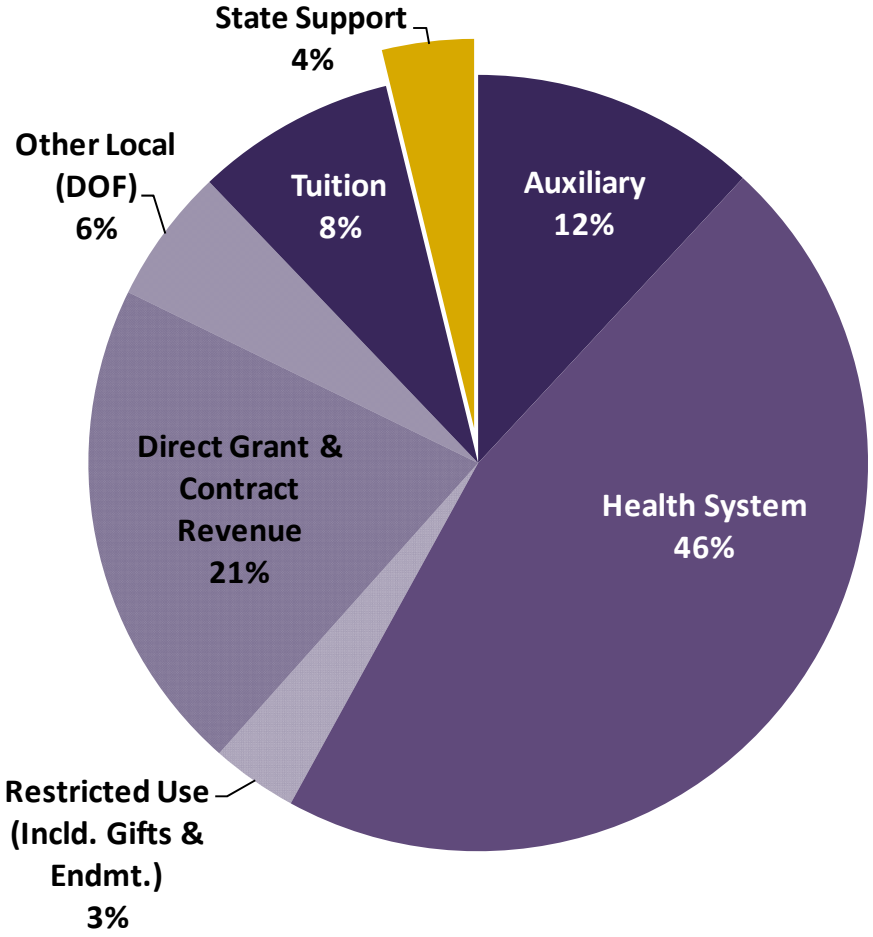
The composition of faculty/staff varies between these groups:



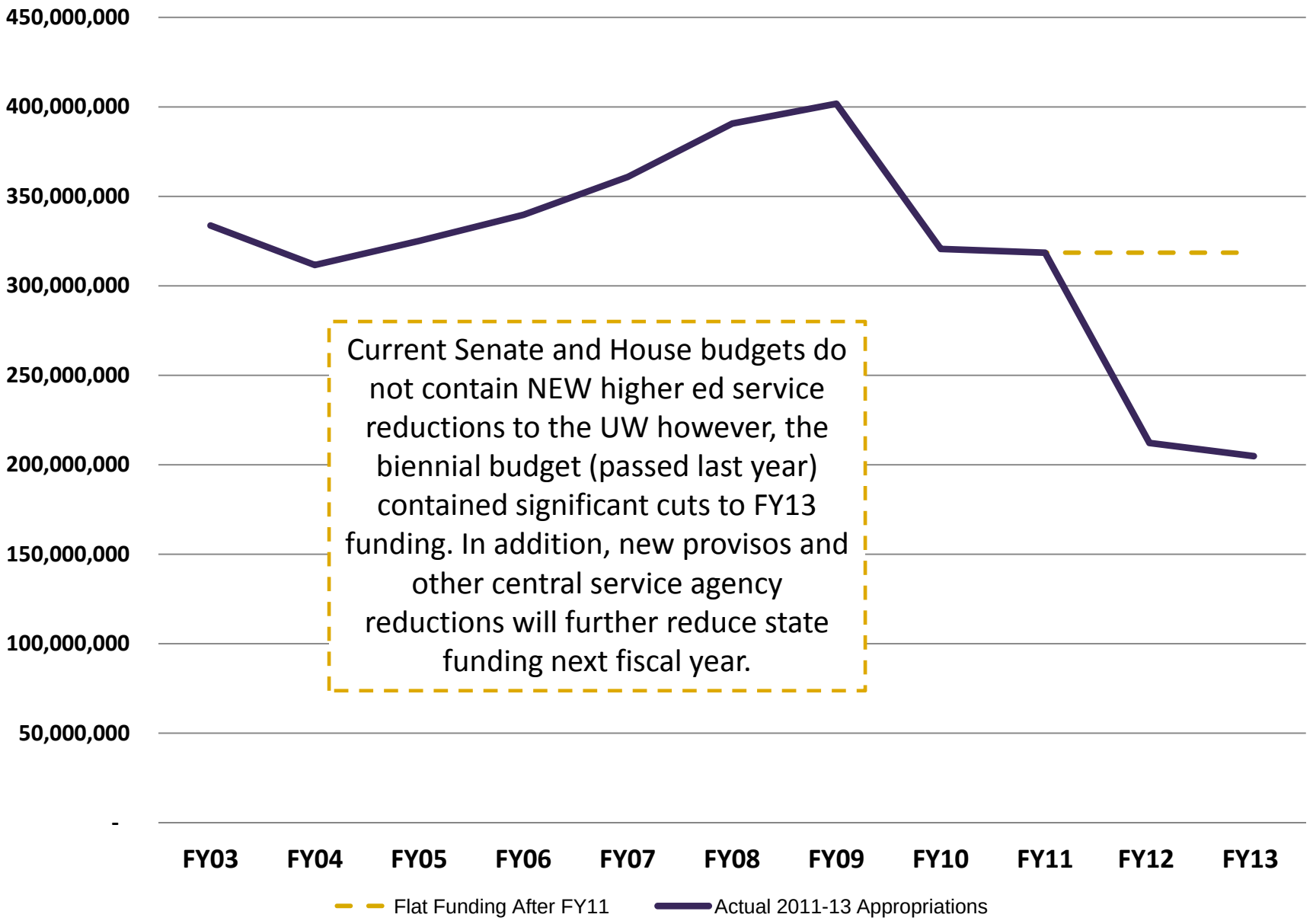
FY12 OPERATING BUDGET = $5.5B

State support dominates our conversations because when combined with tuition (GOF), it forms our core foundation of educational support.

While state support has fallen significantly it still represents 31% of our GOF budget. Some units produce significantly less tuition than others and rely disproportionately on state funding.



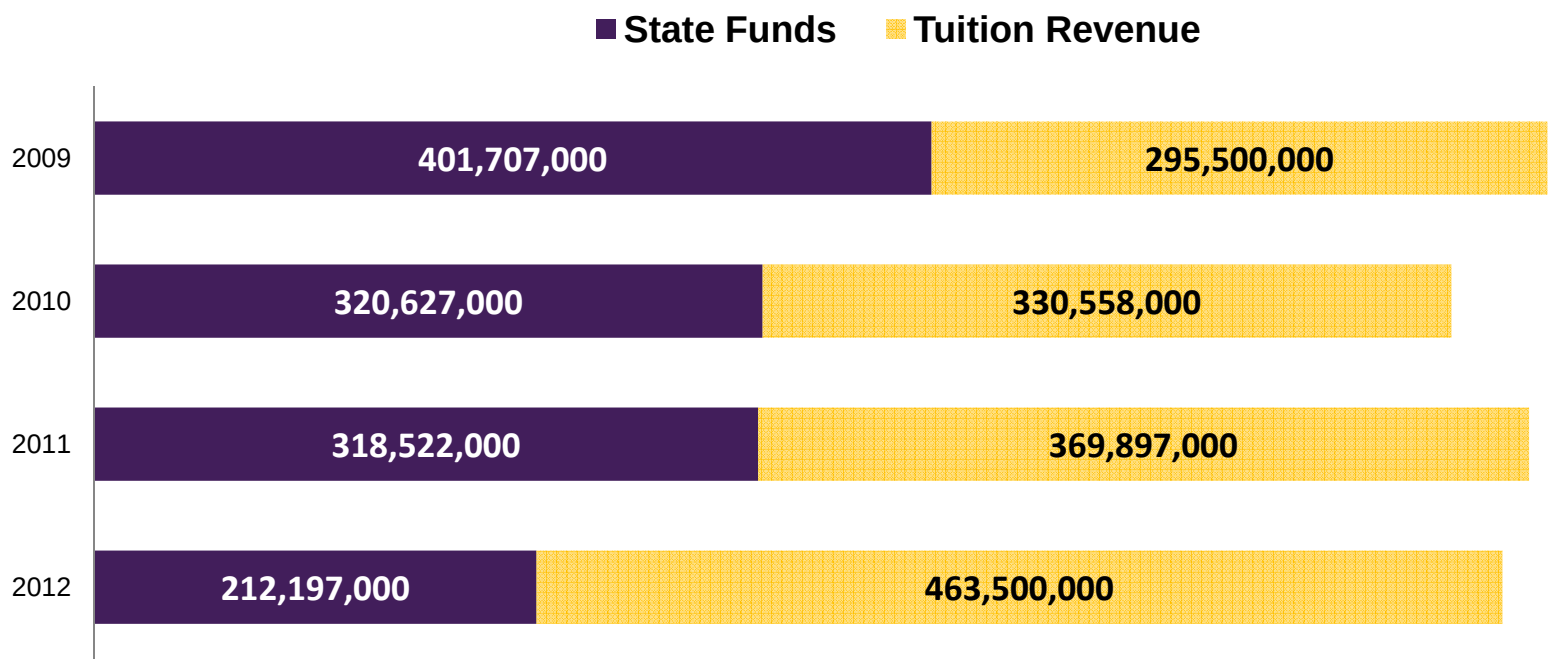
FY13 STATE FUNDING: CRYSTAL BALL GAZING



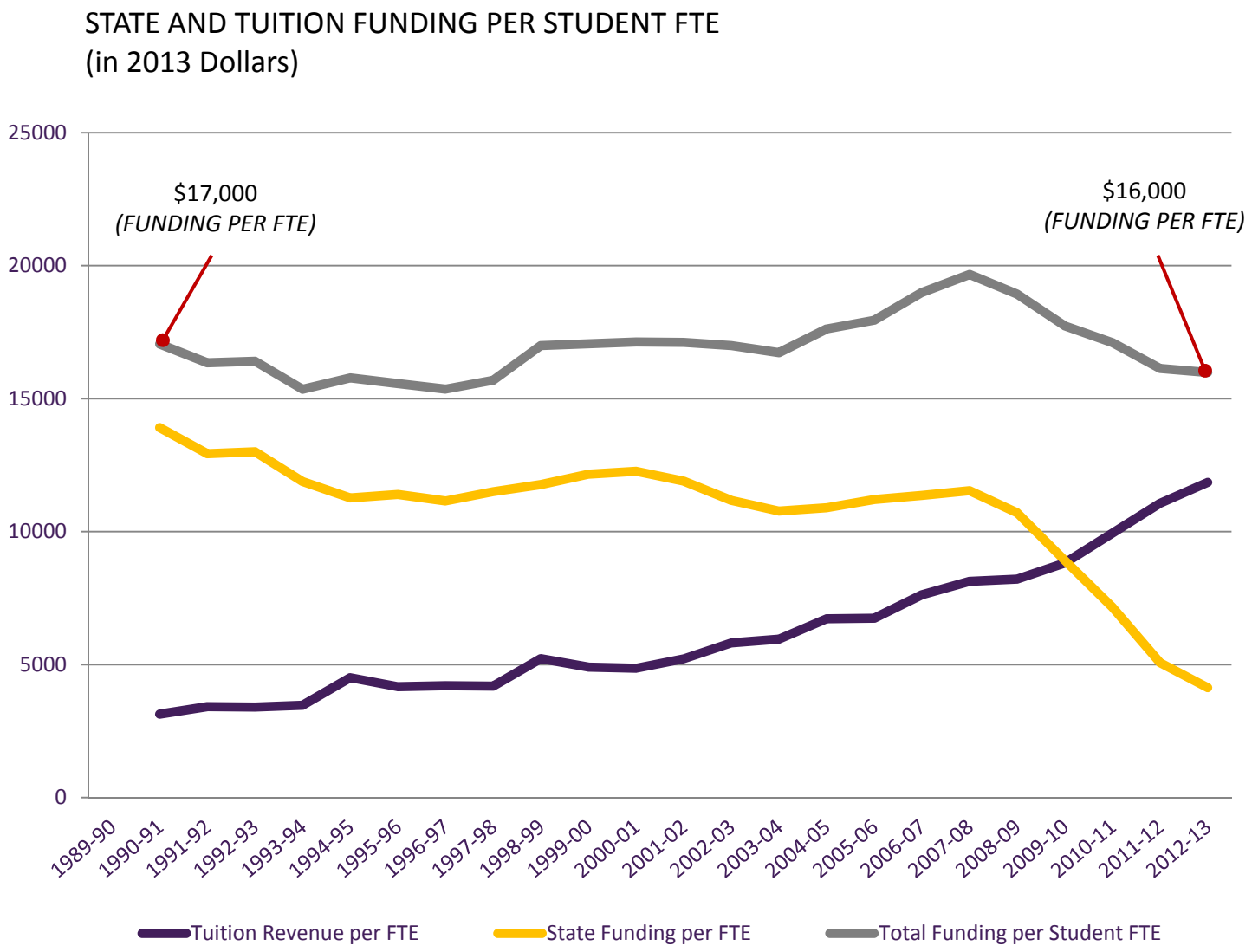
CENTRAL OPERATING RESOURCES

State funds declined over 30% in FY12, with tuition revenue growing to fill state funding gap

Since FY09, the UW has lost half of its state funding



SHIFTING SOURCES OF EDUCATIONAL REVENUE



UW BUDGET IMPACTS

ADMINISTRATIVE

- Laid off or eliminated over 1,000 positions and reduced use of overtime
- Centralized, streamlined, and automated core services (including procurement) across units

ACADEMIC

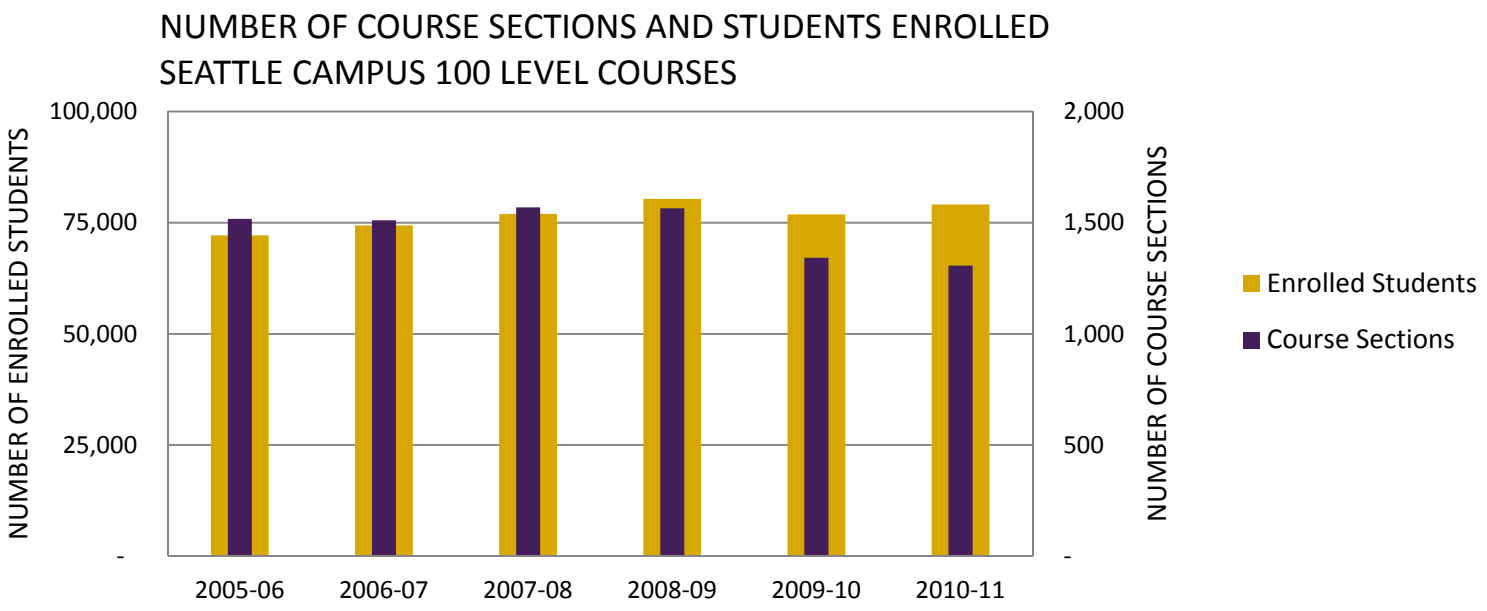
- Accelerating change in composition of our academic workforce
- Increasing class size
- Increase in nonresident admissions
- Degree, emphasis, and minor eliminations and halted admissions

ACTIVITY BASED BUDGETING (ABB)

- ABB is an institutional budget model that more directly aligns revenue allocations and attribution of expenditures for academic and administrative units.
- ABB is not the strategic plan of the University, nor does it determine its mission. Rather, it is the process whereby leadership can implement policies that serve the best interests of the University and advance the strategic plans for the institution and its components.
- For information about ABB and to explore our ABB models, please visit: **http://opb.washington.edu/content/activity-based-budgeting-project**
- ABB focuses on the budget relationship between the Provost and the Deans, Vice Presidents, and Vice Provosts. There is no requirement to apply it at the departmental level.

UW CONSEQUENCES: CLASS SIZE

- Course reductions concentrated in the lower levels:
  - Mostly constant average class size (ACS) for 200, 400, and 500+ level courses
  - Increase in ACS for 100 level courses from 48 to 61
  - Increase in ACS for 300 level courses from 37 to 42



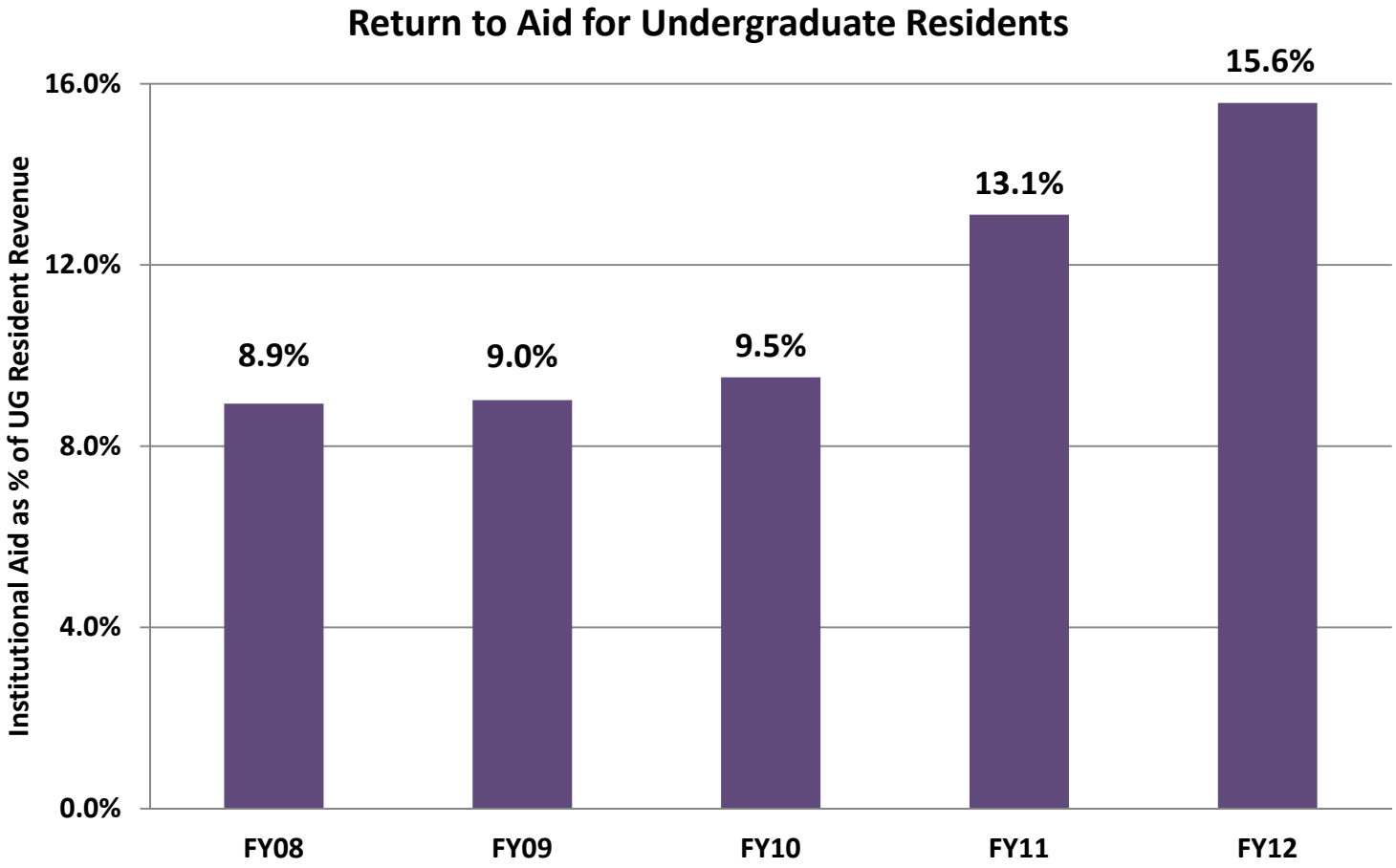
COMPARISON TO PEER TUITION & FEE RATES

YEAR	PEER GROUP	RESIDENT UG TUITION & FEES	NON-RESIDENT UNDERGRAD TUITION & FEES
2010-11	GLOBAL CHALLENGE + U MICH	$10,887	$30,790
	UNIVERSITY OF WASHINGTON	***$8,701***	***$25,329***
2011-12	GLOBAL CHALLENGE + U MICH	$11,700	$33,100
	UNIVERSITY OF WASHINGTON (20%)	***$10,571***	***$28,055***

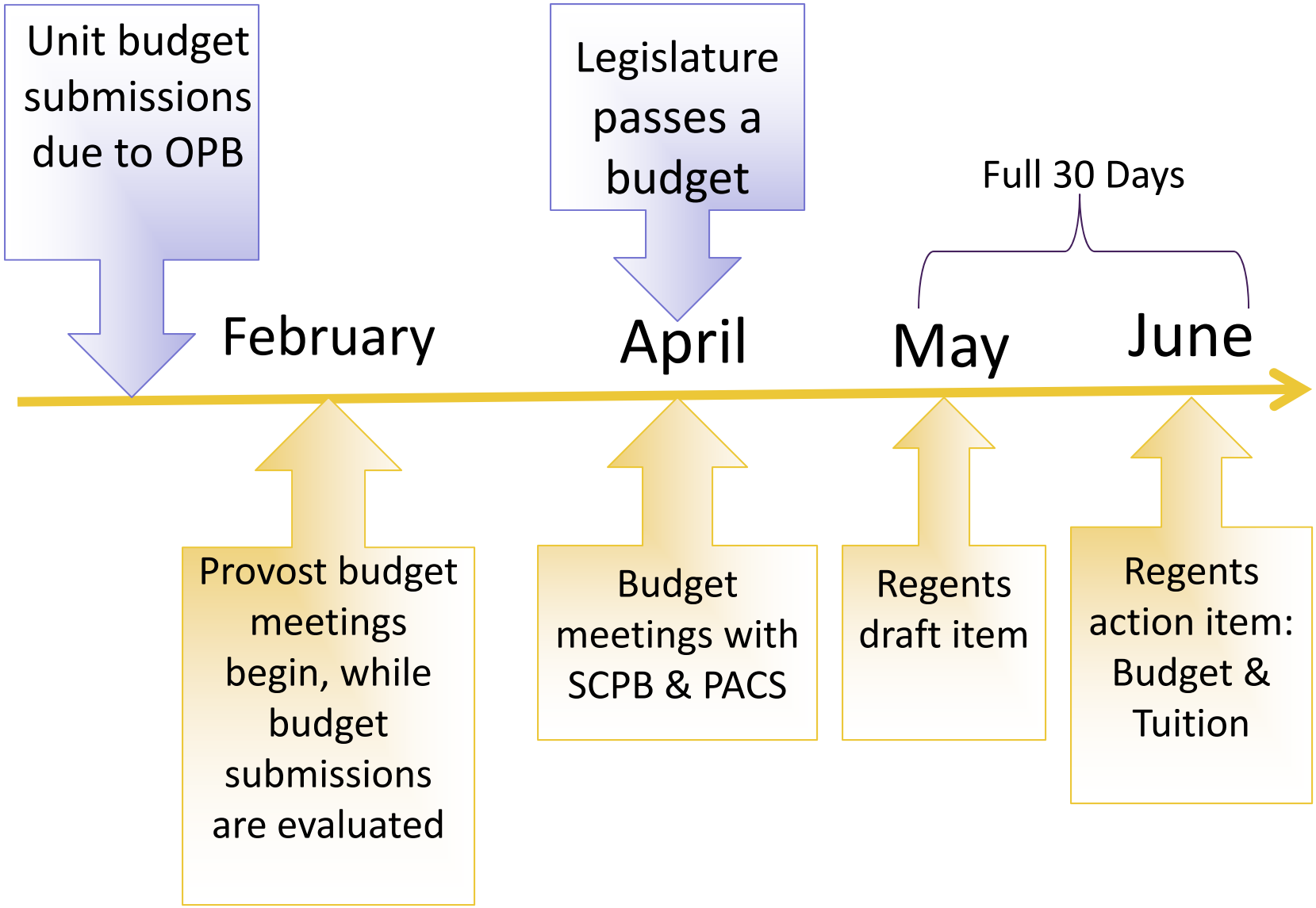
Note: To compare to peers, the total tuition & fees charged must be used. For 2010-11, tuition was $8,122 but total tuition & fees was $8,701.

UW COMMITMENT TO AID

As undergraduate tuition has increased, the amount of institutional aid represents an increasing proportion of revenue from undergraduate residents. We are required to return 5% of tuition revenue for aid.



FY13 BUDGET DEVELOPMENT TIMELINE



RESOURCES

- OPB homepage: **http://opb.washington.edu/**
- OPB's blog highlights budget news from Olympia: **http://depts.washington.edu/opbblog/**
- Unit budget submissions: **http://opb.washington.edu/content/annual-budget-discussions-provost-fy13**
- Regents meeting information: **http://www.washington.edu/regents/meetings/**