

May 12, 2005

TO: Members of the Board of Regents
Ex Officio Representatives to the Board of Regents

FROM: Michele M. Sams, Secretary of the Board of Regents

RE: Schedule of Meetings

MAY 19, 2005

10:00 a.m.–12:40 p.m.	142 Gerberding Hall	FINANCE, AUDIT AND FACILITIES COMMITTEE: Regents Yapp (Chr), Brotman, Evans, Jewell, Kiga, Proctor
12:40–1:40 p.m.	142 Gerberding Hall	COMMITTEE OF THE WHOLE: Regents Brotman (Chair), Barer, Bolton, Cole, Evans, Gates, Jewell, Kiga, Proctor, Yapp
1:45–2:45 p.m.	142 Gerberding Hall	ACADEMIC & STUDENT AFFAIRS COMMITTEE: Regents Gates (Chr), Barer, Bolton, Brotman, Cole, Jewell
3:00 p.m.	Peterson Room Allen Library	REGULAR MEETING OF BOARD OF REGENTS
5:45 p.m.	President's Residence	DINNER FOR REGENTS

ENCLOSURES: Agendas for Committees



UNIVERSITY OF WASHINGTON
BOARD OF REGENTS

May 12, 2005

TO: **Members of the Academic and Student Affairs Committee**
Regents Gates (Chair), Barer, Bolton, Brotman, Cole, Jewell

FROM: **Michele M. Sams, Secretary of the Board of Regents**

RE: **Meeting of Committee on 5/19/05 (1:45–2:45 p.m., 142 Gerberding Hall)**

The following topics are noted for discussion at the meeting of the committee on *May 19, 2005*. Items requiring action by the full Board of Regents are marked "DRAFT."

1. **Academic and Administrative Appointments** **ACTION** A-1
David B. Thorud, Acting Provost and Vice President for
Academic Affairs
2. **Instructional Improvement and Innovation** **INFORMATION** A-2
Elizabeth L. Feetham, Acting Dean of the Graduate School
and Vice Provost
Christine Ingebritsen, Acting Dean & Associate Vice
Provost, Office of Undergraduate Education
3. **Other Business** **INFORMATION**



UNIVERSITY OF WASHINGTON
BOARD OF REGENTS

May 12, 2005

TO: Members of the Committee of the Whole
Regents Brotman (Chair), Barer, Bolton, Cole, Evans, Gates, Jewell,
Kiga, Proctor, Yapp

FROM: Michele M. Sams, Secretary of the Board of Regents

RE: Meeting of Committee on 5/19/05 (12:40 p.m.–1:40 p.m., 142 Gerberding Hall)

The following topics are noted for discussion at the meeting of the committee on *Thursday, May 19, 2005*. Items requiring action by the full Board of Regents are marked "DRAFT."

1. **Board Communications**

INFORMATION



UNIVERSITY OF WASHINGTON
BOARD OF REGENTS

May 12, 2005

TO: Members of the Finance, Audit and Facilities Committee
Regents Yapp (Chair), Brotman, Evans, Jewell, Kiga, Proctor

FROM: Michele M. Sams, Secretary of the Board of Regents

RE: Meeting of Committee on 5/19/05 (10:00 a.m. – 12:40 p.m., 142 Gerberding Hall)

The following topics are noted for discussion at the meeting of the committee on *Thursday, May 19, 2005*. Items requiring action by the full Board of Regents are marked "DRAFT."

1. **Grant and Contract Awards – February and March, 2005** ACTION F-2
Weldon E. Ihrig, Executive Vice President
2. **Report of Actions Taken Under Delegated Authority** INFORMATION F-3
Richard Chapman, Associate V. P. for Capital Projects
Weldon E. Ihrig
Christopher W. Malins, Assistant Treasurer
3. **Report of Contributions – February and March, 2005** INFORMATION F-1
Walter G. Dryfoos, Associate V. P., Advancement Services,
Development & Alumni Relations
Connie Kravas, Vice President for Development and Alumni
Relations
4. **Major Capital Project Approval Process - Proposal to Revise** ACTION F-4
Richard Chapman
Weldon E. Ihrig
5. **Draft Amendment to Investment Policies** ACTION F-5
Keith Ferguson, Chief Investment Officer
Weldon E. Ihrig
6. **UWINCO Update** INFORMATION F-6
Keith Ferguson
Weldon E. Ihrig
7. **Proposed Fiscal Year 2006 Operating and Capital Budgets** INFORMATION F-7
Gary R. Quarfoth, Associate Vice Provost, Budget Office

8. **Intercollegiate Athletics Financial Review** INFORMATION F-8
Todd Turner, Athletic Director, Intercollegiate Athletics
9. **2005 Audit Plan of the UW and UWMC** INFORMATION F-9
Weldon E. Ihrig
Maureen Rhea, Director of Audits, Internal Audit
10. **Metropolitan Tract Quarterly Report** INFORMATION F-10
Jeanette L. Henderson, Director of Real Estate
Weldon E. Ihrig
Lisa L. Stewart, Principal, Urbis Partners, LLC
11. **Extension of Houseboat Leases** INFORMATION F-11
Jeanette L. Henderson,
Weldon E. Ihrig
Steven R. Kennard, Property & Real Estate Operations
Officer
12. **Other Business** INFORMATION
13. **Executive Session**

BOARD OF REGENTS
University of Washington

May 19, 2005
3:00 p.m. – Peterson Room, Allen Library

(Item No.)

I. CALL TO ORDER

II. ROLL CALL

III. CONFIRM AGENDA

IV. REPORT OF THE CHAIR OF THE BOARD OF REGENTS: Regent Brotman

Resolution of Appreciation for Alexander E. Bolton BP-1

V. REPORT OF THE UNIVERSITY PRESIDENT: Dr. Emmert

VI. CONSENT AGENDA

Approval of Minutes of Meeting of March 17, 2005

Grant and Contract Awards - February and March, 2005 F-2

Major Capital Project Approval Process - Proposal to Revise F-4

Draft Amendment to Investment Policies F-5

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee: Regent Gates - Chair

Academic and Administrative Appointments (**ACTION**) A-1

Instructional Improvement & Innovation (Information only) A-2

B. Finance, Audit and Facilities Committee: Regent Yapp - Chair

Report of Contributions – February and March, 2005 (Information only)	F-1
Report of Actions Taken Under Delegated Authority (Information only)	F-3
UWINCO Update (Information only)	F-6
Proposed Fiscal Year 2006 Operating and Capital Budgets (Information only)	F-7
Intercollegiate Athletics Financial Review (Information only)	F-8
2005 Audit Plan of the UW and UWMC (Information only)	F-9
Metropolitan Tract Quarterly Report (Information only)	F-10
Extension of Houseboat Leases (Information only)	F-11

C. Committee of the Whole: Regent Brotman - Chair

Board Communications (Information only)

VIII. OTHER BUSINESS

Reports from ex officio representatives to the Board:

ASUW President – Ms. Kelsey Knowles

GPSS President – Mr. Adam Grupp

Alumni Association President – Ms. Karen Lee

Faculty Senate Chair – Professor G. Ross Heath

IX. DATE FOR NEXT REGULAR MEETING: June 9, 2005

X. EXECUTIVE SESSION

XI. ADJOURNMENT

MINUTES

BOARD OF REGENTS University of Washington

May 19, 2005

The Board of Regents held its regular meeting on Thursday, May 19, 2005, beginning at 3:00 p.m. in the Peterson Room of the Allen Library. The notice of the meeting was appropriately provided to the public and the press.

CALL TO ORDER

ROLL CALL

The Assistant Secretary called the roll: Present were Regents Brotman (presiding), Bolton, Cole, Evans, Gates, Jewell, Kiga, Proctor, Yapp; Dr. Emmert, Dr. Thorud, Ms. Warren, Ms. Keith, Ms. Sams; Ex-officio representatives: Ms. Kelsey Knowles, Mr. Adam Grupp

Absent: Regent Barer, Ex-officio representatives Ms. Karen Lee and Professor G. Ross Heath

CONFIRM AGENDA

The agenda was confirmed as presented.

REPORT OF THE CHAIR OF THE BOARD OF REGENTS: Regent Brotman

Resolution of Appreciation for Alexander E. Bolton

BP-1

MOTION: Upon the recommendation of the President of the Board and the motion made by Regent Jewell, seconded by Regent Yapp, the Board by unanimous vote adopted the Resolution displayed in BP-1.

See Attachment BP-1

Regent Brotman read aloud the Resolution, after which there was a round of applause for Regent Bolton.

Adam Grupp, President of the Graduate and Professional Student Senate, thanked Regent Bolton for his excellent service, saying that by his actions, Regent Bolton elevated what it means to be a Student Regent in the mind of those that were represented by him.

President Emmert added that he has never seen a board member work any harder than Regent Bolton. Emmert expressed the appreciation of the administration and complimented Bolton for his remarkable performance in representing students.

REPORT OF THE UNIVERSITY PRESIDENT: Dr. Emmert

President Emmert invited to the Board table Dr. David Hodge, Dean of the College of Arts and Sciences, and Dr. Adrian Raftery, Professor of Statistics and Sociology and Director of the Center for Statistics and the Social Sciences. Dr. Emmert noted that one of the most important marks of scholarly success is the rate at which colleagues in an academic field cite each other's work. The more often one's work is cited in journals, the more important it is to the rest of the world. Dr. Hodge introduced Dr. Raftery, who was recently rated by the Institute for Scientific Information as the most cited mathematician in the world over the last ten year period. Dr. Raftery has almost 200 citations more than the next most cited person.

Dr. Raftery thanked Dr. Hodge and President Emmert. He said his work is largely focused on developing new statistical methods for the social, environment and health sciences, and more specifically developing ways of dealing with uncertainty about the assumptions that underlie the statistical and mathematical models that inform scientific research and policy making. Dr. Raftery distributed a handout that offered more details about the Center. Raftery took a few moments to talk about his own research, which is a major interdisciplinary research project focused on weather forecasting. It is funded by a \$5 million grant from the Department of Defense (DOD) Multidisciplinary University Research Initiative. The DOD request for proposals specified proposals had to be from multiuniversity consortiums. He was particularly proud that the University of Washington decided that it had the expertise to compete as a single entity against other multidisciplinary Universities. The University of Washington won the competition, with second place being awarded to a six-university consortium lead by Massachusetts Institute of Technology.

The Regents congratulated Dr. Raftery and a round of applause followed.

President Emmert then provided a brief update on the search for a Provost, noting that there had been an impressive group of candidates. Three finalists were chosen to visit campus the first two weeks of May. Dr. Emmert said that any one of the three individuals would make a fine provost and he expected the process to be completed in the near future.

President Emmert began by stating that one of the great challenges that all universities have is making sure it takes full advantage of their most important asset—its people. Emmert recently appointed a 24-member Leadership and Values Initiative Team that will be facilitated by Ms. Patti Carson, Vice President for Human Resources. Emmert wants to ensure that the University of Washington is providing faculty and staff with a work environment that provides support and encouragement and that reflects its values. The President then introduced Ms. Carson and Dr. Gerald J. Baldasty, Chair and Professor of the Department of Communication. The two emphasized the importance of the undertaking and explained the process. A University-wide survey is currently underway, gathering information about the UW work environment from faculty and staff. Discussions with focus groups are also occurring. In October of this year, communications regarding the survey results and the associated next steps will appear in *University Week*, a biweekly publication for faculty and staff. A second survey will be conducted in 2006 to ascertain how the initiative has progressed.

CONSENT AGENDA

Regent Brotman noted there were four items for approval on the consent agenda, and called for a motion.

MOTION: Upon the recommendation of the President of the Board and the motion made by Regent Yapp, seconded by Regent Jewell, the Board voted to approve the four items on the consent agenda as shown below:

Minutes for the meeting of March 17, 2005

Grant and Contract Awards, February and March, 2005 (Agenda no. F-2)

The Board accepted Grant and Contract Awards for the month of February, 2005 in the total amount of \$56,068,524 and for the month of March 2005, in the total amount of \$75,984,294.

See Attachment F-2

Major Capital Project Approval Process - Proposal to Revise (Agenda no. F-4)

It was the recommendation of the Administration and the Finance, Audit and Facilities Committee that the President be authorized to utilize project specific delegations of authority and a more streamlined approval process for major capital projects, using a “Project Presentation” approval method.

See Attachment F-4

Draft Amendment to Investment Policies (Agenda no. F-5)

It was the recommendation of the University of Washington Investment Committee and the Finance, Audit and Facilities Committee that the Board of Regents adopt the following amended policies:

1. "Statement of Investment Objectives and Policy for the Consolidated Endowment Fund"
2. "Statement of Investment Objectives and Policy for Invested Funds"
3. "Statement of Investment Objectives and Policy for Portage Bay Insurance"
4. "Statement of Investment Objectives and Policy for Deferred and Other Gift Assets"

See Attachment F-5

STANDING COMMITTEES

ACADEMIC AND STUDENT AFFAIRS COMMITTEE: Regent Gates, Chair

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

Regent Gates highlighted the nomination and appointments displayed below.

Professor Steven Seitz was nominated for the Short-Dooley Endowed Career Development Professorship in Computer Science and Engineering. Professor Seitz received his Ph.D. in 1997 from the University of Wisconsin. His research and teaching is focused on the interface of computer vision and computer graphics. Robert Short received his Master's degree from the University of Washington in 1987. He is currently Corporate Vice President for Window's Core Technology at Microsoft. Emer Dooley received her Ph.D. from the University of Washington in 2000. She serves on the faculty of the Business School in the Department of Management and Organization.

Kristen Swanson was nominated for the University of Washington Medical Center Term Professorship in Nursing Leadership. Professor Swanson received her Ph.D. in 1983 from the University of Colorado. She has recently been elected as a fellow of the American Academy of Nursing and a Robert Wood Johnson Nurse Executive Fellow. The purpose of this term professorship is to enable the Dean of the School of Nursing to retain outstanding faculty.

Benjamin Danielson was nominated for the Janet and Jim Senegal Endowed Chair for the Odessa Brown Children's Clinic. Dr. Danielson received his M.D. in 1992 from the University of Washington. He currently serves as Medical Director at the Odessa Brown Children's Clinic providing primary pediatric care for infants and children. His focus is working on chronic care conditions including sickle cell disease, obesity, and childhood behavioral disorders. This endowment is administered by Children's Hospital and Regional Medical Center.

George Kraft was nominated for the Nancy and Buster Alvord Endowed Professorship in Multiple Sclerosis. Dr. Kraft received his M.D. in 1963 from Ohio State University. He is nationally recognized for his expertise in the field of multiple sclerosis, focusing on

disabilities associated with multiple sclerosis, rehabilitation needs, and potential treatments. Buster Alvord retired in 2002 as Professor and Head of Neuropathology at the University of Washington and remains active on the faculty in the Department of Pathology. Nancy Alvord was a founding member of the UW Foundation Board of Directors.

Laura Chrisman was nominated for the Nancy K. Ketcham Endowed Professorship in English. Professor Chrisman received her Ph.D. in 1992 from the University of Oxford. Over her professional career, she has held faculty positions at the University of Sussex, Brown University, Ohio State University and most recently at the University of York. Nancy Ketcham is a lifelong learner, she has continued taking courses at the University throughout the years. This endowment was created to recruit and retain outstanding faculty in the Department of English.

Hannah Wiley was nominated for the Donald E. Petersen Endowment for Excellence. Professor Wiley received her Master of Arts degree in 1981 from New York University. She has served as the Director of the Dance Program since 1987. Professor Wiley is credited with the development of the undergraduate dance program which was recognized with the Brotman Award for Excellence in Undergraduate Education in 2003. This gift was established to honor Donald Petersen upon his retirement as Chairman and CEO of Ford Motor Company. The purpose of the endowment is to strengthen the vitality and visibility of visual and performing arts in the College of Arts and Sciences.

Lawrence Corey was nominated for the Lawrence Corey Endowed Professorship in Medical Virology. Dr. Corey received his M.D. in 1971 from the University of Michigan. He is Head of the Virology Division in the Department of Laboratory Medicine as well as the Program in Infectious Diseases based at the Fred Hutchinson Cancer Research Center. This endowment was created by gifts from GlaxoSmithKline and Glaxo Wellcome pharmaceutical companies. The purpose of this endowment is to enable the University to attract and retain distinguished faculty in human viral disease.

James Jiambalvo will be Dean of the Business School, holder of the Kirby L. Cramer Endowed Chair in Business, and continue as Professor of Accounting. Dr. Jiambalvo received his Ph.D. in 1977 from Ohio State University. He came to the University in 1977 as Assistant Professor of Accounting, was promoted to Associate Professor in 1982 and to Professor in 1986. He has served as Chair of the Accounting Department and Director of E-Business. Dr. Jiambalvo has been recognized for his teaching of managerial accounting by receiving the School's MBA Professor of the Year award. Kirby Cramer received his M.B.A. from the University of Washington in 1962. He has served as Director of the UW Foundation and is a member of the Business School's Advisory Board.

Steven Olswang will be Interim Chancellor of the University of Washington Bothell and continue as Professor of Education and Adjunct Professor of Law. Dr. Olswang received his J.D. in 1971 from the University of Illinois and his Ph.D. in 1977 from the University of Washington. He has served as Vice Provost since 1985 and has been a member of the College of Education since 1977 in the area of Educational Leadership and Policy

Studies. Dr. Olswang served as Interim Chancellor of the University of Washington Tacoma from April 2004 through March 2005.

MOTION: Upon the recommendation of the administration and the motion made by Regent Gates, seconded by Regent Kiga, the Board voted to approve the personnel appointments displayed on Agenda no. A-1: (Regent Bolton abstained from the discussion and vote.)

Instructional Improvement & Innovation (Information only)

Regent Gates reported on a presentation led by Christine Ingebritsen, Acting Dean of Undergraduate Education, which focused on a new experimental, interdisciplinary 100-level course, entitled, "Oceans and Society." Regent Gates also took a moment to compliment undergraduate students for the remarkable work they displayed at the 8th Annual Undergraduate Research Symposium held in Mary Gates Hall on May 13, 2005. There were over 600 undergraduate students involved in 400 different research exhibitions.

FINANCE. AUDIT AND FACILITIES COMMITTEE: Regent Yapp, Chair

Regent Yapp noted that the committee had reviewed significant changes in the University's investment policies and that they were the culmination of hard work and a broad consultative process that had been ongoing since the arrival earlier in the year of Keith Ferguson, the new Chief Investment Officer.

The Committee spent the majority of its time discussing the Proposed 2006 Operating and Capital Budget and reviewing Intercollegiate Athletic (ICA) finances. With respect to the operating and capital budget, Regent Yapp indicated that the University fared well in the 2005 legislative session and expressed appreciation to President Emmert, Randy Hodgins, Director of State Relations, and Scott Woodward, Special Assistant to the President for External Affairs, for their tremendous efforts in Olympia. She also complimented the Department of Intercollegiate Athletics for a very complete and understandable presentation of ICA finances.

COMMITTEE OF THE WHOLE: Regent Brotman, Chair

In the Committee of the Whole held earlier in the day, Regent Brotman called for the Regents and others to meet in an executive session to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price, and to discuss with legal counsel representing the University legal risks of a proposed action or current practice that the University has identified when public discussion of the legal risks is likely to result in an adverse legal or financial consequence to the agency.

REPORTS FROM EX-OFFICIO REPRESENTATIVES TO THE BOARD OF REGENTS

ASUW President: Ms. Kelsey Knowles

Ms. Knowles reported that the ASUW elections took place on May 12, 2005. President-elect Lee M. Dunbar will take office on June 12, 2005. Regarding the University budget, she indicated that in general students felt that they were allowed significant input, and that they understand the need for revenue at the University. She indicated that while a 7% tuition increase for undergraduate residents is lower ultimately than anticipated, it still remains that student would appreciate a lower tuition increase.

GPSS President: Mr. Adam Grupp

Mr. Grupp reported that the election for Graduate and Professional Student Senate Officers also recently took place. Mr. Grupp was re-elected President. Among other things, he announces a new initiative funded by the President and the Provost. In consultation with the Graduate School, a seven-member, graduate student Leadership Council will award funding to graduate students for programming in areas of leadership development, personal and professional development, interdisciplinary research and general ways to showcase students who portray excellence as graduate students, teaching assistants and as leaders in our community.

DATE FOR NEXT MEETING

The next regular meeting of the Board of Regents will be held on Thursday, June 9, 2005, on the Seattle campus.

ADJOURNMENT

Prior to adjournment, Regent Proctor congratulated the Office of Minority Affairs on an excellent Educational Opportunity Program (EOP) Banquet that was held Wednesday, May 4. Awards were presented to EOP students who have achieved academic excellence while making notable contributions to the University and the community. Michael McGavick, Chairman, President and Chief Executive Officer of Safeco Corporation was awarded the Charles E. Odegaard award.

Regent Bolton expressed his gratitude to ASUW President Kelsey Knowles and GPSS President Adam Grupp for helping him fulfill his duties as a Regent over the last year. He said collectively they had been able to do a more effective job of affecting student life because they had work so well as a team.

Regent Cole congratulated Regent Brotman and his wife, Susan, for receiving the 2005 First Citizen Award on Wednesday, May 18, 2005. A round of applause followed.

The regular meeting was adjourned at 4:30 p.m.

A handwritten signature in black ink, appearing to read "Michele M. Sams". The signature is stylized with overlapping loops and a cursive style.

Michele M. Sams
Secretary of the Board of Regents

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Academic and Administrative Appointments

RECOMMENDED ACTION:

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve the appointments to the University faculty and administration as presented on the attached list.

Attachment: Personnel Recommendations

COLLEGE OF ARCHITECTURE AND URBAN PLANNING

DEPARTMENT OF URBAN DESIGN AND PLANNING

ADMINISTRATIVE APPOINTMENTS

WAGNER, FREDRICK WALTER

(BS, 1963, MICHIGAN STATE UNIVERSITY; MS, 1970, UNIVERSITY OF WASHINGTON; PHD, 1974, UNIVERSITY OF WASHINGTON) TO BE INTERIM ASSOCIATE DEAN FOR ACADEMIC AFFAIRS FOR THE COLLEGE OF ARCHITECTURE AND URBAN PLANNING, EFFECTIVE 3/16/2005. (DR. WAGNER WILL CONTINUE AS INTERIM CHAIR OF LANDSCAPE ARCHITECTURE AND RESEARCH PROFESSOR OF URBAN DESIGN AND PLANNING AND ADJUNCT RESEARCH PROFESSOR OF LANDSCAPE ARCHITECTURE.)

COLLEGE OF ARTS AND SCIENCES

DANCE PROGRAM

ENDOWED APPOINTMENTS

WILEY, HANNAH CHRISTINE

(BA, 1973, UNIVERSITY OF WASHINGTON; MA, 1981, NEW YORK UNIVERSITY) TO BE HOLDER OF THE DONALD E. PETERSEN ENDOWMENT FOR EXCELLENCE OVER NINE MONTHS, EFFECTIVE 3/16/2005. (PROFESSOR WILEY WILL CONTINUE AS PROFESSOR AND DIRECTOR OF THE DANCE PROGRAM.)

DEPARTMENT OF ATMOSPHERIC SCIENCES

NEW APPOINTMENTS

ACKERMAN, THOMAS PETER

(BA, 1970, CALVIN COLLEGE; MS, 1971, UNIVERSITY OF WASHINGTON; PHD, 1976, UNIVERSITY OF WASHINGTON) TO BE ACTING PROFESSOR OF ATMOSPHERIC SCIENCES WITHOUT SALARY FROM THE UNIVERSITY, EFFECTIVE 3/16/2005. (PRIOR TO THIS APPOINTMENT, DR. ACKERMAN WAS AN AFFILIATE PROFESSOR IN THE SAME DEPARTMENT.)

DEPARTMENT OF EARTH AND SPACE SCIENCES

ADMINISTRATIVE APPOINTMENTS

WINGLEE, ROBERT MATTHEW

(BSc, 1980, UNIVERSITY OF SYDNEY (AUSTRALIA); PHD, 1985, UNIVERSITY OF SYDNEY (AUSTRALIA)) TO BE CHAIR OF EARTH AND SPACE SCIENCES, EFFECTIVE 7/1/2005. (DR. WINGLEE WILL CONTINUE AS PROFESSOR OF EARTH AND SPACE SCIENCES AND ADJUNCT PROFESSOR OF PHYSICS, OF ASTRONOMY AND OF AERONAUTICS AND ASTRONAUTICS.)

NEW APPOINTMENTS

WINEBRENNER, DALE PAUL

(BS, 1979, PURDUE UNIVERSITY; MS, 1980, UNIVERSITY OF CALIFORNIA (SAN DIEGO); PHD, 1985, UNIVERSITY OF WASHINGTON) TO BE RESEARCH PROFESSOR OF EARTH AND SPACE SCIENCES WITHOUT SALARY FROM THE UNIVERSITY, EFFECTIVE 3/16/2005. (PRIOR TO THIS APPOINTMENT, DR. WINEBRENNER WAS A RESEARCH PROFESSOR IN ELECTRICAL ENGINEERING AT THE UNIVERSITY OF WASHINGTON.)

DEPARTMENT OF ECONOMICS

NEW APPOINTMENTS

PAPAGEORGIU, CHRIS

(BA, 1992, INDIANA UNIVERSITY; MA, 1994, UNIVERSITY OF PITTSBURGH; PHD, 1997, UNIVERSITY OF PITTSBURGH) TO BE VISITING ASSOCIATE PROFESSOR OF ECONOMICS AT A SALARY RATE OF \$14,871 OVER THREE MONTHS, EFFECTIVE 3/16/2005. (DR. PAPAGEOURGIU IS AN ASSOCIATE PROFESSOR OF ECONOMICS AT LOUISIANA STATE UNIVERSITY.)

DEPARTMENT OF ENGLISH

NEW APPOINTMENTS

CHRISMAN, LAURA

(BA, 1984, UNIVERSITY OF OXFORD (UK); DPhil, 1992, UNIVERSITY OF OXFORD (UK)) TO BE PROFESSOR OF ENGLISH AND HOLDER OF THE NANCY K. KETCHAM ENDOWED PROFESSORSHIP IN ENGLISH AT A SALARY RATE OF \$85,005 OVER NINE MONTHS, EFFECTIVE 9/16/2005. (DR. CHRISMAN IS CURRENTLY PROFESSOR OF POSTCOLONIAL STUDIES AT UNIVERSITY OF YORK, UK.)

DEPARTMENT OF GERMANICS

NEW APPOINTMENTS

FICK, MONIKA

(DIPLOMA, 1981, UNIVERSITY OF WUERZBURG (GERMANY); PHD, 1991, UNIVERSITY OF HEIDELBERG (GERMANY)) TO BE VISITING PROFESSOR OF GERMANICS AT A SALARY RATE OF \$16,185 OVER THREE MONTHS, EFFECTIVE 3/16/2005. (DR. FICK IS A PROFESSOR AT THE UNIVERSITY OF AACHEN, GERMANY.)

DEPARTMENT OF HISTORY

NEW APPOINTMENTS

SCHWARZ, FLORIAN

(MA, 1993, UNIVERSITY OF TUBINGEN (GERMANY); PHD, 1998, UNIVERSITY OF TUBINGEN (GERMANY)) TO BE ASSISTANT PROFESSOR OF HISTORY AT A SALARY RATE OF \$56,007 OVER NINE MONTHS, EFFECTIVE 9/16/2005. (DR. SCHWARZ IS CURRENTLY AN ASSISTANT LECTURER IN ORIENTAL AND ISLAMIC STUDIES AT RUH UNIVERSITAT BOCHUM, GERMANY.)

DEPARTMENT OF INTERNATIONAL STUDIES

NEW APPOINTMENTS

THAPAR, ROMILA

(BA, 1955, UNIVERSITY OF LONDON (UK); PHD, 1958, UNIVERSITY OF LONDON (UK)) TO BE VISITING PROFESSOR, PART-TIME, OF INTERNATIONAL STUDIES AND HOLDER OF THE SOLOMON KATZ ENDOWED PROFESSORSHIP IN THE HUMANITIES AT A SALARY RATE OF \$40,398 OVER THREE MONTHS, EFFECTIVE 3/16/2005. (DR. THAPAR IS PROFESSOR EMERITUS OF HISTORY AT JAWAHARLAL NEHRU UNIVERSITY, INDIA)

DEPARTMENT OF LINGUISTICS

ADMINISTRATIVE APPOINTMENTS

NEWMAYER, FREDERICK JARET

(BA, 1965, UNIVERSITY OF ROCHESTER; MA, 1967, UNIVERSITY OF ROCHESTER; PHD, 1969, UNIVERSITY OF ILLINOIS) TO BE ACTING CHAIR OF LINGUISTICS, EFFECTIVE 9/1/2004. (DR. NEWMAYER WILL CONTINUE AS PROFESSOR OF LINGUISTICS.)

NEW APPOINTMENTS

CITKO, BARBARA

(BA, 1994, UNIVERSITY OF GDANSK (POLAND); PHD, 2000, STONY BROOK UNIVERSITY) TO BE ASSISTANT PROFESSOR OF LINGUISTICS AT A SALARY RATE OF \$53,001 OVER NINE MONTHS, EFFECTIVE 9/16/2005. (DR. CITKO IS CURRENTLY A LECTURER IN LINGUISTICS AT BRANDEIS UNIVERSITY.)

DEPARTMENT OF NEAR EAST LANGUAGES AND CIVILIZATION

NEW APPOINTMENTS

PAPAN-MATIN, FIROOZEH

(BA, 1982, CALIFORNIA STATE UNIVERSITY, NORTHRIDGE; MA, 1991, CALIFORNIA STATE UNIVERSITY, NORTHRIDGE; MA, 1995, UNIVERSITY OF CALIFORNIA (LOS ANGELES); PHD, 2003, UNIVERSITY OF CALIFORNIA (LOS ANGELES)) TO BE ASSISTANT PROFESSOR OF NEAR EAST LANGUAGES AND CIVILIZATION AT A SALARY RATE OF \$54,000 OVER NINE MONTHS, EFFECTIVE 9/16/2005. (DR. PAPAN-MATIN IS CURRENTLY A LECTURER AND COORDINATOR OF THE PERSIAN PROGRAM AT THE UNIVERSITY OF CALIFORNIA, SANTA BARBARA.)

DEPARTMENT OF PSYCHOLOGY

NEW APPOINTMENTS

FLAHERTY, BRIAN

(BA, 1992, STATE UNIVERSITY OF NEW YORK (BUFFALO); MS, 1997, PENNSYLVANIA STATE UNIVERSITY; PHD, 2003, PENNSYLVANIA STATE UNIVERSITY) TO BE ASSISTANT PROFESSOR OF PSYCHOLOGY AT A SALARY RATE OF \$65,007 OVER NINE MONTHS, EFFECTIVE 9/16/2005. (DR. FLAHERTY IS CURRENTLY A RESEARCH ASSOCIATE AT PENNSYLVANIA STATE UNIVERSITY.)

PALMER, JOHN C.

(BS, 1976, UNIVERSITY OF WASHINGTON; PHD, 1984, UNIVERSITY OF MICHIGAN) TO BE RESEARCH PROFESSOR OF PSYCHOLOGY AT A SALARY RATE OF \$100,008 OVER TWELVE MONTHS, EFFECTIVE 7/1/2005. (DR. PALMER IS CURRENTLY A RESEARCH CONSULTANT IN THE SAME DEPARTMENT.)

DEPARTMENT OF SOCIOLOGY

ADMINISTRATIVE APPOINTMENTS

HOWARD, JUDITH

(BA, 1969, CORNELL UNIVERSITY; MA, 1977, UNIVERSITY OF OREGON; PHD, 1982, UNIVERSITY OF WISCONSIN) TO BE DIVISIONAL DEAN OF SOCIAL SCIENCES IN THE COLLEGE OF ARTS AND SCIENCES OVER NINE MONTHS, EFFECTIVE 9/1/2005. (PROFESSOR HOWARD WILL CONTINUE AS PROFESSOR OF SOCIOLOGY AND ADJUNCT PROFESSOR OF WOMEN STUDIES.)

DEPARTMENT OF WOMEN STUDIES

NEW APPOINTMENTS

SWARR, AMANDA

(BA, 1995, BUCKNELL UNIVERSITY; MA, 1998, UNIVERSITY OF MINNESOTA; PHD, 2003, UNIVERSITY OF MINNESOTA) TO BE ASSISTANT PROFESSOR OF WOMEN STUDIES AT A SALARY RATE OF \$56,997 OVER NINE MONTHS, EFFECTIVE 9/16/2005. (DR. SWARR IS CURRENTLY A POSTDOCTORAL FELLOW AT COLUMBIA UNIVERSITY.)

DIVISION OF SPANISH AND PORTUGUESE STUDIES

NEW APPOINTMENTS

MERCER, LEIGH

(BA, 1993, BOSTON UNIVERSITY; MA, 1998, UNIVERSITY OF TEXAS (AUSTIN); PHD, 2004, BOSTON UNIVERSITY) TO BE ASSISTANT PROFESSOR OF SPANISH AND PORTUGUESE STUDIES AT A SALARY RATE OF \$55,008 OVER NINE MONTHS, EFFECTIVE 9/16/2005. (DR. MERCER IS CURRENTLY AN ASSISTANT PROFESSOR OF SPANISH AT THE UNIVERSITY OF UTAH.)

BUSINESS SCHOOL

DEPARTMENT OF ACCOUNTING

ADMINISTRATIVE APPOINTMENTS

JIAMBALVO, JAMES

(BS, 1970, UNIVERSITY OF ILLINOIS; MAS, 1973, UNIVERSITY OF ILLINOIS; PHD, 1977, OHIO STATE UNIVERSITY) TO BE DEAN OF THE BUSINESS SCHOOL AND HOLDER OF THE KIRBY L. CRAMER ENDOWED CHAIR IN BUSINESS OVER TWELVE MONTHS, EFFECTIVE 5/1/2005. (PROFESSOR JIAMBALVO WILL CONTINUE AS PROFESSOR OF ACCOUNTING.)

COLLEGE OF ENGINEERING

DEPARTMENT OF CHEMICAL ENGINEERING

NEW APPOINTMENTS

MITSUI, RYOJI

(BSENG, 1993, TOTTORE UNIVERSITY; MSEng, 1995, TOTTORE UNIVERSITY; DAgr, 1998, KYOTO UNIVERSITY (JAPAN)) TO BE VISITING ASSISTANT PROFESSOR OF CHEMICAL ENGINEERING AT A SALARY RATE OF \$16,704 OVER FOUR MONTHS, EFFECTIVE 4/1/2005. (DR. MITSUI IS AN ASSISTANT PROFESSOR OF BIOCHEMISTRY AT OKAYAMA UNIVERSITY, JAPAN.)

DEPARTMENT OF COMPUTER SCIENCE AND ENGINEERING

ENDOWED APPOINTMENTS

SEITZ, STEVEN MAXWELL

(BA, 1991, UNIVERSITY OF CALIFORNIA (BERKELEY); PHD, 1997, UNIVERSITY OF WISCONSIN) TO BE HOLDER OF THE SHORT-DOOLEY ENDOWED CAREER DEVELOPMENT PROFESSORSHIP IN COMPUTER SCIENCE AND ENGINEERING OVER NINE MONTHS, EFFECTIVE 9/16/2005. (PROFESSOR SEITZ WILL CONTINUE AS ASSOCIATE PROFESSOR OF COMPUTER SCIENCE AND ENGINEERING.)

NEW APPOINTMENTS

KRISHNAMURTHY, ARVIND

(MS, 1994, UNIVERSITY OF CALIFORNIA (BERKELEY); PHD, 1999, UNIVERSITY OF CALIFORNIA (BERKELEY)) TO BE RESEARCH ASSISTANT PROFESSOR OF COMPUTER SCIENCE AND ENGINEERING AT A SALARY RATE OF \$108,000 OVER TWELVE MONTHS, EFFECTIVE 7/1/2005. (DR. KRISHNAMURTHY IS CURRENTLY AN ASSISTANT PROFESSOR OF COMPUTER SCIENCE AT YALE UNIVERSITY.)

DEPARTMENT OF ELECTRICAL ENGINEERING

ADMINISTRATIVE APPOINTMENTS

ALLSTOT, DAVID JAMES

(BS, 1969, UNIVERSITY OF PORTLAND; MSEE, 1974, OREGON STATE UNIVERSITY; PHD, 1979, UNIVERSITY OF CALIFORNIA (BERKELEY)) TO BE CHAIR OF ELECTRICAL ENGINEERING, EFFECTIVE 5/1/2005. (DR. ALLSTOT WILL CONTINUE AS PROFESSOR OF ELECTRICAL ENGINEERING.)

NEW APPOINTMENTS

WILTON, DONALD R.

(BSEE, 1964, UNIVERSITY OF ILLINOIS; MSEE, 1966, UNIVERSITY OF ILLINOIS; PHD, 1970, UNIVERSITY OF ILLINOIS) TO BE VISITING PROFESSOR OF ELECTRICAL ENGINEERING AT A SALARY RATE OF \$37,014 OVER THREE MONTHS, EFFECTIVE 3/18/2005. (DR. WILTON IS A PROFESSOR OF ELECTRICAL ENGINEERING AT THE UNIVERSITY OF HOUSTON.)

DEPARTMENT OF MATERIALS SCIENCE AND ENGINEERING

NEW APPOINTMENTS

PAKHOMOV, ALEXANDRE

(MS, 1981, LENINGRAD POLYTECHNIC INSTITUTE (RUSSIA); PHD, 1991, ACADEMY OF SCIENCE (USSR)) TO BE RESEARCH ASSISTANT PROFESSOR OF MATERIALS SCIENCE AND ENGINEERING AT A SALARY RATE OF \$50,400 OVER TWELVE MONTHS, EFFECTIVE 3/1/2005. (PRIOR TO THIS APPOINTMENT, DR. PAKHOMOV WAS A VISITING SCIENTIST IN THE SAME DEPARTMENT.)

COLLEGE OF OCEAN AND FISHERY SCIENCES

SCHOOL OF MARINE AFFAIRS

NEW APPOINTMENTS

HENNESSEY, TIMOTHY M.

(BA, 1960, BROWN UNIVERSITY; PHD, 1968, UNIVERSITY OF NORTH CAROLINA) TO BE VISITING PROFESSOR, PART-TIME, OF MARINE AFFAIRS AT A SALARY RATE OF \$3,530 OVER THREE MONTHS, EFFECTIVE 3/16/2005. (DR. HENNESSEY IS A PROFESSOR OF MARINE AFFAIRS AT THE UNIVERSITY OF RHODE ISLAND.)

SCHOOL OF SOCIAL WORK

SOCIAL WORK

NEW APPOINTMENTS

STUBER, JENNIFER

(BS, 1994, CORNELL UNIVERSITY; PHD, 2002, YALE UNIVERSITY) TO BE ASSISTANT PROFESSOR OF SOCIAL WORK AT A SALARY RATE OF \$69,498 OVER NINE MONTHS, EFFECTIVE 1/1/2006. (PRIOR TO THIS APPOINTMENT, DR. STUBER WAS ROBERT WOODS JOHNSON HEALTH AND SOCIETY SCHOLAR AT COLUMBIA UNIVERSITY)

SCHOOL OF MEDICINE

DEPARTMENT OF LABORATORY MEDICINE

ENDOWED APPOINTMENTS

COREY, LAWRENCE

(BA, 1967, UNIVERSITY OF MICHIGAN; MD, 1971, UNIVERSITY OF MICHIGAN) TO BE HOLDER OF THE LAWRENCE COREY ENDOWED PROFESSORSHIP IN MEDICAL VIROLOGY OVER TWELVE MONTHS, EFFECTIVE 5/1/2005. (DR. COREY WILL CONTINUE AS PROFESSOR WITHOUT TENURE OF LABORATORY MEDICINE AND OF MEDICINE AND ADJUNCT PROFESSOR OF MICROBIOLOGY AND OF PEDIATRICS.)

NEW APPOINTMENTS

QIN, XUAN

(BS, 1982, NANJING UNIVERSITY (CHINA); PHD, 1995, STATE UNIVERSITY OF NEW YORK (ALBANY)) TO BE ASSISTANT PROFESSOR WITHOUT TENURE OF LABORATORY MEDICINE PAID DIRECT BY CHILDREN'S HOSPITAL AND REGIONAL MEDICAL CENTER EFFECTIVE 4/1/2005. (PRIOR TO THIS APPOINTMENT, DR. QIN WAS A DIRECTOR OF THE MICROBIOLOGY LABORATORY AT CHILDREN'S HOSPITAL AND REGIONAL MEDICAL CENTER.)

DEPARTMENT OF MEDICINE

NEW APPOINTMENTS

BLEVINS, JAMES ERNEST

(BS, 1991, UNIVERSITY OF CALIFORNIA (RIVERSIDE); PHD, 1997, CREIGHTON UNIVERSITY) TO BE RESEARCH ASSISTANT PROFESSOR OF MEDICINE PAID DIRECT BY VETERANS AFFAIRS PUGET SOUND HEALTH CARE SYSTEM EFFECTIVE 4/1/2005. (PRIOR TO THIS APPOINTMENT, DR. BLEVINS WAS AN ACTING INSTRUCTOR AND SENIOR FELLOW IN THE SAME DEPARTMENT.)

DURVASULA, RAGHU VENKATA

(BS, 1992, MCGILL UNIVERSITY (CANADA); MD, 1996, MCGILL UNIVERSITY (CANADA)) TO BE ASSISTANT PROFESSOR WITHOUT TENURE OF MEDICINE AT A SALARY RATE OF \$110,004 OVER TWELVE MONTHS, EFFECTIVE 3/1/2005. (PRIOR TO THIS APPOINTMENT, DR. DURVASULA WAS AN ACTING INSTRUCTOR IN THE SAME DEPARTMENT.)

KESTENBAUM, BRYAN

(BS, 1991, UNIVERSITY OF MASSACHUSETTS; MD, 1995, UNIVERSITY OF MASSACHUSETTS; MS, 2002, UNIVERSITY OF WASHINGTON) TO BE ASSISTANT PROFESSOR WITHOUT TENURE OF MEDICINE AT A SALARY RATE OF \$121,008 OVER TWELVE MONTHS, EFFECTIVE 3/1/2005. (PRIOR TO THIS APPOINTMENT, DR. KESTENBAUM WAS AN ACTING INSTRUCTOR IN THE SAME DEPARTMENT.)

KUCHELA, ARUN

(BS, 1991, MCGILL UNIVERSITY (CANADA); MD, 1995, UNIVERSITY OF TORONTO (CANADA)) TO BE ASSISTANT PROFESSOR WITHOUT TENURE OF MEDICINE PAID DIRECT BY VETERANS AFFAIRS PUGET SOUND HEALTH CARE SYSTEM EFFECTIVE 3/15/2005. (PRIOR TO THIS APPOINTMENT, DR. KUCHELA WAS A FELLOW IN INTERVENTIONAL CARDIOLOGY AT THE UNIVERSITY OF BRITISH COLUMBIA.)

PAULOVICH, AMANDA G.

(BS, 1988, CARNEGIE MELLON UNIVERSITY; PHD, 1996, UNIVERSITY OF WASHINGTON; MD, 1998, UNIVERSITY OF WASHINGTON) TO BE ASSISTANT PROFESSOR WITHOUT TENURE OF MEDICINE PAID DIRECT BY FRED HUTCHINSON CANCER RESEARCH CENTER EFFECTIVE 3/1/2005.

VIG, ELIZABETH KAREN

(BA, 1987, WILLIAMS COLLEGE; MD, 1993, NEW YORK UNIVERSITY; MPH, 2000, UNIVERSITY OF WASHINGTON) TO BE ASSISTANT PROFESSOR WITHOUT TENURE OF MEDICINE AT A SALARY RATE OF \$92,004 OVER TWELVE MONTHS, EFFECTIVE 3/1/2005. (PRIOR TO THIS APPOINTMENT, DR. VIG WAS AN ACTING ASSISTANT PROFESSOR-TEMPORARY IN THE SAME DEPARTMENT.)

WALSH, TOMAS DAVID

(BS, 1993, UNIVERSITY COLLEGE (IRELAND); MS, 1994, UNIVERSITY OF LEICESTER (UK); PHD, 1997, UNIVERSITY OF LEICESTER (UK)) TO BE RESEARCH ASSISTANT PROFESSOR OF MEDICINE AT A SALARY RATE OF \$75,000 OVER TWELVE MONTHS, EFFECTIVE 3/1/2005. (PRIOR TO THIS APPOINTMENT, DR. WALSH WAS A SENIOR FELLOW IN THE SAME DEPARTMENT.)

DEPARTMENT OF MEDICINE

NEW APPOINTMENTS

WELCSH, PIRI LOUISE

(BS, 1985, MARQUETTE UNIVERSITY; PHD, 1992, OHIO STATE UNIVERSITY) TO BE RESEARCH ASSISTANT PROFESSOR OF MEDICINE AT A SALARY RATE OF \$75,000 OVER TWELVE MONTHS, EFFECTIVE 3/1/2005. (PRIOR TO THIS APPOINTMENT, DR. WELCSH WAS AN ACTING ASSISTANT PROFESSOR-TEMPORARY IN THE SAME DEPARTMENT.)

DEPARTMENT OF NEUROLOGICAL SURGERY

NEW APPOINTMENTS

SEKHAR, LALIGAM NATARAJAN

(MBBS, 1974, UNIVERSITY OF MADRAS (INDIA)) TO BE PROFESSOR WITHOUT TENURE OF NEUROLOGICAL SURGERY AT A SALARY RATE OF \$150,000 OVER TWELVE MONTHS, EFFECTIVE 2/24/2005. (PRIOR TO THIS APPOINTMENT, DR. SEKHAR WAS A PROFESSOR AND VICE CHAIR OF NEUROSURGERY AT NORTH SHORE LONG ISLAND JEWISH HEALTH SYSTEM.)

DEPARTMENT OF PEDIATRICS

ENDOWED APPOINTMENTS

DANIELSON, BENJAMIN STILES

(BS, 1986, HARVARD UNIVERSITY; MD, 1992, UNIVERSITY OF WASHINGTON) TO BE HOLDER OF THE JANET AND JIM SENEGAL ENDOWED CHAIR FOR THE ODESSA BROWN CHILDREN'S CLINIC OVER TWELVE MONTHS, EFFECTIVE 5/1/2005. (DR. DANIELSON WILL CONTINUE AS CLINICAL ASSISTANT PROFESSOR-SALARIED OF PEDIATRICS.)

NEW APPOINTMENTS

SMITH, KATHLEEN MARY

(BS, 1977, UNIVERSITY OF SCRANTON; MD, 1982, TEMPLE UNIVERSITY; MPH, 2001, UNIVERSITY OF WASHINGTON) TO BE ASSOCIATE PROFESSOR WITHOUT TENURE OF PEDIATRICS PAID DIRECT BY CHILDREN'S HOSPITAL AND REGIONAL MEDICAL CENTER EFFECTIVE 3/1/2005. (PRIOR TO THIS APPOINTMENT, DR. SMITH WAS A CLINICAL ASSOCIATE PROFESSOR IN THE SAME DEPARTMENT.)

DEPARTMENT OF PHYSIOLOGY AND BIOPHYSICS

NEW APPOINTMENTS

KOH, DUK-SU

(BS, 1985, SEOUL NATIONAL UNIVERSITY (KOREA); MS, 1987, SEOUL NATIONAL UNIVERSITY (KOREA); PHD, 1992, JUSTUS-LIEBIG UNIVERSITY (GERMANY)) TO BE RESEARCH ASSOCIATE PROFESSOR OF PHYSIOLOGY AND BIOPHYSICS AT A SALARY RATE OF \$87,000 OVER TWELVE MONTHS, EFFECTIVE 4/1/2005. (PRIOR TO THIS APPOINTMENT, DR. KOH WAS A VISITING ASSISTANT PROFESSOR IN THE SAME DEPARTMENT.)

DEPARTMENT OF PSYCHIATRY AND BEHAVIORAL SCIENCES

NEW APPOINTMENTS

CONNOR, PAUL DAVID

(BS, 1988, UNIVERSITY OF WASHINGTON; PHD, 1995, BRIGHAM YOUNG UNIVERSITY) TO BE ASSISTANT PROFESSOR WITHOUT TENURE OF PSYCHIATRY AND BEHAVIORAL SCIENCES AT A SALARY RATE OF \$73,008 OVER TWELVE MONTHS, EFFECTIVE 3/16/2005. (PRIOR TO THIS APPOINTMENT, DR. CONNOR WAS AN ACTING ASSISTANT PROFESSOR-TEMPORARY IN THE SAME DEPARTMENT.)

FAN, MING-YU

(BS, 1996, NATIONAL TAIWAN UNIVERSITY; PHD, 2002, JOHNS HOPKINS UNIVERSITY) TO BE RESEARCH ASSISTANT PROFESSOR OF PSYCHIATRY AND BEHAVIORAL SCIENCES AT A SALARY RATE OF \$75,000 OVER TWELVE MONTHS, EFFECTIVE 3/16/2005. (PRIOR TO THIS APPOINTMENT, DR. FAN WAS A SENIOR FELLOW IN THE SAME DEPARTMENT.)

LI, GAIL

(BS, 1983, SHANXI UNIVERSITY (CHINA); MM, 1986, BEIJING MEDICAL UNIVERSITY (CHINA); PHD, 1989, BEIJING MEDICAL UNIVERSITY (CHINA)) TO BE ASSISTANT PROFESSOR WITHOUT TENURE OF PSYCHIATRY AND BEHAVIORAL SCIENCES AT A SALARY RATE OF \$106,020 OVER TWELVE MONTHS, EFFECTIVE 3/16/2005. (PRIOR TO THIS APPOINTMENT, DR. LI WAS AN ACTING ASSISTANT PROFESSOR-TEMPORARY IN THE SAME DEPARTMENT.)

DEPARTMENT OF RADIOLOGY

NEW APPOINTMENTS

EBY, PETER REIST

(BA, 1993, UNIVERSITY OF WASHINGTON; MD, 1999, VANDERBILT UNIVERSITY) TO BE ASSISTANT PROFESSOR WITHOUT TENURE OF RADIOLOGY AT A SALARY RATE OF \$86,808 OVER TWELVE MONTHS, EFFECTIVE 4/1/2005. (PRIOR TO THIS APPOINTMENT, DR. EBY WAS AN ACTING INSTRUCTOR AND SENIOR FELLOW IN THE SAME DEPARTMENT.)

DEPARTMENT OF REHABILITATION MEDICINE

ENDOWED APPOINTMENTS

KRAFT, GEORGE HOWARD

(BA, 1958, HARVARD UNIVERSITY; MD, 1963, OHIO STATE UNIVERSITY; MS, 1967, OHIO STATE UNIVERSITY) TO BE HOLDER OF THE NANCY AND BUSTER ALVORD ENDOWED PROFESSORSHIP IN MULTIPLE SCLEROSIS OVER TWELVE MONTHS, EFFECTIVE 5/1/2005. (DR. KRAFT WILL CONTINUE AS PROFESSOR OF REHABILITATION MEDICINE AND ADJUNCT PROFESSOR OF NEUROLOGY.)

ADMINISTRATIVE APPOINTMENTS

ROBINSON, LAWRENCE RUSSELL

(BA, 1978, BRANDEIS UNIVERSITY; MD, 1982, BAYLOR COLLEGE OF MEDICINE) TO BE ASSOCIATE DEAN FOR CLINICAL AFFAIRS IN THE SCHOOL OF MEDICINE, EFFECTIVE 5/1/2005. (DR. ROBINSON WILL CONTINUE AS PROFESSOR AND CHAIR OF REHABILITATION MEDICINE AND ADJUNCT PROFESSOR OF OTOLARYNGOLOGY-HEAD AND NECK SURGERY.)

SCHOOL OF NURSING

DEPARTMENT OF BIOBEHAVIORAL NURSING AND HEALTH SYSTEMS

NEW APPOINTMENTS

WOLPIN, SETH

(BA, 1994, STATE UNIVERSITY OF NEW YORK (GENESCO); MPH, 1999, OREGON STATE UNIVERSITY; PHD, 2004, OREGON STATE UNIVERSITY) TO BE RESEARCH ASSISTANT PROFESSOR OF BIOBEHAVIORAL NURSING AND HEALTH SYSTEMS AT A SALARY RATE OF \$66,000 OVER TWELVE MONTHS, EFFECTIVE 4/1/2005. (PRIOR TO THIS APPOINTMENT, DR. WOLPIN WAS A RESEARCH CONSULTANT IN THE SAME DEPARTMENT.)

DEPARTMENT OF FAMILY AND CHILD NURSING

ENDOWED APPOINTMENTS

SWANSON, KRISTEN M.

(BS, 1975, UNIVERSITY OF RHODE ISLAND; MSN, 1978, UNIVERSITY OF PENNSYLVANIA; PHD, 1983, UNIVERSITY OF COLORADO (DENVER)) TO BE HOLDER OF THE UNIVERSITY OF WASHINGTON MEDICAL CENTER TERM PROFESSORSHIP IN NURSING LEADERSHIP OVER NINE MONTHS, EFFECTIVE 3/1/2005. (DR. SWANSON WILL CONTINUE AS PROFESSOR AND CHAIR OF FAMILY AND CHILD NURSING.)

DEPARTMENT OF PSYCHOSOCIAL AND COMMUNITY HEALTH

ADMINISTRATIVE APPOINTMENTS

BUTTERFIELD, PATRICIA G.

(BS, 1976, LORETTO HEIGHTS COLLEGE; MS, 1980, UNIVERSITY OF COLORADO (DENVER); PHD, 1992, OREGON HEALTH SCIENCES UNIVERSITY) TO BE CHAIR OF PSYCHOSOCIAL AND COMMUNITY HEALTH, EFFECTIVE 9/15/2005. (DR. BUTTERFIELD WILL CONTINUE AS ASSOCIATE PROFESSOR OF PSYCHOSOCIAL AND COMMUNITY HEALTH.)

UNIVERSITY OF WASHINGTON, BOTHELL

ADMINISTRATIVE APPOINTMENTS

OLSWANG, STEVEN G.

(BA, 1968, NORTHWESTERN UNIVERSITY; JD, 1971, UNIVERSITY OF ILLINOIS; PHD, 1977, UNIVERSITY OF WASHINGTON) TO BE INTERIM CHANCELLOR OF THE UNIVERSITY OF WASHINGTON, BOTHELL, EFFECTIVE 7/1/2005. (DR. OLSWANG WILL CONTINUE AS PROFESSOR WITHOUT TENURE OF EDUCATION AND ADJUNCT PROFESSOR OF LAW)

UNIVERSITY OF WASHINGTON, TACOMA

INTERDISCIPLINARY ARTS AND SCIENCES PROGRAM

NEW APPOINTMENTS

IGNACIO, EMILY

(BS, 1991, UNIVERSITY OF ILLINOIS; MA, 1993, UNIVERSITY OF ILLINOIS; PHD, 1998, UNIVERSITY OF ILLINOIS) TO BE ASSISTANT PROFESSOR OF INTERDISCIPLINARY ARTS AND SCIENCES AT A SALARY RATE OF \$61,002 OVER NINE MONTHS, EFFECTIVE 8/1/2005. (DR. IGNACIO IS CURRENTLY AN ASSISTANT PROFESSOR OF SOCIOLOGY AT LOYOLA UNIVERSITY.)

KAYAOGU, TURAN

(BA, 1996, BILKENT UNIVERSITY (TURKEY); MA, 1999, UNIVERSITY OF DENVER; PHD, 2005, UNIVERSITY OF WASHINGTON) TO BE ASSISTANT PROFESSOR OF INTERDISCIPLINARY ARTS AND SCIENCES AT A SALARY RATE OF \$62,001 OVER NINE MONTHS, EFFECTIVE 8/1/2005. (DR. KAYAOGU IS CURRENTLY AN INSTRUCTOR IN POLITICAL SCIENCE AT THE UNIVERSITY OF WASHINGTON.)

MILGARD SCHOOL OF BUSINESS

NEW APPOINTMENTS

KIMBRO, MARINILKA BARRIOS

(BBA, 1989, INTERAMERICAN UNIV OF PUERTO RICO; PHD, 1999, UNIVERSITY OF MARYLAND) TO BE ASSISTANT PROFESSOR OF BUSINESS AT A SALARY RATE OF \$115,002 OVER NINE MONTHS, EFFECTIVE 9/16/2005. (DR. KIMBRO IS CURRENTLY A PROFESSOR OF ACCOUNTING, FINANCE AND MANAGEMENT CONTROL AT INSTITUTO DE EMPRESA, SPAIN.)

VII. STANDING COMMITTEE

A. Academic and Student Affairs Committee

Instructional Improvement and Innovation

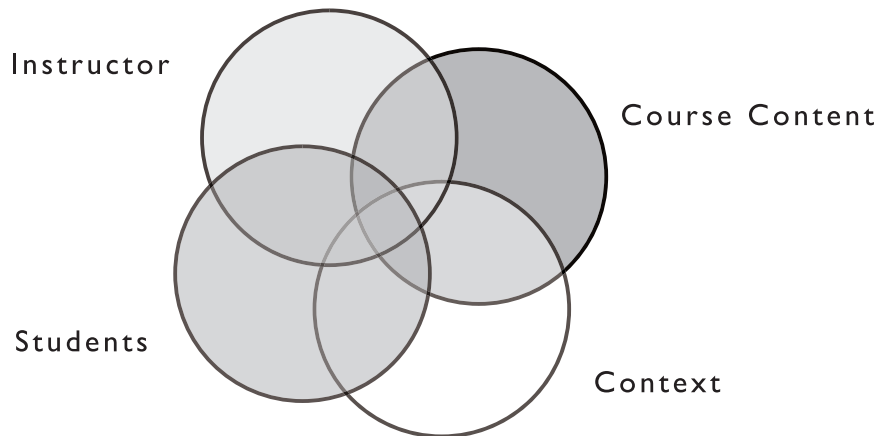
See Attached Material.



Summary of Services Provided for Individual Instructors

The Center for Instructional Development and Research (CIDR) strives to enhance teaching and learning on campus and to help maintain the University of Washington's national and international leadership role as a top research-extensive university committed to high quality teaching and learning. To that end, Center staff provide: individual consultations to teaching assistants, faculty, and administrators; instructional services for departments, units, and programs; and campus-wide activities.

In all their work, Center staff take a learning-centered approach that emphasizes instructional goals and, ultimately, outcomes for student learning. As one example, Center staff offer support in four main areas to help individual instructors determine *what methods* will best help them achieve desired goals for student learning:



How CIDR Works with Instructors

- consulting individually on questions about teaching learning, course design, and assessment
- providing resources and research on best practices in teaching and learning

How CIDR Works with Course Content

- helping instructors identify clear, achievable learning goals, design courses, and develop assignments
- taking a disciplinary approach to support teaching learning

How CIDR Works with Students

- helping instructors identify key elements of student preparation that might affect engagement in courses
- helping instructors gather and interpret feedback on student perceptions of course effectiveness

How CIDR Works with Context

- helping individual instructors examine contextual factors such as the level of the course and its place in the curriculum
- collaborating with other units on campus that support teaching and learning

University Courses

Supported by Funding from the Provost

The four courses we will support are:

“Engineering and Society” Fall 2005

Beth Kolko, College of Engineering

“Religion, Violence and Peace” Winter 2006

Scott Noegel, Near Eastern Languages and
Civilization

James Wellman, Comparative Religion

“Society and the Oceans” Spring 2005

Patrick Christie, School of Marine Affairs

“Crime Scenes: Investigating Cinema and Its Cultures”

Eric Ames, Germanics Spring 2006

Andrew Nestingen, Scandinavian Studies

Society and the Oceans
SMA/ENVIR/SIS 103

Assistant Professor Patrick Christie

5 credits
Spring 2005
10:30-11:20 AM
Mary Gates Hall 389

Course website: www.washington.edu/oue/ucourses/index.html
Course e-reserve site: <https://eres.lib.washington.edu/eres/coursepage.aspx?cid=3748>

Professor's contact information: tel. # 685-6661, email: patrickc@u.washington.edu

Professor's office hours: 3-4 Wednesday and 2-3 Fridays in room 225 MAR (Marine Studies Building at corner of Boat St. and Brooklyn NE)

Teaching assistants: Maggie Ostdahl (mostdahl@u.washington.edu)
Jamie Doyle (jdoyle@u.washington.edu)

TA office hours: Tuesday, 2-4 PM, MAR 237 ----- (corner of Boat St. and Brooklyn NE)
Thursday, 12-2 PM, --- Mary Gates Hall ----

UW requirements: This course counts toward UW Individual and Society (I&S) and Natural World (NW) requirements.

Optional linked courses: COM 220, ENGL 198R

The oceans were once considered an inexhaustible source of protein and mineral wealth capable of sustaining humankind into the distant future. The allure of oceans and shores as aesthetic, cultural, and recreational amenities is practically universal in many cultures. A summer spent at the seashore has been called the closest a person can come to "paradise on earth." The ocean is also a source of livelihood and sustenance. These perspectives, grounded in human needs and worldviews, have implications for how we related to the ocean and choose to manage its bounty. Today the oceans have become the ultimate proving ground of whether humans are capable of achieving a sustainable relationship with a planet showing increasing signs of stress. Populations are burgeoning in coastal areas worldwide, with increasing affluence and increasing impoverishment each in its own way contributing to coastal resource degradation. Scientific studies reveal how the actions of such disparate groups as property owners along Puget Sound's shores or fishers in the Philippines contribute to marine environmental degradation. We can ask, therefore, as we will through this course: Why is it that we behave in ways that lead to the destruction of the things we love and depend on? What does it take to get us to change our ways?

In response to such vexing questions, some describe the state of the ocean as a "tragedy of the commons." Grounded in analysis that highlights rapid human populations growth, environmental carrying capacity, and incentive systems that favor individual over collective gain, this elegant explanation has had tremendous influence on public opinion and responses to environmental problems. On the other hand, some have suggested that this framework is a misleading, or at least oversimplified, explanation for environmental degradation.

Dealing with these complex human-environment interactions requires study rooted in both the social and natural sciences and responses that employ difficult-to-develop institutional arrangements. This course will be concerned primarily with the social and policy dimensions of the ocean environment and ocean management policy. Students will learn how human values, institutions, culture, and history shape

environmental issues and policy responses. These social dimensions are manifested ecologically throughout the world's oceans.

The course consists of four units:

- 1) an introduction to how human values and interests shape our interactions, through time, with the marine environment;
- 2) an examination of the concept of “tragedy of the commons”;
- 3) a review of Puget Sound and Southeast Asia coral reef marine environmental issues and current policy responses;
- 4) and charting a path for marine policy.

Two very distinct cases—Puget Sound salmon and Southeast Asia coral reefs— will be examined to emphasize the importance of context-specific policy formulation. Social and ecological evaluation criteria will be applied to develop skills in analytic and holistic policy development.

Key learning themes:

Students will learn how to analyze the following issues:

- How are human-marine environmental interactions evolving?
- Is there a marine environmental crisis, and, if so, how is it best described?
- Why are certain ocean environmental issues prioritized?
- How do our worldviews and education shape our analysis of issues and design of solutions?
- What is the “tragedy of the commons” and when it is an accurate portrayal of marine environmental issues?
- What management strategies are being used to address these issues?
- What are the trade-offs associated with various management strategies?
- Why do management strategies vary so much between the developed and developing worlds?

Readings draw from a broad range of opinions and expertise. Students will be required to read most of the following book (available at the University Bookstore):

Montgomery, D.R. 2003. *King of Fish: The Thousand-Year Run of Salmon*. Boulder: Westview Press.

See class descriptions below for additional required readings drawn from books and journals that are posted on a UW e-reserve site at: <https://eres.lib.washington.edu/eres/coursepage.aspx?cid=3748>

Tentative reading list. Remove from final syllabus ---

Davidson, O.G. 1998. *The Enchanted Braid: Coming to Terms with Nature on the Coral Reef*. New York: J. Wiley and Sons. 269 pp. (Various chapters) ---

Erdmann, M.V. Perspective: The WAR on destructive fishing practices. *SPC Live Reef Fish Information Bulletin*. 10: June 2002.

Hardin, G. 1968. The tragedy of the commons. *Science* 162:1243-1248.

Hardin, G. Living on a lifeboat. *Bioscience* 24:561-568.

Lowe, C. “Who is to Blame: Logics of Responsibility in the Live Reef Food Fish Trade in Sulawesi, Indonesia.” *SPC Live Reef Fish Information Bulletin*. 10: June 2002.

D. Pauly and Reg Watson, Counting the Last Fish. *Scientific American*, July 2003.

J. M. Pandolfi et al., Global Trajectories of Long-Term Decline of Coral Reef Ecosystems. *Science* 15 August 2003.

Vandermeer, J. 1996. *Reconstructing Biology, Genetics and Ecology in the New World Order*. New York: J. Wiley and Sons, Inc. (Portions)

Steward, H. *Indian Fishing, Early Methods on the Northwest Coast*. University of Washington Press.

Ronald Hites et al., Global Assessment of Organic Contaminants in Farmed Salmon. *Science* 9 January 2004.

Blue Revolution. The Promise of Fish Farming *The Economist*, August 9-15, 2003.

Christie, P., B.J. McCay, M.L. Miller, C. Lowe, A.T. White, R. Stoffle, D.L. Fluharty, L. Talaue-McManus, R. Chuenpagdee, C. Pomeroy, D.O. Suman, B.G. Blount, D. Huppert, R.L. Villahermosa Eisma, E. Oracion, K. Lowry, R.B. Pollnac. 2003. Toward developing a complete understanding: A social science research agenda for marine protected areas. *Fisheries* 28(12):22-26.

Christie, P., A.T. White and E. Deguit. 2002. Starting point or solution? Community-based marine protected areas in the Philippines. *Journal of Environmental Management* 66:441-454.

Course philosophy and pedagogy:

Professor Christie and guests will lecture Monday, Wednesday, and Friday. Class TAs will lead Tuesday and Thursday sessions that will be dedicated primarily to quizzes, videos, discussions, and other interactive exercises. Attendance in **all** class sessions is expected and will influence grades.

Please keep in mind that this is OUR class. While I will do much of the lecturing, I invite you to play an active role in class discussions. The course will expose you to a wide array of opinions on ocean environmental issues and management strategies. There is a great deal of debate as to causes and appropriate responses. It is critically important that we respect one another's opinions. You will be expected to express your opinions and contribute knowledge based on your skills and training. You are also very welcome to ask clarifying questions of one another and your instructors.

Attendance:

It is expected that you will attend all classes. If you are not able to attend, please provide an explanation to the class TAs. Your attendance will improve your understanding of the course materials and will enhance the learning environment of others. Quizzes and written essays will be based on readings and materials presented and discussed in class.

Major exams and Assignments:

Assignment	Percent of overall grade	Due date
1) Quizzes (5 given, lowest score dropped)	40	See below, some unannounced
2) Mid-term exam	20	May 3, in class
3) Final exam	20	June 6, 8:30-10:20 AM
4) 4 short essays contributing to final portfolio composed of best 3 essays	15	April 8, April 29, May 16, June 3
5) Wikipedia contribution---	5	Posting by May 27

There will be 5 quizzes given during the course of the quarter. Some will be announced in advance and others will not. Your lowest quiz score will be dropped. There will be 4 short essays on class discussions and key themes to be handed **in person** on above dates, of which the best 3 will form a portfolio to be handed in and graded at the end of the course. During last unit students will be expected to contribute to Wikipedia sites on the live fish trade or South Maury Island environmental issues. There will be opportunities for extra credit throughout the course involving field trips and non-course lectures.

Descriptions of assignments will be handed out when necessary with ample time for preparation.

Grading:

Your grade in this course is based on diverse assignments. This provides us an opportunity to assess your progress, participation, and learning in a holistic manner.

A total of 100 points are available for the course. Final grades are assigned in accordance with UW's numerical grading system and scale:

A = 3.5 – 4.0 (90 – 95+%), B = 2.5 – 3.4 (80 – 89%), C = 1.5 – 2.4 (70 – 79%), D = 0.7 – 1.4 (60 – 69%), E (F) = 0 (<60%).

Writing assignments will be distributed in class with clear verbal and written instructions. Assignments are due **at the beginning of class on the due date**. Two points will be subtracted for each day late on these assignments. Assignments will not be graded if received three days past the due date. **Submit all assignments in hard copy, not by email.**

Attending office hours:

Educational research has shown that a student's grades are directly correlated to her/his level of engagement in a class. Discussing the class concepts with the teacher and/or your peers leads to higher levels of engagement. So, come to hours for the professor or teaching assistants. You will benefit from such meetings.

C.L.U.E.:

C.L.U.E. stands for the *Center for Learning and Undergraduate Enrichment*. C.L.U.E. is, in their own words, "a late-night academic center designed to support all UW undergraduates, with a strong emphasis on freshmen and transfer students who are enrolled in many of the UW's crucial lower-division courses." Visit their web page at: <http://depts.washington.edu/fyp/clue/>. Your TAs for SMA/ENVIR/SIS 103 will be available to help you with course materials and preparation for quizzes and exams at in Mary Gates Hall Monday and Wednesdays from 6:30-8 PM.

Special Needs:

To request academic accommodations due to a disability, please contact Disabled Student Services, 448 Schmitz, 543-8924 (V), 543-8925 (TTY), uwdss@u.washington.edu. If you have a letter from DSS indicating that you have a disability which requires academic accommodations, please present the letter to your instructor or a TA so we can discuss the accommodations you might need for the class.

Grievance Policy:

If you have any concerns about the course or grading, please see the instructor about these concerns as soon as possible. If you are not comfortable talking with the instructor or you are not satisfied with the response that you receive, you may contact the Director of the School of Marine Affairs Tom Leschine (tml@u.washington.edu).

Academic Integrity:

The University's definitions of academic and personal misconduct are outlined in the *Student Conduct Code* (available in your University of Washington Student Planner pages 97-103 and online at <http://www.washington.edu/students/handbook/conduct.html>). It is your responsibility to read and understand the University's expectations in this regard. Until you have read the *Code*, do not assume that you know what this University defines as cheating, plagiarism, and other forms of academic misconduct. Plagiarism is a significant violation of the *Student Conduct Code* and will be dealt with severely in this class. It is important for you to know that plagiarism is any representation of another person's words or ideas in a manner that makes it seem as if they were your own, in either oral or written form. For more on plagiarism, including a review of proper and improper paraphrasing practices, see <http://depts.washington.edu/grading/issue1/honesty.htm>.

Class schedule:

UNIT 1

Introduction to Society and the Ocean

Learning goals: Students will learn that importance of the social dimensions of marine environmental issues and the value of applying integrated analysis frameworks. How personal perspectives of the ocean and ocean issues are shaped by individual values will be explored.

Monday 3/28: Unpacking the social dimension of the marine environment.

Lecture will provide a review the course philosophy and coverage. A framework for integrated social-ecological assessment of marine environmental issues and policy responses will be introduced.

Tuesday 3/29: Videos from Shifting Baseline and pro-fishing video

Wednesday 3/30: Worldviews and how they shape our interpretations and recommendations: role-play and discussion. Ask Breckie =====

Reading: Ch 15 Vandermeer ---

Thursday 3/31: In class discussion of videos and worldviews role-play.

Society's changing relation with the sea:

Learning goals: Students learn that human relations with the ocean are changing rapidly. While increasing numbers of people are concerned with the marine environment (and tend to blame fisheries, development, etc.), many value fisheries and some deny the overall decline of fish stocks and environmental quality. Marine leisure and tourism sectors are expanding and influencing the condition of marine environments. Marine policy-making must balance these various forces and perspectives.

Friday 4/1: Is there an ocean crisis?

Lecture will explore the emerging interest in marine environmental issues and the implications of how issues are framed.

Reading: D. Pauly and Reg Watson, Counting the Last Fish. *Scientific American*, July 2003. OR overview piece from Economist? --- Jamie will look.

Monday 4/4: Evolving human interactions with the ocean: From fishing to coastal and marine tourism, guest lecture by Marc Miller, Professor, School of Marine Affairs.

Reading: ask Miller ----

Tuesday 4/5: Video: 2 from *Empty Oceans, Empty Nets*, Video with traditional fishing methods, tourism, *Fast Track to Poverty*, or Trawler History

Wednesday 4/6: Evolving fishing and navigational technologies in coastal societies, guest lecturer Peter Lape (Burke Museum Archaeology Curator) and Christie.

Reading: from *Indian Fishing, Early Methods on the Northwest Coast*. Hilary Stewart. ---

Reading: modern fishing methods ----

Reading: Diamond, J. ----

Thursday 4/7: Quiz and discussion (and in class writing if there is time)

Unit extra credit: Field trip to the Burke Museum collection of fishing gears. Maximum number ---

UNIT 2

The Tragedy of the Commons: a Compelling or Misleading Framework?

Learning goals: Students will learn the strengths and weaknesses of the “tragedy of the commons” framework, one of the most influential frameworks used to explain environmental degradation.

Friday 4/8: The tragedy of the (ocean) commons.

Readings: Tragedy of the commons by G. Hardin, TBD

Reading: Modern day adoption of Hardin’s position --- (url?) Need reading on this ----

*****First essay due*****

Monday 4/11: Have we overextended the tragedy of the commons analysis? Introducing a multidisciplinary framework.

Reading: Living on a Lifeboat by G. Hardin

Reading: Vandermeer, *Reconstructing Biology*, ch 2----

Tuesday 4/12: Quiz --- (remove from student syllabus) and prisoner’s dilemma game --- and discussion.

UNIT 3

Case study: The Fate of the Pacific Northwest’s Iconic Marine Species

Learning goals: Students will learn about critical marine environmental issues in Puget Sound. They will explore the importance of iconic marine species, such as salmon, to the Pacific Northwest’s image and how this status influences public opinion and policy. Students will learn about the dilemmas and trade-offs associated with various policy options.

Wednesday 4/13: What defines the Pacific Northwest marine realm socially? Culture, history, and commodification of the environment. (Video from The Native Americans series---)

Reading: *King of Fish: the Thousand-Year Run of Salmon*: Preface, ch 4

Reading: contemporary NW description from Sunset/Seattle PI magazine? See refs from Pearson ---

For lecture: draw from article from Fluharty on iconic species—and Puget’s Sound. (Section on descriptions of contact with tribes, salmon runs.)--

Thursday 4/14: Video: *This Troubled Sound*. KIRO (correct name?---), or some other video other video on salmon from Dave’s collection, or game to ID an icon for the WA version of the quarter.)

Reading: Seattle PI

Friday 4/15: What defines the Pacific Northwest marine realm ecologically and geographically? Guest lecture by Terrie Klinger, SMA professor.

Reading: *King of Fish: the Thousand-Year Run of Salmon* by David R. Montgomery: ch 1, 2, 3

Monday 4/18: What happened to the salmon? Multiple factors impacting this iconic species. Guest lecture by David R. Montgomery.

Reading: from *King of Fish: the Thousand-Year Run of Salmon*: ch 7, 8, 9, 10 (Too much?---)

Tuesday 4/19: *Net Loss: The Storm Over Salmon Farming* video or *Farming the Seas* video ---

Wednesday 4/20: Issue 1: Tough decisions: eating farmed or wild salmon?

Reading: Ronald Hites et al., Global assessment of organic contaminants in farmed salmon. *Science* 9 January 2004.

Reading: Blue Revolution. The promise of fish farming *The Economist*, August 9-15, 2003.

Reading: from *King of Fish: the Thousand-Year Run of Salmon*: ch ? ---

Thursday 4/21: Discussion.

Friday 4/22: Issue 2: Incompatible desires? Growth and maintaining salmon populations in Puget Sound and around Maury Island----

Reading: from *King of Fish: the Thousand-Year Run of Salmon*: ch 11

Monday 4/25: Society's response: Industry's efforts to meet consumer demand, while maintaining salmon habitat. Guest lecture by Glacier Northwest Mining representative or panel discussion with various stakeholders in South Maury mining issue and marine protected area. Move to Tuesday 4/26 --
Reading: TBD. Materials about Glacier -----

Tuesday 4/26: Guest presentation by Preserve Our Islands Executive Direct JW ---, Former Governor Booth Gardner ? Dow Constantine ?---- (JW available 4/20 to 5/2) (or videos *Wild Salmon Forever* by the Sierra Club and *Treaty Indian Fisheries and Salmon Recovery* by the Pacific Northwest Fisheries Commission.)

Wednesday 4/27: Society's response: The environmentalist's position. Guest lecture by Cathy Fletcher, Executive Director of People for Puget Sound.

Reading: TBD, Puget Sound Action Team Report Card ---.

Thursday 4/28: In class presentations by COM 220 students regarding salmon issues and South Maury Island issues.----

Friday 4/29: Society's response: how Washington State and Federal agencies are responding to these issues. Guest lecture by Professor and Director Tom Leschine, School of Marine Affairs.

Reading: TBD ----

******Second essay due******

Saturday, April 30 Extra credit field trip to Vashon-Maury Islands.

Monday 5/2: Linking it back to the "tragedy of the commons": Dilemmas and trade-offs.

Reading: TBD ----

Tuesday 5/3: Mid term exam. Multiple choice? ----

Extra credit for this unit: 1) field trip to Vashon-Maury Island (50 slots available), 2) visit to supermarket to compare farmed and wild salmon, or 3) joint field trip with FISH/ENVIR 101 to trawler. ----

Case study: The Fate of Philippine Coral Reefs

Learning goals: Students learn that Philippine coral reefs are valuable marine ecosystem in a state of rapid decline. Social conditions and historic legacies are contributing to reef degradation. The live fish trade will be explored as exemplary of the local and global forces driving environmental decline. Management responses are varied in their success and fraught with trade-offs that have implications for economic development.

Wednesday 5/4: Tropical paradise? An introduction to the Philippines and Indonesia and the live fish trade.

Reading: J. M. Pandolfi et al., Global Trajectories of Long-Term Decline of Coral Reef Ecosystems. *Science* 15 August 2003.---

Or see status of coral reefs book <http://www.aims.gov.au/pages/research/coral-bleaching/scr2004/index.html>

Reading: See Celia's recommendations or CIA country page for each country---

Thursday 5/5: *Reefs at Risk* video --- (move to last unit?), or Cuyo video on live fish trade, or Triplets of Belleville --- Reef bombing in Sulawesi (Celia) and intro to live fish trade --- Discussion
Reading: *The Enchanted Braid*, ch 10-11, O.G. Davidson
Reading: World Resources Institute, *Reefs at Risk* executive summary.
Reading: *While Stocks Last*. Asian Development Bank report on live fish trade.---
Reading: See suggestions from Pomeroy---

Friday 5/6: Society's response: The emergence of blame and enforcement-based policies. Guest lecture by Assistant Professor Celia Lowe, Department of Anthropology.
Reading: Lowe, 2003
Readings: Erdmann, 2002

Monday 5/9: Society's response: Shaping the decisions of the consumer and certification schemes.

Tuesday 5/10: In class presentations by COM 220 students? [NOTE: This was changed from Thursday 5/12 check date ----]
Reading: policy brief from the Marine Aquarium Council (MAC) that is leading a certification scheme for aquarium fish.---

Wednesday 5/11: Climate change and coral reefs: Why your ride matters to coral reefs.
Reading: TBD ----

Thursday 5/12: Quiz (remove from student syllabus copy ---), discussion.

Friday 5/13: Linking it back to the "tragedy of the commons": Dilemmas and trade-offs.

Extra credit for this unit: Evening virtual "guest lecture" by Philippines coral reef scientists and management experts Dr. Hilconida Calumpong (Silliman University) and Dr. Alan White (Project FISH). Online chat with Silliman University students. ---

UNIT 4

Charting the future of marine policy

Learning goal: Students learn that this is a unique and exciting time in the field of marine policy. The response needs to occur on multiple governance levels. Models of marine resource management, marine policy, and marine conservation are highly context specific and influenced by particular historic and social conditions.

Each of the following guest lecturers will be asked to respond in the context of their expertise and specific topic to the questions: What are the key issues driving marine environmental degradation? And what are the key solutions to these problems?

Monday 5/16: Global response: The role of Law of the Sea and how it was negotiated. Guest lecture by Ed Miles, SMA Professor.
Readings: TBD, get ----

Third essay due*

Tuesday 5/17: Wiki introduction in class. ----

Wednesday 5/18: Global responses: The case of collapsing fish stocks and call for a global network of marine protected areas.
Reading: TBD---- (TNC report---)
Reading: MPA News: cost of global network. July 2004.----

Reading: Christie 2004. ----

Reading: D. Pauly and Reg Watson, Counting the Last Fish. *Scientific American*, July 2003.----

Thursday 5/19: Discussion--- Or Wiki class in computer lab.-----

Friday 5/20: National responses: The US Ocean Commission Report. Guest lecture by Marc Hershman, Professor of SMA and Member of US Oceans Commission

Readings: TBD by Hershman---

Monday 5/23: Sub-national responses: The case of successful Alaska fishery management. Guest lecture by David Fluharty, Associate Professor, School of Marine Affairs.

Reading: TBD by Fluharty----

Tuesday 5/24. Discussion.

Wednesday 5/25: Community-level responses: Engaging resource users as stewards.

Reading: *The Enchanted Braid*, ch 12, O.G. Davidson ---- too much?

Reading: Christie, P. and A.T. White. 1997.

Reading: Durban World Parks Accord and Terborgh's essay.

Thursday 5/26. Quiz. Solution oriented video -----

Friday 5/27: Scientific responses: Using technology to understand the ocean and inform policy. Guest lecture by Professor John Delaney, School of Oceanography----

Monday 5/30: No class: Memorial Day.

Tuesday, 5/31: Discussion of role of monitoring technology in distinct contexts. Video clips on tsunami? ---

Wednesday 6/1: The December 26 2004 Indian Ocean tsunami: A challenge to ocean governance. Discussion led by Professor K. Sivaramakrishnan, Department of Anthropology and Mia Siscawati, Anthropology graduate student.

Thursday 6/2: Discussion of tsunami and policy response.

Friday 6/3: Tying it together: integrated policy-making and what you can do....

Reading: Essay by Christie to be prepared ----

******Fourth essay due******

Final Exam: Monday, June 6, 2005, 8:30-10:20 AM. Location: MGH 389. **Short essay format.**

WEEK IN REVIEW DESK

The Nation: Course Correction; Teaching Students to Swim in the Online Sea

By GEOFFREY NUNBERG (NYT) 1064 words

Published: February 13, 2005

INFORMATION literacy seems to be a phrase whose time has come. Last month, the Educational Testing Service announced that it had developed a test to measure students' ability to evaluate online material. That suggested an official recognition that the millions spent to wire schools and universities is of little use unless students know how to retrieve useful information from the oceans of sludge on the Web.

Clearly, "computer skills" are not enough. A teacher of Scandinavian literature at Berkeley recently described how students used the Web to research a paper on the Vikings: "They're Berkeley students, so, of course, they have the sense to restrict their searches to 'vikings NOT minnesota.' But they're perfectly willing to believe a Web site that describes early Viking settlements in Oklahoma."

That trusting nature is partly a legacy of the print age. If we tend to give the benefit of the doubt to the things we read in library books, it is because they have been screened twice: first by a publisher, who decided they were worth printing, and then by the librarian who acquired them or the professor who requested their purchase.

The Web imposes no such filters, even as it allows users to examine subjects people would never have gone to a traditional library to research, like buying a printer or a cheap airline ticket. Many adolescents use the Internet to get information about issues they are reluctant to discuss with parents or teachers, like sexual behavior, sexual identity, drug use or depression and suicide.

But there is a paradox in the way people think of the Web. Everyone is aware that it teems with rotten information, but most people feel confident that they can sort out the dross. In a survey released last month by the Pew Project on the Internet and American Life, 87 percent of search-engine users said they found what they were looking for all or most of the time.

That level of confidence may not be justified, particularly when a search for information requires judging a Web site's credibility. According to the Pew survey, only 38 percent of search-engine users were aware of the difference between unpaid and sponsored search results, and only 18 percent could tell which was which.

A 2002 study directed by BJ Fogg, a Stanford psychologist, found that people tend to judge the credibility of a Web site by its appearance, rather than by checking who put it up and why. But it is much easier to produce a professional-looking Web site than a credible-looking book. The BBC was recently duped by a fake Dow Chemical site into broadcasting an interview with an environmentalist posing as a company spokesman.

Then, too, search engines make it all too easy to filter information in ways that reinforce pre-existing biases. A Google search on "voting machine fraud," for example, will turn up popular Web pages that feature those words prominently, most of which will support the view that voting machines make election fraud easier; opposing sites won't tend to feature that language, so will be missed in the search. A researcher exploring the same topic in a library would be more likely to encounter diverse points of view.

Up to now, librarians have taken the lead in developing information literacy standards and curriculums. There's a certain paradox in that, because a lot of people assumed that the digital age would require neither libraries nor librarians. But today, students have only

limited contact with librarians, particularly because they do most of their online information-seeking at home or in the dorm.

More important, leaving information literacy to librarians alone suggests a failure to understand the scope of the problem.

Part of it lies in the word "literacy" itself. No other language has a word that covers such a broad swath of territory, from reading and writing skills, to a familiarity with culture, to elementary competence in subjects like math or geography. To many, "information literacy" suggests a set of basic ABC's that can be consigned to Information 101.

One can list some basic principles of information literacy, like "Recognize an information need"; "Evaluate sources critically"; and "Check to see if the site sponsor is reputable." But those precepts are only of limited help with all that people now use online resources to do.

Last fall, for example, I co-taught a graduate course on "Information Quality" at Berkeley's School of Information Management and Systems. The students were highly sophisticated about search engines and knew their way around the Web.

But even they had difficulty with exercises that involved evaluating information in unfamiliar areas, like using the Web to decide which online degree program to recommend to a friend.

Still, given more time, those students would have known where to go for more accurate maps of the territory they were exploring. Unlike most students, they knew that "what's out there" doesn't end with what comes up on Google. University librarians complain that students tend to confine their online research to Web searches, ignoring other resources that the libraries have access to, like old newspaper archives, map collections and census data.

No less important, the students in our course would have known to use an even more basic technique: asking the right person. E-mail turns the Web into a vast digital help desk; user groups are teeming with people who will gladly explain the finer points of espresso machines or the history of English slang. But most people rarely think to make use of them.

In the end, then, instruction in information literacy will have to pervade every level of education and every course in the curriculum, from university historians' use of collections of online slave narratives to middle-school home economics teachers showing their students where to find reliable nutrition information on the Web.

Even then, it is true, most people will fall back on perfunctory techniques for finding and evaluating information online. As Professor Fogg observes, people tend to be "cognitive misers," relying on superficial cues whenever they can get away with it.

Only when confronting a question that is personally important -- a health problem, a major purchase -- are most people motivated to dig deeper. But that is reason enough to make sure that people have the skills they will need.

Drawing (Drawing by Adam Palmer)



Article reprinted from the online edition of *University Week*, the faculty and staff newspaper of the University of Washington.

You may read this article on the [Uweek website](http://admin.urel.washington.edu/uweek/archives/issue/Auweek_story_small.asp?id=2722) at the following URL:

http://admin.urel.washington.edu/uweek/archives/issue/Auweek_story_small.asp?id=2722

New 'Society and Oceans' course designed to focus beyond basic science

Thursday, May 05, 2005

Vol. 22, No. 26

While Patrick Christie is trying to shake up the way undergraduates frame issues in the new course "Society and the Oceans," the UW is trying to frame the large lecture class in new ways as well.

The class, the first in a series of what are being called "University Courses," is the newest entry in the effort to improve courses that have the greatest impact on UW students: the large lecture classes, according to Christine Ingebritsen, acting dean of undergraduate education.

While some 100- and 200-level courses offer one, or sometimes two, links to courses students can take concurrently, "Society and the Oceans" offered three and could offer even more links in the future, Ingebritsen says. The university is trying to be more systematic in fostering close ties among the instructors, in this case coordinating with Christie, Matt McGarrity in Communications 220: Public Speaking and Emilie Jackinsky-Horell and Joan Graham in English 198: Interdisciplinary Writing/Social Science.

Christie says students in public speaking will get a chance to present talks to the whole class and learn from their classmates' feedback on which arguments are most compelling. And he's altered lectures in the main class by drawing on comments from essays done by students in the writing link. Parts of the third link, concerning infomatics, ended up being folded into the overall course with the development of sites on Puget Sound and coral reef management for Wikipedia, a publicly created online encyclopedia.

Another difference from other courses is that "Society and the Oceans" doesn't have conventional sections, the entire 150-member class meets together every day. Several days a week are for lectures and speakers, while Tuesdays and Thursdays are for videos, quizzes, discussions and other interactive exercises, again involving the whole class.

Christie, an assistant professor with joint appointments in the School of Marine Affairs and Jackson School of International Studies, wants to encourage critical thinking about the social and policy dimensions of the ocean environment and management.

This week, for instance, the class begins studying the rapid decline of coral reefs of the Philippines and Indonesia and possible innovative solutions. The students will learn about coral reef ecology as well as how people depend on reefs for fisheries and tourism. Fish captured with sodium cyanide for food and for the aquarium trade, and marketed globally, will be considered along with climate change and other environmental factors affecting the reefs.

Focusing on the importance of biodiversity is but one way to frame the issue, Christie says. Steps to conserve such biodiversity, by for instance putting areas off limits to fishing, ignore other valid ways of framing the issue.

"It's potentially a human rights issue and a food-security issue when up to half the protein intake for Filipinos — from fish — is no longer accessible," he says. "Or it can be framed as a peace-and-order issue when tensions run high over scarce resources or a marine conservation project."

Closer to home, the class examined such things as a proposed gravel mine on Maury Island in Puget Sound. In that section they heard from seven guest speakers in five days including a former Washington state governor, a King County council member, representatives of a mining company and environmentalists.

Although a 100-level course, the class of 150 ended up being about half freshmen and sophomores and half juniors and seniors, including some oceanography majors within a quarter of graduating.

That's been a challenge, Christie says, but also good practice for the natural science majors to think like social scientists and for the younger students to hear views from upper classmates.

Being from the School of Marine Affairs, where classes more typically are upper-level undergraduate and graduate courses, Christie was encouraged by the school's director, Tom Leschine, to compete for a chance to develop "Society and the Oceans" as the first University Course.

The provost's office has provided \$50,000 to build the course during a two-year period. The money and support from Ingebritsen and others in undergraduate education has gone for such things as training teaching assistants, summer work and special excursions. Christie has both received training through undergraduate education's large-class collegium and is

expected to offer training and insights about what he's learned to UW colleagues during a seminar next summer.

In coming quarters, University Courses will be offered in technical communications, religion and conflict, and crime and film.

Developing a University Course requires an enormous commitment of time and energy, Christie offers as advice. The task is made less daunting with backing from Ingebritsen and others.

"It's been worth it seeing students about to graduate realize they can learn something from a 100-level course," he says. "And seeing freshmen decide to dedicate their next four years to understanding human relations to the ocean is inspirational."

–Sandra Hines

UNIVERSITY WEEK

**University of Washington
Board of Regents
Resolution of Appreciation to
Alexander E. Bolton**

WHEREAS, in accordance with Washington state law, Governor Gary Locke appointed Alexander E. Bolton, a graduate student in the Daniel J. Evans School of Public Affairs, to serve the prescribed one-year term, from July 2004 to June 2005, as the student member of the University of Washington Board of Regents, and

WHEREAS, as a 2003 alumnus of the University of Washington, majoring in economic and political science, with a minor in speech communication, he brought to his Regental responsibilities a deep appreciation and affection for his alma mater; and

WHEREAS, he has served the Board with great distinction, admirably representing the students of the University and bringing to his work on the Board the perspective of a thoughtful, well-informed student, deeply committed to the pursuit of excellence, and

WHEREAS, his involvement with student government, both as an undergraduate and then as a graduate student, has contributed significantly to the improvement of student life on campus, particularly in the establishment of RainyDawg radio, the ASUW's online radio station, and

WHEREAS, his determined effort to keep students informed about the work of the Board of Regents, through regular meetings and interactions with a multitude of student groups, established his student Regency as one of the most open and accessible among all student Regents, and

WHEREAS, his keen analytical mind, exceptional work ethic, and broad grasp of the array of issues to come before the Board have contributed substantially to the Board's deliberations and policy formulations during his term of service, and

WHEREAS, his seriousness of purpose, ease of expression, robust sense of humor and engaging smile have made him an exemplary Regent, colleague and friend;

NOW, THEREFORE, BE IT RESOLVED: that the members of the Board of Regents express to Alex Bolton their gratitude on behalf of the entire University community, in particular the student body, and their own personal thanks for his outstanding service, dedication, and hard work, that we wish him continued success and happiness in all his endeavors, including his yet-to-be-written political future, and that this resolution be spread upon the minutes of the Board as a permanent record of the Board's sincere appreciation.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

UW

Report of Contributions

University of Washington
University of Washington Foundation

February and March, 2005

NOTES AS OF MARCH 31, 2005

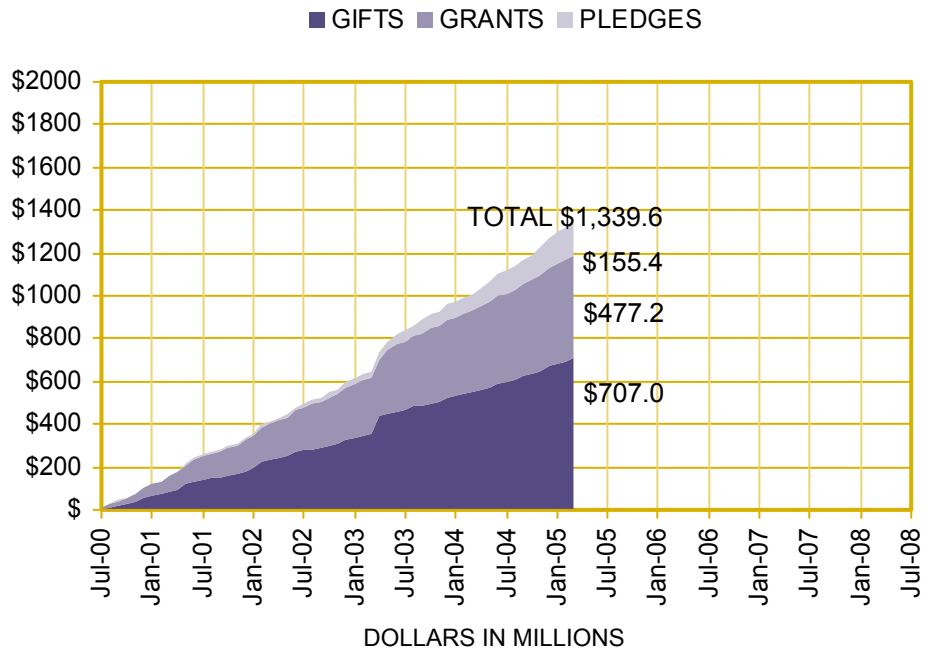
DATA POINTS

\$1,339,599,467 has been raised toward our campaign goal of \$2 billion.

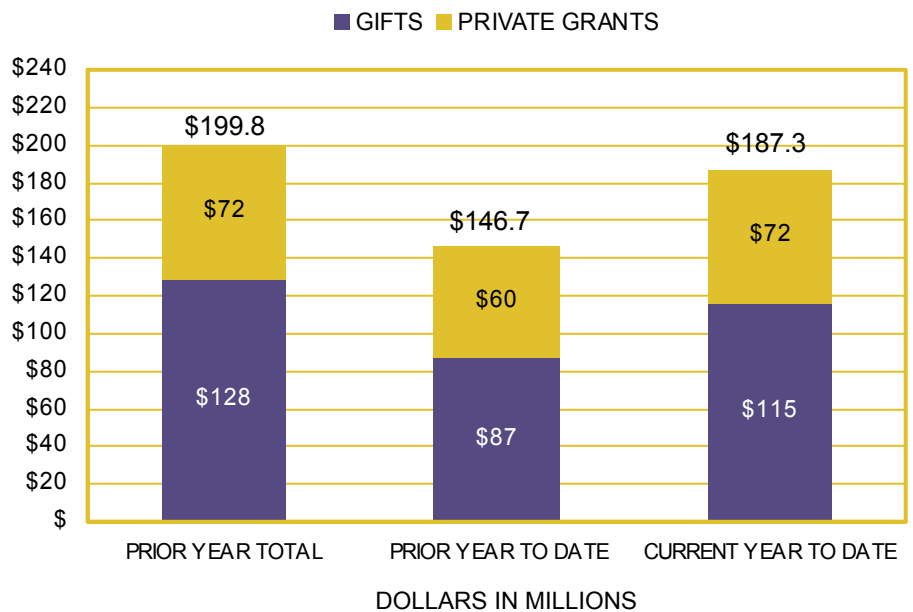
The UW received \$18.4 million in total private voluntary support (\$11.2 million in gifts and \$7.2 million in grants) in March.

Areas including Arts & Sciences, UW Bothell, Business, Dentistry, Education, Engineering, Evans School of Public Affairs, Graduate School, Information School, Intercollegiate Athletics, Libraries, UW Medicine, Ocean and Fisheries, Pharmacy, Public Health, Scholarships and Student Programs and Social Work are ahead of last year's year-to-date totals.

FUNDRAISING PROGRESS SINCE JULY 1, 2000



CURRENT GIFT AND PRIVATE GRANT TOTALS



MARCH 2005 GIFTS AND IMPACT

Selected gifts representing private support for one of the University of Washington's key fundraising priorities -- student, faculty, program and facility support.

Nancy K. Ketcham — \$200,777 to the College of Arts and Sciences

- Mrs. Ketcham's gift is the second payment on a \$1 million pledge to the Nancy K. Ketcham Endowed Chair In English. Her pledge will receive \$500,000 in matching funds from the UW Matching Initiative.
- Mrs. Ketcham ('74) is a lifelong learner who has continued to take courses from the University throughout the years. In 2002, she established the Nancy Ketcham professorship in English. Her recent pledge increased the professorship to a chair.
- The Nancy K. Ketcham Chair can be used flexibly, supporting the needs of more than one faculty member. So far, her generosity has allowed the department to recruit Dr. Laura Chrisman – an outstanding scholar currently at York University – who will begin at the UW as the first Nancy K. Ketcham Professor in fall 2005.

Kotkins Charitable Trust — \$10,000 to the College of Education

- Jackie ('74) and Henry (Skip) Kotkins are dedicated supporters of the College of Education's Experimental Education Unit (EEU).
- Since 1970, the EEU has helped educate children with neurological injuries and developmental delays such as Down syndrome, autism, language and motor delays, and other special needs. Most EEU services and programs are provided at no cost to families of all backgrounds.
- Mr. and Mrs. Kotkins are part of The Friends of the Experimental Education Unit, a board of parents and volunteers that has raised \$1.4 million over four years in support of EEU students, researchers and teachers. This accomplishment is thanks largely to the phenomenal success of the EEU's annual fundraising auctions.
- Whole Foods Market donated all of the food for the 2004 auction and the upcoming May 21, 2005 auction. The estimated value of this annual donation is more than \$30,000.00.

University Book Store — \$103,069 to Scholarships and Student Programs

- The University Book Store has been supporting student scholarships at UW since 1979. The store became a University Laureate in 2004, with over \$700,00 of their giving going directly to scholarships. The Book Store is also a valued campaign communications underwriting partner, contributing greatly to the communications surrounding the public launch of Campaign UW: Creating Futures on October 15, 2004.
- This gift represents the second payment on a \$500,000 pledge for undergraduate and graduate scholarship support, awarded based on financial need. The gift will receive a \$250,000 match from the UW Matching Initiative.
- The University Book Store first opened for business on January 10, 1900 in a cloak room next to the University President's office in Denny Hall. The store moved to "the Ave." in 1924, and was officially incorporated as a trust in 1946, with UW students, faculty and staff listed as the trust's beneficiaries.





REPORT OF CONTRIBUTIONS

March 2005

CAMPAIGN UW: CREATING FUTURES

Report prepared by: Office of Development and Alumni Relations
Advancement Services, Information Management

4/11/2005 09:36 AM

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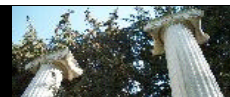
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*All Campaign totals represented are from July 1, 2000 through the end of the preceeding calendar month. Please note that grant revenue totals in Campaign Reports may contain clinical trials. Fundraising totals from all affiliated non-profit organizations are also included in UW Campaign totals.

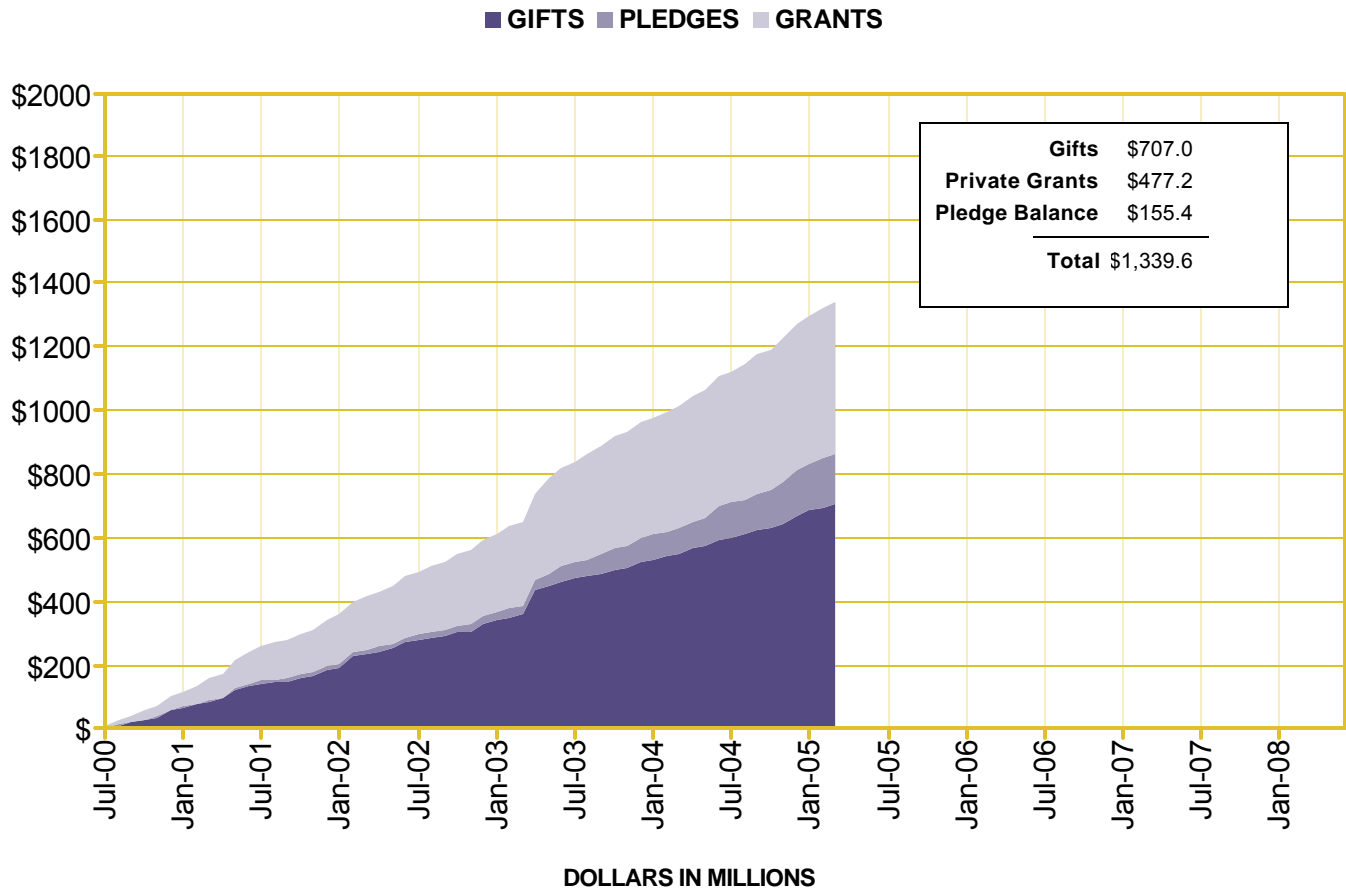
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CAMPAIGN PROGRESS SINCE JULY 1, 2000

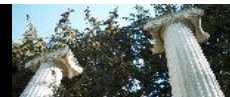


Source: UW Office of Development

Summarizes Total Private Voluntary Support since July 1, 2000. Testamentary Commitments included in Pledge Balance total. All dollar totals in millions.

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 March 2005

Fundraising Progress Since July 1, 2000



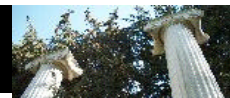
CAMPAIGN PROGRESS BY GIVING LEVEL

DOLLARS RAISED							
Gifts and Pledges							
Giving Level *	Alumni	Non Alumni	Family Fndns.	Corporations	Foundations	Other Orgs.	Total
\$100M+	\$0	\$32,720	\$87,084,812	\$0	\$0	\$0	\$87,117,532
\$50M - \$99,999,999	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$10M - \$49,999,999	\$28,653,385	\$46,486,160	\$20,512,500	\$20,101,784	\$29,916,374	\$0	\$145,670,203
\$5M - \$9,999,999	\$15,092,484	\$5,005,500	\$0	\$22,197,413	\$12,541,754	\$21,821,002	\$76,658,153
\$1M - \$4,999,999	\$64,013,753	\$47,407,631	\$20,142,685	\$50,737,993	\$34,076,257	\$4,713,659	\$221,091,978
\$100,000 - \$999,999	\$61,426,729	\$50,430,912	\$17,059,655	\$29,634,746	\$16,811,310	\$9,283,432	\$184,646,784
\$25,000 - \$99,999	\$18,166,339	\$14,012,241	\$2,157,534	\$12,694,535	\$3,097,194	\$2,831,358	\$52,959,202
\$10,000 - \$24,999	\$11,690,711	\$8,498,942	\$809,033	\$6,017,145	\$873,812	\$1,119,794	\$29,009,438
\$5,000 - \$9,999	\$8,837,462	\$6,652,538	\$265,393	\$3,608,994	\$370,493	\$496,727	\$20,231,607
\$2,000 - \$4,999	\$8,181,221	\$6,374,598	\$70,838	\$2,638,297	\$217,364	\$299,600	\$17,781,918
\$1,000 - \$1,999	\$3,793,443	\$3,157,930	\$22,060	\$1,145,179	\$70,809	\$142,556	\$8,331,977
\$500 - \$999	\$3,610,537	\$2,471,477	\$6,006	\$574,393	\$24,680	\$70,489	\$6,757,582
\$250 - \$499	\$2,878,118	\$2,165,561	\$1,850	\$252,259	\$7,782	\$39,657	\$5,345,228
\$100 - \$249	\$2,471,241	\$1,714,124	\$1,210	\$236,077	\$7,545	\$24,559	\$4,454,755
\$1 - \$99	\$1,307,467	\$970,987	\$154	\$60,491	\$908	\$8,707	\$2,348,715
Gift / Pledge Total	\$230,122,890	\$195,381,320	\$148,133,730	\$149,899,307	\$98,016,283	\$40,851,541	\$862,405,071
Private Grant Total							\$477,194,396
DONOR COUNTS							
Giving Level	Alumni	Non Alumni	Family Fndns.	Corporations	Foundations	Other Orgs.	Total
\$100M+	0	2	1	0	0	0	3
\$50M - \$99,999,999	0	0	0	0	0	0	0
\$10M - \$49,999,999	8	6	2	2	4	0	22
\$5M - \$9,999,999	4	4	0	7	4	8	27
\$1M - \$4,999,999	68	71	12	44	38	29	262
\$100,000 - \$999,999	357	386	63	349	156	152	1,463
\$25,000 - \$99,999	727	661	57	520	127	164	2,256
\$10,000 - \$24,999	1,407	1,261	58	573	83	129	3,511
\$5,000 - \$9,999	2,304	2,001	46	673	77	96	5,197
\$2,000 - \$4,999	4,422	4,018	25	1,041	84	129	9,719
\$1,000 - \$1,999	4,446	4,503	20	1,053	60	132	10,214
\$500 - \$999	7,736	6,499	12	1,056	40	122	15,465
\$250 - \$499	11,045	9,741	6	894	24	129	21,839
\$100 - \$249	20,510	16,917	9	1,847	55	192	39,530
\$1 - \$99	33,763	32,457	4	1,547	18	250	68,039
Total	86,797	78,527	315	9,606	770	1,532	177,547

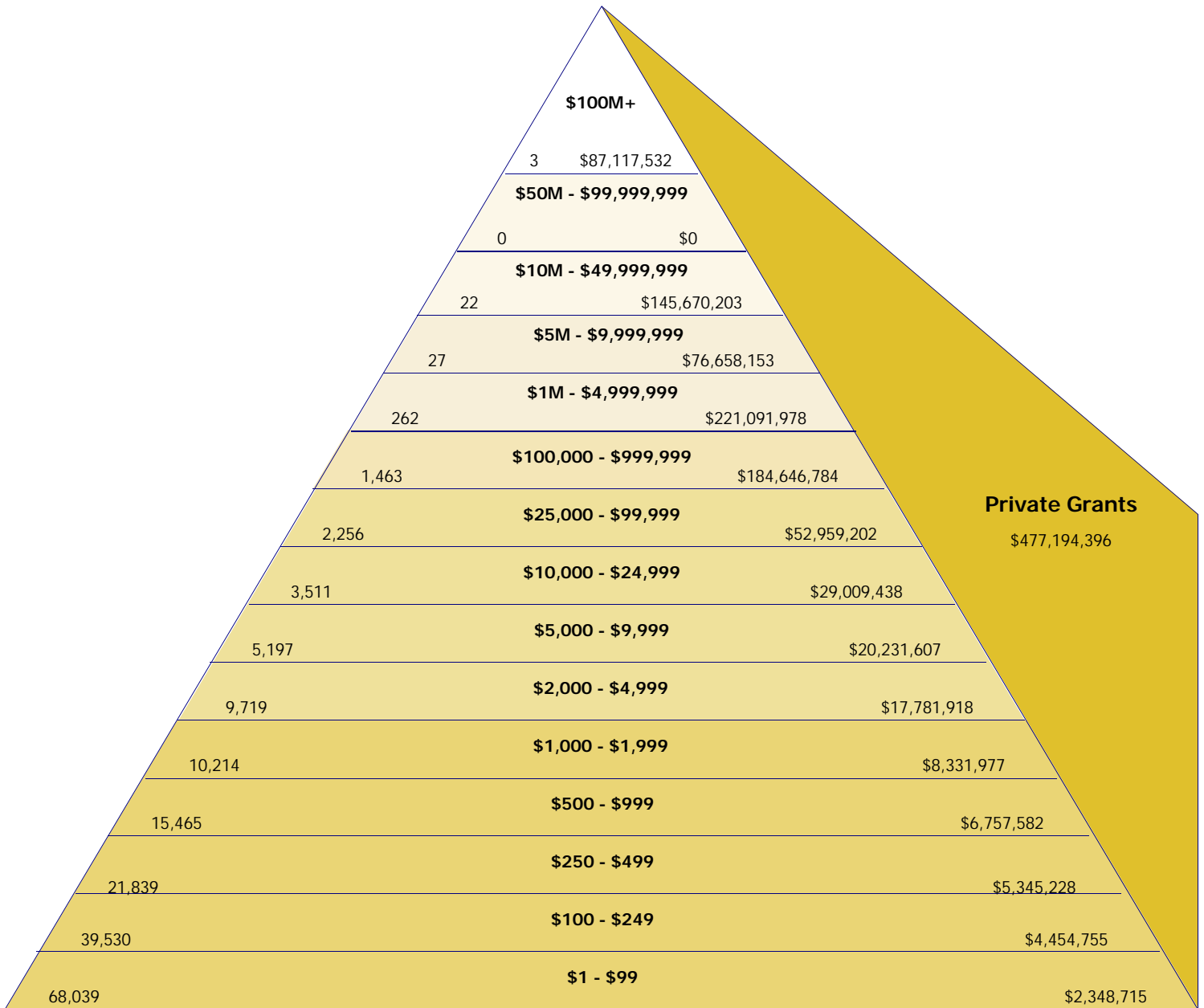
Source: UW Office of Development & Alumni Relation

This report shows the count of distinct donors and campaign total by giving level and donor type since July 1, 2000.

**"Giving Level" is determined by summing of all gift record types (including grants); however only gifts and pledges are used to calculate dollar totals in the "Dollars Raised" chart.



CAMPAIGN PROGRESS BY PYRAMID, SINCE JULY 1, 2000



177,547 Donor Count

Gift and Pledges \$862,405,071

Campaign Total: \$1,339,599,467 *Campaign Working Goal: \$2,000,000,000 Percent Complete: 67.0%

Source: UW Office of Development

The counts of distinct donors and fundraising totals by giving level are shown.

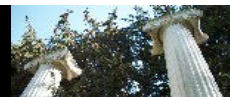
*Unit campaign goals are still being finalized.

Pyramid Levels are determined by summing all gift record types(including grants); however only gifts and pledges are used to calculate dollar totals displayed.

Job Number: 65024

March 2005

Campaign Progress Pyramid - Since July 1, 2000



CAMPAIGN PROGRESS BY CONSTITUENCY

	GIFTS	Irrevocable Deferred Gifts		1 PLEDGES	Testamentary Commitments		2 GRANTS	Campaign - Private Voluntary Support		
		Donor Value	Discount Value		Donor Value	Discount Value		TOTAL	3 Working Goal	% of Goal
UW Medicine	\$213,485,596	\$9,976,291	\$4,587,385	\$17,314,333	\$16,714,853	\$3,817,119	\$239,395,592	\$496,886,664	\$1,000,000,000	49.7%
Architecture	\$5,774,932	\$244,117	\$78,098	\$755,525	\$0	\$0	\$1,422,775	\$8,197,349	\$19,150,000	42.8%
Arts and Sciences	\$72,985,738	\$4,846,321	\$2,484,946	\$8,481,536	\$7,274,000	\$4,282,001	\$53,595,666	\$147,183,261	\$240,000,000	61.3%
Broadcast Services	\$30,861,108	\$0	\$0	\$12,660	\$0	\$0	\$0	\$30,873,769	N/A	N/A
Business School	\$40,982,464	\$741,794	\$337,793	\$31,439,165	\$3,000,271	\$2,035,445	\$190,200	\$76,353,894	\$188,000,000	40.6%
Dentistry	\$5,535,128	\$20,000	\$7,801	\$780,004	\$100,000	\$41,408	\$3,411,559	\$9,846,691	\$15,000,000	65.6%
Education	\$7,408,963	\$2,849	\$2,849	\$4,339,448	\$0	\$0	\$7,913,747	\$19,665,008	\$23,000,000	85.5%
Engineering	\$98,909,152	\$1,563,700	\$624,899	\$7,475,499	\$1,750,000	\$1,124,333	\$46,689,777	\$156,388,128	\$250,000,000	62.6%
Evans Schl. of Pub. Affairs	\$8,590,701	\$52,994	\$18,215	\$697,904	\$500,000	\$265,793	\$33,364,719	\$43,206,318	\$40,000,000	108.0%
Forest Resources	\$5,576,476	\$646,572	\$439,763	\$759,740	\$1,250,000	\$637,648	\$2,506,767	\$10,739,555	\$17,700,000	60.7%
Friday Harbor Labs	\$5,193,024	\$153,242	\$24,284	\$376,717	\$695,000	\$438,421	\$765,000	\$7,182,983	\$12,000,000	59.9%
Information School	\$2,314,705	\$0	\$0	\$115,890	\$100,000	\$64,666	\$818,952	\$3,349,547	\$5,000,000	67.0%
Intercollegiate Athletics	\$68,217,971	\$211,597	\$102,931	\$4,423,566	\$0	\$0	\$0	\$72,853,135	\$110,000,000	66.2%
Law	\$22,154,534	\$1,659	\$1,659	\$1,601,199	\$0	\$0	\$817,947	\$24,575,339	\$70,000,000	35.1%
Libraries	\$4,003,271	\$427,146	\$265,714	\$115,079	\$772,000	\$379,527	\$410,326	\$5,727,821	\$9,000,000	63.6%
Nursing	\$6,663,264	\$275,000	\$119,617	\$933,207	\$1,475,000	\$869,595	\$6,161,632	\$15,508,102	\$24,000,000	64.6%
Ocean and Fisheries	\$9,483,769	\$562,500	\$187,134	\$1,008,574	\$0	\$0	\$13,118,038	\$24,172,881	\$34,000,000	71.1%
Pharmacy	\$6,109,285	\$0	\$0	\$532,998	\$0	\$0	\$3,583,455	\$10,225,739	\$10,260,000	99.7%
President's Funds	\$4,471,313	\$324,582	\$149,399	\$605,376	\$1,750,000	\$823,656	\$0	\$7,151,270	N/A	N/A
Public Health	\$12,521,994	\$50,259	\$24,777	\$719,494	\$0	\$0	\$48,459,996	\$61,751,743	\$90,000,000	68.6%
Scholar. & Student Progs.	\$19,517,520	\$321,293	\$97,431	\$2,447,050	\$550,000	\$239,963	\$501,568	\$23,337,432	\$40,000,000	58.3%
Social Work	\$1,490,347	\$165,797	\$33,243	\$204,048	\$0	\$0	\$4,227,519	\$6,087,710	\$10,000,000	60.9%
University Press	\$1,189,975	\$83,788	\$35,275	\$31,900	\$0	\$0	\$0	\$1,305,663	\$3,000,000	43.5%
University Support	\$19,582,129	\$833,455	\$590,740	\$8,145,320	\$12,521,091	\$4,500,384	\$9,718,961	\$50,800,956	N/A	N/A
UW Bothell	\$1,940,011	\$0	\$0	\$243,466	\$0	\$0	\$50,500	\$2,233,976	\$5,700,000	39.2%
UW Tacoma	\$10,430,603	\$150,000	\$150,000	\$10,544,231	\$2,800,000	\$1,594,562	\$69,700	\$23,994,534	\$30,000,000	80.0%
All UW Total	\$685,393,974	\$21,654,956	\$10,363,953	\$104,103,927	\$51,252,215	\$21,114,521	\$477,194,396	\$1,339,599,467	\$2,000,000,000	67.0%

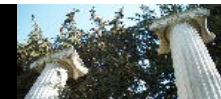
Source: UW Office of Development

Fundraising progress toward campaign working goals by constituency area (school/college/program). Campaign total is the sum of gifts, grants, active pledges and donor values of irrevocable deferred gifts and testamentary commitments. "N/A" is not applicable. 1 - "Pledges" are those in active status only. 2 - "Grants" are private grants only. 3 - Unit campaign working goals are still being finalized.

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March 2005

Campaign Progress by Constituency - Since July 2000



CAMPAIGN FUNDING THEME PROGRESS - JULY 2000 - PRESENT

THEME	CURRENT USE	ENDOWMENT	TOTAL
Student Support	\$61,227,716	\$75,303,336	\$136,531,051
Faculty Support	\$68,414,883	\$79,738,772	\$148,153,655
Program Support for Faculty and Students	\$587,245,831	\$71,473,069	\$658,718,900
Capital	\$249,067,386	\$878,269	\$249,945,655
Unrestricted	\$118,585,041	\$27,665,164	\$146,250,206
Total	\$1,084,540,858	\$255,058,610	\$1,339,599,467
Goal	\$1,600,000,000	\$400,000,000	\$2,000,000,000
% to Goal	67.8%	63.8%	67.0%

Source: UW Office of Development

This report shows contribution totals by campaign theme/priority since July 1, 2000.

Job Number: 65024
 March 2005

Campaign Theme Progress



DEVELOPMENT SUMMARY - TOTAL PRIVATE VOLUNTARY SUPPORT

AREA	YEAR TO DATE DONOR VALUES		
	GIFTS	PRIVATE GRANTS	TOTAL
UW Seattle			
UW Medicine	\$31,590,468	\$32,496,223	\$64,086,691
Architecture	\$388,773	\$282,366	\$671,139
Arts and Sciences	\$14,726,077	\$5,686,667	\$20,412,744
Broadcast Services	\$5,826,492		\$5,826,492
Business School	\$9,539,954	\$40,200	\$9,580,154
Dentistry	\$1,027,461	\$115,719	\$1,143,180
Education	\$1,433,283	\$2,005,797	\$3,439,080
Engineering	\$15,692,974	\$5,925,863	\$21,618,837
Evans Schl. of Pub. Affairs	\$428,225	\$10,580,401	\$11,008,626
Forest Resources	\$966,938	\$273,284	\$1,240,222
Graduate School	\$1,254,978	\$1,181,464	\$2,436,442
Information School	\$289,860	\$54,275	\$344,135
Intercollegiate Athletics	\$10,903,005		\$10,903,005
Law	\$1,231,725	\$25,000	\$1,256,725
Libraries	\$837,843		\$837,843
Nursing	\$1,378,017	\$432,782	\$1,810,799
Ocean and Fisheries	\$1,921,365	\$5,121,922	\$7,043,287
Pharmacy	\$1,609,880	\$552,564	\$2,162,444
President's Funds	\$548,840		\$548,840
Public Health	\$904,177	\$6,651,445	\$7,555,622
Scholar. & Student Progs.	\$3,583,518		\$3,583,518
Social Work	\$536,435	\$430,914	\$967,349
UW Alumni Association	\$649,347		\$649,347
University Press	\$231,985		\$231,985
University Support	\$7,229,861	\$4,743	\$7,234,604
Washington Tech. Center			
UW Bothell	\$244,617		\$244,617
UW Tacoma	\$418,667	\$2,400	\$421,067
All UW Total	\$115,394,778	\$71,864,029	\$187,258,807

Source: UW Office of Development

Contribution totals for the major Development areas of the University are shown.

Job Number: 65024

March 2005

Development Area Summary - Total Private Voluntary Support



DEVELOPMENT SUMMARY - GIFTS AND PRIVATE GRANTS

AREA	CURRENT MONTH		YEAR TO DATE		PRIOR YEAR TO DATE		PRIOR FISCAL YEAR	
	Donors	Value	Donors	Value	Donors	Value	Donors	Value
UW Seattle								
UW Medicine	2,687	\$6,599,871	14,963	\$64,086,691	11,687	\$51,687,046	15,677	\$73,746,044
Architecture	197	\$36,423	992	\$671,139	861	\$1,182,809	1,125	\$1,526,446
Arts and Sciences	1,763	\$2,777,596	12,952	\$20,412,744	12,611	\$15,419,689	15,042	\$21,258,923
Broadcast Services	834	\$591,238	2,380	\$5,826,492	2,337	\$5,742,105	3,055	\$8,003,070
Business School	339	\$512,982	3,482	\$9,580,154	3,223	\$7,257,744	3,774	\$8,104,326
Dentistry	138	\$126,649	1,071	\$1,143,180	1,058	\$1,040,627	1,314	\$1,166,282
Education	191	\$65,618	1,288	\$3,439,080	1,275	\$2,065,103	1,559	\$2,231,526
Engineering	324	\$1,944,148	3,111	\$21,618,837	3,237	\$17,576,272	3,709	\$23,824,360
Evans Schl. of Pub. Affairs	70	\$2,412,828	613	\$11,008,626	338	\$8,671,664	420	\$8,704,838
Forest Resources	66	\$73,526	898	\$1,240,222	952	\$1,523,640	1,055	\$1,860,102
Graduate School	209	\$224,347	484	\$2,436,442	591	\$1,934,191	890	\$2,265,996
Information School	49	\$10,750	495	\$344,135	465	\$295,004	528	\$463,842
Intercollegiate Athletics	839	\$510,346	11,202	\$10,903,005	10,685	\$9,037,767	21,719	\$12,479,465
Law	110	\$58,407	1,412	\$1,256,725	1,477	\$1,946,495	1,703	\$2,886,862
Libraries	1,672	\$108,257	3,486	\$837,843	3,105	\$493,347	3,589	\$616,206
Nursing	149	\$418,236	1,489	\$1,810,799	1,468	\$1,718,264	1,617	\$1,922,445
Ocean and Fisheries	77	\$44,195	583	\$7,043,287	480	\$3,466,041	553	\$4,155,330
Pharmacy	145	\$75,164	942	\$2,162,444	985	\$1,201,644	1,061	\$1,494,282
President's Funds	355	\$39,386	1,596	\$548,840	2,097	\$670,036	2,322	\$869,415
Public Health	134	\$142,840	555	\$7,555,622	541	\$5,817,929	584	\$6,667,414
Scholar. & Student Progs.	630	\$182,038	2,686	\$3,583,518	3,109	\$3,529,797	4,958	\$5,858,592
Social Work	118	\$21,707	605	\$967,349	716	\$446,700	795	\$492,520
UW Alumni Association	2,105	\$97,208	14,045	\$649,347	16,244	\$714,115	22,454	\$1,032,281
University Press	30	\$14,503	262	\$231,985				
University Support	359	\$1,230,808	1,260	\$7,234,604	910	\$2,153,567	1,245	\$4,627,937
Washington Tech. Center					1	\$204,919	1	\$219,908
UW Bothell	80	\$20,556	328	\$244,617	194	\$222,233	274	\$248,742
UW Tacoma	141	\$23,178	421	\$421,067	409	\$730,157	549	\$3,050,522
All UW Unique Total	13,027	\$18,362,818	70,729	\$187,258,807	68,371	\$146,748,917	91,903	\$199,777,690

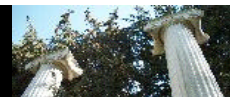
Source: UW Office of Development

The number of donors and contribution totals for the major Development areas of the University are shown. Dollar values are based on donor values.

Job Number: 65024

March 2005

Development Area Summary - Gifts and Private Grants



DEVELOPMENT SUMMARY - GIFTS

AREA	CURRENT MONTH		YEAR TO DATE		PRIOR YEAR TO DATE		PRIOR FISCAL YEAR	
	Donors	Value	Donors	Value	Donors	Value	Donors	Value
UW Seattle								
UW Medicine	2,610	\$3,184,333	14,731	\$31,590,468	11,498	\$23,632,109	15,479	\$36,774,110
Architecture	197	\$36,423	991	\$388,773	858	\$882,315	1,123	\$1,225,952
Arts and Sciences	1,753	\$2,071,659	12,895	\$14,726,077	12,559	\$9,765,393	14,989	\$14,525,068
Broadcast Services	834	\$591,238	2,380	\$5,826,492	2,337	\$5,742,105	3,055	\$8,003,070
Business School	339	\$512,982	3,481	\$9,539,954	3,223	\$7,257,744	3,774	\$8,104,326
Dentistry	137	\$102,649	1,068	\$1,027,461	1,054	\$733,418	1,310	\$859,073
Education	190	\$35,618	1,284	\$1,433,283	1,270	\$1,308,133	1,554	\$1,474,556
Engineering	318	\$1,521,170	3,061	\$15,692,974	3,191	\$10,262,887	3,654	\$15,709,271
Evans Schl. of Pub. Affairs	64	\$48,410	591	\$428,225	330	\$671,998	412	\$705,172
Forest Resources	66	\$44,115	894	\$966,938	949	\$1,440,768	1,050	\$1,730,480
Graduate School	208	\$188,111	478	\$1,254,978	588	\$1,075,262	886	\$1,402,400
Information School	49	\$10,750	494	\$289,860	464	\$219,807	527	\$388,645
Intercollegiate Athletics	839	\$510,346	11,202	\$10,903,005	10,685	\$9,037,767	21,719	\$12,479,465
Law	110	\$58,407	1,410	\$1,231,725	1,477	\$1,946,495	1,703	\$2,886,862
Libraries	1,672	\$108,257	3,486	\$837,843	3,105	\$493,347	3,589	\$616,206
Nursing	149	\$418,236	1,481	\$1,378,017	1,459	\$995,642	1,609	\$1,198,123
Ocean and Fisheries	72	\$8,433	563	\$1,921,365	468	\$2,291,176	537	\$2,827,176
Pharmacy	145	\$75,164	937	\$1,609,880	982	\$939,973	1,058	\$1,232,611
President's Funds	355	\$39,386	1,596	\$548,840	2,097	\$670,036	2,322	\$869,415
Public Health	131	\$18,929	524	\$904,177	510	\$394,212	551	\$603,827
Scholar. & Student Progs.	630	\$182,038	2,686	\$3,583,518	3,108	\$3,528,197	4,957	\$5,855,992
Social Work	118	\$21,707	595	\$536,435	711	\$82,943	790	\$128,763
UW Alumni Association	2,105	\$97,208	14,045	\$649,347	16,244	\$714,115	22,454	\$1,032,281
University Press	30	\$14,503	262	\$231,985				
University Support	359	\$1,230,808	1,258	\$7,229,861	907	\$1,647,467	1,241	\$4,022,337
Washington Tech. Center					1	\$204,919	1	\$219,908
UW Bothell	80	\$20,556	328	\$244,617	194	\$222,233	274	\$248,742
UW Tacoma	141	\$23,178	420	\$418,667	409	\$730,157	549	\$3,050,522
All UW Unique Total	12,922	\$11,174,627	70,331	\$115,394,778	68,054	\$86,890,630	91,572	\$128,174,367

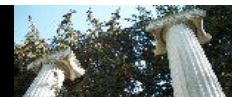
Source: UW Office of Development

The number of donors and contribution totals (gifts only) for the major Development areas of the University are shown. Dollar values are based on donor values.

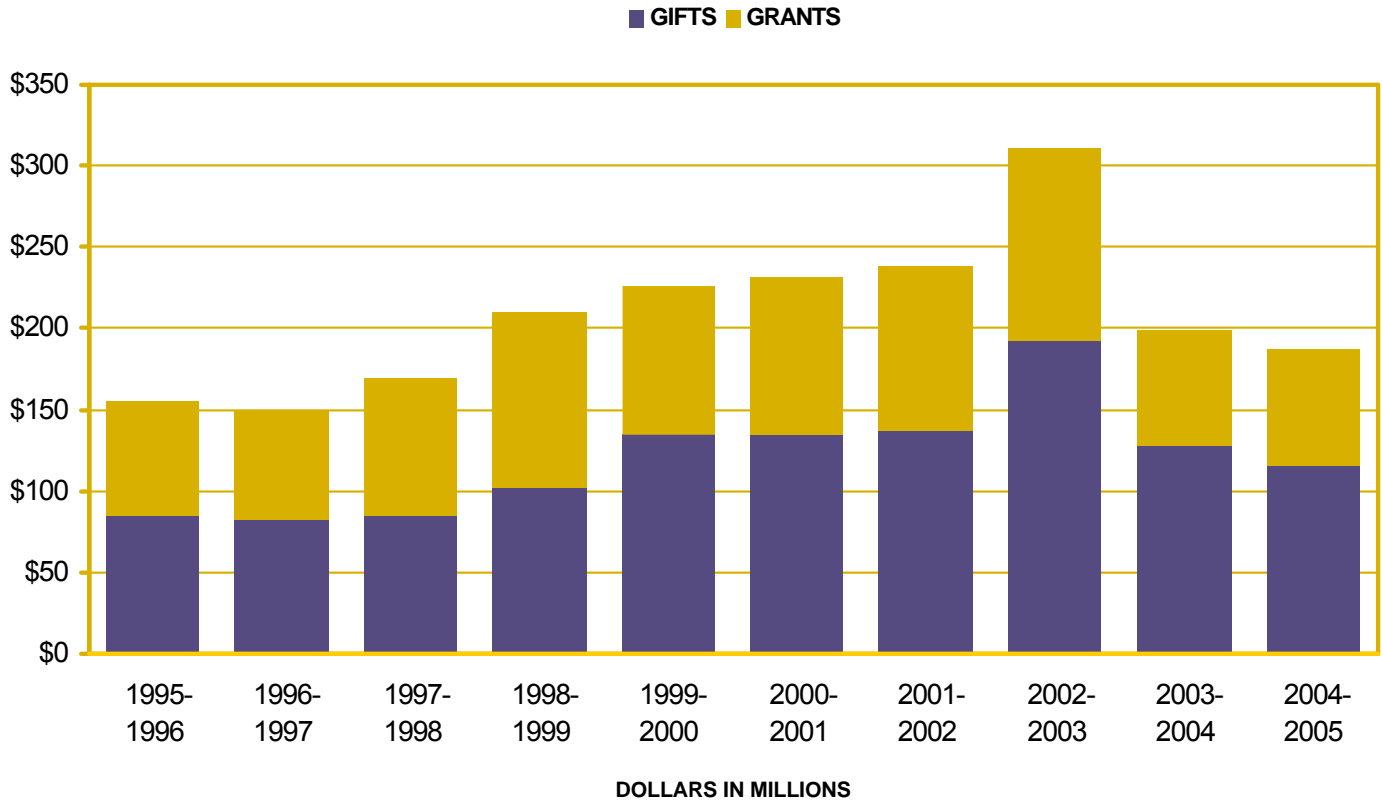
Job Number: 65024

March 2005

Development Area Summary - Gifts



COMPLETE FISCAL YEAR COMPARISON OF TOTAL CONTRIBUTIONS RECEIVED



FISCAL YEAR	GIFTS	GRANTS	TOTAL CONTRIBUTIONS
2004- 2005	\$115,394,778	\$71,864,029	\$187,258,807
2003- 2004	\$128,174,367	\$71,603,323	\$199,777,690
2002- 2003	\$192,573,183	\$118,677,722	\$311,250,905
2001- 2002	\$137,959,340	\$100,820,547	\$238,779,887
2000- 2001	\$134,805,190	\$97,112,979	\$231,918,169
1999- 2000	\$134,037,997	\$91,536,165	\$225,574,162
1998- 1999	\$102,925,077	\$107,619,586	\$210,544,663
1997- 1998	\$84,718,016	\$85,276,615	\$169,994,631
1996- 1997	\$81,892,963	\$67,425,874	\$149,318,837
1995- 1996	\$85,036,511	\$69,150,088	\$154,186,599

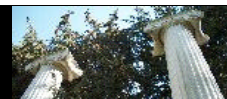
Source: UW Office of Development

This graph compares the current fiscal year's contribution totals to each of the previous nine fiscal year's contribution totals.

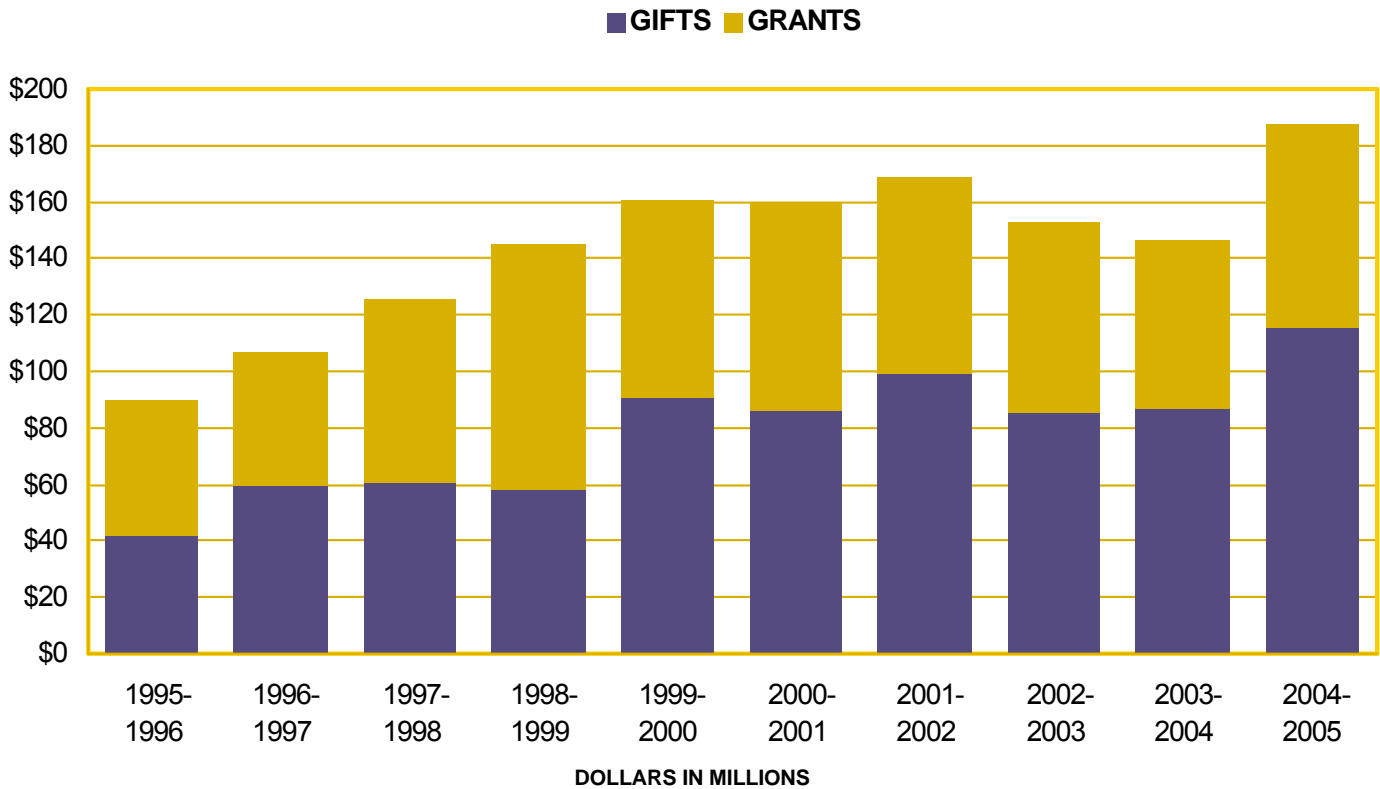
Job Number: 65024

March 2005

Fiscal Year Totals Graph



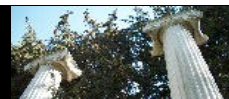
YEAR TO DATE CONTRIBUTION TOTALS



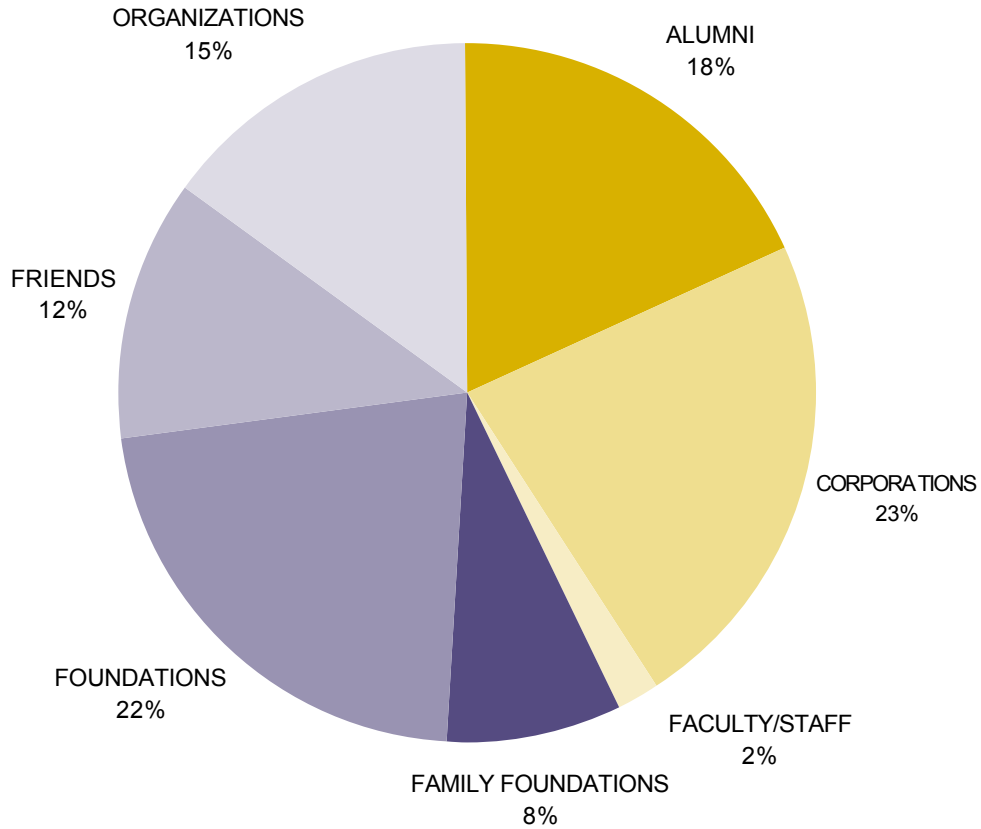
FISCAL YEAR	GIFTS	GRANTS	TOTAL CONTRIBUTIONS
2004- 2005	\$115,394,778	\$71,864,029	\$187,258,807
2003- 2004	\$86,890,630	\$59,858,287	\$146,748,917
2002- 2003	\$84,999,647	\$67,468,488	\$152,468,135
2001- 2002	\$99,211,901	\$69,607,925	\$168,819,827
2000- 2001	\$85,862,575	\$73,924,836	\$159,787,411
1999- 2000	\$90,582,099	\$70,243,285	\$160,825,384
1998- 1999	\$57,848,057	\$87,046,118	\$144,894,175
1997- 1998	\$60,825,564	\$64,895,838	\$125,721,402
1996- 1997	\$59,341,528	\$47,922,567	\$107,264,095
1995- 1996	\$41,863,803	\$48,204,877	\$90,068,680

Source: UW Office of Development

This graph compares the current fiscal year's contribution totals to each of the previous nine fiscal year's contribution totals.



DEVELOPMENT ACTIVITY BY DONOR TYPE IN CURRENT FISCAL YEAR



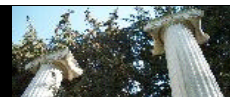
DONOR TYPE	YEAR TO DATE		PRIOR YEAR TO DATE		PRIOR FISCAL YEAR	
	Donors	Value	Donors	Value	Donors	Value
Alumni	38,379	\$34,325,037	40,076	\$26,019,441	49,719	\$37,211,864
Corporations	2,745	\$42,306,467	2,674	\$35,913,948	3,760	\$46,349,831
Faculty/Staff	2,938	\$3,555,740	2,476	\$2,438,251	3,171	\$3,335,421
Family Foundations	155	\$15,093,229	147	\$14,461,149	161	\$21,205,792
Foundations	323	\$41,220,999	331	\$27,898,032	387	\$34,932,399
Friends	25,862	\$22,431,441	22,329	\$15,751,407	34,361	\$27,532,116
Organizations	416	\$28,325,894	393	\$24,266,690	494	\$29,210,266

Source: UW Office of Development

This graph shows the sources of contributions for the current year to date. Dollar values are based on donor value.

Job Number: 65024
 March 2005

Development Activity by Donor Type in Current Fiscal Year Chart



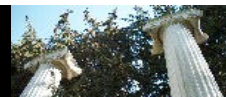
ALUMNI PARTICIPATION BY CONSTITUENCY

AREA	CURRENT FISCAL YEAR TO DATE			PREVIOUS FISCAL YEAR TO DATE			
	Solicitible	Donors	Partic. Rate	Solicitible	Donors	Partic. Rate	Final %
UW Seattle							
UW Medicine	15,842	2,797	17.7%	16,430	2,669	16.2%	19.6%
Architecture	7,192	1,057	14.7%	7,307	1,115	15.3%	18.9%
Arts and Sciences	121,216	15,651	12.9%	128,104	16,230	12.7%	15.8%
Business School	34,015	5,785	17.0%	35,210	6,133	17.4%	22.0%
Dentistry	4,301	1,005	23.4%	4,312	1,088	25.2%	31.3%
Education	18,677	2,889	15.5%	20,049	3,020	15.1%	18.9%
Engineering	29,399	3,776	12.8%	30,589	4,121	13.5%	16.6%
Evans Schl. Of Pub. Affairs	1,872	367	19.6%	1,797	349	19.4%	23.9%
Forest Resources	4,382	635	14.5%	4,468	646	14.5%	17.6%
Interdisc. Grad. Programs	1,161	176	15.2%	1,128	214	19.0%	22.5%
Interschool Programs	241	35	14.5%	219	25	11.4%	16.9%
Information School	3,786	725	19.1%	3,869	754	19.5%	23.0%
Law	7,070	1,396	19.7%	7,008	1,470	21.0%	25.6%
School Of Nursing	7,976	1,647	20.6%	8,092	1,750	21.6%	24.8%
Ocean & Fisheries	3,560	541	15.2%	3,705	569	15.4%	18.1%
Pharmacy	3,147	780	24.8%	3,159	884	28.0%	31.9%
Public Health	3,139	588	18.7%	3,044	556	18.3%	21.4%
Social Work	5,707	772	13.5%	6,008	836	13.9%	16.3%
Undergrad. Interdisc. Programs	67	6	9.0%	44	5	11.4%	25.0%
UW Bothell	3,580	372	10.4%	3,258	322	9.9%	12.8%
UW Tacoma	4,016	361	9.0%	3,595	312	8.7%	12.5%
Unspecified	11,614	2,108	18.2%	12,900	2,192	17.0%	22.1%
All UW Total	267,179	38,379	14.4%	278,939	40,075	14.4%	17.8%

Source: UW Office of Development

Job Number: 65024
March 2005

Alumni Participation



NOTES AS OF FEBRUARY 28, 2005

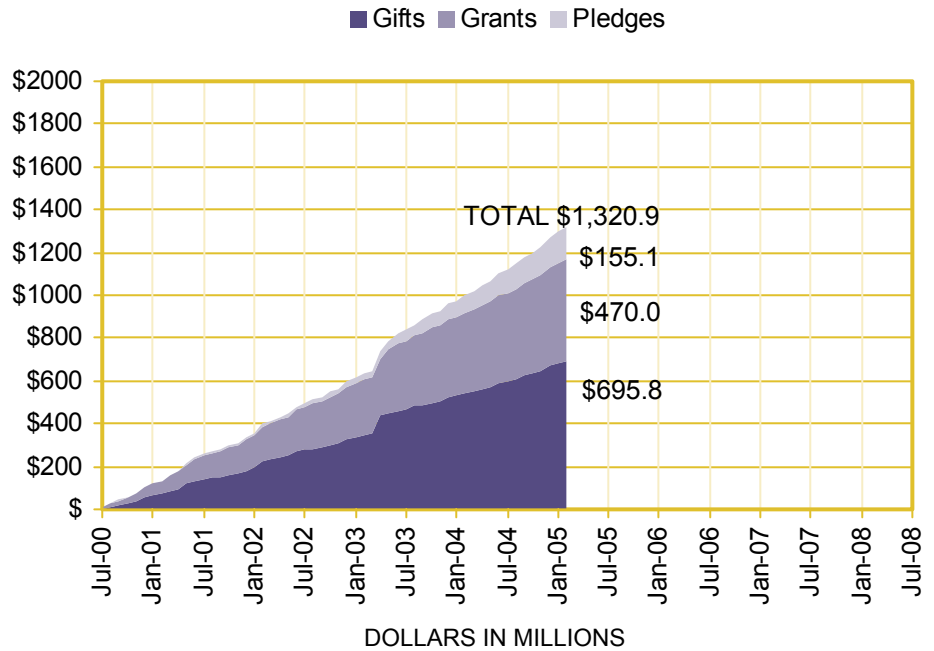
DATA POINTS

\$1,320,884,557 has been raised toward our campaign goal of \$2 billion.

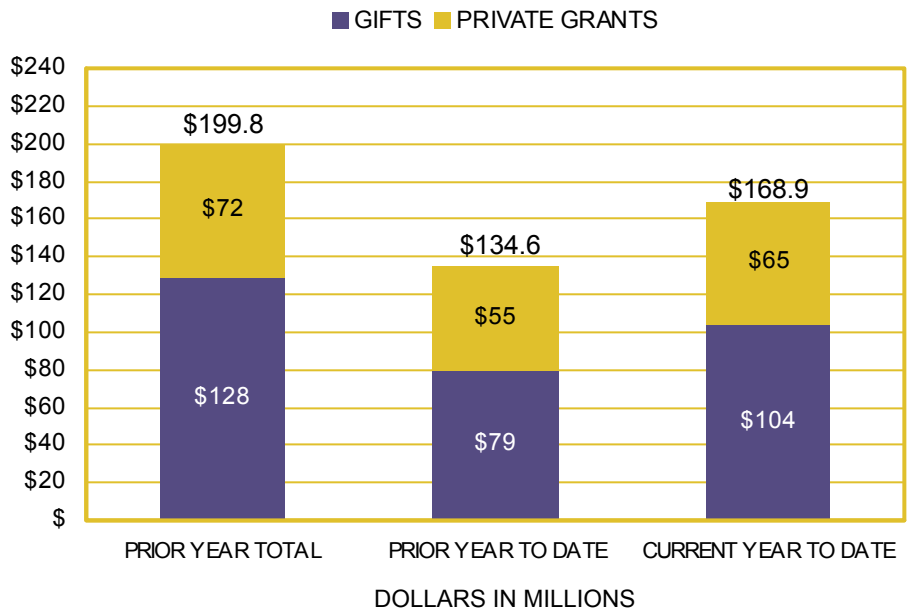
The UW received \$16.7 million in total private voluntary support (\$12.2 million in gifts and \$4.5 million in grants) in February.

Areas including Arts & Sciences, UW Bothell, Business, Dentistry, Education, Engineering, Information School, Intercollegiate Athletics, Libraries, UW Medicine, Ocean and Fisheries, Pharmacy, Public Health and Social Work are ahead of last year's year-to-date totals.

FUNDRAISING PROGRESS SINCE JULY 1, 2000



CURRENT GIFT AND PRIVATE GRANT TOTALS



February Gifts and Impact

Selected gifts representing private support for one of the University of Washington's key fundraising priorities -- student, faculty, program and facility support.

Dr. Harold (Hal) Bergen – \$60,950 to the College of Arts and Sciences and UW Medicine

- Dr. Harold Bergen, a Yakima-area obstetrician with a passion for archaeology, has been supporting the Burke Museum and women's health care since the 1980s.
- Dr. Bergen founded the Archaeology Endowment at the Burke Museum and donated his archaeological collection to the museum. The collection, including site reports, maps, photographs, and over 14,000 artifacts, represents decades of work by Dr. Bergen and his wife, Marjory Bergen. The endowment makes possible the many public programs offered by the Archaeology Department. Dr. Bergen's initial gift has been increased with donations from other Burke Museum supporters, and now totals over \$120,000.
- In 1987, Mrs. Bergen passed away from complications resulting from osteoporosis. In her memory, Dr. Bergen established the Hal Bergen Osteoporosis Education Fund. Activities generated through this gift include OsteoEd, an osteoporosis education website, the ROSE project (Rural/Underserved Osteoporosis Student Educator project), and lectures by UW and outside experts in osteoporosis.

Alice and Byron Lockwood Foundation - \$50,000 to the College of Forest Resources

- Byron and Alice Lockwood have been affiliated with the University of Washington for decades. The timber entrepreneurs were fond of pointing out that their biggest single sale was providing the lumber to build the original Husky Stadium. Later, the Lockwoods provided a gift to preserve and maintain the Forest Club Room in Anderson Hall for the benefit of future forestry students.
- Upon Mr. Lockwood's death, Mrs. Lockwood established a foundation bearing their name to administer their assets and disburse charitable contributions. The Foundation's trustees established the Byron & Alice Lockwood Endowed Fellowship and the Byron W. & Alice L. Lockwood Endowed Fund for Program Advancement in the College of Forest Resources to recruit outstanding graduate students and to provide discretionary funding for use by the Dean.
- The Foundation's most recent \$50,000 gift will be administered for graduate student travel and symposia, as well as for program support within the College of Forest Resources.

Michael & Elana Russell – \$15,000 to Intercollegiate Athletics

- Michael and Elana Russell are University of Washington Benefactors who firmly believe in the importance of education and the benefits to the world of an educated society. They worked to pay for their UW educations and admire student-athletes who do the same.
- The Michael and Elana Russell Endowed Athletic Scholarship is awarded annually and is designated for a men's or women's track athlete majoring in business. This year it was awarded to UW senior Kate Soma, a pole vaulter on the women's track team.
- The Russells established the fund in honor of Mr. Russell's father, a former pole vaulter on the UW track team. They plan to give \$50,000 each year until the scholarship is completely funded.



REPORT OF CONTRIBUTIONS

February 2005

CAMPAIGN UW: CREATING FUTURES

Report prepared by: Office of Development and Alumni Relations
Advancement Services, Information Management

3/14/2005 03:39 PM

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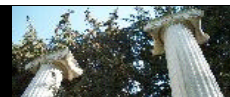
Campaign Progress to Date*	1
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*All Campaign totals represented are from July 1, 2000 through the end of the preceeding calendar month. Please note that grant revenue totals in Campaign Reports may contain clinical trials. Fundraising totals from all affiliated non-profit organizations' are also included in UW Campaign totals.

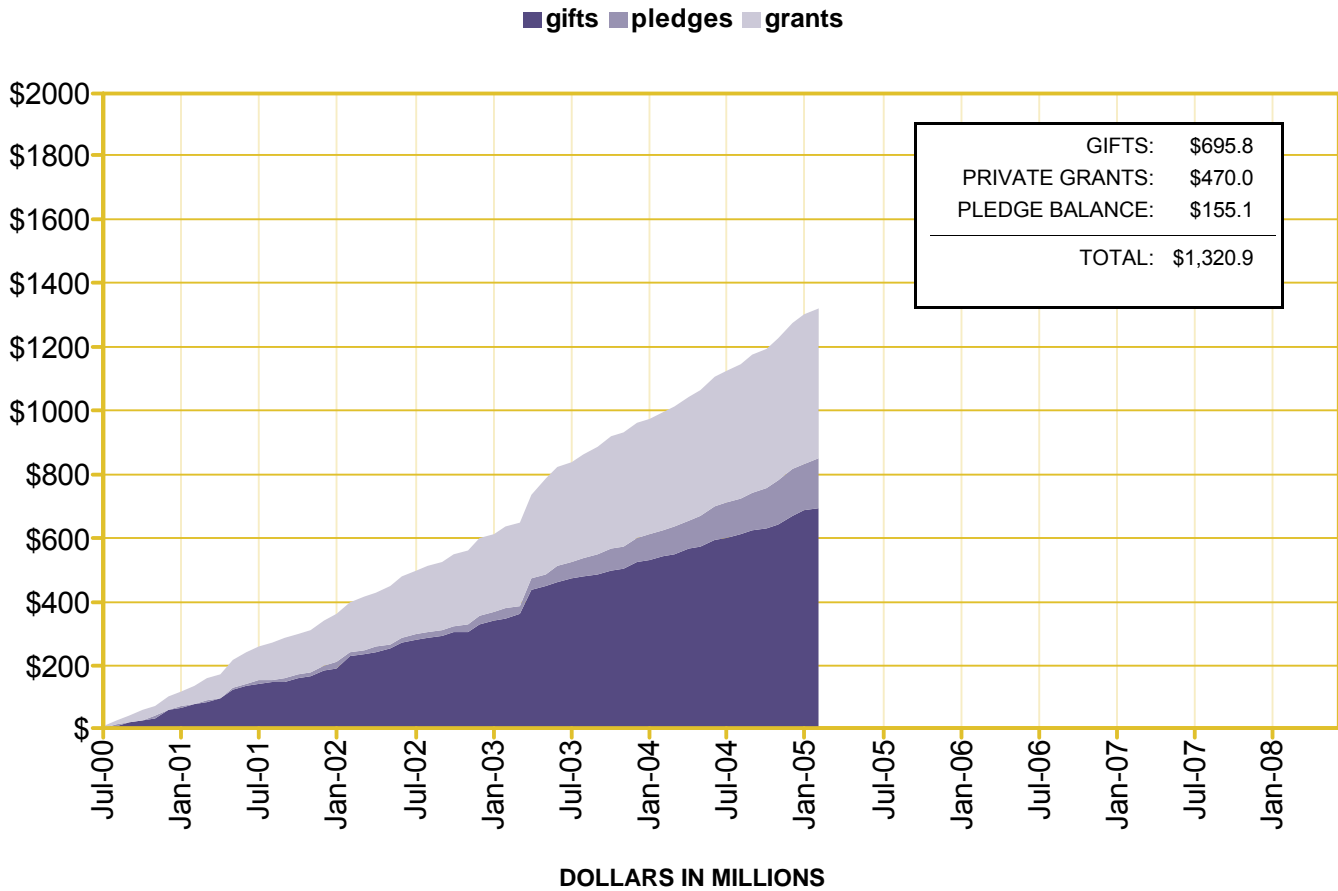
Annual reporting is July 1, 2003 through the end of the preceeding calendar month.

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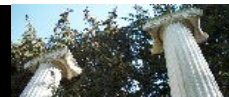


Source: UW Office of Development

Summarizes Total Private Voluntary Support since July 1, 2000. Testamentary Commitments included in Pledge Balance total. All dollar totals in millions.

Job Number: 64482
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Fundraising Progress Since July 1, 2000

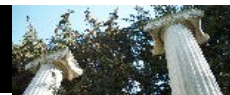


CAMPAIGN PROGRESS BY GIVING LEVEL

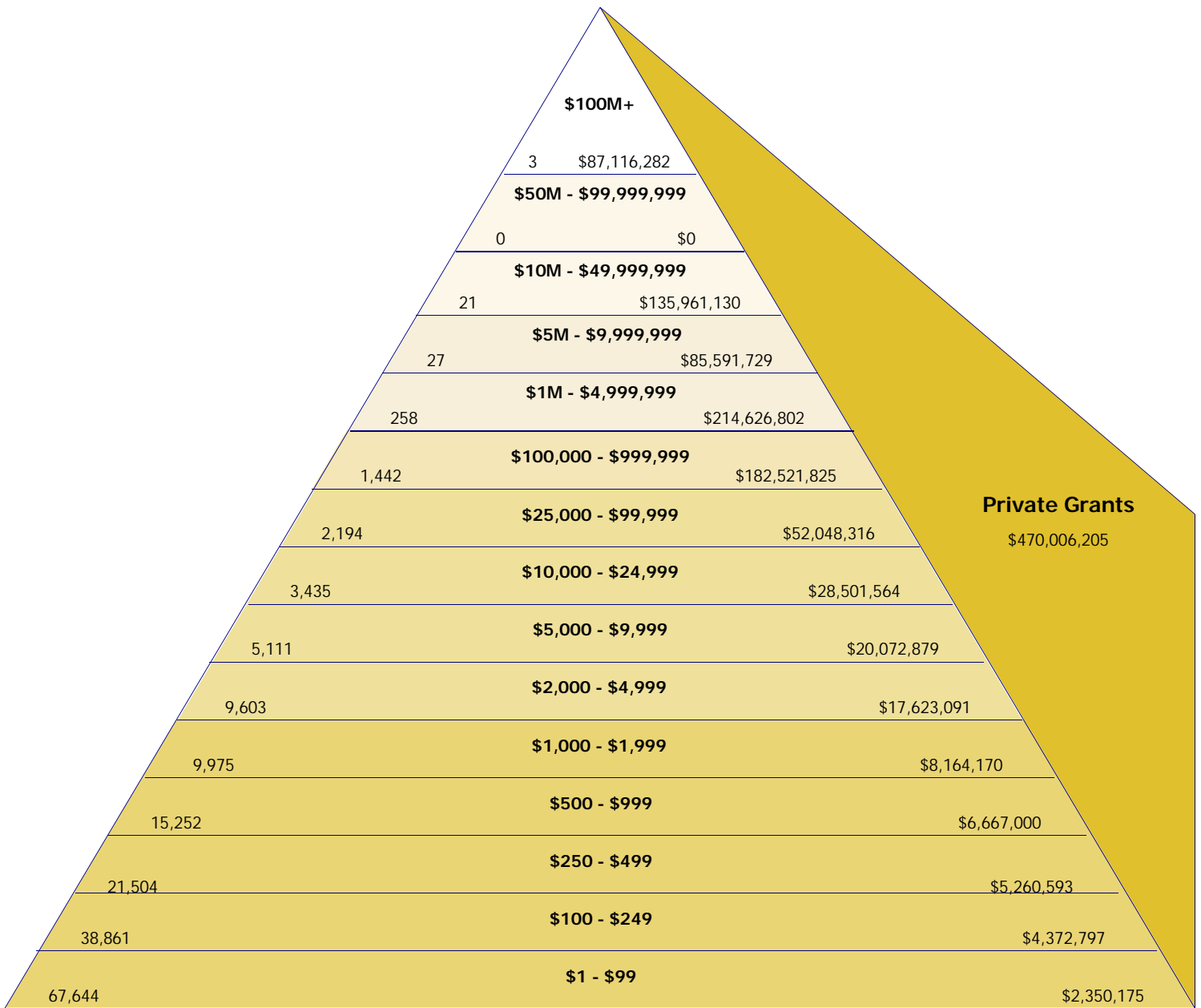
DOLLARS RAISED							
Gifts and Pledges							
Giving Level *	Alumni	Non Alumni	Family Fndns.	Corporations	Foundations	Other Orgs.	Total
\$100M+	\$0	\$32,720	\$87,083,562	\$0	\$0	\$0	\$87,116,282
\$50M - \$99,999,999	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$10M - \$49,999,999	\$28,653,185	\$46,483,254	\$20,512,500	\$19,998,130	\$20,314,061	\$0	\$135,961,130
\$5M - \$9,999,999	\$15,092,484	\$5,005,500	\$0	\$21,998,931	\$21,891,067	\$21,603,747	\$85,591,729
\$1M - \$4,999,999	\$62,768,102	\$46,204,136	\$21,019,419	\$47,121,767	\$32,886,711	\$4,626,667	\$214,626,802
\$100,000 - \$999,999	\$61,237,796	\$49,329,518	\$16,416,987	\$29,371,385	\$17,138,859	\$9,027,279	\$182,521,825
\$25,000 - \$99,999	\$17,987,446	\$13,700,657	\$2,124,534	\$12,467,919	\$2,960,032	\$2,807,728	\$52,048,316
\$10,000 - \$24,999	\$11,408,924	\$8,368,954	\$765,133	\$5,922,497	\$918,262	\$1,117,794	\$28,501,564
\$5,000 - \$9,999	\$8,818,854	\$6,590,274	\$263,143	\$3,545,570	\$370,443	\$484,594	\$20,072,879
\$2,000 - \$4,999	\$8,121,204	\$6,307,643	\$73,838	\$2,606,927	\$209,614	\$303,866	\$17,623,091
\$1,000 - \$1,999	\$3,728,769	\$3,100,786	\$23,060	\$1,099,556	\$72,574	\$139,424	\$8,164,170
\$500 - \$999	\$3,549,473	\$2,450,448	\$6,006	\$567,163	\$24,505	\$69,404	\$6,667,000
\$250 - \$499	\$2,830,268	\$2,132,138	\$1,850	\$249,359	\$7,682	\$39,295	\$5,260,593
\$100 - \$249	\$2,418,867	\$1,687,049	\$1,210	\$233,267	\$7,395	\$25,009	\$4,372,797
\$1 - \$99	\$1,328,956	\$952,354	\$154	\$59,332	\$818	\$8,561	\$2,350,175
Gift / Pledge Total	\$227,944,328	\$192,345,431	\$148,291,396	\$145,241,804	\$96,802,024	\$40,253,369	\$850,878,352
Private Grant Total							\$470,006,205
DONOR COUNTS							
Giving Level	Alumni	Non Alumni	Family Fndns.	Corporations	Foundations	Other Orgs.	Total
\$100M+	0	2	1	0	0	0	3
\$50M - \$99,999,999	0	0	0	0	0	0	0
\$10M - \$49,999,999	7	7	2	2	3	0	21
\$5M - \$9,999,999	4	4	0	7	5	7	27
\$1M - \$4,999,999	66	69	13	43	37	30	258
\$100,000 - \$999,999	355	381	63	339	154	150	1,442
\$25,000 - \$99,999	715	626	55	513	124	161	2,194
\$10,000 - \$24,999	1,375	1,219	56	571	84	130	3,435
\$5,000 - \$9,999	2,301	1,939	43	657	76	95	5,111
\$2,000 - \$4,999	4,393	3,943	26	1,030	82	129	9,603
\$1,000 - \$1,999	4,359	4,388	20	1,017	61	130	9,975
\$500 - \$999	7,624	6,411	12	1,045	40	120	15,252
\$250 - \$499	10,891	9,572	6	883	24	128	21,504
\$100 - \$249	20,173	16,601	9	1,829	54	195	38,861
\$1 - \$99	34,199	31,665	4	1,515	17	244	67,644
Total	86,462	76,827	310	9,451	761	1,519	175,330

Source: UW Office of Development & Alumni Relation

This report shows the count of distinct donors and campaign total by giving level and donor type since July 1, 2000. ***Giving Level" is determined by summing of all gift record types (including grants); however only gifts and pledges are used to calculate dollar totals in the "Dollars Raised" chart.



CAMPAIGN PROGRESS BY PYRAMID, SINCE JULY 1, 2000



175,330 Donor Count

Gift and Pledges \$850,878,352

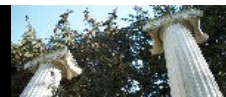
Campaign Total: \$1,320,884,557 *Campaign Working Goal: \$2,000,000,000 Percent Complete: 66.0%

Source: UW Office of Development

The counts of distinct donors and fundraising totals by giving level are shown. *Unit campaign goals are still being finalized. Pyramid Levels are determined by summing all gift record types(including grants); however only gifts and pledges are used to calculate dollar totals displayed.

Job Number: 64482
 February 2005

Campaign Progress Pyramid - Since July 1, 2000



CAMPAIGN PROGRESS BY CONSTITUENCY

	GIFTS	Irrevocable Deferred Gifts		PLEDGES	Testamentary Commitments		GRANTS	Campaign - Private Voluntary Support		
		Donor Value	Discount Value		Donor Value	Discount Value		TOTAL	Working Goal	% of Goal
UW Medicine	\$210,301,273	\$9,976,291	\$4,587,385	\$16,886,234	\$16,714,853	\$3,817,119	\$235,980,054	\$489,858,704	\$1,000,000,000	49.0%
Architecture	\$5,738,509	\$244,117	\$78,098	\$661,755	\$0	\$0	\$1,422,775	\$8,067,156	\$19,150,000	42.1%
Arts and Sciences	\$70,640,980	\$4,846,321	\$2,484,946	\$8,994,798	\$7,274,000	\$4,282,001	\$52,889,729	\$144,645,828	\$240,000,000	60.3%
Broadcast Services	\$30,223,022	\$0	\$0	\$10,543	\$0	\$0	\$0	\$30,233,565	N/A	N/A
Business School	\$40,469,482	\$741,794	\$337,793	\$30,994,597	\$3,000,271	\$2,035,445	\$190,200	\$75,396,344	\$188,000,000	40.1%
Dentistry	\$5,432,479	\$20,000	\$7,801	\$785,597	\$100,000	\$41,408	\$3,387,559	\$9,725,635	\$22,100,000	44.0%
Education	\$7,376,693	\$0	\$0	\$3,680,821	\$0	\$0	\$7,883,747	\$18,941,261	\$23,000,000	82.4%
Engineering	\$97,587,982	\$1,563,700	\$624,899	\$7,625,538	\$1,750,000	\$1,124,333	\$46,266,799	\$154,794,019	\$250,000,000	61.9%
Evans Schl. of Pub. Affairs	\$8,542,074	\$52,994	\$18,215	\$681,832	\$500,000	\$265,793	\$31,000,301	\$40,777,201	\$40,000,000	101.9%
Forest Resources	\$5,532,361	\$646,572	\$439,763	\$762,365	\$1,250,000	\$637,648	\$2,477,356	\$10,668,654	\$17,700,000	60.3%
Friday Harbor Labs	\$4,989,195	\$153,242	\$24,284	\$382,056	\$695,000	\$438,421	\$765,000	\$6,984,493	\$12,000,000	58.2%
Information School	\$2,303,925	\$0	\$0	\$115,506	\$100,000	\$64,666	\$818,952	\$3,338,383	\$5,000,000	66.8%
Intercollegiate Athletics	\$67,709,205	\$211,597	\$102,931	\$4,498,896	\$0	\$0	\$0	\$72,419,699	\$110,000,000	65.8%
Law	\$22,096,494	\$1,292	\$1,292	\$1,628,047	\$0	\$0	\$817,947	\$24,543,780	\$70,000,000	35.1%
Libraries	\$3,895,013	\$427,146	\$265,714	\$139,999	\$772,000	\$379,527	\$410,326	\$5,644,484	\$9,000,000	62.7%
Nursing	\$6,245,027	\$275,000	\$119,617	\$937,206	\$1,475,000	\$869,595	\$6,161,632	\$15,093,865	\$24,000,000	62.9%
Ocean and Fisheries	\$9,475,335	\$562,500	\$187,134	\$1,009,729	\$0	\$0	\$13,082,276	\$24,129,840	\$34,000,000	71.0%
Pharmacy	\$6,034,121	\$0	\$0	\$489,847	\$0	\$0	\$3,583,455	\$10,107,423	\$10,260,000	98.5%
President's Funds	\$4,481,926	\$274,582	\$124,004	\$610,919	\$1,750,000	\$823,656	\$0	\$7,117,427	N/A	N/A
Public Health	\$12,503,064	\$50,259	\$24,777	\$720,559	\$0	\$0	\$48,336,085	\$61,609,967	\$90,000,000	68.5%
Scholar. & Student Progs.	\$19,335,481	\$321,293	\$97,431	\$2,103,162	\$550,000	\$239,963	\$501,568	\$22,811,505	\$40,000,000	57.0%
Social Work	\$1,468,639	\$165,797	\$33,243	\$206,829	\$0	\$0	\$4,227,519	\$6,068,784	\$10,000,000	60.7%
University Press	\$1,175,472	\$83,788	\$35,275	\$31,744	\$0	\$0	\$0	\$1,291,004	\$3,000,000	43.0%
University Support	\$18,295,139	\$808,240	\$579,069	\$9,122,014	\$12,521,091	\$4,500,384	\$9,682,725	\$50,429,209	N/A	N/A
UW Bothell	\$1,919,455	\$0	\$0	\$244,987	\$0	\$0	\$50,500	\$2,214,942	\$5,700,000	38.9%
UW Tacoma	\$10,407,425	\$150,000	\$150,000	\$10,544,262	\$2,800,000	\$1,594,562	\$69,700	\$23,971,388	\$30,000,000	79.9%
All UW Total	\$674,179,769	\$21,576,525	\$10,323,671	\$103,869,843	\$51,252,215	\$21,114,521	\$470,006,205	\$1,320,884,557	\$2,000,000,000	66.0%

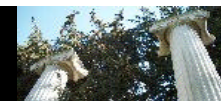
Source: UW Office of Development

Fundraising progress toward campaign working goals by constituency area (school/college/program). Campaign total is the sum of gifts, grants, active pledges and donor values of irrevocable deferred gifts and testamentary commitments. "N/A" is not applicable. 1 - "Pledges" are those in active status only. 2 - "Grants" are private grants only. 3 - Unit campaign working goals are still being finalized.

Job Number: 64482

February 2005

Campaign Progress by Constituency - Since July 2000



CAMPAIGN FUNDING THEME PROGRESS - JULY 2000 - PRESENT

THEME	CURRENT USE	ENDOWMENT	TOTAL
Student Support	\$59,906,525	\$74,219,015	\$134,125,541
Faculty Support	\$66,936,320	\$76,885,516	\$143,821,836
Program Support for Faculty and Students	\$578,914,449	\$71,175,909	\$650,090,358
Capital	\$247,318,928	\$878,269	\$248,197,196
Unrestricted	\$117,054,623	\$27,595,003	\$144,649,626
Total	\$1,070,130,846	\$250,753,712	\$1,320,884,557
Goal	\$1,600,000,000	\$400,000,000	\$2,000,000,000
% to Goal	66.9%	62.7%	66.0%

Source: UW Office of Development

This report shows contribution totals by campaign theme/priority since July 1, 2000.

Job Number: 64482
 February 2005

Campaign Theme Progress



DEVELOPMENT SUMMARY - TOTAL PRIVATE VOLUNTARY SUPPORT

AREA	YEAR TO DATE DONOR VALUES		
	GIFTS	PRIVATE GRANTS	TOTAL
UW Seattle			
UW Medicine	\$28,406,144	\$29,080,685	\$57,486,829
Architecture	\$352,350	\$282,366	\$634,716
Arts and Sciences	\$12,384,114	\$4,980,730	\$17,364,844
Broadcast Services	\$5,238,135		\$5,238,135
Business School	\$9,026,972	\$40,200	\$9,067,172
Dentistry	\$924,811	\$91,719	\$1,016,530
Education	\$1,398,164	\$1,975,797	\$3,373,961
Engineering	\$14,371,804	\$5,502,885	\$19,874,689
Evans Schl. of Pub. Affairs	\$379,814	\$8,215,983	\$8,595,797
Forest Resources	\$922,823	\$243,873	\$1,166,696
Graduate School	\$1,066,366	\$1,145,228	\$2,211,594
Information School	\$279,095	\$54,275	\$333,370
Intercollegiate Athletics	\$10,395,029		\$10,395,029
Law	\$1,173,318	\$25,000	\$1,198,318
Libraries	\$729,585		\$729,585
Nursing	\$959,780	\$432,782	\$1,392,562
Ocean and Fisheries	\$1,912,931	\$5,086,160	\$6,999,091
Pharmacy	\$1,534,716	\$552,564	\$2,087,280
President's Funds	\$509,454		\$509,454
Public Health	\$885,247	\$6,527,534	\$7,412,781
Scholar. & Student Progs.	\$3,401,479		\$3,401,479
Social Work	\$514,727	\$430,914	\$945,641
UW Alumni Association	\$552,239		\$552,239
University Press	\$217,481		\$217,481
University Support	\$5,999,053	\$4,743	\$6,003,796
Washington Tech. Center			
UW Bothell	\$224,060		\$224,060
UW Tacoma	\$395,489	\$2,400	\$397,889
All UW Total	\$104,155,194	\$64,675,838	\$168,831,032

Source: UW Office of Development

Contribution totals for the major Development areas of the University are shown.

Job Number: 64482

February 2005

Development Area Summary - Total Private Voluntary Support



DEVELOPMENT SUMMARY - GIFTS AND PRIVATE GRANTS

AREA	CURRENT MONTH		YEAR TO DATE		PRIOR YEAR TO DATE		PRIOR FISCAL YEAR	
	Donors	Value	Donors	Value	Donors	Value	Donors	Value
UW Seattle								
UW Medicine	2,229	\$4,810,631	13,702	\$57,486,829	10,978	\$47,953,734	15,677	\$73,746,044
Architecture	99	\$17,242	819	\$634,716	757	\$1,165,054	1,125	\$1,526,446
Arts and Sciences	955	\$1,641,333	11,729	\$17,364,844	11,124	\$13,919,932	15,042	\$21,258,923
Broadcast Services	569	\$901,801	2,162	\$5,238,135	2,143	\$4,805,867	3,055	\$8,003,070
Business School	159	\$378,409	3,188	\$9,067,172	3,018	\$7,016,955	3,774	\$8,104,326
Dentistry	89	\$89,632	970	\$1,016,530	977	\$985,445	1,314	\$1,166,282
Education	209	\$48,943	1,141	\$3,373,961	1,196	\$1,712,912	1,559	\$2,231,526
Engineering	143	\$2,328,511	2,834	\$19,874,689	3,029	\$14,988,472	3,709	\$23,824,360
Evans Schl. of Pub. Affairs	76	\$231,866	562	\$8,595,797	323	\$8,667,953	420	\$8,704,838
Forest Resources	251	\$250,266	843	\$1,166,696	890	\$1,469,285	1,055	\$1,860,102
Graduate School	36	\$34,113	232	\$2,211,594	536	\$1,783,645	890	\$2,265,996
Information School	23	\$2,097	452	\$333,370	442	\$293,289	528	\$463,842
Intercollegiate Athletics	5,432	\$3,386,909	10,538	\$10,395,029	10,181	\$8,442,789	21,719	\$12,479,465
Law	81	\$15,815	1,321	\$1,198,318	1,371	\$1,760,792	1,703	\$2,886,862
Libraries	658	\$66,420	1,884	\$729,585	2,039	\$434,868	3,589	\$616,206
Nursing	110	\$28,520	1,373	\$1,392,562	1,378	\$1,610,174	1,617	\$1,922,445
Ocean and Fisheries	56	\$80,530	518	\$6,999,091	431	\$3,457,082	553	\$4,155,330
Pharmacy	109	\$549,648	827	\$2,087,280	901	\$1,183,054	1,061	\$1,494,282
President's Funds	145	\$60,788	1,276	\$509,454	1,957	\$447,548	2,322	\$869,415
Public Health	135	\$1,337,525	461	\$7,412,781	514	\$5,048,833	584	\$6,667,414
Scholar. & Student Progs.	230	\$43,655	2,218	\$3,401,479	2,798	\$3,491,717	4,958	\$5,858,592
Social Work	90	\$76,156	503	\$945,641	680	\$443,396	795	\$492,520
UW Alumni Association	1,113	\$51,413	11,978	\$552,239	14,199	\$628,301	22,454	\$1,032,281
University Press	14	\$17,495	235	\$217,481				
University Support	132	\$206,151	967	\$6,003,796	737	\$1,872,351	1,245	\$4,627,937
Washington Tech. Center					1	\$173,973	1	\$219,908
UW Bothell	75	\$3,598	267	\$224,060	168	\$220,334	274	\$248,742
UW Tacoma	135	\$7,361	310	\$397,889	333	\$652,175	549	\$3,050,522
All UW Unique Total	12,786	\$16,666,841	62,750	\$168,831,032	62,105	\$134,629,942	91,903	\$199,777,690

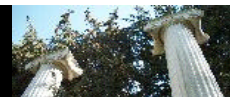
Source: UW Office of Development

The number of donors and contribution totals for the major Development areas of the University are shown. Dollar values are based on donor values.

Job Number: 64482

February 2005

Development Area Summary - Gifts and Private Grants



DEVELOPMENT SUMMARY - GIFTS

AREA	CURRENT MONTH		YEAR TO DATE		PRIOR YEAR TO DATE		PRIOR FISCAL YEAR	
	Donors	Value	Donors	Value	Donors	Value	Donors	Value
UW Seattle								
UW Medicine	2,189	\$3,170,426	13,486	\$28,406,144	10,792	\$21,858,188	15,479	\$36,774,110
Architecture	99	\$17,242	818	\$352,350	754	\$864,560	1,123	\$1,225,952
Arts and Sciences	947	\$1,168,767	11,677	\$12,384,114	11,071	\$8,326,636	14,989	\$14,525,068
Broadcast Services	569	\$901,801	2,162	\$5,238,135	2,143	\$4,805,867	3,055	\$8,003,070
Business School	159	\$378,409	3,187	\$9,026,972	3,018	\$7,016,955	3,774	\$8,104,326
Dentistry	89	\$89,632	967	\$924,811	973	\$678,236	1,310	\$859,073
Education	209	\$48,943	1,138	\$1,398,164	1,192	\$1,198,045	1,554	\$1,474,556
Engineering	136	\$2,043,264	2,786	\$14,371,804	2,986	\$9,196,902	3,654	\$15,709,271
Evans Schl. of Pub. Affairs	72	\$30,175	543	\$379,814	315	\$668,287	412	\$705,172
Forest Resources	247	\$166,172	839	\$922,823	887	\$1,386,413	1,050	\$1,730,480
Graduate School	36	\$34,113	227	\$1,066,366	533	\$924,716	886	\$1,402,400
Information School	23	\$2,097	451	\$279,095	441	\$218,092	527	\$388,645
Intercollegiate Athletics	5,432	\$3,386,909	10,538	\$10,395,029	10,181	\$8,442,789	21,719	\$12,479,465
Law	81	\$15,815	1,319	\$1,173,318	1,371	\$1,760,792	1,703	\$2,886,862
Libraries	658	\$66,420	1,884	\$729,585	2,039	\$434,868	3,589	\$616,206
Nursing	110	\$28,520	1,365	\$959,780	1,369	\$887,552	1,609	\$1,198,123
Ocean and Fisheries	54	\$3,030	503	\$1,912,931	419	\$2,282,217	537	\$2,827,176
Pharmacy	108	\$250,686	822	\$1,534,716	898	\$921,383	1,058	\$1,232,611
President's Funds	145	\$60,788	1,276	\$509,454	1,957	\$447,548	2,322	\$869,415
Public Health	128	\$8,876	432	\$885,247	484	\$308,272	551	\$603,827
Scholar. & Student Progs.	230	\$43,655	2,218	\$3,401,479	2,797	\$3,490,117	4,957	\$5,855,992
Social Work	89	\$47,656	493	\$514,727	675	\$79,639	790	\$128,763
UW Alumni Association	1,113	\$51,413	11,978	\$552,239	14,199	\$628,301	22,454	\$1,032,281
University Press	14	\$17,495	235	\$217,481				
University Support	131	\$203,196	965	\$5,999,053	734	\$1,366,251	1,241	\$4,022,337
Washington Tech. Center					1	\$173,973	1	\$219,908
UW Bothell	75	\$3,598	267	\$224,060	168	\$220,334	274	\$248,742
UW Tacoma	135	\$7,361	309	\$395,489	333	\$652,175	549	\$3,050,522
All UW Unique Total	12,716	\$12,246,472	62,382	\$104,155,194	61,792	\$79,239,120	91,572	\$128,174,367

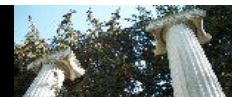
Source: UW Office of Development

The number of donors and contribution totals (gifts only) for the major Development areas of the University are shown. Dollar values are based on donor values.

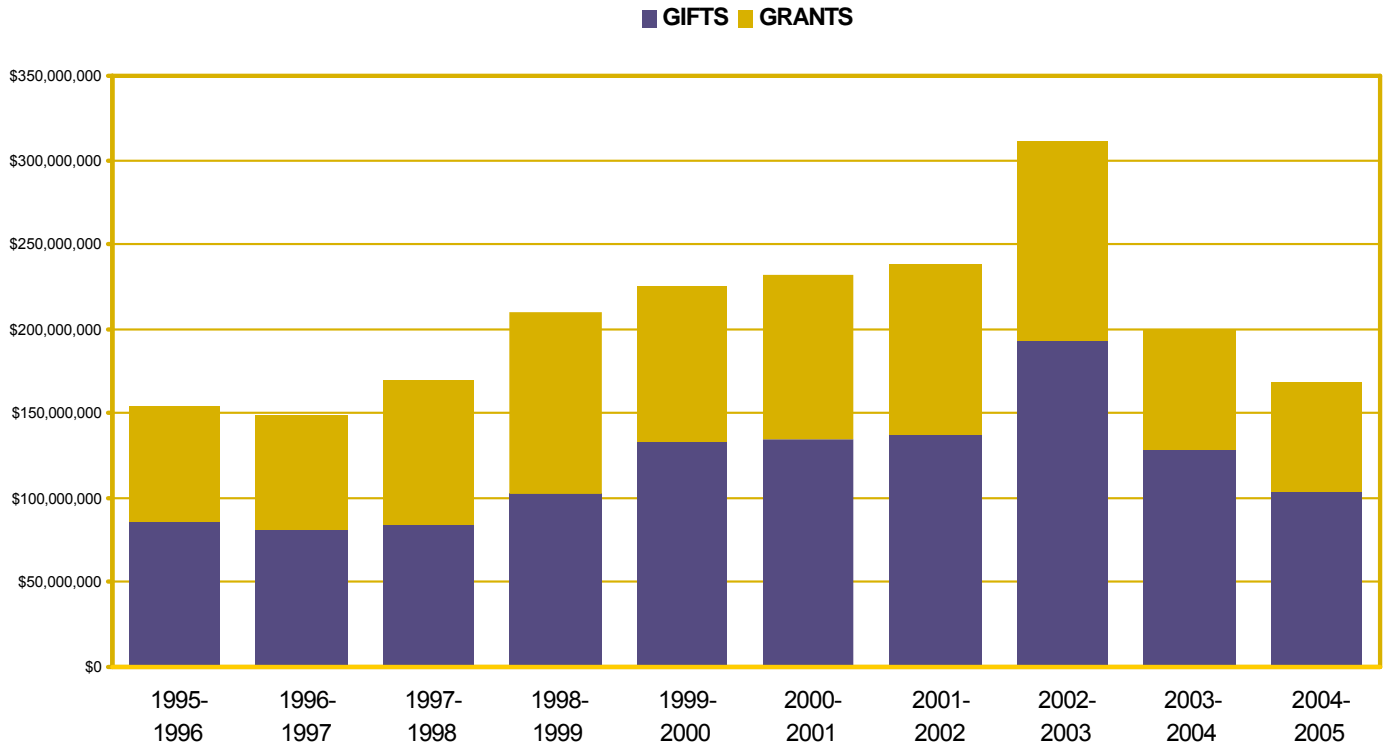
Job Number: 64482

February 2005

Development Area Summary - Gifts



COMPLETE FISCAL YEAR COMPARISON OF TOTAL CONTRIBUTIONS RECEIVED



FISCAL YEAR	GIFTS	GRANTS	TOTAL CONTRIBUTIONS
2004- 2005	\$104,155,194	\$64,675,838	\$168,831,032
2003- 2004	\$128,174,367	\$71,603,323	\$199,777,690
2002- 2003	\$192,573,183	\$118,677,722	\$311,250,905
2001- 2002	\$137,959,340	\$100,820,547	\$238,779,887
2000- 2001	\$134,805,190	\$97,112,979	\$231,918,169
1999- 2000	\$134,037,997	\$91,536,165	\$225,574,162
1998- 1999	\$102,925,077	\$107,619,586	\$210,544,663
1997- 1998	\$84,718,016	\$85,276,615	\$169,994,631
1996- 1997	\$81,892,963	\$67,425,874	\$149,318,837
1995- 1996	\$85,036,511	\$69,150,088	\$154,186,599

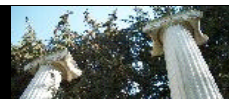
Source: UW Office of Development

This graph compares the current fiscal year's contribution totals to each of the previous nine fiscal year's contribution totals.

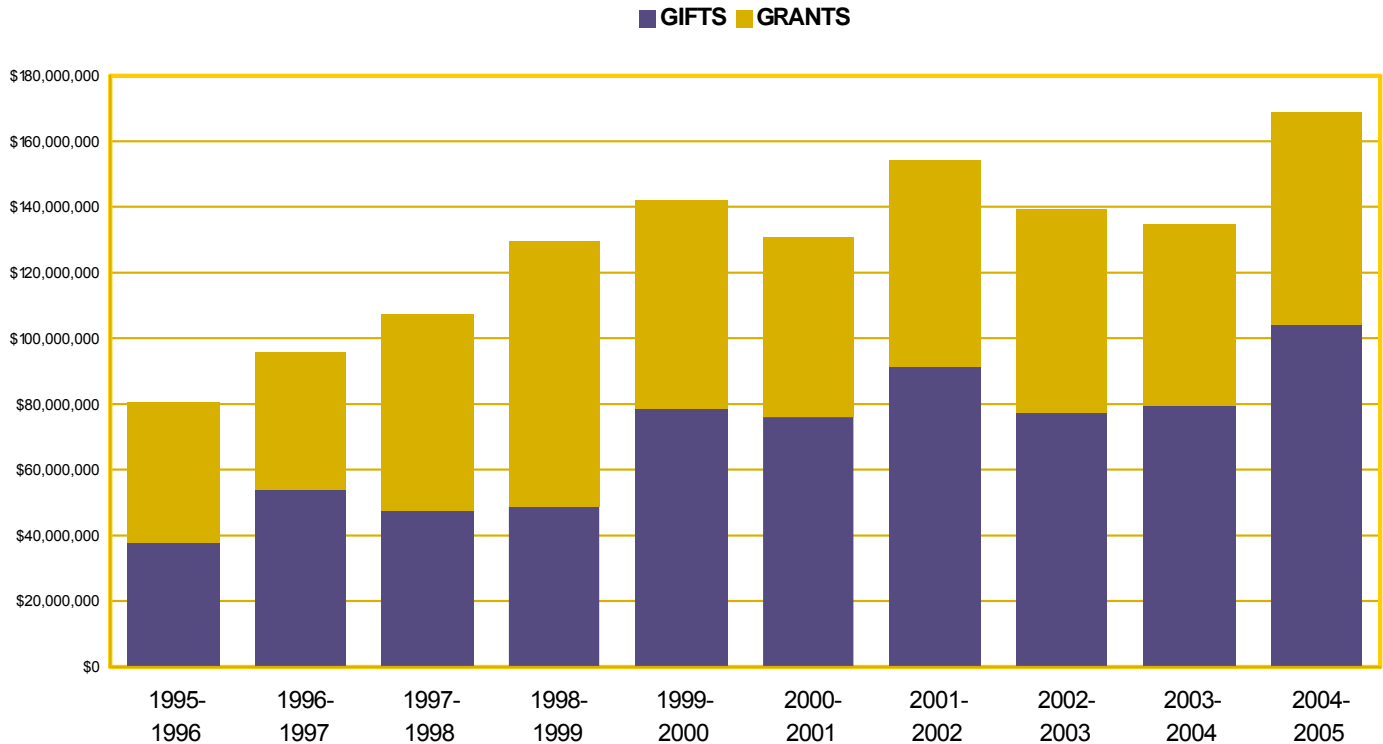
Job Number: 64482

February 2005

Fiscal Year Totals Graph



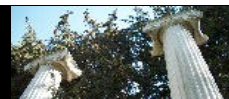
YEAR TO DATE CONTRIBUTION TOTALS



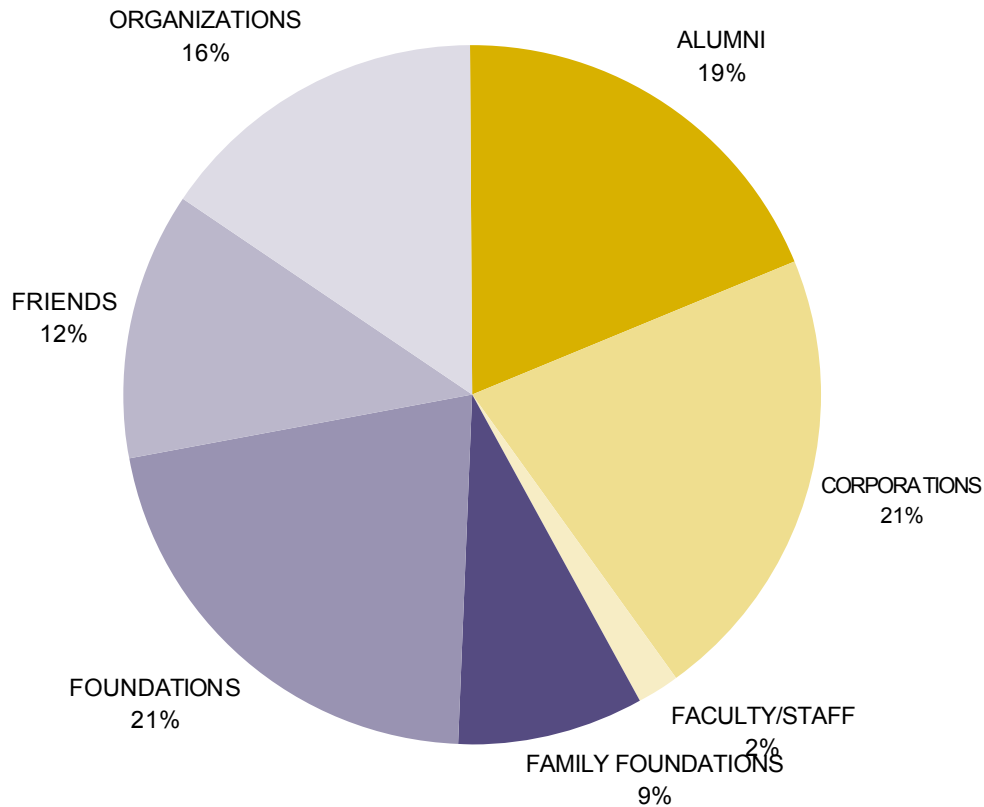
FISCAL YEAR	GIFTS	GRANTS	TOTAL CONTRIBUTIONS
2004- 2005	\$104,155,194	\$64,675,838	\$168,831,032
2003- 2004	\$79,239,120	\$55,390,822	\$134,629,942
2002- 2003	\$77,350,454	\$62,155,003	\$139,505,457
2001- 2002	\$91,058,605	\$62,829,546	\$153,888,151
2000- 2001	\$75,901,732	\$54,792,444	\$130,694,176
1999- 2000	\$78,708,694	\$63,378,435	\$142,087,129
1998- 1999	\$48,885,063	\$80,502,168	\$129,387,231
1997- 1998	\$47,295,493	\$60,025,961	\$107,321,454
1996- 1997	\$54,153,250	\$41,551,252	\$95,704,502
1995- 1996	\$37,778,705	\$43,124,176	\$80,902,881

Source: UW Office of Development

This graph compares the current fiscal year's contribution totals to each of the previous nine fiscal year's contribution totals.



DEVELOPMENT ACTIVITY BY DONOR TYPE IN CURRENT FISCAL YEAR



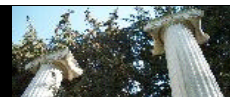
DONOR TYPE	YEAR TO DATE		PRIOR YEAR TO DATE		PRIOR FISCAL YEAR	
	Donors	Value	Donors	Value	Donors	Value
Alumni	34,436	\$31,928,772	36,987	\$23,961,275	49,719	\$37,211,864
Corporations	2,457	\$35,757,623	2,447	\$31,466,111	3,760	\$46,349,831
Faculty/Staff	2,785	\$3,077,036	2,375	\$2,351,780	3,171	\$3,335,421
Family Foundations	144	\$14,621,895	140	\$14,044,935	161	\$21,205,792
Foundations	299	\$36,234,529	315	\$25,847,567	387	\$34,932,399
Friends	22,316	\$20,786,903	19,523	\$14,491,096	34,361	\$27,532,116
Organizations	387	\$26,424,273	364	\$22,467,177	494	\$29,210,266

Source: UW Office of Development

This graph shows the sources of contributions for the current year to date. Dollar values are based on donor value.

Job Number: 64482
 February 2005

Development Activity by Donor Type in Current Fiscal Year Chart



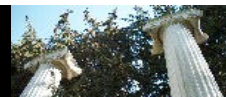
ALUMNI PARTICIPATION BY CONSTITUENCY

AREA	CURRENT FISCAL YEAR TO DATE			PREVIOUS FISCAL YEAR TO DATE			
	Solicitible	Donors	Partic. Rate	Solicitible	Donors	Partic. Rate	Final %
UW Seattle							
UW Medicine	15,842	2,523	15.9%	16,430	2,462	15.0%	19.6%
Architecture	7,192	937	13.0%	7,307	1,017	13.9%	18.9%
Arts and Sciences	121,216	14,046	11.6%	128,104	14,953	11.7%	15.8%
Business School	34,015	5,298	15.6%	35,210	5,698	16.2%	22.0%
Dentistry	4,301	919	21.4%	4,312	1,020	23.7%	31.3%
Education	18,677	2,536	13.6%	20,049	2,768	13.8%	18.9%
Engineering	29,399	3,404	11.6%	30,589	3,806	12.4%	16.6%
Evans Schl. Of Pub. Affairs	1,872	297	15.9%	1,797	332	18.5%	23.9%
Forest Resources	4,382	559	12.8%	4,468	601	13.5%	17.6%
Interdisc. Grad. Programs	1,161	151	13.0%	1,128	197	17.5%	22.5%
Interschool Programs	241	31	12.9%	219	21	9.6%	16.9%
Information School	3,786	652	17.2%	3,869	696	18.0%	23.0%
Law	7,070	1,282	18.1%	7,008	1,375	19.6%	25.6%
School Of Nursing	7,976	1,497	18.8%	8,092	1,643	20.3%	24.8%
Ocean & Fisheries	3,560	479	13.5%	3,705	507	13.7%	18.1%
Pharmacy	3,147	681	21.6%	3,159	805	25.5%	31.9%
Public Health	3,139	505	16.1%	3,044	523	17.2%	21.4%
Social Work	5,707	660	11.6%	6,008	783	13.0%	16.3%
Undergrad. Interdisc. Programs	67	5	7.5%	44	4	9.1%	25.0%
UW Bothell	3,580	319	8.9%	3,258	291	8.9%	12.8%
UW Tacoma	4,016	280	7.0%	3,595	274	7.6%	12.5%
Unspecified	11,614	1,900	16.4%	12,900	2,033	15.8%	22.1%
All UW Total	267,179	34,436	12.9%	278,939	36,987	13.3%	17.8%

Source: UW Office of Development

Job Number: 64482
February 2005

Alumni Participation



VII. STANDING COMMITTEES

B. Finance and Audit Committee

Grant and Contract Awards – February and March, 2005

RECOMMENDED ACTION:

It is the recommendation of the administration and the Finance and Audit Committee that the Board of Regents accept the Grant and Contract Awards, February and March, 2005 as presented on the attached list.

Attachment: Grant and Contract Awards, February and March, 2005 Summary Report of Grant and Contract Awards, February and March, 2005 of \$1,000,000 or More.

Grant and Contract Awards Summary

to

The Board of Regents

of the

University of Washington

for

March 2005

Office of Research

Office of Sponsored Programs

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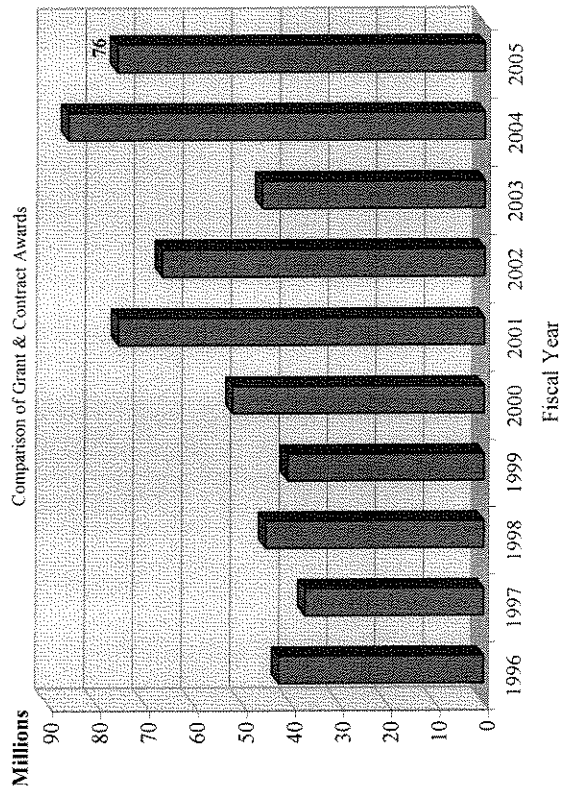
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MARCH HIGHLIGHTS

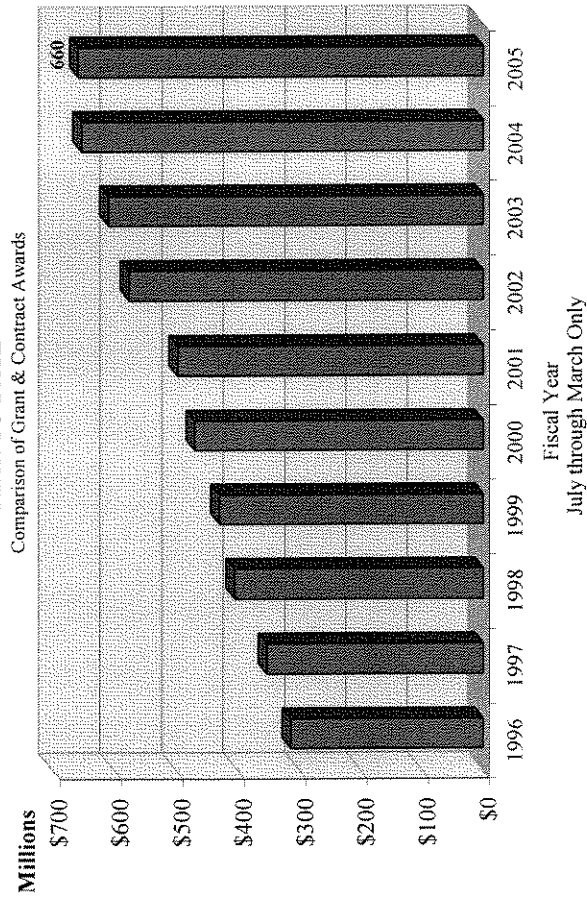
The Gordon and Betty Moore Foundation awarded a grant in the amount of \$2,365,017 for a project under the direction of Professor Ray W. Hilborn of the School Of Aquatic And Fishery Sciences entitled "Research On The Basis Of Productivity In Salmon Ecosystems For Use In Improving Fisheries Management." The investigators of this program intend to provide two outcomes of the research: (1) improve the scientific understanding of the functioning of SW Alaska salmon ecosystems that builds on long-term datasets and links to complementary studies in pristine systems (2) develop and help implement techniques for improved salmon fisheries management. The goal is to increase the sustainability and economic value of the fishery.

The Concern Foundation awarded a grant in the amount of \$250,000 for the first year of a two year \$500,000 project under the direction of Associate Professor Teresa A. Brentnall of the Department of Medicine entitled "Development Of A Blood Test For The Early Detection Of Pancreatic Cancer." The investigator intends to identify the proteins that cause pancreatic cancer and develop blood tests for its early detection. By understanding how the cancer-causing proteins work, it may also be possible to develop interventions to prevent or delay the development of pancreatic cancer by such means as cancer vaccines, chemotherapy tailored to the protein function and immunotherapy.

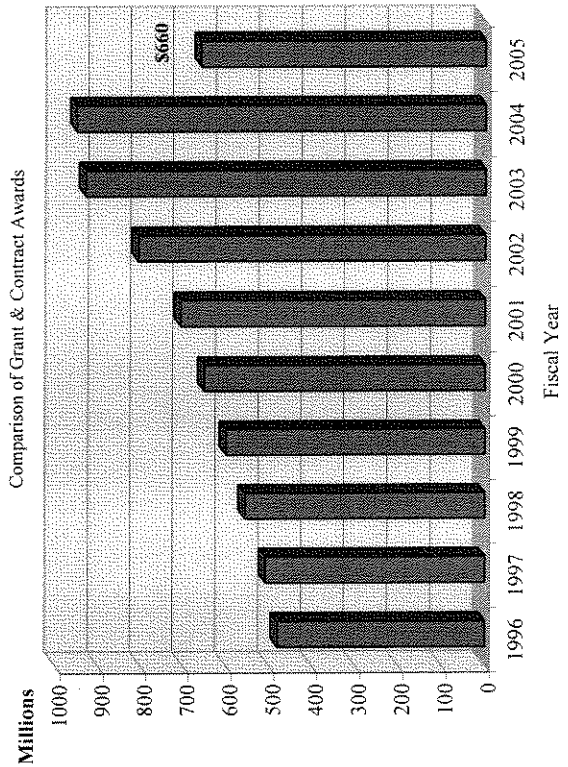
MARCH ONLY



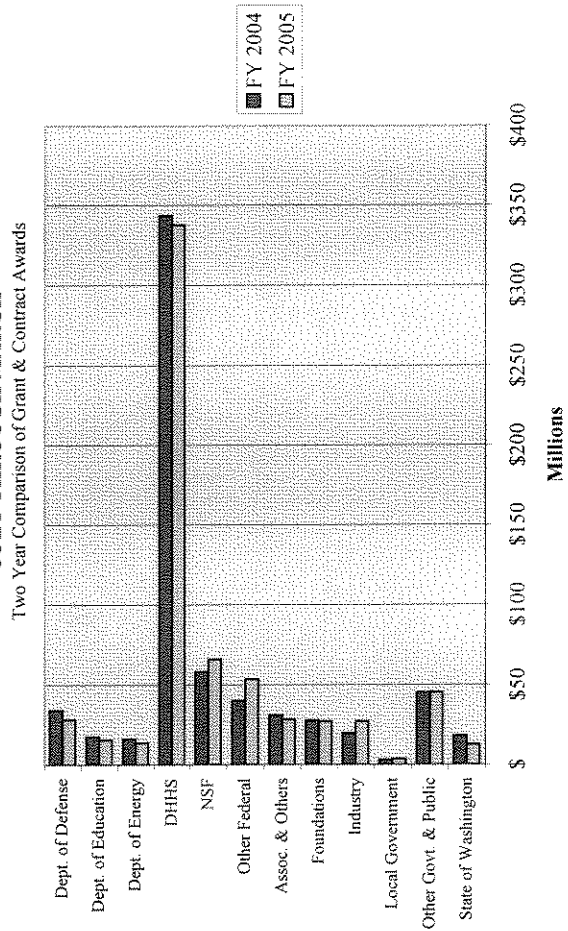
YEAR-TO-DATE



COMPLETE FISCAL YEAR



JULY THROUGH MARCH



Summary of Grant and Contract Awards
Fiscal Year 2004-2005

Month	RESEARCH		TRAINING		Total
	Federal	Non-Federal	Federal	Non-Federal	Grants and Contracts
July	\$59,948,697	\$15,490,944	\$6,142,165	\$2,586,862	\$84,168,668
August	\$82,841,472	\$16,029,595	\$8,528,029	\$2,376,175	\$109,775,271
September	\$97,039,843	\$14,184,402	\$13,804,079	\$4,691,741	\$129,720,065
October	\$47,512,914	\$15,994,709	\$10,144,334	\$5,762,687	\$79,414,644
November	\$11,718,550	\$12,792,667	\$7,763,675	\$1,809,803	\$34,084,695
December	\$22,620,816	\$11,009,686	\$11,259,228	\$936,242	\$45,825,972
January	\$27,733,231	\$10,607,078	\$4,901,594	\$1,637,010	\$44,878,913
February	\$41,430,820	\$11,310,474	\$1,776,769	\$1,550,461	\$56,068,524
March	\$52,832,824	\$13,845,841	\$6,890,359	\$2,415,270	\$75,984,294
April					
May					
June					
Current Year to Date	\$443,679,167	\$121,265,396	\$71,210,232	\$23,766,251	\$659,921,046
Previous Year to Date	\$456,143,027	\$120,273,155	\$53,526,308	\$25,187,572	\$655,130,062
Over (Under) Previous Year	(\$12,463,860)	\$992,241	\$17,683,924	(\$1,421,321)	\$4,790,984

Assuming acceptance of all awards by the Board of Regents

Comparison of Grant and Contract Awards by Agency
Fiscal Years 2003-2004 and 2004-2005

Agency	July-Mar FY04	July-Mar FY05
Department of Defense	\$34,122,356	\$28,362,829
Department of Education	\$17,523,627	\$15,493,924
Department of Energy	\$16,131,341	\$13,838,321
Dept. of Health and Human Services	\$343,489,605	\$337,754,009
National Science Foundation	\$58,211,237	\$65,909,976
Other Federal	\$40,191,169	\$53,530,340
Subtotal for Federal:	\$509,669,335	\$514,889,399
Associations /Others	\$31,244,069	\$28,604,741
Foundations	\$27,845,832	\$27,411,297
Industry	\$19,850,116	\$27,214,861
Local Government	\$2,940,821	\$3,552,599
Other Government and Public Agencies	\$45,402,619	\$45,561,813
State of Washington	\$18,177,270	\$12,686,336
Subtotal for Non-Federal:	\$145,460,727	\$145,031,647
Grand Total :	\$655,130,062	\$659,921,046
Amount of Increase (Decrease):		\$4,790,984
Percent of Increase (Decrease):		0.7%

Assuming acceptance of all awards by the Board of Regents

Comparison of Grant and Contract Awards by School/College
Fiscal Years 2003-2004 and 2004-2005

School/College	July-Mar FY04	July-Mar FY05
Upper Campus		
Achitecture and Urban Planning	\$1,984,064	\$614,263
Arts and Science	\$73,819,233	\$54,319,893
Business Administration	\$0	\$396,250
Education	\$7,984,272	\$11,778,514
Engineering	\$60,188,202	\$56,579,262
Evans School of Public Affairs	\$12,832,578	\$8,661,167
Forest Resources	\$4,695,865	\$4,901,633
Graduate School	\$910,018	\$3,999,842
Information School	\$1,307,195	\$1,222,479
Law	\$0	\$2,191,778
Ocean and Fishery Sciences	\$52,587,545	\$55,958,644
Office of Research	\$8,905,577	\$16,234,796
Social Work	\$15,118,969	\$12,959,582
Undergraduate Education	\$118,897	\$141,228
Subtotal :	\$240,452,415	\$229,959,331
Health Sciences		
Dentistry	\$11,654,595	\$8,170,118
Medicine	\$318,410,161	\$307,126,278
Nursing	\$12,933,827	\$10,558,010
Pharmacy	\$11,566,174	\$8,877,444
Public Health and Community Medicine	\$38,307,153	\$61,605,305
Subtotal :	\$392,871,910	\$396,337,155
Special Programs		
Health Sciences Special Programs	\$12,390,852	\$20,709,325
Other Special Programs	\$8,817,007	\$10,889,808
Subtotal :	\$21,207,859	\$31,599,133
Branch Campuses		
Branch Campuses (Bothell)	\$434,978	\$1,705,773
Branch Campuses (Tacoma)	\$162,900	\$319,654
Subtotal :	\$597,878	\$2,025,427
Grand Total :	\$655,130,062	\$659,921,046

Assuming acceptance of all awards by the Board of Regents

List of Awards for Arts and Sciences

Department	July-Mar FY04	July-Mar FY05
Center for Humanities	\$10,000	\$0
Center for Statistics and the Social Sciences	\$752,009	\$876,482
Center for Studies in Demography and Ecology	\$1,348,066	\$761,729
College of Arts and Sciences	\$0	\$1,150,692
Department of Anthropology	\$590,308	\$322,418
Department of Applied Mathematics	\$941,396	\$456,546
Department of Asian Languages and Literature	\$0	\$10,000
Department of Astronomy	\$1,618,771	\$1,564,525
Department of Atmospheric Sciences	\$7,644,890	\$4,440,989
Department of Biology	\$10,621,500	\$4,012,061
Department of Chemistry	\$17,380,710	\$13,357,566
Department of Classics	\$44,656	\$0
Department of Communication	\$626,494	\$889,500
Department of Earth and Space Sciences	\$5,338,539	\$5,782,351
Department of Economics	\$0	\$18,052
Department of English	\$3,000	\$0
Department of Geography	\$1,274,023	\$311,978
Department of Germanics	\$44,000	\$36,000
Department of History	\$123,805	\$120,000
Department of Mathematics	\$941,994	\$3,576,906
Department of Near Eastern Languages & Civilization	\$314,550	\$2,000
Department of Physics	\$7,370,524	\$7,922,114
Department of Political Science	\$288,570	\$183,310
Department of Psychology	\$5,965,150	\$4,698,401
Department of Scandinavian Languages and Literature	\$27,273	\$27,273
Department of Sociology	\$361,006	\$0
Department of Speech and Hearing Sciences	\$1,244,736	\$646,189
Department of Statistics	\$1,313,595	\$959,509
Henry M. Jackson School of International Studies	\$4,907,640	\$1,343,758
Institute for Nuclear Theory	\$2,326,700	\$195,000
Public Performing Arts	\$36,356	\$73,390
School of Music	\$0	\$11,180
Sociology	\$0	\$22,718
Thomas Burke Memorial Washington State Museum	\$358,972	\$544,301
Undergraduate Studies	\$0	\$2,955
	\$73,819,233	\$54,319,893

Assuming acceptance of all awards by the Board of Regents

Summary of Grant Awards

Fiscal Year 2004-2005

(Excluding Private Awards from Foundations, Industry, Associations and Other)

Month	RESEARCH		TRAINING		Total Grants
	Federal	Non-Federal	Federal	Non-Federal	
July	\$55,974,193	\$6,566,850	\$5,628,040	\$419,247	\$68,588,330
August	\$81,537,111	\$3,607,384	\$8,409,062	\$286,194	\$93,839,751
September	\$91,915,174	\$4,443,388	\$13,472,578	\$2,050,573	\$111,881,713
October	\$38,700,760	\$3,127,126	\$10,006,094	\$587,266	\$52,421,246
November	\$10,112,191	\$5,475,868	\$7,364,454	\$195,093	\$23,147,606
December	\$19,875,113	\$3,182,322	\$11,174,372	\$73,083	\$34,304,890
January	\$26,584,659	\$2,100,436	\$4,807,682	\$239,176	\$33,731,953
February	\$36,529,612	\$2,205,423	\$1,624,455	\$154,265	\$40,513,755
March	\$47,985,036	\$3,279,607	\$6,575,843	\$151,305	\$57,991,791
April					
May					
June					
Year to Date	\$409,213,849	\$33,988,404	\$69,062,580	\$4,156,202	\$516,421,035

Assuming acceptance of all awards by the Board of Regents

Summary of Grant Awards

Fiscal Year 2004-2005

(Private Awards from Foundations, Industry, Associations and Other)

Month	RESEARCH	TRAINING	Total Grants
July	\$4,689,311	\$1,326,279	\$6,015,590
August	\$6,122,163	\$1,311,941	\$7,434,104
September	\$4,654,889	\$1,752,306	\$6,407,195
October	\$9,071,080	\$602,381	\$9,673,461
November	\$4,857,082	\$1,482,411	\$6,339,493
December	\$4,783,350	\$670,728	\$5,454,078
January	\$5,950,843	\$826,739	\$6,777,582
February	\$5,409,443	\$402,095	\$5,811,538
March	\$7,274,343	\$1,773,104	\$9,047,447
April			
May			
June			
Year to Date	\$52,812,504	\$10,147,984	\$62,960,488

Assuming acceptance of all awards by the Board of Regents

Summary of Contract Awards

Fiscal Year 2004-2005

Month	RESEARCH		TRAINING		Total Contracts
	Federal	Non-Federal	Federal	Non-Federal	
July	\$3,974,504	\$4,234,783	\$514,125	\$841,336	\$9,564,748
August	\$1,304,361	\$6,300,048	\$118,967	\$778,040	\$8,501,416
September	\$5,124,669	\$5,086,125	\$331,501	\$888,862	\$11,431,157
October	\$8,812,154	\$3,796,503	\$138,240	\$4,573,040	\$17,319,937
November	\$1,606,359	\$2,459,717	\$399,221	\$132,299	\$4,597,596
December	\$2,745,703	\$3,044,014	\$84,856	\$192,431	\$6,067,004
January	\$1,148,572	\$2,555,799	\$93,912	\$571,095	\$4,369,378
February	\$4,901,208	\$3,695,608	\$152,314	\$994,101	\$9,743,231
March	\$4,847,788	\$3,291,891	\$314,516	\$490,861	\$8,945,056
April					
May					
June					
Year to Date	\$34,465,318	\$34,464,488	\$2,147,652	\$9,462,065	\$80,539,523

Assuming acceptance of all awards by the Board of Regents

**Report of Grant and Contract Awards
Of \$1,000,000 or More**

March 2005

**Requiring Action of
The Board of Regents**

**of the
University of Washington**

**Office of Research
Office of Sponsored Programs**

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Detail of Grant Awards (Excluding Private Awards) for
March 2005

FEDERAL

DEPARTMENT OF ENERGY

U.S. Department of Energy

To: DEREK STORM, RESEARCH PROFESSOR \$3,693,000
DEPARTMENT OF PHYSICS
For: EXPERIMENTAL NUCLEAR PHYSICS

Eff: 12/1/2004

Department of Energy Subtotal:

\$3,693,000

DEPT. OF HEALTH AND HUMAN SERVICES

National Institutes of Health

To: ANN C. COLLIER, PROFESSOR \$1,589,759
DEPARTMENT OF MEDICINE
For: ADULT AIDS CLINICAL TRIALS UNIT

Eff: 1/1/2004

To: STANLEY C. FROEHNER, PROFESSOR/CHAIR \$1,356,391
DEPARTMENT OF PHYSIOLOGY AND BIOPHYSICS
For: MOLECULAR AND CELLULAR THERAPIES FOR MUSCULAR DYSTROPHY

Eff: 4/1/2005

To: RAYMOND J. MONNAT, PROFESSOR \$1,349,548
DEPARTMENT OF PATHOLOGY
For: GENETIC INSTABILITY IN WERNER SYNDROME

Eff: 3/1/2005

To: ROBERT W. COOMBS, PROFESSOR \$1,286,153
DEPARTMENT OF LABORATORY MEDICINE
For: HIV-1 SHEDDING FROM THE FEMALE GENITAL TRACT

Eff: 4/1/2005

Dept. of Health and Human Services Subtotal:

\$5,581,851

Total for Federal:

\$9,274,851

Detail of Private Grant Awards for
March 2005

PRIVATE

FOUNDATIONS

Gordon and Betty Moore Foundation

To: RAY W. HILBORN, PROFESSOR \$2,365,017
SCHOOL OF AQUATIC AND FISHERY SCIENCES
For: RESEARCH ON THE BASIS OF PRODUCTIVITY IN SALMON ECOSYSTEMS FOR USE IN IMPROVING
FISHERIES MANAGEMENT
Eff: 3/1/2005

Foundations Subtotal:

\$2,365,017

INDUSTRY

Carnegie Corporation of New York

To: SUSAN E. JEFFORDS, DEAN \$1,123,300
GRADUATE SCHOOL
For: SUSTAINING TEACHER EDUCATION PROGRAM (STEP)
Eff: 9/1/2003

Industry Subtotal:

\$1,123,300

Total for Private:

\$3,488,317

Detail of Contract Awards for
March 2005

FEDERAL

DEPARTMENT OF DEFENSE

U.S. Department of the Navy

To: JAN A. NEWTON, AFFILIATE ASSISTANT PROFESSOR \$1,353,000
APPLIED PHYSICS LABORATORY
For: HOOD CANAL LOW DISSOLVED OXYGEN PROGRAM-INTEGRATED ASSESSMENT AND MODELING
(HCDOP-IAM) STUDY
Eff: 2/18/2005

Department of Defense Subtotal:

\$1,353,000

Total for Federal:

\$1,353,000

Total Awards \$1,000,000 or Greater:

\$14,116,168

Grant and Contract Awards Summary

to

The Board of Regents

of the

University of Washington

for

February 2005

Office of Research

Office of Sponsored Programs

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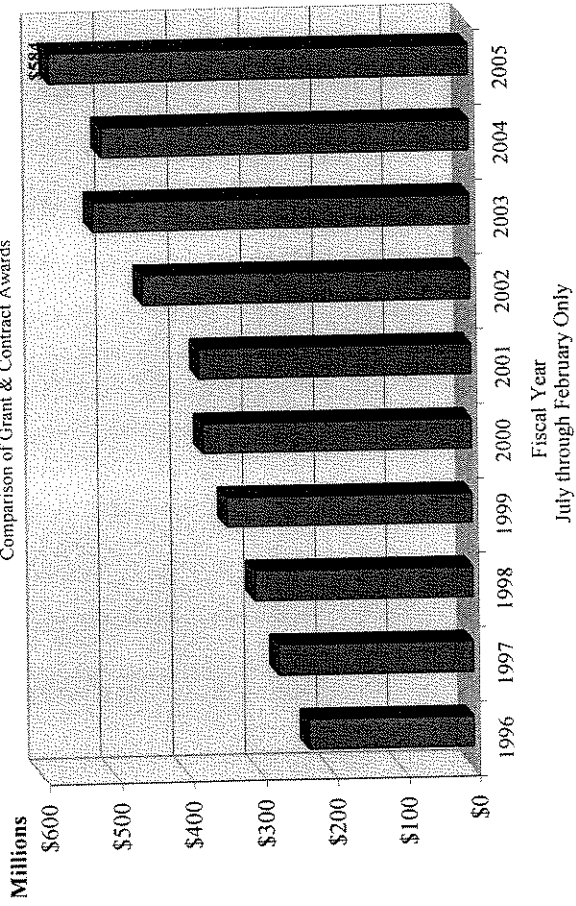
FEBRUARY HIGHLIGHTS

The United States Center For Disease Control awarded a contract in the amount of \$1,475,691 for a project under the direction of Associate Professor Mark H. Wener of the Department of Laboratory Medicine entitled "NHANES Laboratory Studies 2005-2009." The purpose of this program is to conduct laboratory measurements on biologic specimens for C-reactive protein, prostate specific antigen and parathyroid hormone from the National Health and Nutrition Examination Survey (NHANES) 2005-2008 participants. The purpose of the NHANES programs is to produce descriptive statistics that can be used to measure and monitor the health and nutritional status of the civilian, noninstitutional population of the United States. The UW scientists will furnish the necessary personnel, materials, services and facilities to perform the laboratory analyses related to the NHANES materials.

The Washington State Department of Social and Health Services awarded a grant in the amount of \$650,000 for a project under the direction of Dr. Joel H. Berg, Chair, of the Department of Pediatric Dentistry entitled "MAA ABCD MATCH." The Department of Pediatric Dentistry will provide support for the Access to Baby and Child Dentistry (ABCD) program in the form of certified training for providers and staff, evaluation of training, promotion of the ABCD program, production of ABCD materials and administration of the ABCD program. Also, the Department, through the Early Childhood Oral Health program, will train and certify all graduating dentists as ABCD providers.

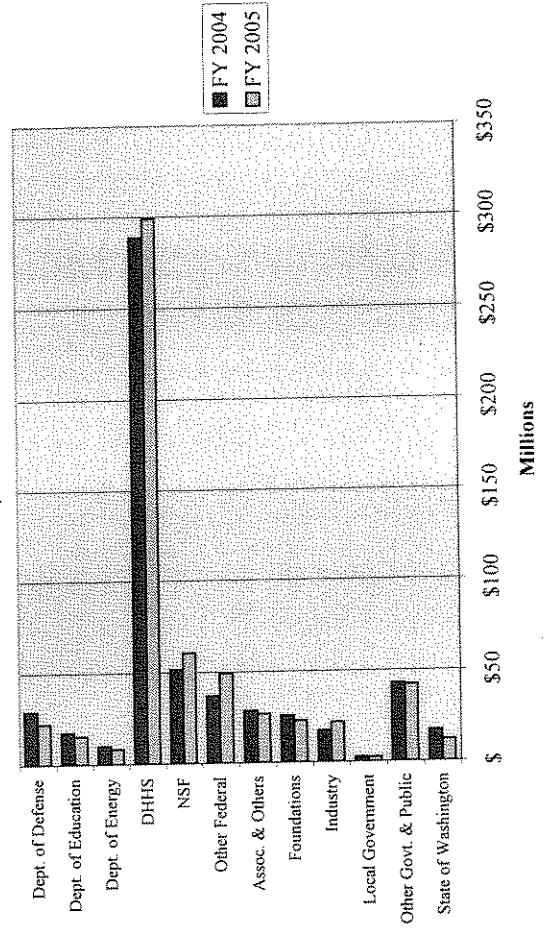
YEAR-TO-DATE

Comparison of Grant & Contract Awards



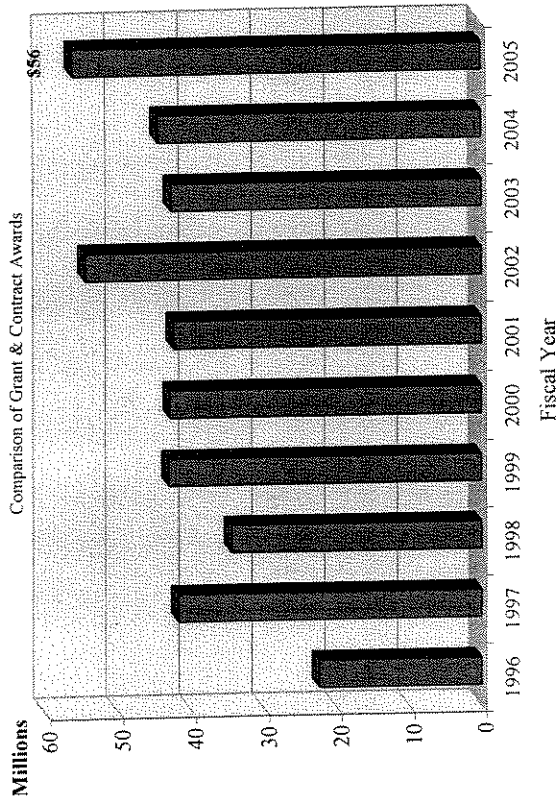
JULY THROUGH FEBRUARY

Two Year Comparison of Grant & Contract Awards



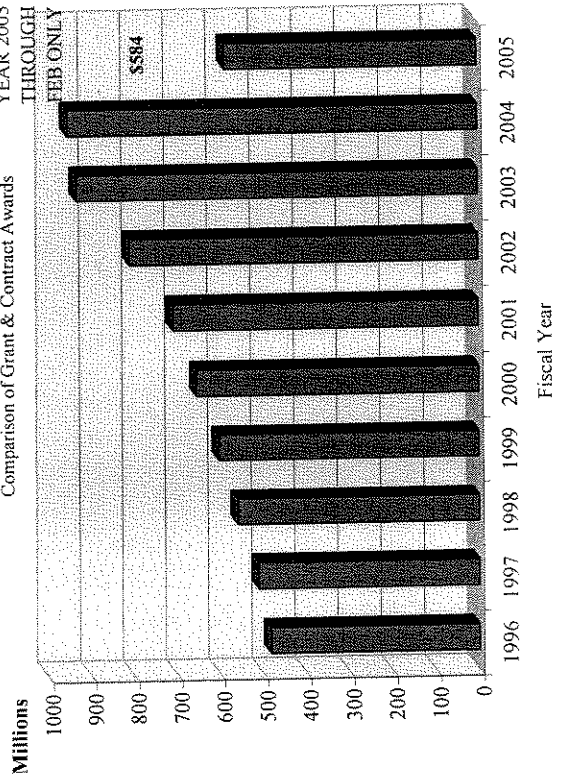
FEBRUARY ONLY

Comparison of Grant & Contract Awards



COMPLETE FISCAL YEAR

Comparison of Grant & Contract Awards



Summary of Grant and Contract Awards
Fiscal Year 2004-2005

Month	RESEARCH		TRAINING		Total
	Federal	Non-Federal	Federal	Non-Federal	Grants and Contracts
July	\$59,948,697	\$15,490,944	\$6,142,165	\$2,586,862	\$84,168,668
August	\$82,841,472	\$16,029,595	\$8,528,029	\$2,376,175	\$109,775,271
September	\$97,039,843	\$14,184,402	\$13,804,079	\$4,691,741	\$129,720,065
October	\$47,512,914	\$15,994,709	\$10,144,334	\$5,762,687	\$79,414,644
November	\$11,718,550	\$12,792,667	\$7,763,675	\$1,809,803	\$34,084,695
December	\$22,620,816	\$11,009,686	\$11,259,228	\$936,242	\$45,825,972
January	\$27,733,231	\$10,607,078	\$4,901,594	\$1,637,010	\$44,878,913
February	\$41,430,820	\$11,310,474	\$1,776,769	\$1,550,461	\$56,068,524
March					
April					
May					
June					
Current Year to Date	\$390,846,343	\$107,419,555	\$64,319,873	\$21,350,981	\$583,936,752
Previous Year to Date	\$386,266,925	\$111,035,927	\$48,154,095	\$23,674,088	\$569,131,035
Over (Under) Previous Year	\$4,579,418	(\$3,616,372)	\$16,165,778	(\$2,323,107)	\$14,805,717

Assuming acceptance of all awards by the Board of Regents

Comparison of Grant and Contract Awards by Agency
Fiscal Years 2003-2004 and 2004-2005

Agency	July-Feb FY04	July-Feb FY05
Department of Defense	\$29,137,416	\$22,364,218
Department of Education	\$17,523,627	\$15,493,924
Department of Energy	\$10,120,938	\$8,278,859
Dept. of Health and Human Services	\$288,990,623	\$299,275,123
National Science Foundation	\$51,725,361	\$60,613,828
Other Federal	\$36,923,055	\$49,140,264
Subtotal for Federal:	\$434,421,020	\$455,166,216
Associations /Others	\$28,652,732	\$26,987,903
Foundations	\$25,929,120	\$23,057,244
Industry	\$17,265,942	\$21,981,607
Local Government	\$2,695,263	\$2,392,955
Other Government and Public Agencies	\$43,064,392	\$42,233,963
State of Washington	\$17,102,566	\$12,116,864
Subtotal for Non-Federal:	\$134,710,015	\$128,770,536
Grand Total :	\$569,131,035	\$583,936,752
Amount of Increase (Decrease):		\$14,805,717
Percent of Increase (Decrease):		2.6%

Assuming acceptance of all awards by the Board of Regents

Comparison of Grant and Contract Awards by School/College
Fiscal Years 2003-2004 and 2004-2005

School/College	July-Feb FY04	July-Feb FY05
Upper Campus		
Achitecture and Urban Planning	\$1,984,064	\$581,763
Arts and Science	\$63,866,981	\$45,246,524
Business Administration	\$0	\$396,250
Education	\$7,308,668	\$11,279,328
Engineering	\$50,619,725	\$48,935,349
Evans School of Public Affairs	\$12,661,159	\$8,491,167
Forest Resources	\$4,593,334	\$3,982,685
Graduate School	\$910,018	\$2,876,542
Information School	\$1,214,546	\$1,103,769
Law	\$0	\$2,101,778
Ocean and Fishery Sciences	\$45,868,266	\$47,177,283
Office of Research	\$7,751,125	\$15,908,384
Social Work	\$14,036,902	\$12,262,624
Undergraduate Education	\$118,897	\$141,228
Subtotal :	\$210,933,685	\$200,484,674
Health Sciences		
Dentistry	\$11,218,976	\$7,629,678
Medicine	\$271,951,492	\$268,437,966
Nursing	\$11,302,683	\$9,412,910
Pharmacy	\$7,661,115	\$7,597,223
Public Health and Community Medicine	\$34,978,471	\$58,603,940
Subtotal :	\$337,112,737	\$351,681,717
Special Programs		
Health Sciences Special Programs	\$11,760,128	\$19,975,345
Other Special Programs	\$8,797,007	\$9,961,025
Subtotal :	\$20,557,135	\$29,936,370
Branch Campuses		
Branch Campuses (Bothell)	\$434,978	\$1,635,665
Branch Campuses (Tacoma)	\$92,500	\$198,326
Subtotal :	\$527,478	\$1,833,991
Grand Total :	\$569,131,035	\$583,936,752

Assuming acceptance of all awards by the Board of Regents

List of Awards for Arts and Sciences

Department	July-Feb FY04	July-Feb FY05
Center for Humanities	\$10,000	\$0
Center for Statistics and the Social Sciences	\$752,009	\$876,482
Center for Studies in Demography and Ecology	\$1,146,081	\$511,705
College of Arts and Sciences	\$0	\$1,150,692
Department of Anthropology	\$559,908	\$321,418
Department of Applied Mathematics	\$918,860	\$456,546
Department of Asian Languages and Literature	\$0	\$10,000
Department of Astronomy	\$1,576,556	\$1,456,695
Department of Atmospheric Sciences	\$6,791,665	\$3,259,880
Department of Biology	\$9,678,582	\$3,590,757
Department of Chemistry	\$15,068,885	\$12,448,052
Department of Classics	\$44,656	\$0
Department of Communication	\$626,494	\$889,500
Department of Earth and Space Sciences	\$4,672,462	\$4,684,217
Department of English	\$3,000	\$0
Department of Geography	\$1,274,023	\$311,978
Department of Germanics	\$36,000	\$36,000
Department of History	\$123,805	\$80,000
Department of Mathematics	\$833,498	\$3,290,198
Department of Near Eastern Languages & Civilization	\$314,550	\$2,000
Department of Physics	\$5,764,341	\$4,039,288
Department of Political Science	\$288,570	\$0
Department of Psychology	\$5,327,485	\$4,168,802
Department of Scandinavian Languages and Literature	\$27,273	\$27,273
Department of Sociology	\$170,705	\$0
Department of Speech and Hearing Sciences	\$1,236,061	\$614,464
Department of Statistics	\$1,141,844	\$854,107
Henry M. Jackson School of International Studies	\$4,907,640	\$1,318,758
Institute for Nuclear Theory	\$176,700	\$195,000
Public Performing Arts	\$36,356	\$73,390
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Sociology	\$0	\$22,718
Thomas Burke Memorial Washington State Museum	\$358,972	\$542,469
Undergraduate Studies	\$0	\$2,955
	<hr/>	<hr/>
	\$63,866,981	\$45,246,524

Assuming acceptance of all awards by the Board of Regents

Summary of Grant Awards

Fiscal Year 2004-2005

(Excluding Private Awards from Foundations, Industry, Associations and Other)

Month	RESEARCH		TRAINING		Total Grants
	Federal	Non-Federal	Federal	Non-Federal	
July	\$55,974,193	\$6,566,850	\$5,628,040	\$419,247	\$68,588,330
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October	\$38,700,760	\$3,127,126	\$10,006,094	\$587,266	\$52,421,246
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December	\$19,875,113	\$3,182,322	\$11,174,372	\$73,083	\$34,304,890
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February	\$36,529,612	\$2,205,423	\$1,624,455	\$154,265	\$40,513,755
March					
April					
May					
June					
Year to Date	\$361,228,813	\$30,708,797	\$62,486,737	\$4,004,897	\$458,429,244

Assuming acceptance of all awards by the Board of Regents

Summary of Grant Awards

Fiscal Year 2004-2005

(Private Awards from Foundations, Industry, Associations and Other)

Month	RESEARCH	TRAINING	Total Grants
July	\$4,689,311	\$1,326,279	\$6,015,590
August	\$6,122,163	\$1,311,941	\$7,434,104
September	\$4,654,889	\$1,752,306	\$6,407,195
October	\$9,071,080	\$602,381	\$9,673,461
November	\$4,857,082	\$1,482,411	\$6,339,493
December	\$4,783,350	\$670,728	\$5,454,078
January	\$5,950,843	\$826,739	\$6,777,582
February	\$5,409,443	\$402,095	\$5,811,538
March			
April			
May			
June			
Year to Date	\$45,538,161	\$8,374,880	\$53,913,041

Assuming acceptance of all awards by the Board of Regents

Summary of Contract Awards

Fiscal Year 2004-2005

Month	R E S E A R C H		T R A I N I N G		Total Contracts
	Federal	Non-Federal	Federal	Non-Federal	
July	\$3,974,504	\$4,234,783	\$514,125	\$841,336	\$9,564,748
August	\$1,304,361	\$6,300,048	\$118,967	\$778,040	\$8,501,416
September	\$5,124,669	\$5,086,125	\$331,501	\$888,862	\$11,431,157
October	\$8,812,154	\$3,796,503	\$138,240	\$4,573,040	\$17,319,937
November	\$1,606,359	\$2,459,717	\$399,221	\$132,299	\$4,597,596
December	\$2,745,703	\$3,044,014	\$84,856	\$192,431	\$6,067,004
January	\$1,148,572	\$2,555,799	\$93,912	\$571,095	\$4,369,378
February	\$4,901,208	\$3,695,608	\$152,314	\$994,101	\$9,743,231
March					
April					
May					
June					
Year to Date	\$29,617,530	\$31,172,597	\$1,833,136	\$8,971,204	\$71,594,467

Assuming acceptance of all awards by the Board of Regents

**Report of Grant and Contract Awards
Of \$1,000,000 or More**

February 2005

**Requiring Action of
The Board of Regents**

**of the
University of Washington**

**Office of Research
Office of Sponsored Programs**

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Detail of Grant Awards (Excluding Private Awards) for
February 2005

FEDERAL

DEPARTMENT OF ENERGY

U.S. Department of Energy

To: ALAN L. HOFFMAN, PROFESSOR \$1,654,000
AEROSPACE AND ENERGETICS RESEARCH PROGRAM
For: ROTATING MAGNETIC FIELD GENERATION AND SUSTAINMENT OF FRCS
Eff: 1/7/2003

Department of Energy Subtotal:

\$1,654,000

DEPT. OF HEALTH AND HUMAN SERVICES

National Institutes of Health

To: SAMUEL I. MILLER, PROFESSOR \$9,904,985
DEPARTMENT OF MEDICINE
For: THE WWAMI RCE FOR BIODEFENSE AND EMERGING INFECTIOUS DISEASES
Eff: 3/1/2005

Dept. of Health and Human Services Subtotal:

\$9,904,985

Total for Federal:

\$11,558,985

Detail of Private Grant Awards for
February 2005

PRIVATE

FOUNDATIONS

Robert Wood Johnson Foundation

To:	CHARLES T. ROYER, SENIOR LECTURER	\$1,375,054
	EVANS SCHOOL OF PUBLIC AFFAIRS	
For:	URBAN HEALTH: YEAR 10	
Eff:	2/1/2005	

Foundations Subtotal:

\$1,375,054

Total for Private:

\$1,375,054

Detail of Contract Awards for
February 2005

FEDERAL

DEPT. OF HEALTH AND HUMAN SERVICES

Centers for Disease Control

To: MARK H. WENER, ASSOCIATE PROFESSOR \$1,475,691
DEPARTMENT OF LABORATORY MEDICINE
For: NHANES LABORATORY STUDIES 2005-2009-REVISED

Eff: 1/18/2005

Dept. of Health and Human Services Subtotal:

\$1,475,691

Total for Federal:

\$1,475,691

Total Awards \$1,000,000 or Greater:

\$14,409,730

ACTIONS TAKEN UNDER DELEGATED AUTHORITY
Reported to the Finance, Audit & Facilities Committee
May 19, 2005

Pursuant to the Standing Orders of the Board of Regents, Delegation of Authority, and to the delegation of authority from the President of the University to the Executive Vice President in Executive Order No. 1, to take action for projects or contracts that exceed \$1,000,000 in value or cost but are less than \$5,000,000, the Administration may approve and execute all instruments.

Part I: Report of Actions Taken Under General Delegated Authority

Project Name: Kane Hall Classroom Improvements, Project No: 10720
Action Reported: Contract Award

On April 1, 2005 a construction contract was awarded to CDK Construction Services, Inc., in the amount of \$1,821,000 for the Kane Hall Classroom Improvements project. Two bids were received for the project, both within the budgeted contract amount. The low bid was \$1,821,000 and the high bid was \$1,962,000. CDK Construction Services, Inc has completed numerous projects on campus including a renovation at Haggett Hall, recently finished Merrill Hall, and is currently working on the Guthrie Hall Masonry Restoration and the Denny Hall Roof Replacement projects.

Kane Hall Classroom Improvements project will upgrade three classroom auditoriums, rooms 120, 210 and 220, totaling approximately 18,000 gross square feet. Upgrades to the rooms include replacement of the ceilings, lights, wood and acoustic fabric wall panels, flooring, seating and audio visual and data wiring systems. Construction is anticipated to begin in mid-June 2005 and be completed in September 2005 for the beginning of fall quarter.

The project budget is \$3,541,522. Funding is available from the 2004 Supplemental Capital Budget

Budget Summary:	Current Approved Budget	Forecast Cost At Completion
Total Consultant Svcs	\$420,176	\$361,783
Total Construction Cost	\$2,549,232	\$2,298,248
Equipment Costs	\$261,396	\$415,331
Other Costs	\$79,812	\$76,605
Project Administration	\$230,906	\$236,338
Total Project Budget	\$3,541,522	\$3,388,305

**Project Name: Asbestos Abatement Term Contract 2005-2007,
 Project No. 200665
 Action Reported - Contract Award**

On March 25, 2005, a time and materials construction contract was awarded to Performance Abatement Services, Inc. (PAS) with an estimated value for work to be performed in the amount of \$1,066,400 per year for the new term abatement contract. Six unit price bids were received for the estimated scope of work, and the bids ranged between \$1,066,400 to \$1,577,769. PAS is an asbestos abatement contractor, based in Seattle, Washington, who was the term contractor for the 2003-2005 biennium.

The Asbestos Abatement Contract duration is for one year, with an option to renew for up to two more years. Work under the contract is authorized by individual work orders. The scope, actual hours worked and actual costs for each work order are documented and agreed to by PAS and the UW's monitoring consultant. All abatement costs are charged back to the projects or departments requesting abatement services, including prorated charges for administering the contract and Facilities costs for coordinating the campus wide abatement services. The contract is administered by CPO and the coordination work is by the Facilities Asbestos Office.

The budget and work plan to establish the Asbestos Abatement Term Contract 2005-2007 was \$25,000 to write the specifications, bid and select the contractor. The remainder of the money not spent will be used to advertise, interview and select an asbestos monitoring consultant. The estimate for the amount of work done in one year has decreased from \$1,280,000 to \$1,066,400 to reflect the unit prices in the accepted bid.

Budget Summary:	Current Approved Budget	Forecast Cost At Completion
Total Consultant Svcs	\$18,112	\$17,218
Total Construction Cost	\$0	\$0
Other Costs	\$361	\$1,255
Project Administration	\$6,527	\$6,527
Total Project Budget	\$25,000	\$25,000
Estimated Annual Asbestos Abatement Term Contract Spend	\$1,280,000	\$1,066,400

Project Name: Gould Hall Digital Commons, Project No. 10743
Action Reported: Contract Award

On April 13, 2005 a construction contract was awarded to HS Builders, Inc., in the amount of \$567,100 for the Gould Hall Digital Commons. The low bid is within the budgeted contract value. Four bids were received with low bid at \$567,100 and the high bid at \$664,900. HS Builders, a Seattle company, has completed numerous projects on the Seattle campus and at Harborview Medical Center, including work at Henderson and Schmitz Halls and cardiac and surgery projects at Harborview. They are currently working on the UWMC Pathology Lab and the CHDD Fire Alarm.

The scope of the project includes renovating approximately 6,800 square feet of storage space in the basement and sub-basement of Gould Hall into a Digital Commons for the College of Architecture and Urban Planning (CAUP). The Digital Commons will include a computer classroom, a commons area with computer workstations, and departmental computer server room, office space for instructors and an elevator for ADA compliance to connect the basement level and the sub-basement level. This renovation will allow the existing computer classroom in Gould to be converted back to studio space for an expansion of the College's teaching program. Construction started in May and will be completed in September 2005 for use at the start of fall quarter.

The project budget is \$1,232,817. Funding is available from CAUP (\$76,000), Central Funds (\$300,000), and Program Renewal (\$227,000) and a loan of \$630,000 from Program Renewal funds to be repaid to the Administration by donations raised by CAUP.

Budget Summary:	Current Approved Budget	Forecast Cost at Completion
Total Consultant Svcs	\$174,713	\$152,867
Total Construction Cost	\$882,251	\$872,385
Other Costs	\$97,607	\$49,334
Project Administration	\$78,146	\$78,146
Total Project Budget	\$1,232,817	\$1,152,732

**Project Name: 1401 N.E. Boat Street Marina Redevelopment,
Project No. 10386
Action Reported: Engineer Appointment and Establish Project Budget**

On February 22, 2005 an agreement for engineering services was awarded MCS Environmental, Inc., for the 1401 N.E. Boat Street Marina Redevelopment project. MCS Environmental is experienced in permitting marinas and with Reid Middleton, Inc., as a sub-consultant for marina design represents an experienced team to design this project.

This project will replace the existing badly deteriorated wood and cedar log float boat marina, which is beyond its useful life, with a steel or concrete float system with steel supporting piles. The approximately 14,000 square foot, 100 slip marina will be reconfigured to accommodate a larger range of boat sizes from 25 – 50 feet in length in approximately 71 slips. Improvements include power, water, and a fire standpipe system for the floats, and ADA access to the boat slips. Design and permitting will continue through the spring of 2006, with construction starting in late summer of 2006. In-water work will be completed during the fish window, between November 2006 and March 2007.

The project budget is \$1,790,412. Funding is available from the UW Real Estate Office in a combination of cash reserves and Interfund Loan.

Budget Summary:	Current Approved Budget	Forecast Cost At Completion
Total Consultant Services	\$376,268	\$376,628
Total Construction Cost	\$1,316,242	\$1,316,242
Other Costs	\$16,712	\$16,712
Project Administration	\$81,190	\$81,190
Total Project Budget	\$1,790,412	\$1,790,412

**Project Name: Primary Electrical Distribution System Improvements,
Project No. 10447
Action Reported - Contract Award and Budget Increase of 10% or more**

On February 10, 2005 a construction contract was awarded to Intermountain Electric, Inc. (IME) in the amount of \$793,000 for the Primary Electrical Distribution System Improvements project. Two bids were received ranging from \$793,000 to \$1,153,000 for the value of the base bid and Alternate #2. The project budget was sufficient to fund the base bid and bid alternate #2.

This project will extend 13kV service to the Chemistry, Bioengineering and Genome Sciences, and miscellaneous buildings. In addition, Burke Museum, Penthouse Theatre, Parrington Hall and the new Business Center will be re-fed from expanded vault NW7A and new feeders will be extended from East Receiving Station to vault LC3.

IME is an electrical contractor, based in Bellevue, WA, who has performed on numerous projects for the university, including Emergency Power Phase 1 and the East Campus Cable Extension. In addition, they were recently awarded the PCB Transformer Replacement Project (#10446).

The project also included bid Alternate #1 which would enlarge existing undersized manholes around the Intramural Athletics Building to enable installation of medium voltage cables. Alternate #1 bid for \$180,000, but the project budget was not sufficient to award with Alternate #1 included. It was decided to award alternate #1 as a change order after funds were received. The budget and work plan for the Primary Electrical Distribution System Improvements Project was revised from \$1,550,000 to \$1,775,000,

This base budget and the budget increase are funded by Utility Renewal Reserves.

Budget Summary:	Current Approved Budget	Forecast Cost At Completion
Total Consultant Svcs	\$259,023	\$259,023
Total Construction Cost	\$1,276,278	\$1,276,278
Other Costs	\$45,335	\$45,335
Project Administration	\$194,364	\$194,364
Total Project Budget	\$1,775,000	\$1,775,000

Project Name: Red Square Seismic Joint Repairs, Project No. 10311
Action Reported: Architect Appointment and Budget Increase of 10% or more

On May 8, 2003 an agreement for architectural services was awarded to S. M. Stemper Architects, for the Red Square Seismic Joint Repairs project. S. M. Stemper Architects designed masonry restoration projects for the Atmospheric Sciences Building, Harborview Medical Center and is currently working on the Communications Building Exterior Repairs project.

The original budget was \$449,369, with a scope to replace the leaking seismic joint between Meany Hall and the Central Parking Garage, and repair the rusted ventilation ductwork in the Meany Hall basement mechanical room. During the design phase it was discovered that the seismic joints adjoining Odegaard Undergraduate Library and Kane Hall to the Central Parking Garage, along with the joint at the concrete columns at the front of Kane Hall, were also leaking.

The scope now includes replacing the seismic joints between the Central Plaza Parking Garage, Odegaard Undergraduate Library and Kane Hall, and repairing the flashing and membrane at the Kane columns.

The budget for the project was increased from \$449,369 to \$1,070,000 to allow for this change in scope.

The project will be funded from 2003-2005 and 2005-2007 Building Renewal Funds.

Budget Summary:	Current Approved Budget	Forecast Cost At Completion
Total Consultant Svcs	\$48,011	\$121,827
Total Construction Cost	\$359,040	\$827,641
Other Costs	\$7,500	\$43,969
Project Administration	\$34,818	\$76,806
Total Project Budget	\$449,369	\$1,070,000

Part II: Report of Actions Taken Under Specific Delegated Authority

Project Name: UWMC Regional Heart Center Project, No. 10362

Action Reported: Contract Award

In March 2005, authority was delegated to the Executive Vice President to award a construction contract to the low bidder for the UWMC Regional Heart Center Project. That award has now been made to the firm of Kirtley-Cole Associates.

On March 23, 2005, four bids were received. Kirtley-Cole Associates was the low bidder with a bid of \$6,050,000.00. The low bid exceeds the budgeted contract value resulting in the Forecast Cost at Completion being increased for this item. However, a corresponding reduction in contingency for the construction costs forecasted as an under-run at this time. Kirtley-Cole Associates has been in the construction business for 31 years and has a long and successful history of working in hospitals in the region, including work at Providence Everett Medical Center, Steven's Hospital in Edmonds, Valley General Hospital in Monroe, and The Everett Clinic. This will be the first project that Kirtley-Cole has undertaken for the University.

This project will develop approximately 48,000 gross square feet of the third floor, SS, EE, SE, NN and NE wings in the University of Washington Medical Center (UWMC) and will accomplish the following:

1. The UWMC Regional Heart Center will gain a much needed main floor presence, expansion and upgrade. The expansion will improve circulation and accommodations for patients and staff.
2. Several other departments; Outpatient Pharmacy, Blood Draw, Cashier, In-Patient Admitting, and the Espresso Shop were displaced in the Regional Heart Center's move to the third floor. At their new locations the designed spaces provide an image for the Medical Center similar to that of the Surgery Pavilion. At the same time they provide enhanced environments in which to work, and improved patient care and service areas. Improved lighting and signage are adding to the overall cohesive image of the Medical Center.
3. The updated Third Floor Main Lobby will strengthen the link to the Surgery Pavilion. The waiting area will be furnished like the Surgery Pavilion and include a new patient resource center.

The project cost forecast slightly exceeds the budget due to increased design costs necessary to re-scope the project for a single construction phase. Funding for this project is available from Patient Revenues of the University of Washington Medical Center.

UWMC Regional Heart Center Project (continued)

Budget Summary:	Current Approved Budget	Forecast Cost At Completion
Total Consultant Svcs	\$971,159	\$1,397,974
Total Construction Cost	\$8,079,850	\$7,645,920
Other Costs	\$87,827	\$129,480
Project Administration	\$574,492	\$673,302
Total Project Budget	\$9,713,328	\$9,846,676

Project Name: UWMC Equipment Financing
Action Reported: Interest Rates on Capital Leases

In March, 2002, authority was delegated to the Executive Vice President to sign the required documents necessary to complete the financing of \$20M of hospital equipment over a three year period. Bank of America was selected as the vendor to finance the equipment. The following table summarizes the terms and rates for these borrowings.

Date of Financing	Amount Borrowed	Term of Debt	Interest Rate
January 2004	\$1.1 million	7 years	2.95%
May 2004	\$6.8 million	5 years	2.71%
August 2004	\$1.6 million	5 years	2.97%
December 2004	\$3.8 million	5 years	2.98%
March 2005	\$4.1 million	5 years	3.09%
Total	\$17.4 million		

VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee**Major Capital Project Approval Process - Proposal to ReviseRECOMMENDED ACTION:

It is the recommendation of the Administration and the Finance, Audit and Facilities Committee that the President be authorized to utilize project specific delegations of authority and a more streamlined approval process for major capital projects, using a “Project Presentation” approval method.

BACKGROUND:

Approval is requested to utilize a more streamlined approval process for major capital projects and allow projects to proceed in a more expeditious manner. The new approval process will result in major capital projects presented to the Board of Regents (BOR) fewer times by utilizing project specific delegations of authority to the Executive Vice President for award of the design and construction contracts.

Each major capital project currently is presented to the BOR for specific approvals of: 1) project budget establishment, 2) design contract appointment, 3) alternative public works determination (if appropriate), and 4) construction contract award. Whenever practical, two or more approvals are combined into a single presentation; however, this is not always possible.

In addition to the above approvals each major project is presented to the BOR to set guidelines and review the Architectural Opportunities Report (AOR), if appropriate for the project, and/or to revise the budget if the cost forecast varies from the current approved budget by 10% or more. Additional informational presentations are also conducted at, or near, the completion of schematic design if appropriate for the project, and during the semi annual project status reports in March and October. Additional information regarding major capital projects is distributed in a written semi annual status report in January and July of each year focusing on the previous six month period. At this time there is no delegation of authority from the BOR on projects that have a budget greater than \$5,000,000

PROPOSAL:

Approving this proposal will result in some, although not all, major capital projects being presented to the BOR in a single presentation to receive all four of the typically-requested approvals at one time. This would be termed a “Project Presentation” and would present the scope of the project, cost estimate, schedule, contracting strategy and any significant risks or opportunities that could have an

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Major Capital Project Approval Process - Proposal to Revise (continued p. 2)

impact on the project. Following this presentation, Regent approval of the project budget and use of alternative public works (if appropriate) will be specifically requested. In addition, delegation of authority to the President will be requested to award the design and construction contracts, subject to these contract selections following the required regulations and policies, being within the approved budget and scope of work and funding being available. Awards made under these delegations would be reported back to the BOR as an action taken under specific delegated authority at the next regularly-scheduled BOR meeting.

The exact order of the approval process, as well as delegations of authority, could be modified with each project to best meet the needs of the University. In addition to the "Project Presentation", all other informational presentations and reports would be conducted as they are currently conducted.

The expected outcome, as a result of approval of this proposal, would be a more efficient execution of the project schedule. It is also expected to result in a more efficient use of the Board of Regents' time, without negatively affecting the visibility or control required by the Regents of each major project. On projects where the BOR determines that there is a need to be more involved, the Project Specific Delegation Authority can be written to accommodate those determinations.

Attached are sample documents to illustrate the modifications proposed.

ENCLOSURES:

Sample Action Item

BOR/AC Review Schedule for Major Capital Projects

UW Design Consultant Activity

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Major Capital Project Approval Process - Proposal to Revise (continued p. 3)

Sample Action Item

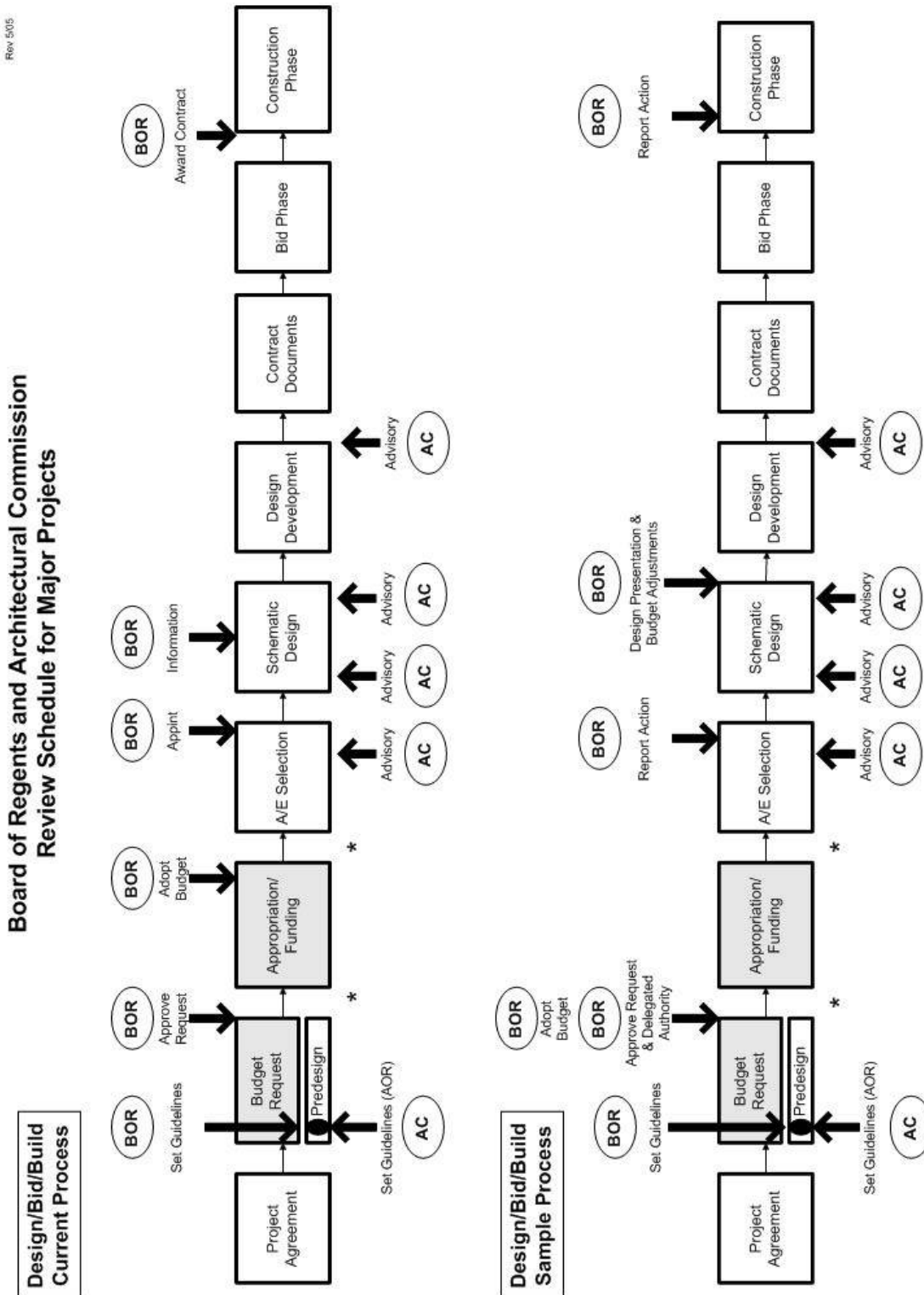
The action item request would typically read as:

“It is the recommendation of the administration and the Finance, Audit and Facilities Committee that project budget be established at \$12,000,000 for the Sample Project; that the use of alternative public works utilizing the GC/CM method be approved (as appropriate); and that the President be delegated authority to award design and construction contracts, subject to the scope, budget and funding remaining consistent with the established limits.” The Board of Regents had determined that the project will be reviewed for approval at the project milestones as outlined in the project presentation. Should the project budget increase by more than 10% the “Sample Project” will be returned to the BOR for review.”

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

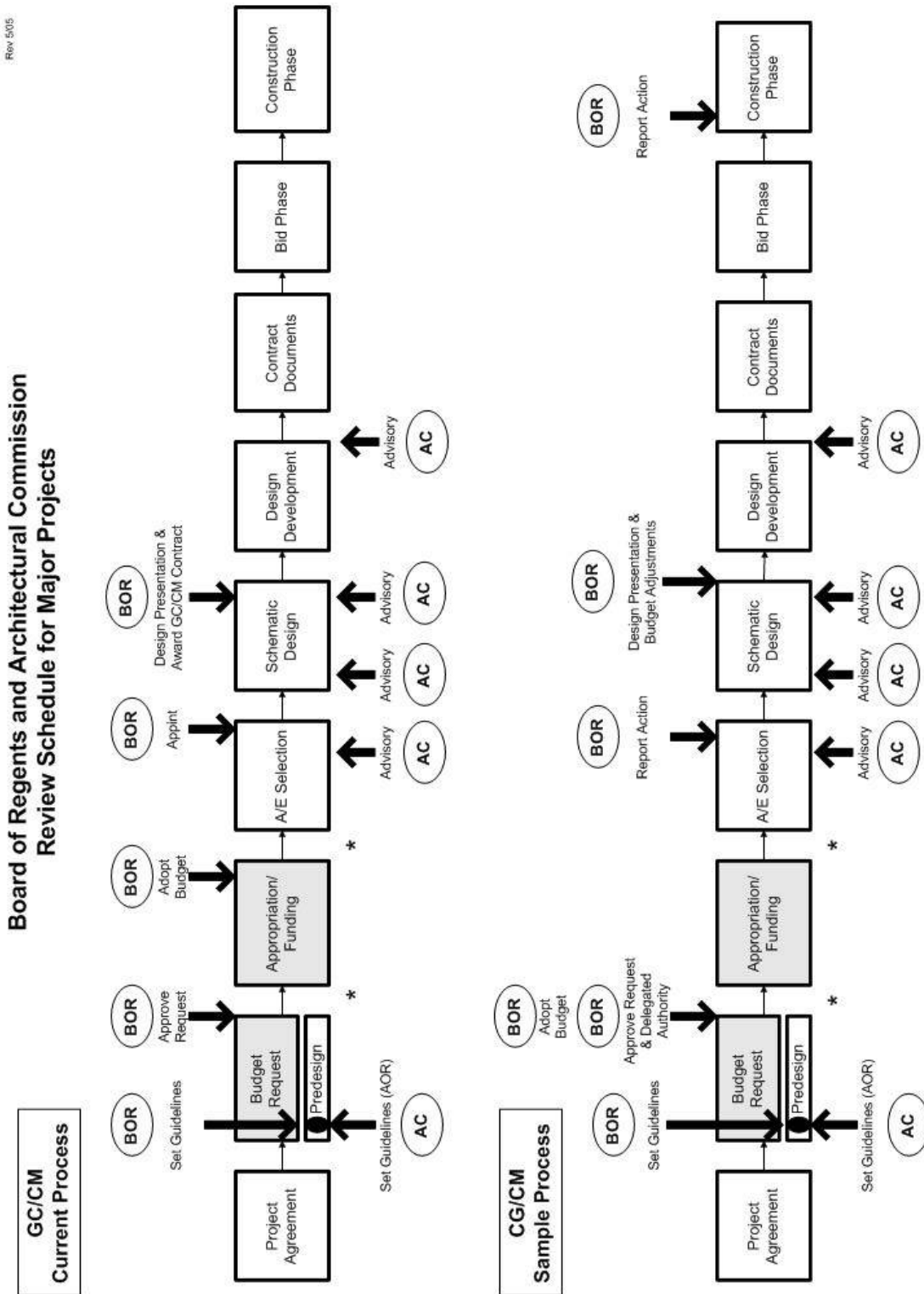
Major Capital Project Approval Process - Proposal to Revise (continued p. 4)



VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Major Capital Project Approval Process - Proposal to Revise (continued p. 5)



UNIVERSITY OF WASHINGTON DESIGN CONSULTANT ACTIVITY

Agenda

- Applicable law and regulations
- University Policies
- Results

Scope

The Capital Projects Office manages the selection, hiring and administration of all architectural and engineering professionals to design public works projects at the University.

Statutory Requirements

- RCW 39.80.030: Advance publication requirements, which can be either to publish an announcement each time services are required or to publish a general announcement on types of services needed.
- RCW 39.80.040: Select the firm deemed to be “the most highly qualified” based on criteria established [by the University].
- AGO Opinion: Price may NOT be a factor in selection.

University Selection Process

- Annual ad for broad range of architectural and engineering services. Qualifications are kept in a file for use in selection process on smaller jobs.
- Design services for projects valued at over \$3 million are individually advertised.
- Design services for all master (term) agreements are advertised regardless of dollar value.
- Procedure developed to ensure that our selections fully comply with the State, UW and our CPO regulations and policies (procedure attached)

Criteria and Selection Process

Projects valued under \$1 million

- Project Manager develops criteria with input from appropriate departments.
- At least three firms are selected from the file for consideration.
- At least three people review the qualifications and make a preliminary selection.
- Request a proposal/review/negotiate with selected firm.

Projects valued over \$1 million

- For projects valued \$1 million to \$3 million, firms may be selected from file, but an interview is required.
- For projects valued over \$3 million, after advertising and evaluating RFQs, at least three firms are interviewed. Selection panel includes the University's architectural advisor.
- Architectural Commission evaluates design firms and recommends selection for all new buildings and major renovations.
- All consultant agreements for projects over \$5 million are approved by the Board of Regents.

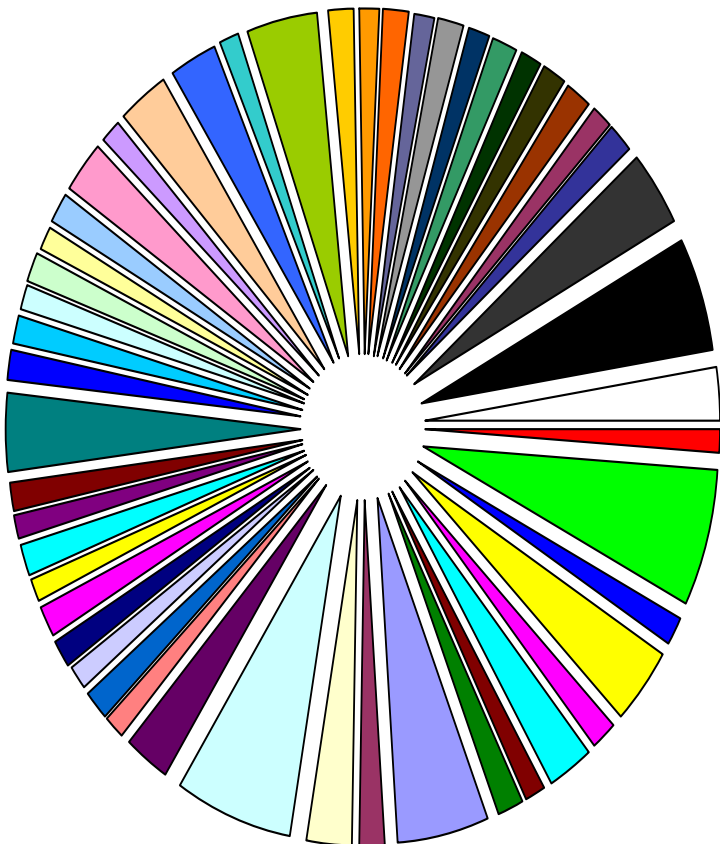
University of Washington Capital Projects Office		Procedure 4.10.05
Policies and Procedures		
Approved by:		Page 1 of 1 Date: May 2, 2005 Revised:
Related Policies:		

**PRO 4.10.05 Selecting Architectural/Engineering
Consultants – Selection Committee**

1. The Contracts Manager will be involved and in attendance at every consultant selection, whether it is an in-office consideration of firms from the 254 file, or an interview. This includes professional service agreements, A/E agreements and master agreements, no matter the size. If the project value is less than \$5 million, the Contracts Manager may choose to delegate his/her authority to one of his/her staff. For projects valued at over \$5 million and for all master agreements, the meetings will be attended by the Contracts Manager. If the Contracts Manager is unable to attend, his/her alternate will be the Director of Business Services. The purpose of this is to ensure that our selections fully comply with the State, UW and our CPO regulations and policies. This is also intended to ensure that there is commonality and consistency in our selection process. The contracts group will have a full vote in the selection and will have lead responsibility for negotiating terms, conditions and Attachment A costs.

2. All master agreements where the combined total of all projects may exceed \$5 million, the Architectural Advisor and/or outside architect must be involved and in attendance. If the master agreement is for engineering services, then a representative from Plant Engineering must be involved; however, if Facilities Services is the client, the representative should come from the engineering community.

Combined Contract Distribution



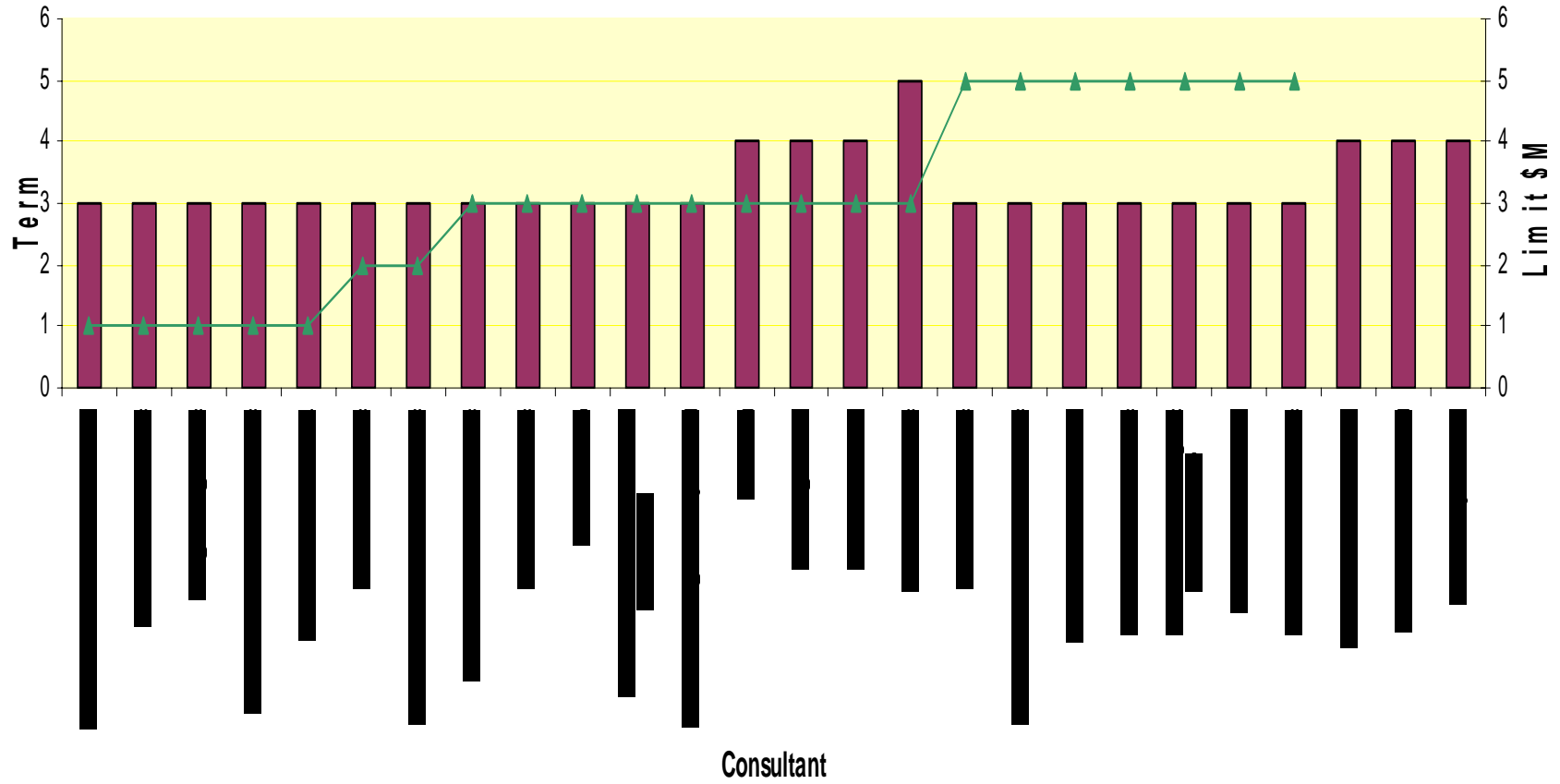
- Abacus 4
- Arai Jackson Architects 2
- ATC 2
- BJSS Duarte Bryant Architecture 1
- BOLA 1
- Buffalo Design Incorporated 1
- Casne 1
- Coffman 3
- EISI Engineers 1
- Fredricks 1
- Hargis Engineers 1
- Integrus Architecture 1
- Mahlum 2
- MBT 3
- Miller Hull 1
- NBBJ Architects 1
- Parametrix 1
- PBS Environmental 1
- Schacht Aslani Architects 1
- Snyder Hartung Kane Strauss 1
- Stemper 4
- Susan Black & Associates, Inc. 1
- Thomas Hacker Architects 1
- Washington Group 1
- Wilson Jones Consulting 1
- Anshen & Allen Architects 1
- ARC 5
- Bassetti Architects 1
- Bohlin Cywinski Jackson Architects 1
- BOORA Architects 1
- Bumgardner 1
- CDI Engineers 1
- Collins Woerman 1
- Foster Wheeler 1
- Harbor 1
- Hoshide Williams Architects 2
- LMN Architects 2
- Merritt 1
- McGranahan Architects 1
- Mithun Partners 1
- Pace 1
- PB Architects 1
- RH2 Engineering 1
- Sciencetech 1
- Sparling 3
- Stock & Associates 2
- Taylor Gregory Butterfield Architects 5
- URS 3
- Wieland Lindgren Engineers 2
- Wood Harbinger, Inc. 1

Major Achitectural Projects 1994 - 2005



Master Agreements 2002 - 2005

Term Limit



VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Draft Amendment to Investment PoliciesRECOMMENDED ACTION:

It is the recommendation of the University of Washington Investment Committee and the Finance, Audit and Facilities Committee that the Board of Regents adopt the following amended policies:

1. “Statement of Investment Objectives and Policy for the Consolidated Endowment Fund”
2. “Statement of Investment Objectives and Policy for Invested Funds”
3. “Statement of Investment Objectives and Policy for Portage Bay Insurance”
4. “Statement of Investment Objectives and Policy for Deferred and Other Gift Assets”

BACKGROUND:

In 1988, the Board of Regents adopted investment policies for the Consolidated Endowment Fund and the Invested Funds of the University of Washington. These were followed in 1992 with the investment policy for Deferred and Other Gift Assets and in 1997 with the investment policy for the Insurance Fund. Investment policies are reviewed on a continuing basis with periodic revisions reflecting the changing nature of the investment programs of the University. Key modifications to each investment policy are described below:

Statement of Investment Objectives and Policy for the Consolidated Endowment Fund (CEF)

Material changes are recommended to the asset allocation of the CEF (*Paragraph E*). The new target exposure to equities at 76% is little changed from the current mix – but the focus is more global in nature. Emerging market exposure is identified separately from developed international market exposure and assigned its own target and range. The increased risk from the higher allocation to emerging markets is offset by a reduction in non-marketable alternatives, primarily venture capital. Real assets will ramp up over the next two years, as both private and direct investment ideas are explored.

An “other” category is added to the strategy mix with no set target. The intention is to use this category to access market opportunities that fall outside the current strategy definitions, e.g. high yield debt. Usage is typically confined to irregular

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Draft Amendment to Investment Policies (continued p. 2)

market opportunities, typically of limited duration, that offer the potential for enhanced returns.

Policy ranges across the board are widened to facilitate active management of portfolio exposure. Performance is measured against a policy benchmark defined by the long-term target asset class weightings.

Statement of Investment Objectives and Policy for Invested Funds (IF)

Minor changes are recommended to the pool allocation of the IF (*Paragraph C*) which lowers the target allocation to the Cash Pool and increases the allocation to the CEF Pool. These changes reflect current practice. Other wording changes throughout the policy align it with the policy statement for the CEF.

Statement of Investment Objectives and Policy for Portage Bay Insurance (PBI)

The PBI policy now excludes the Self-Insurance Revolving Fund (SIRF) from the policy document. (*See page 1*). This change recognizes Portage Bay Insurance, a captive insurance company of the University established in 2002, as the ongoing business concern for the insurance programs of the University. The SIRF is in liquidation mode and expected to close out in 2008.

The policy is further amended to allow implementation of the investment strategy through separate investment management accounts and/or through one or more of the commingled funds (the IF and the CEF) of the University. The latter option would be pursued if justified by higher risk-adjusted returns, lower costs or improved operational efficiency.

Finally, delegations are streamlined to better reflect the management of the fund.

Statement of Investment Objectives and Policy for Deferred and Other Gift Assets

There are no material changes in substance or delegations.

REVIEW PROCESS:

The CEF policy recommendation was developed by the Chief Investment Officer in consultation with the University of Washington Investment Committee

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Draft Amendment to Investment Policies (continued p. 3)

(UWINCO), the Treasurer of the Board of Regents and the University's investment consultant, Cambridge Associates. It was further reviewed and revised following briefings with individual members of the Board of Regents and the University administration.

Revisions to policy, including overall asset allocation and spending policies, will continue to require the full endorsement of the Board of Regents. Annotated copies of the investment policies are attached.

ENCLOSURES:

Annotated "*Statement of Investment Objectives and Policy for the Consolidated Endowment Fund*"

Annotated "*Statement of Investment Objectives and Policy for the Invested Funds*"

Annotated "*Statement of Investment Objectives and Policy for Portage Bay Insurance*"

Annotated "*Statement of Investment Objectives and Policy for the Deferred and Other Gift Assets*"

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Draft Amendment to Investment Policies

RECOMMENDED ACTION:

It is the recommendation of the University of Washington Investment Committee and the Finance, Audit and Facilities Committee that the Board of Regents adopt the following amended policies:

1. “Statement of Investment Objectives and Policy for the Consolidated Endowment Fund”
2. “Statement of Investment Objectives and Policy for Invested Funds”
3. “Statement of Investment Objectives and Policy for Portage Bay Insurance”
4. “Statement of Investment Objectives and Policy for Deferred and Other Gift Assets”

BACKGROUND:

In 1988, the Board of Regents adopted investment policies for the Consolidated Endowment Fund and the Invested Funds of the University of Washington. These were followed in 1992 with the investment policy for Deferred and Other Gift Assets and in 1997 with the investment policy for the Insurance Fund. Investment policies are reviewed on a continuing basis with periodic revisions reflecting the changing nature of the investment programs of the University. Key modifications to each investment policy are described below:

Statement of Investment Objectives and Policy for the Consolidated Endowment Fund (CEF)

Material changes are recommended to the asset allocation of the CEF (*Paragraph E*). The new target exposure to equities at 76% is little changed from the current mix – but the focus is more global in nature. Emerging market exposure is identified separately from developed international market exposure and assigned its own target and range. The increased risk from the higher allocation to emerging markets is offset by a reduction in non-marketable alternatives, primarily venture capital. Real assets will ramp up over the next two years, as both private and direct investment ideas are explored.

An “other” category is added to the strategy mix with no set target. The intention is to use this category to access market opportunities that fall outside the current strategy definitions, e.g. high yield debt. Usage is typically confined to irregular

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Draft Amendment to Investment Policies (continued p. 2)

market opportunities, typically of limited duration, that offer the potential for enhanced returns.

Policy ranges across the board are widened to facilitate active management of portfolio exposure. Performance is measured against a policy benchmark defined by the long-term target asset class weightings.

Statement of Investment Objectives and Policy for Invested Funds (IF)

Minor changes are recommended to the pool allocation of the IF (*Paragraph C*) which lowers the target allocation to the Cash Pool and increases the allocation to the CEF Pool. These changes reflect current practice. Other wording changes throughout the policy align it with the policy statement for the CEF.

Statement of Investment Objectives and Policy for Portage Bay Insurance (PBI)

The PBI policy now excludes the Self-Insurance Revolving Fund (SIRF) from the policy document. (*See page 1*). This change recognizes Portage Bay Insurance, a captive insurance company of the University established in 2002, as the ongoing business concern for the insurance programs of the University. The SIRF is in liquidation mode and expected to close out in 2008.

The policy is further amended to allow implementation of the investment strategy through separate investment management accounts and/or through one or more of the commingled funds (the IF and the CEF) of the University. The latter option would be pursued if justified by higher risk-adjusted returns, lower costs or improved operational efficiency.

Finally, delegations are streamlined to better reflect the management of the fund.

Statement of Investment Objectives and Policy for Deferred and Other Gift Assets

There are no material changes in substance or delegations.

REVIEW PROCESS:

The CEF policy recommendation was developed by the Chief Investment Officer in consultation with the University of Washington Investment Committee

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Draft Amendment to Investment Policies (continued p. 3)

(UWINCO), the Treasurer of the Board of Regents and the University's investment consultant, Cambridge Associates. It was further reviewed and revised following briefings with individual members of the Board of Regents and the University administration.

Revisions to policy, including overall asset allocation and spending policies, will continue to require the full endorsement of the Board of Regents. Annotated copies of the investment policies are attached.

ENCLOSURES:

Annotated "*Statement of Investment Objectives and Policy for the Consolidated Endowment Fund*"

Annotated "*Statement of Investment Objectives and Policy for the Invested Funds*"

Annotated "*Statement of Investment Objectives and Policy for Portage Bay Insurance*"

Annotated "*Statement of Investment Objectives and Policy for the Deferred and Other Gift Assets*"

UNIVERSITY OF WASHINGTON

STATEMENT OF INVESTMENT OBJECTIVES AND POLICY FOR THE CONSOLIDATED ENDOWMENT FUND

Approved by Board of Regents April 15, 1988

Amended December 15, 1989; February 16, 1990; September 17, 1993; October 22, 1993;
September 20, 1996; September 19, 1997; September 18, 1998; November 19, 1999; January 21,
2000; November 17, 2000; May 18, 2001; June 14, 2002; November 21, 2003; January 16, 2004;
June 11, 2004; July 16, 2004; and May 20, 2005

INTRODUCTION

The Board of Regents of the University of Washington is vested by statute with responsibility for the management of the properties of the University, including the Consolidated Endowment Fund and other University Funds. This statement of investment objectives and policies governs the investment management of the Consolidated Endowment Fund (CEF). This statement is effective until modified by the Board.

The Board has delegated to its Finance, Audit and Facilities Committee (FAF) the responsibility for overseeing the investment program within the general principles enumerated herein. In May 2001, the Board approved the establishment of an advisory committee (UWINCO) consisting of both Board members and external investment professionals. In 2004, the Board approved the appointment of the University's first Chief Investment Officer (CIO) to manage the day to day activities of the investment portfolios.

<p>A. INVESTMENT OBJECTIVES</p> <ol style="list-style-type: none">1. The overall financial objective of the CEF is to provide a level of support for programs (as determined by the CEF's spending policy summarized below) consistent with the CEF's purchasing power being maintained over time.2. The primary investment objective of the CEF is to provide a maximum level of return consistent with prudent risk levels. The specific investment objective of the CEF is to attain an average annual real total return (net of investment fees) of at least 6% over the long term (running five-year periods). The 6% target provides for a 5% distribution to endowed programs and a 1% administrative fee. Real total return is the sum of capital appreciation (or loss) and current income (dividends and interest) adjusted for inflation by the Consumer Price Index. It is recognized that the real return objective may be difficult to attain during every five-year period, but should be attainable over a series of five-year periods.3. Distributions to endowed programs over the long term will be 5% of the average market value of the CEF for the previous three years. In this way, the CEF's distributed income is expected to keep up with inflation and its capital value will be preserved over time.4. Over the long term (rolling five year periods), the CEF is expected to achieve returns which are at least comparable to the median return of the largest 50 colleges and universities in the Cambridge Associates Universe.5. The investment performance of the CEF will also be evaluated, on a risk-adjusted basis, against a representative blend of market indices which reflect the strategic asset allocation of the CEF. Over the long term (rolling five-year periods), the CEF's diversification is expected to generate risk-adjusted returns that meet or exceed those of blended market indices.	<p><i>No changes.</i></p>
<p>B. ETHICAL CONSIDERATIONS</p> <p>While fiscal goals are of central importance, due consideration shall be given to the degree of corporate responsibility exercised by the companies in which investments are made.</p>	<p><i>No changes.</i></p>

<p>C. INVESTMENT PHILOSOPHY</p> <p>The investment of the CEF is based on a set of beliefs and practices:</p> <ol style="list-style-type: none"> 1. Invest for the long term <ol style="list-style-type: none"> a. Preserve capital for use by future generations b. Rely on asset allocation as the primary determinant of return c. Avoid market timing short-term speculative activity d. Accept illiquidity if justified by higher alpha e. 2. Build a well-diversified portfolio <ol style="list-style-type: none"> a. Limit risk by combining uncorrelated strategies b. Maintain meaningful exposure to major capital markets c. Tilt towards value strategies d. Employ fundamental research-driven and bottom-up strategies e. 3. Take advantage of global market inefficiencies <ol style="list-style-type: none"> a. Invest primarily with active managers b. Use indexed and enhanced indexed strategies where appropriate c. Incorporate investment ideas sourced through internal proprietary research d. Focus resources on inefficient markets (e.g., venture capital, hedge funds, emerging markets) e. Manage portfolio exposures actively in response to changing market conditions 	<p><i>Avoidance of short-term speculative activity specifically indicated.</i></p> <p><i>Emphasis on global markets.</i></p> <p><i>Recognize increasing importance of proprietary research.</i></p> <p><i>Actively manage portfolio exposures.</i></p>
<p>D. INVESTMENT MANAGEMENT STRUCTURE</p> <ol style="list-style-type: none"> 1. The CEF will be invested primarily by external investment managers. External investment management firms will be selected on the basis of factors including, but not limited to, the following: the experience of key personnel; investment philosophy; assets under management; organizational structure; performance record; fees; the firm’s ethical and financial viability and its structural fit within the CEF. 2. Equities (including domestic equity, international equity and alternative equity), real assets, and bonds will primarily be managed separately. In the interest of diversification, the equity portion of the portfolio will be placed with managers who have distinct and different investment philosophies. The investment managers have the discretion to manage the assets in their individual portfolios to best achieve the investment objectives and requirements set forth in this policy statement and in their individual investment guidelines. 	<p><i>No changes.</i></p>
<p>E. PORTFOLIO COMPOSITION AND ASSET ALLOCATION</p> <ol style="list-style-type: none"> 1. To achieve its investment objective, the CEF will be divided into three parts: an “Equity Fund”, a “Real Assets Fund” and a “Fixed Income Fund.” Sub-categories of these three major asset classes, each with its own target and range, may also be specified. The purpose of dividing the funds in this manner is to ensure that the overall asset allocation among the three Funds remains under the regular scrutiny of the Finance, Audit and Facilities Committee and UWINCO. Over the long run, the allocation among and within the Equity, Real Assets and Fixed Income Funds may be the single most important determinant of the CEF’s investment performance. <p>The policy portfolio is structured using long-term targets and ranges. The target asset allocation reflects the long-term risk and return objective of the CEF and establishes a normative allocation against which shorter-term asset allocation decisions can be gauged. Ranges allow for tactical shifts among asset classes in response to the changing dynamics in capital markets. Wider ranges facilitate rebalancing and the active management of risk at the total portfolio level.</p>	<p><i>There are material changes in the structure of the “Equity Fund” (a shift of assets from domestic to international securities; an increase in the “Real Assets Fund”; and a decrease in the “Fixed Income Fund”)</i></p> <p><i>Strategic bands around the target asset allocations have been widened.</i></p>

E. PORTFOLIO COMPOSITION AND ASSET ALLOCATION (con't)

Strategic Asset Allocation CURRENT POLICY		
	Long-term Target	Policy Range
Domestic Equity	30%	25–35%
International Equity – Developed and Emerging Markets	15%	10–20%
Marketable Alternatives	15%	10–20%
Non-Marketable Alternatives	15%	10–20% ⁽¹⁾
TOTAL EQUITY	75%	70–80% ⁽²⁾
Real Assets	5%	3–8%
TIPS	3%	0–3%
TOTAL REAL ASSETS	8%	5–10%
TOTAL FIXED INCOME	17%	12–22%

(1) Unfunded commitments for the Non Marketable Alternatives strategy will range from 125% to 150% of the policy target.

(2) Rebalancing will be automatically implemented if the Equity Fund ration exceeds 85% or falls below 65%

Strategic Asset Allocation RECOMMENDED POLICY		
	Long-term Target	Policy Range
Domestic Equity	18%	10-40%
International Equity – Developed Markets	20%	10-35%
International Equity – Emerging Markets	10%	5-15%
Marketable Alternatives	16%	5-25%
Non-Marketable Alternatives	12%	5-20% ⁽¹⁾
Other	0%	0 – 10%
TOTAL EQUITY	76%	60-90%
TOTAL REAL ASSETS	12%	5–20%
TOTAL FIXED INCOME	12%	5-35%

(1) Unfunded commitments for the Non Marketable Alternatives and Private Real Assets strategies will typically range from 100% to 150% of the policy target.

<ol style="list-style-type: none"> 2. The purpose of the Equity Fund is to provide a total return that will simultaneously provide for growth in principal and current income in support of spending requirements, while at the same time preserving the purchasing power of the CEF's assets. It is recognized that the Equity Fund entails the assumption of greater market variability and risk. 3. The purpose of the Real Assets Fund (real assets and TIPS-Treasury Inflation Protected Securities) is to provide attractive risk adjusted returns and portfolio protection during inflationary periods. 4. The purpose of the Fixed Income Fund (bonds and cash equivalents) is to provide a deflation hedge, to reduce the overall volatility of the CEF, and to produce current income in support of spending needs. 5. Direct investments in tobacco companies are prohibited. 6. Risk is managed primarily through diversification. The CEF will be diversified both by asset class (e.g., equities, bonds, cash equivalents, non-U.S. securities, marketable and non-marketable alternatives, real assets) and within asset classes (e.g., within equities by country, economic sector, industry, quality, and size). Derivatives may be used to adjust exposures within or across asset classes in order to improve the risk / return profile of the CEF. The purpose of diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the total fund. 7. Aggregate portfolio risk is managed to minimize uncompensated, unanticipated and inappropriate risks. Both quantitative measures and qualitative judgment will be used in assessing and managing risk. 	<p><i>Diversification is identified as the primary portfolio risk management technique.</i></p> <p><i>Derivatives are specifically identified as available tools to adjust portfolio exposures.</i></p> <p><i>Emphasis placed on aggregate portfolio risk management.</i></p>
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F. GUIDELINES FOR THE EQUITY FUND	<i>Acknowledge use of derivatives in the implementation of the Equity Fund.</i>
1. The objective for the Equity Fund is to outperform, net of commissions and fees, a representative risk-adjusted blend of market indices which reflect the strategic asset allocation of the Equity Fund. In addition, performance on each sub-category of the Equity Fund will be monitored against the average return of a representative universe of active managers and/or fund of funds. Performance will be monitored on a regular basis and evaluated over running three- to five-year periods.	<i>Allow opportunistic use of investments that are not easily defined within the strategy descriptions. Such opportunities would be pursued only if believed to have a positive marginal impact on the performance of the CEF. The use of a separate category provides greater transparency when such opportunities are pursued.</i>
2. The Equity Fund will be broadly diversified by country, economic sector, industry, number of holdings, number of managers, and other investment characteristics. To achieve its investment objective, the Equity Fund may contain a mix of actively and passively managed strategies. Direct and derivative investments, commingled funds, private limited partnerships and fund of funds may be used.	
3. With the exception of passive strategies, assets under management by individual active equity managers – including quasi-index managers – will not exceed 20% of the CEF. A manager with an allocation close to 20% will be characterized by a diversified, highly liquid portfolio; a stable management team; a varied client base; and significant assets under management.	
4. Decisions as to individual country and security selection, security size and quality, number of industries and holdings, current income levels, turnover and the other tools employed by active managers are left to broad manager discretion. The usual standards of fiduciary prudence set forth in this policy statement and in individual investment management agreements and guidelines apply.	
5. If allowed under their individual investment guidelines, equity managers may at their discretion hold investment reserves of either cash equivalents or bonds, but with the understanding that performance will nonetheless be measured against a representative stock index. Derivatives (currency forwards, options, futures, etc.) may be used to manage certain exposures (such as currency or market risk) if so specified under individual investment manager guidelines.	
6. The objective of the Non-marketable Alternatives (venture capital, buyout and opportunistic funds) strategy is to enhance the long-term return of the CEF.	
7. The objective of the Marketable Alternatives (long-short equity, event-driven arbitrage and relative value funds) strategy is to provide consistently positive real returns and portfolio protection in down markets.	
8. The “other” category allows investment in opportunistic areas of the market, such as high yield or emerging markets bonds, which do not fit within the existing strategy definitions. The objective of the “other” category is to enhance the return of the CEF.	

<p>G. GUIDELINES FOR THE REAL ASSETS FUND</p> <ol style="list-style-type: none"> 1. The objective for the Real Assets Fund is to outperform, net of commissions and fees, a weighted average benchmark of relevant indices for real estate, commodities and Treasury Inflation Protected Securities (TIPS) on a risk-adjusted basis. Performance will be monitored on a regular basis and evaluated over running three- to five-year periods. 2. The real estate portion of the Real Assets Fund will be diversified by property type and geography. The University will invest in public and private real estate vehicles both domestically and internationally. Emphasis will be placed on investments in private real estate partnerships employing value-added and opportunistic strategies. Implementation may also include direct investment in real estate. Investments in publicly traded Real Estate Investment Trusts (REITS) will be made primarily to achieve exposure to core real estate. 3. An allocation to TIPS, commodities, and other real assets may be included within the Real Assets Fund. Implementation through public mutual funds, private partnerships, derivatives and direct investments is allowed. Both domestic and international investment vehicles may be used. These assets provide diversification, portfolio protection during inflationary periods, and support spending during prolonged economic contractions. 4. Decisions as to individual security, property, or asset selection are left to broad manager discretion. The usual standards of fiduciary prudence set forth in this policy statement and in individual investment management agreements and guidelines apply. 5. If allowed under their individual investment guidelines, Real Asset Fund managers may at their discretion hold investment reserves of either cash equivalents or bonds, but with the understanding that performance will nonetheless be measured against a representative index. 	<p><i>Real Assets Fund implementation vehicles further defined in policy.</i></p>
<p>H. GUIDELINES FOR THE FIXED INCOME FUND</p> <ol style="list-style-type: none"> 1. The objective of the Fixed Income Fund is to outperform, net of commissions and fees, the Lehman Brothers Government Bond Index on a risk-adjusted basis. In addition, performance will be monitored against the average return of a representative universe of active fixed income managers. Performance will be monitored on a regular basis and evaluated over running three- to five-year periods. 2. The Fixed Income Fund may contain money market instruments, domestic and foreign bonds and other investment vehicles with risk / return characteristics consistent with the investment goal(s) of the Fund. Equities and convertibles (if the latter are bought at prices above their investment value) are generally excluded. Derivatives (currency forwards and options, futures, swaps and mortgage-related structured notes) may be used to manage certain exposures (such as currency or prepayment risk) if so specified under individual investment manager guidelines. 3. Fixed Income Fund managers are expected to employ active management techniques, including maturity, sector and quality considerations. Implementation may also be achieved through commingled funds, limited partnerships and fund-of-funds. 4. Marketable alternatives may be used as fixed income substitutes to provide an uncorrelated source of return with low volatility. 	<p><i>Further definition of investments used in the implementation of the Fixed Income Fund.</i></p>
<p>I. GUIDELINES FOR TRANSACTIONS</p> <p>As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best realized price. Commissions may be designated for payment of services rendered to the University in connection with investment management.</p>	<p><i>No changes.</i></p>

<p>J. MONITORING OF OBJECTIVES AND RESULTS</p> <ol style="list-style-type: none"> 1. All objectives and policies are in effect until modified. The Finance, Audit and Facilities Committee with advice from the Chief Investment Officer (CIO) and UWINCO will review these periodically for their continued appropriateness. It is anticipated that changes to the asset allocation targets and ranges will be made infrequently. 2. The CEF portfolios will be monitored on a continual basis for consistency in investment philosophy; return relative to objectives; and investment risk as measured by asset concentrations; exposure to extreme economic conditions; and market volatility. Performance will be reviewed at least annually by the Finance, Audit and Facilities Committee and with UWINCO on a quarterly basis. Results will be evaluated over longer time frames including the inception period, running three- to five-year periods, and complete market cycles. 3. The CIO will review individual managers as needed in order to confirm that performance expectations remain in place. In addition, portfolio activity will be reported on a regular basis to the Finance, Audit and Facilities Committee and UWINCO. 4. A statement of investment objectives and guidelines will be maintained for each public investment manager where the University’s assets are managed in a separate account. 	<p><i>Emphasis on continuous monitoring and reporting to UWINCO and the FAF.</i></p> <p><i>Note that the asset allocation targets and ranges are designed for infrequent change and adjustment.</i></p>
<p>K. DELEGATIONS</p> <p>Delegations related to the management of the University’s investment portfolios are as follows:</p> <ol style="list-style-type: none"> 1. Board of Regents: <ol style="list-style-type: none"> a. Approve investment policies which guide the management of the University’s investment portfolios. This includes but is not limited to the strategic asset allocation, performance goals, spending and delegations. b. Establish membership criteria and operational procedures for the Investment Committee (UWINCO). Approve appointment of UWINCO members. c. Approve appointment of the Treasurer of the Board of Regents and the Chief Investment Officer. <p>Liquidate quasi-endowments. These funds represent assets donated to the University which have been accepted by the Board of Regents or its administrative designee as “quasi-endowments.” The decision to place the assets in a quasi-endowment is based on administrative recommendation and can therefore be reversed. Full or partial liquidation of quasi-endowments valued at \$1 million or higher requires action by the full Board of Regents. Full or partial liquidation of quasi-endowments valued at less than \$1 million is delegated to the Finance, Audit and Facilities Committee of the Board of Regents.</p> 	<p><i>Recognize authority of the Board of Regents in approving the appointments of UWINCO members, the Treasurer and the CIO.</i></p> <p><i>UWINCO members formerly appointed by the Chair of the BoR.</i></p>
<ol style="list-style-type: none"> 2. Chair of the Board of Regents: <ol style="list-style-type: none"> a. Appoint Recommend members of the Investment Committee (UWINCO) for formal approval by the Board of Regents. Recommendations will be made in consultation with the Chair of the Finance, Audit and Facilities Committee, other members of the Board of Regents and the Chief Investment Officer (CIO). b. Approve investment manager appointments and direct investments in situations where the CIO and the UWINCO Chair are unavailable or unable to do so. 	<p><i>Formal appointment of UWINCO members now by the BoR.</i></p>
<ol style="list-style-type: none"> 3. Finance, Audit and Facilities Committee: <ol style="list-style-type: none"> a. Oversee the University’s investment programs within the broad guidelines established by the investment policies. b. Appoint the University’s investment consultant(s). c. Recommend endowment spending policy changes to the Board for approval. It is anticipated that such changes will be infrequent. d. Review the asset allocation and strategy recommendations of the CIO and UWINCO. Recommend policy changes as appropriate to the Board of Regents. e. Establish Recommend criteria for UWINCO membership and procedures for UWINCO meetings for approval by the Board of Regents. 	<p><i>Formal approval of UWINCO membership criteria and operational procedures now by the BoR.</i></p>

<p>4. Chair of the Finance, Audit and Facilities Committee:</p> <p>a. Serve as Chair of UWINCO or appoint a Regent designee.</p>	<p><i>No changes.</i></p>
<p>5. Regent Chair of UWINCO:</p> <p>a. Assume responsibility for the appointment of investment managers and approval of direct investments in situations where the CIO is unavailable or unable to do so. Recommendations will be developed in conjunction with the Treasurer of the Board of Regents and UWINCO members involved in due diligence on specific managers and strategies.</p>	<p><i>Authority expanded to include direct investments.</i></p>
<p>6. Investment Committee (UWINCO):</p> <p>a. Advise the Finance, Audit and Facilities Committee, the Treasurer of the Board of Regents and the Chief Investment Officer on matters relating to the management of the University's investment portfolios. This includes, but is not limited to, advice on overall asset allocation, performance goals, portfolio risk, new investment strategies, strategy implementation, manager identification and due diligence.</p> <p>b. UWINCO members shall not participate in the formulation or rendering of UWINCO advice where their participation could be influenced by financial or other considerations that would reasonably appear to conflict with their UWINCO obligations to only consider the best interest of the University. Where a member is uncertain about this rule, the member should consult the Treasurer, who will seek the advice of the Attorney General as appropriate.</p>	<p><i>Portfolio risk added to list of UWINCO advisory areas.</i></p>
<p>7. Executive Vice President:</p> <p>a. Approve investment management agreements, limited partnership agreements, custody agreements and other investment related documents upon satisfactory completion of reviews as appropriate by the State Attorney General, outside legal counsel and the University's investment consultant. Approval authority is delegated to the Treasurer of the Board of Regents when the Executive Vice President is otherwise unavailable.</p> <p>b. Administer internal fees for management and administrative activities related to the endowment.</p> <p>c. Approve use (if any) of professional staff bonus pool.</p>	<p><i>Approval authority over bonus pool moved to the EVP.</i></p> <p><i>With the addition of the CIO, some administrative authorities are delegated to the Treasurer.</i></p>
<p>8. Treasurer of the Board of Regents:</p> <p>a. Appoint the Chief Investment Officer and approve use (if any) of professional staff bonus pool. The CIO reports to the Treasurer of the Board of Regents. Assume supervisory responsibility for the CIO position.</p> <p>b. Approve investment custodian appointment(s).</p> <p>c. Assume the responsibilities of the CIO when the position is vacant. The exceptions to this delegation are the appointment of investment managers and the approval of direct investments (paragraph K9d) which are extended to the Regent Chair of UWINCO.</p> <p>d. Execute investment management agreements, limited partnership agreements, custody agreements and other investment related documents upon satisfactory completion of reviews as appropriate by the State Attorney General, outside legal counsel and the University's investment consultant. This authority is delegated to the Chief Investment Officer when the Treasurer is otherwise unavailable.</p>	<p><i>CIO appointment now by the BoR. Approval to use bonus pool moved to EVP.</i></p> <p><i>The Treasurer has additional administrative authorities formerly delegated to the EVP.</i></p>

<p>9. Chief Investment Officer:</p> <ul style="list-style-type: none"> a. Manage the day-to-day activities of the University’s investment portfolios within the broad guidelines established by the investment policies. b. Approve tactical moves relative to long-term policy targets when warranted by market conditions or risk considerations. The deliberate decision to overweight or underweight a strategy relative to its policy target is made in consultation with UWINCO, the University’s investment consultant(s) and the Treasurer of the Board of Regents. c. Seek the advice of the University’s investment consultant(s) and members of the UWINCO on issues related to the management of the investment portfolios. Incorporate such advice in the implementation of the investment program. d. Appoint new investment managers and approve direct investments. Approved investments shall fall within the policy guidelines adopted by the Board of Regents. e. Approve follow-on limited partnership investments. f. Approve the dollar value of assets allocated to new and existing investment managers and reallocate assets among managers in accordance with long-term strategic targets. g. Approve individual investment manager guidelines. h. Monitor individual investment managers on a regular basis to ensure that performance and compliance expectations are met. i. Monitor aggregate portfolio risk regularly to insure that the long-term purchasing power of the CEF is preserved. j. Approve use of derivatives to manage the aggregate portfolio risk/return profile. This includes the use of swaps, options, futures and other derivative products to adjust exposures, to equitize cash, or to rebalance across asset classes. k. Approve appropriate usage and timing of leveraged strategies within the CEF. l. Terminate investment managers, including the authority to liquidate limited partnership interests or to reduce strategy exposures through other means. The Chair of the Finance, Audit and Facilities Committee and the Chair of UWINCO will be notified immediately. This authority is typically exercised due to performance concerns, organizational changes, or structural considerations within the UW investment portfolio. m. Take action as appropriate in support of shareholder resolutions related to human rights violations in Burma. This delegation will remain in effort until December 31, 2007. 	<p><i>Tactical over or underweighting of portfolio exposures by the CIO reflects an active management of the risk-return tradeoffs.</i></p> <p><i>Importance of regular risk monitoring to insure that endowment objectives are met is stressed.</i></p> <p><i>Ability to use derivatives and implement leveraged strategies as portfolio risk / return management tools specifically granted to the CIO.</i></p>
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UNIVERSITY OF WASHINGTON

STATEMENT OF INVESTMENT OBJECTIVES AND POLICY

FOR INVESTED FUNDS

Approved by Board of Regents May 20, 1988

Amended November 18, 1988; January 18, 1991; July 17, 1992; September 17, 1993;
September 20, 1996; September 19, 1997; November 19, 1999; January 21, 2000; May 18,
2001; June 14, 2002; November 21, 2003; January 16, 2004; July 16, 2004;
and May 20, 2005

INTRODUCTION

The Board of Regents of the University of Washington is vested by statute with responsibility for the management of the properties of the University. This statement of investment objectives and policies governs the investment management of the Invested Funds (IF). This statement is effective until modified by the Board.

The Board has delegated to its Finance, Audit and Facilities Committee (FAF) the responsibility for overseeing the investment program within the general principles enumerated herein. In May 2001, the Board approved the establishment of an advisory committee (UWINCO) consisting of both Board members and external investment professionals. **In 2004, the Board approved the appointment of the University's first Chief Investment Officer (CIO) to manage the day to day activities of the investment portfolios.**

<p>A. INVESTMENT OBJECTIVES</p> <ol style="list-style-type: none">1. The overall financial objective of the IF is to enable the University to meet its financial obligations as they come due. A secondary objective is to achieve investment returns above those of money market instruments.2. The investment performance of the IF will be evaluated, on a risk-adjusted basis, relative to a blend of market indices that reflect the overall asset allocation of the fund.	<p><i>No changes.</i></p>
<p>B. INVESTMENT MANAGEMENT STRUCTURE</p> <ol style="list-style-type: none">1. The Invested Funds will be invested primarily by external investment management firms. External investment management firms will be	<p><i>No changes.</i></p>

selected on the basis of factors including but not limited to the following: the experience of key personnel; investment philosophy; assets under management; organizational structure; performance record; investment management fees; and the firm's ethical and financial viability.

2. Funds may also be invested in bank short-term investment funds and in approved instruments managed internally by University financial personnel.

C. PORTFOLIO COMPOSITION AND POOL ALLOCATION

1. The IF shall be divided into three pools:

Pool Allocation

	<u>Target</u>	<u>Policy Range</u>	<u>Global Range Within Each Pool</u>
<i>Cash Pool</i> ^(2,4,5,6)	25% 20%	20-40% 10-40%	0-40%
<i>Liquidity Pool</i> ^(3,4,5,6)	50%	30-60%	0-25%
<i>D.I.P. CEF Pool</i> ^(6,7)	25% 30%	15-40%	15-35%

2. The Cash Pool will be invested in a portfolio of high quality short to intermediate-term fixed-income securities. The maximum average duration of the portfolio will be three years. The Cash Pool will have an average quality rating of "AA".
3. The Liquidity Pool will be invested in a portfolio of high quality intermediate-term fixed-income securities with an average duration that may vary modestly from the benchmark. The Liquidity Pool will have at least half of its funds invested in obligations of the U.S. Government and its agencies. The Liquidity Pool will have an average quality rating of at least "A".
4. Global strategies may be employed in the Cash Pool and the Liquidity Pool if so specified under individual investment manager guidelines. Non-U.S. fixed-income securities will be subject to the equivalent quality and duration guidelines as domestic fixed-income securities. Manager performance will be evaluated against the domestic benchmarks specified in Paragraph D.
5. **Direct and derivative investments in fixed income substitutes may be used in the Cash Pool and the Liquidity Pool to improve the aggregate risk / return profile of the IF. Pool performance will be evaluated the domestic benchmarks specified in Paragraph D.**

Changes to policy targets and ranges reflect practice of managing cash more tightly and maximizing allocation to corporate securities. The constitutional prohibition limits investment in corporate securities to total non-endowed gift dollars in the IF (historically 30 – 35%).

Fixed income substitutes may be used to improve the risk / return

<p>6. Direct investments in tobacco companies are prohibited.</p> <p>7. The Diversified Investment Pool (DIP) CEF Pool will invest directly in the Consolidated Endowment Fund (CEF) through the periodic purchase and sale of CEF units. This Pool is subject to the provisions contained in the “Statement of Investment Objectives and Policy for the Consolidated Endowment Fund.</p>	<p><i>profile of the IF.</i></p> <p><i>“Diversified Investment Pool” renamed “CEF Pool” to better reflect investment approach</i></p>
<p>D. GUIDELINES FOR THE INVESTMENT POOLS</p> <p>1. The objective of the Cash Pool will be to meet the day-to-day obligations of the University. The Cash Pool performance objective is to outperform, net of commissions and fees, the Salomon Brothers Two-Year Treasury Index on a risk-adjusted basis. Performance will be monitored on a regular basis and evaluated over rolling three-to-five year periods.</p> <p>2. The objective of the Liquidity Pool will be to provide a liquid source of funds in the event the Cash Pool is insufficient to meet the University’s cash needs. The Liquidity Pool performance objective is to outperform, net of commissions and fees, the Intermediate Lehman Brothers Government Bond Index on a risk-adjusted basis. Performance will be monitored on a regular basis and evaluated over rolling three-to-five year periods.</p> <p>3. The objective of the Diversified Investment Pool CEF Pool will be to provide a flow of financial support to University programs that will grow at least as fast as the rate of inflation (as measured by the Consumer Price Index). In addition, the Diversified Investment Pool CEF Pool shall provide a source of funds in the very unlikely event the Cash Pool and Liquidity Pool are insufficient to meet the University’s day-to-day obligations.</p> <p>4. The IF may include state funds for which there are investment limitations established by law or regulation. The University will ensure that there are sufficient legally allowable securities in the pool to collateralize the state funds position by 102 percent. State funds are defined as funds appropriated by the legislature and local funds used to offset such appropriations. This definition includes both the state general fund and the general/local fund but does not include the dedicated local fund (indirect cost recoveries) or the restricted local fund (gifts, grants and contracts). It also excludes cash balances of the University’s business enterprises, annuity and life income funds, endowments, and trust funds.</p>	<p><i>Wording clarification.</i></p>

<p>E. GUIDELINES FOR TRANSACTIONS</p> <p>As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best-realized price. Commissions may be designated for payment of services rendered to the University in connection with investment management.</p>	<p><i>No changes.</i></p>
<p>F. MONITORING OF OBJECTIVES AND RESULTS</p> <ol style="list-style-type: none"> 1. All objectives and policies are in effect until modified. The Finance, Audit and Facilities Committee with advice from the Treasurer of the Board of Regents, the Chief Investment Officer and/or UWINCO will review these periodically for their continued appropriateness. 2. The Invested Funds portfolios will be monitored on a continual basis for consistency in investment philosophy; return relative to objectives; investment risk as measured by asset concentrations; exposure to extreme economic conditions; and market volatility. Performance will be reviewed at least annually by the Finance, Audit and Facilities Committee. Results will be evaluated over longer time frames including the inception period, running three- to five-year periods, and complete market cycles. 3. The CIO will review the individual managers as needed in order to confirm that performance expectations remain in place. In addition, portfolio activity will be reviewed as needed reported on a regular basis to the Finance, Audit and Facilities Committee 4. A statement of investment objectives and guidelines will be maintained for each public investment manager where the University's assets are managed in a separate account. 	<p><i>Minor wording changes to align IF policy with the CEF policy.</i></p>
<p>G. DELEGATIONS</p> <p>Delegations related to the management of the University's investment portfolios are as follows:</p> <ol style="list-style-type: none"> 1. Board of Regents: <ol style="list-style-type: none"> a. Approve investment policies which guide the management of the University's investment portfolios. This includes but is not limited to the strategic asset allocation, performance goals and delegations. b. Establish membership criteria and operational procedures for the 	<p><i>Recognize authority of the Board of Regents in approving the appointments of UWINCO members, the Treasurer and the CIO.</i></p> <p><i>UWINCO</i></p>

<p>Investment Committee (UWINCO). Approve appointment of UWINCO members.</p> <p>c. Approve appointment of the Treasurer of the Board of Regents and the Chief Investment Officer.</p>	<p><i>members formerly appointed by the Chair of the BoR.</i></p>
<p>2. Chair of the Board of Regents:</p> <p>a. Appoint Recommend members of the Investment Committee (UWINCO) for formal appointment by the Board of Regents. Recommendations will be made in consultation with the Chair of the Finance, Audit and Facilities Committee, other members of the Board of Regents and the Chief Investment Officer (CIO).</p> <p>b. Approve investment manager appointments and direct investments when the CIO and the UWINCO Chair are unavailable or unable to do so.</p>	<p><i>Formal appointment of UWINCO members now by the BoR.</i></p>
<p>3. Finance, Audit and Facilities Committee:</p> <p>a. Oversee the University’s investment programs within the broad guidelines established by the investment policies.</p> <p>b. Appoint the University’s investment consultant(s).</p> <p>c. Review the asset allocation and strategy recommendations of the Chief Investment Officer (CIO) and UWINCO. Recommend policy changes as appropriate to the Board of Regents.</p> <p>d. Recommend criteria for UWINCO membership and procedures for UWINCO meetings for approval by the Board of Regents.</p>	<p><i>Formal approval of UWINCO membership criteria and operational procedures now by the BoR.</i></p>
<p>4. Chair of the Finance, Audit and Facilities Committee:</p> <p>a. Serve as Chair of UWINCO or appoint a Regent designee.</p>	<p><i>No changes.</i></p>
<p>5. Regent Chair of UWINCO:</p> <p>a. Assume responsibility for the appointment of investment managers and direct investments when the CIO position is vacant. Recommendations will be developed in conjunction with the Treasurer of the Board of Regents and UWINCO members involved in due diligence on specific managers and strategies.</p>	<p><i>Authority expanded to include direct investments.</i></p>
<p>6. Investment Committee (UWINCO):</p>	

<ul style="list-style-type: none"> a. Advise the Finance & Audit Committee and Treasurer of the Board of Regents/Chief Investment Officer on matters relating to the management of the University’s investment portfolios. This includes, but is not limited to, advice on overall asset allocation, performance goals, portfolio risk, new investment strategies, strategy implementation, manager identification and due diligence. b. UWINCO members shall not participate in the formulation or rendering of UWINCO advice where their participation could be influenced by financial or other considerations that would reasonably appear to conflict with their UWINCO obligations to only consider the best interest of the University. Where a member is uncertain about this rule, the member should consult the Treasurer, who will seek the advice of the Attorney General as appropriate. 	<p><i>Portfolio risk added to list of UWINCO advisory areas.</i></p>
<p>7. Executive Vice President:</p> <ul style="list-style-type: none"> a. Approve investment management agreements, limited partnership agreements, custody agreements and other investment related documents upon satisfactory completion of reviews as appropriate by the State Attorney General, outside legal counsel and the University’s investment consultant. Approval authority is delegated to the Treasurer of the Board of Regents when the Executive Vice President is otherwise unavailable. b. Loan funds from the Invested Funds Diversified Investment Pool for periods up to five years to campus departments as long as such loans do not materially reduce the investment return to the Fund Pool. No more than five 15 percent of the IF DIP will be loaned without consultation with the Finance, Audit and Facilities Committee. c. Approve the use of the Diversified Investment Pool CEF Pool as an alternative investment vehicle for qualifying campus units. Generally, a minimum of \$10 million in Invested Funds balances and an investment time horizon of at least three years will be required for consideration. d. Administer internal fees for management and administrative activities related to the Invested Funds. 	<p><i>With the addition of the CIO, some administrative authorities are delegated to the Treasurer.</i></p> <p><i>Funding source for internal loans now identified as the total IF rather one of its pools.</i></p>

<p>8. Treasurer of the Board of Regents</p> <ul style="list-style-type: none"> a. Appoint the Chief Investment Officer and approve use (if any) of professional staff bonus pool. The CIO reports to the Treasurer of the Board of Regents. Assume supervisory responsibility for the CIO position. b. Allocate funds among the three Invested Funds’ investment pools under policies established by and subject to review by the Investment Committee (UWINCO). c. Approve investment custodian appointment(s). d. Assume the responsibilities of the CIO when the position is vacant. The exception to this delegation is the appointment of investment managers and the approval of direct investments (paragraph G8c) which is extended to the Regent Chair of UWINCO. e. Execute investment management agreements, limited partnership agreements, custody agreement and other investment related documents upon satisfactory completion of reviews as appropriate by the State Attorney General, outside legal counsel and the University’s investment consultant. This authority is delegated to the Chief Investment Officer when the Treasurer is otherwise unavailable. 	<p><i>CIO appointment now by the BoR.</i></p> <p><i>The Treasurer has additional administrative authorities formerly delegated to the EVP.</i></p>
<p>9. Chief Investment Officer</p> <ul style="list-style-type: none"> a. Manage the day-to-day activities of the University’s investment portfolios within the broad guidelines established by the investment policies. b. Seek the advice of the University’s investment consultant(s) and members of the UWINCO on issues related to the management of the investment portfolios. Incorporate such advice in the implementation of the investment program. c. Appoint new investment managers and approve direct investments. Approved investments shall fall within the policy guidelines adopted by the Board of Regents. d. Approve follow-on limited partnership investments. e. Approve the dollar value of assets allocated to new and existing investment managers and reallocate assets among managers in 	<p><i>Changes align with policy delegations in the CEF investment policy.</i></p> <p><i>Authority to approve direct investments, derivatives and leveraged strategies specifically granted to the CIO.</i></p>

<p>accordance with long-term strategic targets.</p> <ul style="list-style-type: none"> f. Approve individual investment manager guidelines. g. Monitor individual investment managers on a regular basis to ensure that performance and compliance expectations are met. h. Approve use of derivatives to manage the aggregate portfolio risk/return profile. This includes the use of swaps, options, futures and other derivative products to adjust exposures, to equitize cash, or to rebalance across asset classes. i. Approve appropriate usage and timing of leveraged strategies within the IF. j. Terminate investment managers, including the authority to liquidate limited partnership interests or to reduce strategy exposures through other means. The Chair of the Finance, Audit and Facilities Committee and the Chair of UWINCO will be notified immediately. This authority is typically exercised due to performance concerns, organizational changes, or structural considerations within the UW investment portfolio. k. Take action as appropriate in support of shareholder resolutions related to human rights violations in Burma. This delegation will remain in effort until December 31, 2007. 	
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UNIVERSITY OF WASHINGTON

STATEMENT OF INVESTMENT OBJECTIVES AND POLICY

FOR THE ~~SELF-INSURANCE REVOLVING FUND AND~~ PORTAGE BAY INSURANCE

Approved by Board of Regents November 21, 1997 (SIRF)

Amended January 21, 2000; May 18, 2001; June 14, 2002; November 21, 2003;
and May 20, 2005

With the exception of the footnote reference on page 1 of the policy document, reference to the Self-Insurance Revolving Fund has been struck from this policy document. This change reflects the liquidating nature of the Self-Insurance Revolving Fund and focuses the policy document on Portage Bay Insurance as the ongoing business concern.

INTRODUCTION

The Board of Regents of the University of Washington is vested by statute with responsibility for the management of the properties of the University. This statement of investment objectives and policy governs the investment management of *Portage Bay Insurance (PBI)*¹. This statement is effective until modified by the Board.

The Board delegated to its Finance, Audit and Facilities Committee the responsibility for overseeing its investment programs within the general principles enumerated herein.

<p>A. INVESTMENT OBJECTIVES</p> <ol style="list-style-type: none">1. The overall financial objective of the PBI is to provide for the payment of judgments and claims against the University, its schools, colleges, departments, hospitals and personnel. The secondary financial objective is to stabilize the University's risk financing costs.2. The primary investment objective of the PBI is to provide the University a maximum level of return subject to a low probability of negative returns over rolling three year periods. The secondary investment objective is to maximize long-term capital growth within acceptable risk levels.3. The investment performance of the PBI will also be evaluated, on a risk-adjusted basis, relative to a blend of market indices that reflect the overall asset allocation of the funds.	<p>No changes.</p>
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¹ In June of 2002, the University established Portage Bay Insurance, a separate corporation, to pay liabilities arising after July 1, 2002. This company will be operated concurrently with the Self-Insurance Revolving Fund (SIRF) until the assets of SIRF have been depleted in approximately 2008. PBI will be then the sole entity responsible for paying University insurance claims. PBI was initially capitalized with assets from the SIRF and is funded on an ongoing basis with University premiums.

<p>B. INVESTMENT MANAGEMENT STRUCTURE</p> <p>1. The <i>PBI</i> assets will be invested primarily by external investment managers. External investment management firms will be selected on the basis of factors including but not limited to the following: the experience of key personnel; insurance industry expertise; assets under management; asset/liability modeling capability; investment philosophy; ability to work effectively with the University’s existing actuarial and excess carrier relationships; organizational structure; performance record; investment management fees; and the firm’s ethical and financial viability.</p> <p>2. The University may invest the <i>PBI</i> assets in one or more of its institutional fund vehicles such as the operating fund (a.k.a. “Invested Funds”) or the Consolidated Endowment Fund if this alternative provides superior risk/return characteristics.</p>	<p><i>Implementation of the PBI investment strategy may be accomplished through the appointment of separate investment manager(s) dedicated to the investment of the insurance portfolios and/or through one of the University’s commingled fund vehicles.</i></p>
<p>C. PORTFOLIO COMPOSITION AND ASSET ALLOCATION</p> <p>1. The assets of the <i>PBI</i> will be held and monitored separately for investment purposes. The asset allocation of the two insurance portfolios may vary based upon liquidity and other considerations.</p> <p>2. To achieve its investment objective, the <i>PBI</i> investments will be divided into two parts: a “Fixed Income Portfolio” and an “Equity Portfolio”. The purpose of dividing the funds in this manner is to ensure that the overall asset allocation between these two major asset classes remains under the regular scrutiny of the Finance, Audit and Facilities Committee or its delegate.</p>	<p><i>To provide flexibility in managing portfolio exposure, the upper end of the equity portfolio range is widened.</i></p>

Asset Class	Long-term Target	Policy Range
Fixed Income Portfolio	75%	70% - 100% 65% - 100%
Equity Portfolio	25%	0 - 30% 0 - 35%

3. The purpose of the Fixed Income Portfolio is to produce current income to supplement discounted insurance premiums. The Fixed Income Portfolio performance objective is to outperform, net of commissions and fees, the Lehman Brothers Government Corporate Bond Index on a risk-adjusted basis. Performance will be monitored on a regular basis and evaluated over rolling three-to five year periods.

4. The Fixed Income Portfolio will be invested in a portfolio of fixed income securities with an average duration that may vary modestly from the benchmark. The Fixed Income Portfolio will have an average quality rating of at least "A".

5. The purpose of the Equity Portfolio is to provide a total return that will provide for growth in principal. It is recognized that the Equity Portfolio entails the assumption of greater market variability and risk. The Equity Portfolio performance objective is to outperform, net of commissions and fees, the S&P 500 index on a risk-adjusted basis. Performance will be monitored on a regular basis and evaluated over rolling three-to five year periods.

6. International securities may be employed in the Fixed Income Portfolio and the Equity Portfolio if so specified under individual investment manager guidelines. Manager performance will be evaluated against a domestic benchmark.

7. Direct and derivative investments, commingled funds and fund of funds may be used in implementing the asset allocation.

8. Direct investments in tobacco companies are prohibited.

9. Funds invested directly in a commingled fund portfolio managed by the University will be subject to the policy provisions contained therein.

Further description of available investment vehicles used in implementation is added to policy.

<p>D. GUIDELINES FOR TRANSACTIONS</p> <p>As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best realized price. Commissions may be designated for payment of services rendered to the University in connection with investment management.</p>	<p><i>No changes.</i></p>
<p>E. MONITORING OF OBJECTIVES AND RESULTS</p> <ol style="list-style-type: none"> 1. All objectives and policies are in effect until modified. The Finance, Audit and Facilities Committee will review these periodically for their continued appropriateness. 2. The PBI portfolio will be monitored on a continual basis for consistency in investment philosophy; return relative to objectives; and investment risk as measured by asset concentrations; exposure to extreme economic conditions; and market volatility. Portfolios will be reviewed at least annually by the Finance, Audit and Facilities Committee but results will be evaluated over longer time frames including the inception period, running three- to five-year periods, and complete market cycles. 3. The Treasurer of the Board of Regents will review individual managers as needed in order to confirm that performance expectations remain in place. 4. A statement of investment objectives and guidelines shall be maintained for each public investment manager where the University's assets are managed in a separate account. 	<p><i>No changes.</i></p>

F. DELEGATIONS

Delegations related to the management of the University's investment portfolios are as follows:

1. Board of Regents:

- a. Approve investment policies which guide the management of the University's investment portfolios. This includes but is not limited to the strategic asset allocation, performance goals and delegations.

2. Finance, Audit and Facilities Committee:

- a. Oversee the University's insurance programs within the broad guidelines established by the investment policies.
- b. Appoint the University's investment consultant(s).
- c. Review the asset allocation and strategy recommendations of the Treasurer of the Board of Regents. Recommend policy changes as appropriate to the Board of Regents.

~~Chair of the Finance, Audit and Facilities Committee:~~

- ~~d. Serve as Chair of UWINCO or appoint a Regent designee.~~

~~Regent Chair of UWINCO: _____~~

~~(intentionally blank)~~

~~Investment Committee (UWINCO):~~

- ~~e. Advise the Finance & Audit Committee and Treasurer of the Board of Regents/Chief Investment Officer on matters relating to the management of the University's investment portfolios. This includes, but is not limited to, advice on overall asset allocation, performance goals, new investment strategies, strategy implementation, manager identification and due diligence.~~
- ~~f. UWINCO members shall not participate in the formulation or rendering of UWINCO advice where their participation could be influenced by financial or other considerations that would reasonably appear to conflict with their UWINCO obligations to only consider the best interest of the University. Where a member is uncertain about this rule, the member should consult the Treasurer, who will seek the advice of the Attorney General as appropriate.~~

3. Executive Vice President / **Treasurer of the Board of Regents:**

Delegations simplified to reflect primary roles of the FAF Committee and the CIO in the management of the PBI investment portfolio.

- a. Approve investment management agreements, investment limited partnership agreements, custody agreements and other investment related documents upon satisfactory completion of reviews as appropriate by the State Attorney General, outside legal counsel and the University's investment consultant.

4. Chief Investment Officer

- a. Manage the day-to-day activities of the University's *PBI* investment portfolios within the broad guidelines established under this policy.
- b. Seek the advice of the University's investment consultant(s), Treasurer and members of the University of Washington Investment Committee (UWINCO) on issues related to the management of the investment portfolios.
- c. Appoint new investment firms to manage the University's insurance assets and investment custodians. Approved firms will pursue investment strategies that fall within the guidelines established in policy by the Board of Regents.
- d. Terminate existing investment relationships with firms responsible for the management of the University's insurance assets. This authority is typically exercised due to performance concerns, organizational changes, or structural considerations within the insurance portfolios.
- e. Approve the overall asset allocation of the *PBI* portfolios within the long-term ranges established under this policy.
- f. Approve the dollar value of assets allocated to new and existing investment firms responsible for the management of the University's insurance assets and reallocate assets among such managers in accordance with long-term strategic targets.
- g. Monitor individual investment firms on a regular basis to ensure that performance and compliance expectations are met.
- h. Approve individual investment manager guidelines.
- i. With input and direction from the Executive Director of Risk Management, direct asset/liability modeling of the *PBI* portfolios.

CIO assumes day-to-day management responsibilities formerly held by the Treasurer.

Indicates advisory role of the UWINCO, the Treasurer and the University's consultant in the management of the University's investment portfolios.

F-5.3/205: 5/19/05

UNIVERSITY OF WASHINGTON

STATEMENT OF INVESTMENT OBJECTIVES AND POLICY

FOR DEFERRED AND OTHER GIFT ASSETS

Approved by Board of Regents January 17, 1992

Amended September 19, 1997; May 18, 2001; November 21, 2003; and May 20, 2005

INTRODUCTION

The Board of Regents of the University of Washington is vested by statute with responsibility for the management of the properties of the University. The Board also acts as trustee for deferred gifts, including annuities and trusts. This statement of objectives and policies governs the investment management of deferred gift assets (including trusts and annuities) and other non-consolidated gift assets (including real estate, debt instruments secured by real estate, closely held stock, and partnership interests). This statement is effective until modified by the Board.

The Board has delegated to its Finance, Audit and Facilities Committee the responsibility for overseeing its deferred gift investment program within the general principals enumerated herein. The Committee has the authority to further delegate responsibility for management/monitoring of these investments.

A. TYPES OF GIFTS

Deferred gift assets are available for investment when a donor transfers cash or assets to the University of Washington and obtains, in exchange, a life income based on the value of donated assets. The forms in which gifts may currently be established include: charitable gift annuity (no trust), charitable remainder unitrust, charitable remainder annuity trust, pooled income fund (pooled trust), and charitable lead trust. Each deferred gift plan has a signed standard agreement which specifies the type of plan, amount of the income payments, purpose and use of the deferred gift.

B. INVESTMENT OBJECTIVES

1. Deferred Gift Assets:
 - a. The primary financial objective for the investment management of deferred gift assets is to meet the payout requirements of the gift instrument. Secondly, the objective is to maximize the expected real value of the residual trust to the University of Washington with an appropriate level of risk given the first (and primary) objective.
2. Real Estate and Real Estate Contracts:

- a. Generally, the University of Washington will not agree to hold individual real estate gifts for investment purposes. The objective in accepting, retaining, and liquidating gift real estate is to obtain a fair return from the property in a timely manner relative to the expenses and effort required to hold, maintain and manage the property until disposition. The University of Washington may choose to finance the sale of real estate gifts if it is judged to provide the best return at an appropriate risk.
3. Other Non-Consolidated Gift Assets:
 - a. Generally, the University of Washington will not agree to hold gifts of tangible personal property (such as art or coin collections) for investment purposes. The University of Washington may hold securities in start-up, closely held companies or limited partnership interests for investment purposes, if the assets cannot be sold. Such positions will only be taken if there is an acceptable degree of risk relative to expected return to the University of Washington from holding such an asset.

C. INVESTMENT MANAGEMENT STRUCTURE

Deferred gift assets will be invested primarily by an external investment manager. External investment management firms will be selected on the basis of factors including but not limited to the following: the experience of key personnel; investment philosophy; assets under management; organizational structure; ability to provide or work closely with external deferred gift administrative services provider; performance record; investment management fees; and the firm's ethical and financial viability.

D. PORTFOLIO COMPOSITION AND ASSET ALLOCATION

1. Deferred gift assets will be broadly diversified using various commingled funds including stocks, bonds, and alternative assets such as venture capital or equity real estate. In certain cases, individual investment securities may be purchased and sold by the trusts, depending upon circumstances. These commingled funds (and, when applicable, securities) will be held in various deferred gifts in different ratios, depending on the income/total return characteristics that are desired for any individual gift.
2. When selecting a stock/bond mix, it is not necessary in all cases to make a selection that will produce an income level equal to the payout requirement. This will vary by gift vehicle and the express desires of the donor with respect to income production. Because higher stock/bond ratios are expected to produce higher rates of total return (but lower levels of income), higher ratios will be generally preferred when they are consistent with the guidelines and objectives of the individual gift plans.
3. Typically, stock/bond ratios will be selected with particular attention to the risk of asset erosion due to a severe decline in the stock market and the need to make an ongoing payout. The risk of the investment strategy selected will not exceed that of a 70/30

stock/bond portfolio except as approved by the Treasurer of the Board of Regents on a trust by trust basis.

4. In individual cases, as appropriate, the University of Washington may retain assets transferred by the donor (such as real estate, marketable securities or closely held stock), without diversification, provided the gift instrument permits such discretion and relieves the University of Washington of a duty to diversify the gift portfolio.

E. GUIDELINES FOR TRANSACTIONS

As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best realized price.

F. MONITORING OF OBJECTIVES AND RESULTS

Performance measurement reports for deferred gift assets will be prepared by the Office of the Treasurer. Benchmarks/universes will be consistent with the approach used for the Consolidated Endowment Fund and the Invested Funds of the University of Washington. Summary reports will be shared with the Finance, Audit and Facilities Committee or its delegate.

G. DELEGATIONS

Delegations related to the management and administration of the University's deferred gift investment portfolios are as follows:

1. Board of Regents:
 - a. Approve investment policies which guide the management of the University's investment portfolios. This includes but is not limited to the strategic asset allocation, performance goals and delegations.
2. Finance, Audit and Facilities Committee:
 - a. Oversee the University's investment programs within the broad guidelines established by the investment policies.
 - b. Appoint the University's investment consultant(s).
 - c. Review the asset allocation and strategy recommendations of the Treasurer of the Board of Regents. Recommend policy changes as appropriate to the Board of Regents.
3. Executive Vice President:
 - a. Approve investment management agreements, custody agreements and other investment related documents upon satisfactory completion of reviews as

appropriate by the State Attorney General, outside legal counsel and the University's investment consultant. Approval authority is delegated to the Treasurer of the Board of Regents when the Executive Vice President is otherwise unavailable.

4. Treasurer of the Board of Regents
 - a. Appoint deferred gifts investment manager and custodian.
 - b. Appoint deferred gifts external administrator.
 - c. **Seek the advice of the University's investment consultant(s), Chief Investment Officer and members of the University of Washington Investment Committee (UWINCO) as appropriate on issues related to the management of the deferred giving investment program.**
 - d. Approve investment manager guidelines.
 - e. Communicate key decisions, made in consultation with the Executive Vice President to the Finance, Audit and Facilities Committee.
 - f. Where appropriate, consult with the Vice President for Development and Alumni Relations and related personnel and/or the Director of Real Estate regarding deferred gift policy/guideline issues.
 - g. Monitor the deferred gifts' investment manager in order to confirm that the performance expectations remain in place.
5. Director of Real Estate
 - a. Make decisions regarding the liquidation of gift real estate in consultation with the Treasurer, the Vice President for Development and Alumni Relations and related personnel from both offices as appropriate.
6. Director of Gift Planning
 - a. With the concurrence of the Treasurer of the Board of Regents, or designee, recommend acceptance of current gifts of non-traditional investment assets, charitable lead trusts where the University is to act as trustee, bargain sale gifts of property, and partial interest gifts.

[See also Chapter I of the Standing Orders of the Board of Regents, Section (8), Gift Evaluation and Acceptance]

UNIVERSITY OF WASHINGTON

STATEMENT OF INVESTMENT OBJECTIVES AND POLICY FOR THE CONSOLIDATED ENDOWMENT FUND

Approved by Board of Regents April 15, 1988

Amended December 15, 1989; February 16, 1990; September 17, 1993; October 22, 1993;
September 20, 1996; September 19, 1997; September 18, 1998; November 19, 1999; January 21,
2000; November 17, 2000; May 18, 2001; June 14, 2002; November 21, 2003; January 16, 2004;
June 11, 2004; July 16, 2004; and May 19, 2005

INTRODUCTION

The Board of Regents of the University of Washington is vested by statute with responsibility for the management of the properties of the University, including the Consolidated Endowment Fund and other University Funds. This statement of investment objectives and policies governs the investment management of the Consolidated Endowment Fund (CEF). This statement is effective until modified by the Board.

The Board has delegated to its Finance, Audit and Facilities Committee (FAF) the responsibility for overseeing the investment program within the general principles enumerated herein. In May 2001, the Board approved the establishment of an advisory committee (UWINCO) consisting of both Board members and external investment professionals. In 2004, the Board approved the appointment of the University's first Chief Investment Officer (CIO) to manage the day to day activities of the investment portfolios.

<p>A. INVESTMENT OBJECTIVES</p> <ol style="list-style-type: none">1. The overall financial objective of the CEF is to provide a level of support for programs (as determined by the CEF's spending policy summarized below) consistent with the CEF's purchasing power being maintained over time.2. The primary investment objective of the CEF is to provide a maximum level of return consistent with prudent risk levels. The specific investment objective of the CEF is to attain an average annual real total return (net of investment fees) of at least 6% over the long term (running five-year periods). The 6% target provides for a 5% distribution to endowed programs and a 1% administrative fee. Real total return is the sum of capital appreciation (or loss) and current income (dividends and interest) adjusted for inflation by the Consumer Price Index. It is recognized that the real return objective may be difficult to attain during every five-year period, but should be attainable over a series of five-year periods.3. Distributions to endowed programs over the long term will be 5% of the average market value of the CEF for the previous three years. In this way, the CEF's distributed income is expected to keep up with inflation and its capital value will be preserved over time.4. Over the long term (rolling five year periods), the CEF is expected to achieve returns which are at least comparable to the median return of the largest 50 colleges and universities in the Cambridge Associates Universe.5. The investment performance of the CEF will also be evaluated, on a risk-adjusted basis, against a representative blend of market indices which reflect the strategic asset allocation of the CEF. Over the long term (rolling five-year periods), the CEF's diversification is expected to generate risk-adjusted returns that meet or exceed those of blended market indices.	<p><i>No changes.</i></p>
<p>B. ETHICAL CONSIDERATIONS</p> <p>While fiscal goals are of central importance, due consideration shall be given to the degree of corporate responsibility exercised by the companies in which investments are made.</p>	<p><i>No changes.</i></p>

<p>C. INVESTMENT PHILOSOPHY</p> <p>The investment of the CEF is based on a set of beliefs and practices:</p> <ol style="list-style-type: none"> 1. Invest for the long term <ol style="list-style-type: none"> a. Preserve capital for use by future generations b. Rely on asset allocation as the primary determinant of return c. Avoid market timing short-term speculative activity d. Accept illiquidity if justified by higher alpha e. 2. Build a well-diversified portfolio <ol style="list-style-type: none"> a. Limit risk by combining uncorrelated strategies b. Maintain meaningful exposure to major capital markets c. Tilt towards value strategies d. Employ fundamental research-driven and bottom-up strategies e. 3. Take advantage of global market inefficiencies <ol style="list-style-type: none"> a. Invest primarily with active managers b. Use indexed and enhanced indexed strategies where appropriate c. Incorporate investment ideas sourced through internal proprietary research d. Focus resources on inefficient markets (e.g., venture capital, hedge funds, emerging markets) e. Manage portfolio exposures actively in response to changing market conditions 	<p><i>Avoidance of short-term speculative activity specifically indicated.</i></p> <p><i>Emphasis on global markets.</i></p> <p><i>Recognize increasing importance of proprietary research.</i></p> <p><i>Actively manage portfolio exposures.</i></p>
<p>D. INVESTMENT MANAGEMENT STRUCTURE</p> <ol style="list-style-type: none"> 1. The CEF will be invested primarily by external investment managers. External investment management firms will be selected on the basis of factors including, but not limited to, the following: the experience of key personnel; investment philosophy; assets under management; organizational structure; performance record; fees; the firm’s ethical and financial viability and its structural fit within the CEF. 2. Equities (including domestic equity, international equity and alternative equity), real assets, and bonds will primarily be managed separately. In the interest of diversification, the equity portion of the portfolio will be placed with managers who have distinct and different investment philosophies. The investment managers have the discretion to manage the assets in their individual portfolios to best achieve the investment objectives and requirements set forth in this policy statement and in their individual investment guidelines. 	<p><i>No changes.</i></p>
<p>E. PORTFOLIO COMPOSITION AND ASSET ALLOCATION</p> <ol style="list-style-type: none"> 1. To achieve its investment objective, the CEF will be divided into three parts: an “Equity Fund”, a “Real Assets Fund” and a “Fixed Income Fund.” Sub-categories of these three major asset classes, each with its own target and range, may also be specified. The purpose of dividing the funds in this manner is to ensure that the overall asset allocation among the three Funds remains under the regular scrutiny of the Finance, Audit and Facilities Committee and UWINCO. Over the long run, the allocation among and within the Equity, Real Assets and Fixed Income Funds may be the single most important determinant of the CEF’s investment performance. <p>The policy portfolio is structured using long-term targets and ranges. The target asset allocation reflects the long-term risk and return objective of the CEF and establishes a normative allocation against which shorter-term asset allocation decisions can be gauged. Ranges allow for tactical shifts among asset classes in response to the changing dynamics in capital markets. Wider ranges facilitate rebalancing and the active management of risk at the total portfolio level.</p>	<p><i>There are material changes in the structure of the “Equity Fund” (a shift of assets from domestic to international securities; an increase in the “Real Assets Fund”; and a decrease in the “Fixed Income Fund”)</i></p> <p><i>Strategic bands around the target asset allocations have been widened.</i></p>

E. PORTFOLIO COMPOSITION AND ASSET ALLOCATION (con't)

Strategic Asset Allocation CURRENT POLICY		
	Long-term Target	Policy Range
Domestic Equity	30%	25–35%
International Equity – Developed and Emerging Markets	15%	10–20%
Marketable Alternatives	15%	10–20%
Non-Marketable Alternatives	15%	10–20% ⁽¹⁾
TOTAL EQUITY	75%	70–80%⁽²⁾
Real Assets	5%	3–8%
TIPS	3%	0–3%
TOTAL REAL ASSETS	8%	5–10%
TOTAL FIXED INCOME	17%	12–22%

(1) Unfunded commitments for the Non Marketable Alternatives strategy will range from 125% to 150% of the policy target.

(2) Rebalancing will be automatically implemented if the Equity Fund ration exceeds 85% or falls below 65%

Strategic Asset Allocation RECOMMENDED POLICY		
	Long-term Target	Policy Range
Domestic Equity	18%	10-40%
International Equity – Developed Markets	20%	10-35%
International Equity – Emerging Markets	10%	5-15%
Marketable Alternatives	16%	5-25%
Non-Marketable Alternatives	12%	5-20% ⁽¹⁾
Other	0%	0 – 10%
TOTAL EQUITY	76%	60-90%
TOTAL REAL ASSETS	12%	5–20%
TOTAL FIXED INCOME	12%	5-35%

(1) Unfunded commitments for the Non Marketable Alternatives and Private Real Assets strategies will typically range from 100% to 150% of the policy target.

<ol style="list-style-type: none"> 2. The purpose of the Equity Fund is to provide a total return that will simultaneously provide for growth in principal and current income in support of spending requirements, while at the same time preserving the purchasing power of the CEF's assets. It is recognized that the Equity Fund entails the assumption of greater market variability and risk. 3. The purpose of the Real Assets Fund (real assets and TIPS-Treasury Inflation Protected Securities) is to provide attractive risk adjusted returns and portfolio protection during inflationary periods. 4. The purpose of the Fixed Income Fund (bonds and cash equivalents) is to provide a deflation hedge, to reduce the overall volatility of the CEF, and to produce current income in support of spending needs. 5. Direct investments in tobacco companies are prohibited. 6. Risk is managed primarily through diversification. The CEF will be diversified both by asset class (e.g., equities, bonds, cash equivalents, non-U.S. securities, marketable and non-marketable alternatives, real assets) and within asset classes (e.g., within equities by country, economic sector, industry, quality, and size). Derivatives may be used to adjust exposures within or across asset classes in order to improve the risk / return profile of the CEF. The purpose of diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the total fund. 7. Aggregate portfolio risk is managed to minimize uncompensated, unanticipated and inappropriate risks. Both quantitative measures and qualitative judgment will be used in assessing and managing risk. 	<p><i>Diversification is identified as the primary portfolio risk management technique.</i></p> <p><i>Derivatives are specifically identified as available tools to adjust portfolio exposures.</i></p> <p><i>Emphasis placed on aggregate portfolio risk management.</i></p>
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F. GUIDELINES FOR THE EQUITY FUND	<i>Acknowledge use of derivatives in the implementation of the Equity Fund.</i>
1. The objective for the Equity Fund is to outperform, net of commissions and fees, a representative risk-adjusted blend of market indices which reflect the strategic asset allocation of the Equity Fund. In addition, performance on each sub-category of the Equity Fund will be monitored against the average return of a representative universe of active managers and/or fund of funds. Performance will be monitored on a regular basis and evaluated over running three- to five-year periods.	<i>Allow opportunistic use of investments that are not easily defined within the strategy descriptions. Such opportunities would be pursued only if believed to have a positive marginal impact on the performance of the CEF. The use of a separate category provides greater transparency when such opportunities are pursued.</i>
2. The Equity Fund will be broadly diversified by country, economic sector, industry, number of holdings, number of managers, and other investment characteristics. To achieve its investment objective, the Equity Fund may contain a mix of actively and passively managed strategies. Direct and derivative investments, commingled funds, private limited partnerships and fund of funds may be used.	
3. With the exception of passive strategies, assets under management by individual active equity managers – including quasi-index managers – will not exceed 20% of the CEF. A manager with an allocation close to 20% will be characterized by a diversified, highly liquid portfolio; a stable management team; a varied client base; and significant assets under management.	
4. Decisions as to individual country and security selection, security size and quality, number of industries and holdings, current income levels, turnover and the other tools employed by active managers are left to broad manager discretion. The usual standards of fiduciary prudence set forth in this policy statement and in individual investment management agreements and guidelines apply.	
5. If allowed under their individual investment guidelines, equity managers may at their discretion hold investment reserves of either cash equivalents or bonds, but with the understanding that performance will nonetheless be measured against a representative stock index. Derivatives (currency forwards, options, futures, etc.) may be used to manage certain exposures (such as currency or market risk) if so specified under individual investment manager guidelines.	
6. The objective of the Non-marketable Alternatives (venture capital, buyout and opportunistic funds) strategy is to enhance the long-term return of the CEF.	
7. The objective of the Marketable Alternatives (long-short equity, event-driven arbitrage and relative value funds) strategy is to provide consistently positive real returns and portfolio protection in down markets.	
8. The “other” category allows investment in opportunistic areas of the market, such as high yield or emerging markets bonds, which do not fit within the existing strategy definitions. The objective of the “other” category is to enhance the return of the CEF.	

<p>G. GUIDELINES FOR THE REAL ASSETS FUND</p> <ol style="list-style-type: none"> 1. The objective for the Real Assets Fund is to outperform, net of commissions and fees, a weighted average benchmark of relevant indices for real estate, commodities and Treasury Inflation Protected Securities (TIPS) on a risk-adjusted basis. Performance will be monitored on a regular basis and evaluated over running three- to five-year periods. 2. The real estate portion of the Real Assets Fund will be diversified by property type and geography. The University will invest in public and private real estate vehicles both domestically and internationally. Emphasis will be placed on investments in private real estate partnerships employing value-added and opportunistic strategies. Implementation may also include direct investment in real estate. Investments in publicly traded Real Estate Investment Trusts (REITS) will be made primarily to achieve exposure to core real estate. 3. An allocation to TIPS, commodities, and other real assets may be included within the Real Assets Fund. Implementation through public mutual funds, private partnerships, derivatives and direct investments is allowed. Both domestic and international investment vehicles may be used. These assets provide diversification, portfolio protection during inflationary periods, and support spending during prolonged economic contractions. 4. Decisions as to individual security, property, or asset selection are left to broad manager discretion. The usual standards of fiduciary prudence set forth in this policy statement and in individual investment management agreements and guidelines apply. 5. If allowed under their individual investment guidelines, Real Asset Fund managers may at their discretion hold investment reserves of either cash equivalents or bonds, but with the understanding that performance will nonetheless be measured against a representative index. 	<p><i>Real Assets Fund implementation vehicles further defined in policy.</i></p>
<p>H. GUIDELINES FOR THE FIXED INCOME FUND</p> <ol style="list-style-type: none"> 1. The objective of the Fixed Income Fund is to outperform, net of commissions and fees, the Lehman Brothers Government Bond Index on a risk-adjusted basis. In addition, performance will be monitored against the average return of a representative universe of active fixed income managers. Performance will be monitored on a regular basis and evaluated over running three- to five-year periods. 2. The Fixed Income Fund may contain money market instruments, domestic and foreign bonds and other investment vehicles with risk / return characteristics consistent with the investment goal(s) of the Fund. Equities and convertibles (if the latter are bought at prices above their investment value) are generally excluded. Derivatives (currency forwards and options, futures, swaps and mortgage-related structured notes) may be used to manage certain exposures (such as currency or prepayment risk) if so specified under individual investment manager guidelines. 3. Fixed Income Fund managers are expected to employ active management techniques, including maturity, sector and quality considerations. Implementation may also be achieved through commingled funds, limited partnerships and fund-of-funds. 4. Marketable alternatives may be used as fixed income substitutes to provide an uncorrelated source of return with low volatility. 	<p><i>Further definition of investments used in the implementation of the Fixed Income Fund.</i></p>
<p>I. GUIDELINES FOR TRANSACTIONS</p> <p>As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best realized price. Commissions may be designated for payment of services rendered to the University in connection with investment management.</p>	<p><i>No changes.</i></p>

<p>J. MONITORING OF OBJECTIVES AND RESULTS</p> <ol style="list-style-type: none"> 1. All objectives and policies are in effect until modified. The Finance, Audit and Facilities Committee with advice from the Chief Investment Officer (CIO) and UWINCO will review these periodically for their continued appropriateness. It is anticipated that changes to the asset allocation targets and ranges will be made infrequently. 2. The CEF portfolios will be monitored on a continual basis for consistency in investment philosophy; return relative to objectives; and investment risk as measured by asset concentrations; exposure to extreme economic conditions; and market volatility. Performance will be reviewed at least annually by the Finance, Audit and Facilities Committee and with UWINCO on a quarterly basis. Results will be evaluated over longer time frames including the inception period, running three- to five-year periods, and complete market cycles. 3. The CIO will review individual managers as needed in order to confirm that performance expectations remain in place. In addition, portfolio activity will be reported on a regular basis to the Finance, Audit and Facilities Committee and UWINCO. 4. A statement of investment objectives and guidelines will be maintained for each public investment manager where the University’s assets are managed in a separate account. 	<p><i>Emphasis on continuous monitoring and reporting to UWINCO and the FAF.</i></p> <p><i>Note that the asset allocation targets and ranges are designed for infrequent change and adjustment.</i></p>
<p>K. DELEGATIONS</p> <p>Delegations related to the management of the University’s investment portfolios are as follows:</p> <ol style="list-style-type: none"> 1. Board of Regents: <ol style="list-style-type: none"> a. Approve investment policies which guide the management of the University’s investment portfolios. This includes but is not limited to the strategic asset allocation, performance goals, spending and delegations. b. Establish membership criteria and operational procedures for the Investment Committee (UWINCO). Approve appointment of UWINCO members. c. Approve appointment of the Treasurer of the Board of Regents and the Chief Investment Officer. <p>Liquidate quasi-endowments. These funds represent assets donated to the University which have been accepted by the Board of Regents or its administrative designee as “quasi-endowments.” The decision to place the assets in a quasi-endowment is based on administrative recommendation and can therefore be reversed. Full or partial liquidation of quasi-endowments valued at \$1 million or higher requires action by the full Board of Regents. Full or partial liquidation of quasi-endowments valued at less than \$1 million is delegated to the Finance, Audit and Facilities Committee of the Board of Regents.</p> 	<p><i>Recognize authority of the Board of Regents in approving the appointments of UWINCO members, the Treasurer and the CIO.</i></p> <p><i>UWINCO members formerly appointed by the Chair of the BoR.</i></p>
<ol style="list-style-type: none"> 2. Chair of the Board of Regents: <ol style="list-style-type: none"> a. Appoint Recommend members of the Investment Committee (UWINCO) for formal approval by the Board of Regents. Recommendations will be made in consultation with the Chair of the Finance, Audit and Facilities Committee, other members of the Board of Regents and the Chief Investment Officer (CIO). b. Approve investment manager appointments and direct investments in situations where the CIO and the UWINCO Chair are unavailable or unable to do so. 	<p><i>Formal appointment of UWINCO members now by the BoR.</i></p>
<ol style="list-style-type: none"> 3. Finance, Audit and Facilities Committee: <ol style="list-style-type: none"> a. Oversee the University’s investment programs within the broad guidelines established by the investment policies. b. Appoint the University’s investment consultant(s). c. Recommend endowment spending policy changes to the Board for approval. It is anticipated that such changes will be infrequent. d. Review the asset allocation and strategy recommendations of the CIO and UWINCO. Recommend policy changes as appropriate to the Board of Regents. e. Establish Recommend criteria for UWINCO membership and procedures for UWINCO meetings for approval by the Board of Regents. 	<p><i>Formal approval of UWINCO membership criteria and operational procedures now by the BoR.</i></p>

<p>4. Chair of the Finance, Audit and Facilities Committee:</p> <p>a. Serve as Chair of UWINCO or appoint a Regent designee.</p>	<p><i>No changes.</i></p>
<p>5. Regent Chair of UWINCO:</p> <p>a. Assume responsibility for the appointment of investment managers and approval of direct investments in situations where the CIO is unavailable or unable to do so. Recommendations will be developed in conjunction with the Treasurer of the Board of Regents and UWINCO members involved in due diligence on specific managers and strategies.</p>	<p><i>Authority expanded to include direct investments.</i></p>
<p>6. Investment Committee (UWINCO):</p> <p>a. Advise the Finance, Audit and Facilities Committee, the Treasurer of the Board of Regents and the Chief Investment Officer on matters relating to the management of the University's investment portfolios. This includes, but is not limited to, advice on overall asset allocation, performance goals, portfolio risk, new investment strategies, strategy implementation, manager identification and due diligence.</p> <p>b. UWINCO members shall not participate in the formulation or rendering of UWINCO advice where their participation could be influenced by financial or other considerations that would reasonably appear to conflict with their UWINCO obligations to only consider the best interest of the University. Where a member is uncertain about this rule, the member should consult the Treasurer, who will seek the advice of the Attorney General as appropriate.</p>	<p><i>Portfolio risk added to list of UWINCO advisory areas.</i></p>
<p>7. Executive Vice President:</p> <p>a. Approve investment management agreements, limited partnership agreements, custody agreements and other investment related documents upon satisfactory completion of reviews as appropriate by the State Attorney General, outside legal counsel and the University's investment consultant. Approval authority is delegated to the Treasurer of the Board of Regents when the Executive Vice President is otherwise unavailable.</p> <p>b. Administer internal fees for management and administrative activities related to the endowment.</p> <p>c. Approve use (if any) of professional staff bonus pool.</p>	<p><i>Approval authority over bonus pool moved to the EVP.</i></p> <p><i>With the addition of the CIO, some administrative authorities are delegated to the Treasurer.</i></p>
<p>8. Treasurer of the Board of Regents:</p> <p>a. Appoint the Chief Investment Officer and approve use (if any) of professional staff bonus pool. The CIO reports to the Treasurer of the Board of Regents. Assume supervisory responsibility for the CIO position.</p> <p>b. Approve investment custodian appointment(s).</p> <p>c. Assume the responsibilities of the CIO when the position is vacant. The exceptions to this delegation are the appointment of investment managers and the approval of direct investments (paragraph K9d) which are extended to the Regent Chair of UWINCO.</p> <p>d. Execute investment management agreements, limited partnership agreements, custody agreements and other investment related documents upon satisfactory completion of reviews as appropriate by the State Attorney General, outside legal counsel and the University's investment consultant. This authority is delegated to the Chief Investment Officer when the Treasurer is otherwise unavailable.</p>	<p><i>CIO appointment now by the BoR. Approval to use bonus pool moved to EVP.</i></p> <p><i>The Treasurer has additional administrative authorities formerly delegated to the EVP.</i></p>

<p>9. Chief Investment Officer:</p> <ul style="list-style-type: none"> a. Manage the day-to-day activities of the University’s investment portfolios within the broad guidelines established by the investment policies. b. Approve tactical moves relative to long-term policy targets when warranted by market conditions or risk considerations. The deliberate decision to overweight or underweight a strategy relative to its policy target is made in consultation with UWINCO, the University’s investment consultant(s) and the Treasurer of the Board of Regents. c. Seek the advice of the University’s investment consultant(s) and members of the UWINCO on issues related to the management of the investment portfolios. Incorporate such advice in the implementation of the investment program. d. Appoint new investment managers and approve direct investments. Approved investments shall fall within the policy guidelines adopted by the Board of Regents. e. Approve follow-on limited partnership investments. f. Approve the dollar value of assets allocated to new and existing investment managers and reallocate assets among managers in accordance with long-term strategic targets. g. Approve individual investment manager guidelines. h. Monitor individual investment managers on a regular basis to ensure that performance and compliance expectations are met. i. Monitor aggregate portfolio risk regularly to insure that the long-term purchasing power of the CEF is preserved. j. Approve use of derivatives to manage the aggregate portfolio risk/return profile. This includes the use of swaps, options, futures and other derivative products to adjust exposures, to equitize cash, or to rebalance across asset classes. k. Approve appropriate usage and timing of leveraged strategies within the CEF. l. Terminate investment managers, including the authority to liquidate limited partnership interests or to reduce strategy exposures through other means. The Chair of the Finance, Audit and Facilities Committee and the Chair of UWINCO will be notified immediately. This authority is typically exercised due to performance concerns, organizational changes, or structural considerations within the UW investment portfolio. m. Take action as appropriate in support of shareholder resolutions related to human rights violations in Burma. This delegation will remain in effort until December 31, 2007. 	<p><i>Tactical over or underweighting of portfolio exposures by the CIO reflects an active management of the risk-return tradeoffs.</i></p> <p><i>Importance of regular risk monitoring to insure that endowment objectives are met is stressed.</i></p> <p><i>Ability to use derivatives and implement leveraged strategies as portfolio risk / return management tools specifically granted to the CIO.</i></p>
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UNIVERSITY OF WASHINGTON

STATEMENT OF INVESTMENT OBJECTIVES AND POLICY FOR INVESTED FUNDS

Approved by Board of Regents May 20, 1988

Amended November 18, 1988; January 18, 1991; July 17, 1992; September 17, 1993;
September 20, 1996; September 19, 1997; November 19, 1999; January 21, 2000; May 18,
2001; June 14, 2002; November 21, 2003; January 16, 2004; July 16, 2004;
and May 19, 2005

INTRODUCTION

The Board of Regents of the University of Washington is vested by statute with responsibility for the management of the properties of the University. This statement of investment objectives and policies governs the investment management of the Invested Funds (IF). This statement is effective until modified by the Board.

The Board has delegated to its Finance, Audit and Facilities Committee (FAF) the responsibility for overseeing the investment program within the general principles enumerated herein. In May 2001, the Board approved the establishment of an advisory committee (UWINCO) consisting of both Board members and external investment professionals. **In 2004, the Board approved the appointment of the University's first Chief Investment Officer (CIO) to manage the day to day activities of the investment portfolios.**

<p>A. INVESTMENT OBJECTIVES</p> <ol style="list-style-type: none">1. The overall financial objective of the IF is to enable the University to meet its financial obligations as they come due. A secondary objective is to achieve investment returns above those of money market instruments.2. The investment performance of the IF will be evaluated, on a risk-adjusted basis, relative to a blend of market indices that reflect the overall asset allocation of the fund.	<p><i>No changes.</i></p>
<p>B. INVESTMENT MANAGEMENT STRUCTURE</p> <ol style="list-style-type: none">1. The Invested Funds will be invested primarily by external investment management firms. External investment management firms will be	<p><i>No changes.</i></p>

selected on the basis of factors including but not limited to the following: the experience of key personnel; investment philosophy; assets under management; organizational structure; performance record; investment management fees; and the firm’s ethical and financial viability.

2. Funds may also be invested in bank short-term investment funds and in approved instruments managed internally by University financial personnel.

C. PORTFOLIO COMPOSITION AND POOL ALLOCATION

1. The IF shall be divided into three pools:

Pool Allocation

	<u>Target</u>	<u>Policy Range</u>	<u>Global Range Within Each Pool</u>
<i>Cash Pool</i> ^(2,4,5,6)	25% 20%	20-40% 10-40%	0-40%
<i>Liquidity Pool</i> ^(3,4,5,6)	50%	30-60%	0-25%
<i>D.I.P. CEF Pool</i> ^(6,7)	25% 30%	15-40%	15-35%

2. The Cash Pool will be invested in a portfolio of high quality short to intermediate-term fixed-income securities. The maximum average duration of the portfolio will be three years. The Cash Pool will have an average quality rating of “AA”.
3. The Liquidity Pool will be invested in a portfolio of high quality intermediate-term fixed-income securities with an average duration that may vary modestly from the benchmark. The Liquidity Pool will have at least half of its funds invested in obligations of the U.S. Government and its agencies. The Liquidity Pool will have an average quality rating of at least “A”.
4. Global strategies may be employed in the Cash Pool and the Liquidity Pool if so specified under individual investment manager guidelines. Non-U.S. fixed-income securities will be subject to the equivalent quality and duration guidelines as domestic fixed-income securities. Manager performance will be evaluated against the domestic benchmarks specified in Paragraph D.
5. **Direct and derivative investments in fixed income substitutes may be used in the Cash Pool and the Liquidity Pool to improve the aggregate risk / return profile of the IF. Pool performance will be evaluated the domestic benchmarks specified in Paragraph D.**

Changes to policy targets and ranges reflect practice of managing cash more tightly and maximizing allocation to corporate securities. The constitutional prohibition limits investment in corporate securities to total non-endowed gift dollars in the IF (historically 30 – 35%).

Fixed income substitutes may be used to improve the risk / return

<p>6. Direct investments in tobacco companies are prohibited.</p> <p>7. The Diversified Investment Pool (DIP) CEF Pool will invest directly in the Consolidated Endowment Fund (CEF) through the periodic purchase and sale of CEF units. This Pool is subject to the provisions contained in the “Statement of Investment Objectives and Policy for the Consolidated Endowment Fund.</p>	<p><i>profile of the IF.</i></p> <p><i>“Diversified Investment Pool” renamed “CEF Pool” to better reflect investment approach</i></p>
<p>D. GUIDELINES FOR THE INVESTMENT POOLS</p> <p>1. The objective of the Cash Pool will be to meet the day-to-day obligations of the University. The Cash Pool performance objective is to outperform, net of commissions and fees, the Salomon Brothers Two-Year Treasury Index on a risk-adjusted basis. Performance will be monitored on a regular basis and evaluated over rolling three-to-five year periods.</p> <p>2. The objective of the Liquidity Pool will be to provide a liquid source of funds in the event the Cash Pool is insufficient to meet the University’s cash needs. The Liquidity Pool performance objective is to outperform, net of commissions and fees, the Intermediate Lehman Brothers Government Bond Index on a risk-adjusted basis. Performance will be monitored on a regular basis and evaluated over rolling three-to-five year periods.</p> <p>3. The objective of the Diversified Investment Pool CEF Pool will be to provide a flow of financial support to University programs that will grow at least as fast as the rate of inflation (as measured by the Consumer Price Index). In addition, the Diversified Investment Pool CEF Pool shall provide a source of funds in the very unlikely event the Cash Pool and Liquidity Pool are insufficient to meet the University’s day-to-day obligations.</p> <p>4. The IF may include state funds for which there are investment limitations established by law or regulation. The University will ensure that there are sufficient legally allowable securities in the pool to collateralize the state funds position by 102 percent. State funds are defined as funds appropriated by the legislature and local funds used to offset such appropriations. This definition includes both the state general fund and the general/local fund but does not include the dedicated local fund (indirect cost recoveries) or the restricted local fund (gifts, grants and contracts). It also excludes cash balances of the University’s business enterprises, annuity and life income funds, endowments, and trust funds.</p>	<p><i>Wording clarification.</i></p>

<p>E. GUIDELINES FOR TRANSACTIONS</p> <p>As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best-realized price. Commissions may be designated for payment of services rendered to the University in connection with investment management.</p>	<p><i>No changes.</i></p>
<p>F. MONITORING OF OBJECTIVES AND RESULTS</p> <ol style="list-style-type: none"> 1. All objectives and policies are in effect until modified. The Finance, Audit and Facilities Committee with advice from the Treasurer of the Board of Regents, the Chief Investment Officer and/or UWINCO will review these periodically for their continued appropriateness. 2. The Invested Funds portfolios will be monitored on a continual basis for consistency in investment philosophy; return relative to objectives; investment risk as measured by asset concentrations; exposure to extreme economic conditions; and market volatility. Performance will be reviewed at least annually by the Finance, Audit and Facilities Committee. Results will be evaluated over longer time frames including the inception period, running three- to five-year periods, and complete market cycles. 3. The CIO will review the individual managers as needed in order to confirm that performance expectations remain in place. In addition, portfolio activity will be reviewed as needed reported on a regular basis to the Finance, Audit and Facilities Committee 4. A statement of investment objectives and guidelines will be maintained for each public investment manager where the University's assets are managed in a separate account. 	<p><i>Minor wording changes to align IF policy with the CEF policy.</i></p>
<p>G. DELEGATIONS</p> <p>Delegations related to the management of the University's investment portfolios are as follows:</p> <ol style="list-style-type: none"> 1. Board of Regents: <ol style="list-style-type: none"> a. Approve investment policies which guide the management of the University's investment portfolios. This includes but is not limited to the strategic asset allocation, performance goals and delegations. b. Establish membership criteria and operational procedures for the 	<p><i>Recognize authority of the Board of Regents in approving the appointments of UWINCO members, the Treasurer and the CIO.</i></p> <p><i>UWINCO</i></p>

<p>Investment Committee (UWINCO). Approve appointment of UWINCO members.</p> <p>c. Approve appointment of the Treasurer of the Board of Regents and the Chief Investment Officer.</p>	<p><i>members formerly appointed by the Chair of the BoR.</i></p>
<p>2. Chair of the Board of Regents:</p> <p>a. Appoint Recommend members of the Investment Committee (UWINCO) for formal appointment by the Board of Regents. Recommendations will be made in consultation with the Chair of the Finance, Audit and Facilities Committee, other members of the Board of Regents and the Chief Investment Officer (CIO).</p> <p>b. Approve investment manager appointments and direct investments when the CIO and the UWINCO Chair are unavailable or unable to do so.</p>	<p><i>Formal appointment of UWINCO members now by the BoR.</i></p>
<p>3. Finance, Audit and Facilities Committee:</p> <p>a. Oversee the University’s investment programs within the broad guidelines established by the investment policies.</p> <p>b. Appoint the University’s investment consultant(s).</p> <p>c. Review the asset allocation and strategy recommendations of the Chief Investment Officer (CIO) and UWINCO. Recommend policy changes as appropriate to the Board of Regents.</p> <p>d. Recommend criteria for UWINCO membership and procedures for UWINCO meetings for approval by the Board of Regents.</p>	<p><i>Formal approval of UWINCO membership criteria and operational procedures now by the BoR.</i></p>
<p>4. Chair of the Finance, Audit and Facilities Committee:</p> <p>a. Serve as Chair of UWINCO or appoint a Regent designee.</p>	<p><i>No changes.</i></p>
<p>5. Regent Chair of UWINCO:</p> <p>a. Assume responsibility for the appointment of investment managers and direct investments when the CIO position is vacant. Recommendations will be developed in conjunction with the Treasurer of the Board of Regents and UWINCO members involved in due diligence on specific managers and strategies.</p>	<p><i>Authority expanded to include direct investments.</i></p>
<p>6. Investment Committee (UWINCO):</p>	

<ul style="list-style-type: none"> a. Advise the Finance & Audit Committee and Treasurer of the Board of Regents/Chief Investment Officer on matters relating to the management of the University’s investment portfolios. This includes, but is not limited to, advice on overall asset allocation, performance goals, portfolio risk, new investment strategies, strategy implementation, manager identification and due diligence. b. UWINCO members shall not participate in the formulation or rendering of UWINCO advice where their participation could be influenced by financial or other considerations that would reasonably appear to conflict with their UWINCO obligations to only consider the best interest of the University. Where a member is uncertain about this rule, the member should consult the Treasurer, who will seek the advice of the Attorney General as appropriate. 	<p><i>Portfolio risk added to list of UWINCO advisory areas.</i></p>
<p>7. Executive Vice President:</p> <ul style="list-style-type: none"> a. Approve investment management agreements, limited partnership agreements, custody agreements and other investment related documents upon satisfactory completion of reviews as appropriate by the State Attorney General, outside legal counsel and the University’s investment consultant. Approval authority is delegated to the Treasurer of the Board of Regents when the Executive Vice President is otherwise unavailable. b. Loan funds from the Invested Funds Diversified Investment Pool for periods up to five years to campus departments as long as such loans do not materially reduce the investment return to the Fund Pool. No more than five 15 percent of the IF DIP will be loaned without consultation with the Finance, Audit and Facilities Committee. c. Approve the use of the Diversified Investment Pool CEF Pool as an alternative investment vehicle for qualifying campus units. Generally, a minimum of \$10 million in Invested Funds balances and an investment time horizon of at least three years will be required for consideration. d. Administer internal fees for management and administrative activities related to the Invested Funds. 	<p><i>With the addition of the CIO, some administrative authorities are delegated to the Treasurer.</i></p> <p><i>Funding source for internal loans now identified as the total IF rather one of its pools.</i></p>

<p>8. Treasurer of the Board of Regents</p> <ul style="list-style-type: none"> a. Appoint the Chief Investment Officer and approve use (if any) of professional staff bonus pool. The CIO reports to the Treasurer of the Board of Regents. Assume supervisory responsibility for the CIO position. b. Allocate funds among the three Invested Funds’ investment pools under policies established by and subject to review by the Investment Committee (UWINCO). c. Approve investment custodian appointment(s). d. Assume the responsibilities of the CIO when the position is vacant. The exception to this delegation is the appointment of investment managers and the approval of direct investments (paragraph G8c) which is extended to the Regent Chair of UWINCO. e. Execute investment management agreements, limited partnership agreements, custody agreement and other investment related documents upon satisfactory completion of reviews as appropriate by the State Attorney General, outside legal counsel and the University’s investment consultant. This authority is delegated to the Chief Investment Officer when the Treasurer is otherwise unavailable. 	<p><i>CIO appointment now by the BoR.</i></p> <p><i>The Treasurer has additional administrative authorities formerly delegated to the EVP.</i></p>
<p>9. Chief Investment Officer</p> <ul style="list-style-type: none"> a. Manage the day-to-day activities of the University’s investment portfolios within the broad guidelines established by the investment policies. b. Seek the advice of the University’s investment consultant(s) and members of the UWINCO on issues related to the management of the investment portfolios. Incorporate such advice in the implementation of the investment program. c. Appoint new investment managers and approve direct investments. Approved investments shall fall within the policy guidelines adopted by the Board of Regents. d. Approve follow-on limited partnership investments. e. Approve the dollar value of assets allocated to new and existing investment managers and reallocate assets among managers in 	<p><i>Changes align with policy delegations in the CEF investment policy.</i></p> <p><i>Authority to approve direct investments, derivatives and leveraged strategies specifically granted to the CIO.</i></p>

<p>accordance with long-term strategic targets.</p> <ul style="list-style-type: none"> f. Approve individual investment manager guidelines. g. Monitor individual investment managers on a regular basis to ensure that performance and compliance expectations are met. h. Approve use of derivatives to manage the aggregate portfolio risk/return profile. This includes the use of swaps, options, futures and other derivative products to adjust exposures, to equitize cash, or to rebalance across asset classes. i. Approve appropriate usage and timing of leveraged strategies within the IF. j. Terminate investment managers, including the authority to liquidate limited partnership interests or to reduce strategy exposures through other means. The Chair of the Finance, Audit and Facilities Committee and the Chair of UWINCO will be notified immediately. This authority is typically exercised due to performance concerns, organizational changes, or structural considerations within the UW investment portfolio. k. Take action as appropriate in support of shareholder resolutions related to human rights violations in Burma. This delegation will remain in effort until December 31, 2007. 	
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UNIVERSITY OF WASHINGTON

STATEMENT OF INVESTMENT OBJECTIVES AND POLICY

~~FOR THE SELF-INSURANCE REVOLVING FUND AND~~ PORTAGE BAY INSURANCE

Approved by Board of Regents November 21, 1997 (SIRF)

Amended January 21, 2000; May 18, 2001; June 14, 2002; November 21, 2003;
and May 19, 2005

With the exception of the footnote reference on page 1 of the policy document, reference to the Self-Insurance Revolving Fund has been struck from this policy document. This change reflects the liquidating nature of the Self-Insurance Revolving Fund and focuses the policy document on Portage Bay Insurance as the ongoing business concern.

INTRODUCTION

The Board of Regents of the University of Washington is vested by statute with responsibility for the management of the properties of the University. This statement of investment objectives and policy governs the investment management of *Portage Bay Insurance (PBI)*¹. This statement is effective until modified by the Board.

The Board delegated to its Finance, Audit and Facilities Committee the responsibility for overseeing its investment programs within the general principles enumerated herein.

<p>A. INVESTMENT OBJECTIVES</p> <ol style="list-style-type: none">1. The overall financial objective of the PBI is to provide for the payment of judgments and claims against the University, its schools, colleges, departments, hospitals and personnel. The secondary financial objective is to stabilize the University's risk financing costs.2. The primary investment objective of the PBI is to provide the University a maximum level of return subject to a low probability of negative returns over rolling three year periods. The secondary investment objective is to maximize long-term capital growth within acceptable risk levels.3. The investment performance of the PBI will also be evaluated, on a risk-adjusted basis, relative to a blend of market indices that reflect the overall asset allocation of the funds.	<p>No changes.</p>
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¹ In June of 2002, the University established Portage Bay Insurance, a separate corporation, to pay liabilities arising after July 1, 2002. This company will be operated concurrently with the Self-Insurance Revolving Fund (SIRF) until the assets of SIRF have been depleted in approximately 2008. PBI will be then the sole entity responsible for paying University insurance claims. PBI was initially capitalized with assets from the SIRF and is funded on an ongoing basis with University premiums.

<p>B. INVESTMENT MANAGEMENT STRUCTURE</p> <p>1. The <i>PBI</i> assets will be invested primarily by external investment managers. External investment management firms will be selected on the basis of factors including but not limited to the following: the experience of key personnel; insurance industry expertise; assets under management; asset/liability modeling capability; investment philosophy; ability to work effectively with the University’s existing actuarial and excess carrier relationships; organizational structure; performance record; investment management fees; and the firm’s ethical and financial viability.</p> <p>2. The University may invest the <i>PBI</i> assets in one or more of its institutional fund vehicles such as the operating fund (a.k.a. “Invested Funds”) or the Consolidated Endowment Fund if this alternative provides superior risk/return characteristics.</p>	<p><i>Implementation of the PBI investment strategy may be accomplished through the appointment of separate investment manager(s) dedicated to the investment of the insurance portfolios and/or through one of the University’s commingled fund vehicles.</i></p>
<p>C. PORTFOLIO COMPOSITION AND ASSET ALLOCATION</p> <p>1. The assets of the <i>PBI</i> will be held and monitored separately for investment purposes. The asset allocation of the two insurance portfolios may vary based upon liquidity and other considerations.</p> <p>2. To achieve its investment objective, the <i>PBI</i> investments will be divided into two parts: a “Fixed Income Portfolio” and an “Equity Portfolio”. The purpose of dividing the funds in this manner is to ensure that the overall asset allocation between these two major asset classes remains under the regular scrutiny of the Finance, Audit and Facilities Committee or its delegate.</p>	<p><i>To provide flexibility in managing portfolio exposure, the upper end of the equity portfolio range is widened.</i></p>

Asset Class	Long-term Target	Policy Range
Fixed Income Portfolio	75%	70% - 100% 65% - 100%
Equity Portfolio	25%	0 - 30% 0 - 35%

3. The purpose of the Fixed Income Portfolio is to produce current income to supplement discounted insurance premiums. The Fixed Income Portfolio performance objective is to outperform, net of commissions and fees, the Lehman Brothers Government Corporate Bond Index on a risk-adjusted basis. Performance will be monitored on a regular basis and evaluated over rolling three-to five year periods.

4. The Fixed Income Portfolio will be invested in a portfolio of fixed income securities with an average duration that may vary modestly from the benchmark. The Fixed Income Portfolio will have an average quality rating of at least "A".

5. The purpose of the Equity Portfolio is to provide a total return that will provide for growth in principal. It is recognized that the Equity Portfolio entails the assumption of greater market variability and risk. The Equity Portfolio performance objective is to outperform, net of commissions and fees, the S&P 500 index on a risk-adjusted basis. Performance will be monitored on a regular basis and evaluated over rolling three-to five year periods.

6. International securities may be employed in the Fixed Income Portfolio and the Equity Portfolio if so specified under individual investment manager guidelines. Manager performance will be evaluated against a domestic benchmark.

7. Direct and derivative investments, commingled funds and fund of funds may be used in implementing the asset allocation.

8. Direct investments in tobacco companies are prohibited.

9. Funds invested directly in a commingled fund portfolio managed by the University will be subject to the policy provisions contained therein.

Further description of available investment vehicles used in implementation is added to policy.

<p>D. GUIDELINES FOR TRANSACTIONS</p> <p>As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best realized price. Commissions may be designated for payment of services rendered to the University in connection with investment management.</p>	<p><i>No changes.</i></p>
<p>E. MONITORING OF OBJECTIVES AND RESULTS</p> <ol style="list-style-type: none"> 1. All objectives and policies are in effect until modified. The Finance, Audit and Facilities Committee will review these periodically for their continued appropriateness. 2. The PBI portfolio will be monitored on a continual basis for consistency in investment philosophy; return relative to objectives; and investment risk as measured by asset concentrations; exposure to extreme economic conditions; and market volatility. Portfolios will be reviewed at least annually by the Finance, Audit and Facilities Committee but results will be evaluated over longer time frames including the inception period, running three- to five-year periods, and complete market cycles. 3. The Treasurer of the Board of Regents will review individual managers as needed in order to confirm that performance expectations remain in place. 4. A statement of investment objectives and guidelines shall be maintained for each public investment manager where the University's assets are managed in a separate account. 	<p><i>No changes.</i></p>

F. DELEGATIONS

Delegations related to the management of the University's investment portfolios are as follows:

1. Board of Regents:

- a. Approve investment policies which guide the management of the University's investment portfolios. This includes but is not limited to the strategic asset allocation, performance goals and delegations.

2. Finance, Audit and Facilities Committee:

- a. Oversee the University's insurance programs within the broad guidelines established by the investment policies.
- b. Appoint the University's investment consultant(s).
- c. Review the asset allocation and strategy recommendations of the Treasurer of the Board of Regents. Recommend policy changes as appropriate to the Board of Regents.

~~Chair of the Finance, Audit and Facilities Committee:~~

- ~~d. Serve as Chair of UWINCO or appoint a Regent designee.~~

~~Regent Chair of UWINCO: _____~~

~~(intentionally blank)~~

~~Investment Committee (UWINCO):~~

- ~~e. Advise the Finance & Audit Committee and Treasurer of the Board of Regents/Chief Investment Officer on matters relating to the management of the University's investment portfolios. This includes, but is not limited to, advice on overall asset allocation, performance goals, new investment strategies, strategy implementation, manager identification and due diligence.~~
- ~~f. UWINCO members shall not participate in the formulation or rendering of UWINCO advice where their participation could be influenced by financial or other considerations that would reasonably appear to conflict with their UWINCO obligations to only consider the best interest of the University. Where a member is uncertain about this rule, the member should consult the Treasurer, who will seek the advice of the Attorney General as appropriate.~~

3. Executive Vice President / **Treasurer of the Board of Regents:**

Delegations simplified to reflect primary roles of the FAF Committee and the CIO in the management of the PBI investment portfolio.

- a. Approve investment management agreements, investment limited partnership agreements, custody agreements and other investment related documents upon satisfactory completion of reviews as appropriate by the State Attorney General, outside legal counsel and the University's investment consultant.

4. Chief Investment Officer

- a. Manage the day-to-day activities of the University's *PBI* investment portfolios within the broad guidelines established under this policy.
- b. Seek the advice of the University's investment consultant(s), Treasurer and members of the University of Washington Investment Committee (UWINCO) on issues related to the management of the investment portfolios.
- c. Appoint new investment firms to manage the University's insurance assets and investment custodians. Approved firms will pursue investment strategies that fall within the guidelines established in policy by the Board of Regents.
- d. Terminate existing investment relationships with firms responsible for the management of the University's insurance assets. This authority is typically exercised due to performance concerns, organizational changes, or structural considerations within the insurance portfolios.
- e. Approve the overall asset allocation of the *PBI* portfolios within the long-term ranges established under this policy.
- f. Approve the dollar value of assets allocated to new and existing investment firms responsible for the management of the University's insurance assets and reallocate assets among such managers in accordance with long-term strategic targets.
- g. Monitor individual investment firms on a regular basis to ensure that performance and compliance expectations are met.
- h. Approve individual investment manager guidelines.
- i. With input and direction from the Executive Director of Risk Management, direct asset/liability modeling of the *PBI* portfolios.

CIO assumes day-to-day management responsibilities formerly held by the Treasurer.

Indicates advisory role of the UWINCO, the Treasurer and the University's consultant in the management of the University's investment portfolios.

UNIVERSITY OF WASHINGTON

STATEMENT OF INVESTMENT OBJECTIVES AND POLICY

FOR DEFERRED AND OTHER GIFT ASSETS

Approved by Board of Regents January 17, 1992

Amended September 19, 1997; May 18, 2001; November 21, 2003; and May 19, 2005

INTRODUCTION

The Board of Regents of the University of Washington is vested by statute with responsibility for the management of the properties of the University. The Board also acts as trustee for deferred gifts, including annuities and trusts. This statement of objectives and policies governs the investment management of deferred gift assets (including trusts and annuities) and other non-consolidated gift assets (including real estate, debt instruments secured by real estate, closely held stock, and partnership interests). This statement is effective until modified by the Board.

The Board has delegated to its Finance, Audit and Facilities Committee the responsibility for overseeing its deferred gift investment program within the general principals enumerated herein. The Committee has the authority to further delegate responsibility for management/monitoring of these investments.

A. TYPES OF GIFTS

Deferred gift assets are available for investment when a donor transfers cash or assets to the University of Washington and obtains, in exchange, a life income based on the value of donated assets. The forms in which gifts may currently be established include: charitable gift annuity (no trust), charitable remainder unitrust, charitable remainder annuity trust, pooled income fund (pooled trust), and charitable lead trust. Each deferred gift plan has a signed standard agreement which specifies the type of plan, amount of the income payments, purpose and use of the deferred gift.

B. INVESTMENT OBJECTIVES

1. Deferred Gift Assets:
 - a. The primary financial objective for the investment management of deferred gift assets is to meet the payout requirements of the gift instrument. Secondly, the objective is to maximize the expected real value of the residual trust to the University of Washington with an appropriate level of risk given the first (and primary) objective.
2. Real Estate and Real Estate Contracts:

- a. Generally, the University of Washington will not agree to hold individual real estate gifts for investment purposes. The objective in accepting, retaining, and liquidating gift real estate is to obtain a fair return from the property in a timely manner relative to the expenses and effort required to hold, maintain and manage the property until disposition. The University of Washington may choose to finance the sale of real estate gifts if it is judged to provide the best return at an appropriate risk.
3. Other Non-Consolidated Gift Assets:
 - a. Generally, the University of Washington will not agree to hold gifts of tangible personal property (such as art or coin collections) for investment purposes. The University of Washington may hold securities in start-up, closely held companies or limited partnership interests for investment purposes, if the assets cannot be sold. Such positions will only be taken if there is an acceptable degree of risk relative to expected return to the University of Washington from holding such an asset.

C. INVESTMENT MANAGEMENT STRUCTURE

Deferred gift assets will be invested primarily by an external investment manager. External investment management firms will be selected on the basis of factors including but not limited to the following: the experience of key personnel; investment philosophy; assets under management; organizational structure; ability to provide or work closely with external deferred gift administrative services provider; performance record; investment management fees; and the firm's ethical and financial viability.

D. PORTFOLIO COMPOSITION AND ASSET ALLOCATION

1. Deferred gift assets will be broadly diversified using various commingled funds including stocks, bonds, and alternative assets such as venture capital or equity real estate. In certain cases, individual investment securities may be purchased and sold by the trusts, depending upon circumstances. These commingled funds (and, when applicable, securities) will be held in various deferred gifts in different ratios, depending on the income/total return characteristics that are desired for any individual gift.
2. When selecting a stock/bond mix, it is not necessary in all cases to make a selection that will produce an income level equal to the payout requirement. This will vary by gift vehicle and the express desires of the donor with respect to income production. Because higher stock/bond ratios are expected to produce higher rates of total return (but lower levels of income), higher ratios will be generally preferred when they are consistent with the guidelines and objectives of the individual gift plans.
3. Typically, stock/bond ratios will be selected with particular attention to the risk of asset erosion due to a severe decline in the stock market and the need to make an ongoing payout. The risk of the investment strategy selected will not exceed that of a 70/30

stock/bond portfolio except as approved by the Treasurer of the Board of Regents on a trust by trust basis.

4. In individual cases, as appropriate, the University of Washington may retain assets transferred by the donor (such as real estate, marketable securities or closely held stock), without diversification, provided the gift instrument permits such discretion and relieves the University of Washington of a duty to diversify the gift portfolio.

E. GUIDELINES FOR TRANSACTIONS

As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best realized price.

F. F. MONITORING OF OBJECTIVES AND RESULTS

Performance measurement reports for deferred gift assets will be prepared by the Office of the Treasurer. Benchmarks/universes will be consistent with the approach used for the Consolidated Endowment Fund and the Invested Funds of the University of Washington. Summary reports will be shared with the Finance, Audit and Facilities Committee or its delegate.

G. DELEGATIONS

Delegations related to the management and administration of the University's deferred gift investment portfolios are as follows:

1. Board of Regents:
 - a. Approve investment policies which guide the management of the University's investment portfolios. This includes but is not limited to the strategic asset allocation, performance goals and delegations.
2. Finance, Audit and Facilities Committee:
 - a. Oversee the University's investment programs within the broad guidelines established by the investment policies.
 - b. Appoint the University's investment consultant(s).
 - c. Review the asset allocation and strategy recommendations of the Treasurer of the Board of Regents. Recommend policy changes as appropriate to the Board of Regents.
3. Executive Vice President:
 - a. Approve investment management agreements, custody agreements and other investment related documents upon satisfactory completion of reviews as

appropriate by the State Attorney General, outside legal counsel and the University's investment consultant. Approval authority is delegated to the Treasurer of the Board of Regents when the Executive Vice President is otherwise unavailable.

4. Treasurer of the Board of Regents
 - a. Appoint deferred gifts investment manager and custodian.
 - b. Appoint deferred gifts external administrator.
 - c. **Seek the advice of the University's investment consultant(s), Chief Investment Officer and members of the University of Washington Investment Committee (UWINCO) as appropriate on issues related to the management of the deferred giving investment program.**
 - d. Approve investment manager guidelines.
 - e. Communicate key decisions, made in consultation with the Executive Vice President to the Finance, Audit and Facilities Committee.
 - f. Where appropriate, consult with the Vice President for Development and Alumni Relations and related personnel and/or the Director of Real Estate regarding deferred gift policy/guideline issues.
 - g. Monitor the deferred gifts' investment manager in order to confirm that the performance expectations remain in place.
5. Director of Real Estate
 - a. Make decisions regarding the liquidation of gift real estate in consultation with the Treasurer, the Vice President for Development and Alumni Relations and related personnel from both offices as appropriate.
6. Director of Gift Planning
 - a. With the concurrence of the Treasurer of the Board of Regents, or designee, recommend acceptance of current gifts of non-traditional investment assets, charitable lead trusts where the University is to act as trustee, bargain sale gifts of property, and partial interest gifts.

[See also Chapter I of the Standing Orders of the Board of Regents, Section (8), Gift Evaluation and Acceptance]

VII. STANDING COMMITTEE

B. Finance, Audit and Facilities Committee

UWINCO Update

Oral presentation will be made at the meeting.

May 19, 2005
Board of Regents
Finance, Audit and Facilities Committee

Information Item

Proposed Fiscal Year 2006 Operating and Capital Budgets

The Fiscal Year 2006 Operating and Capital Budgets are being presented as an information item at the May 2005 Finance, Audit and Facilities Committee meeting of the Board of Regents; these budgets will be presented for action at the June 2005 Board of Regents meeting.

Preview of the June 2005 Action Item

The June 2005 Action Item adopting the Fiscal Year 2006 Operating and Capital Budgets will ask the Board to do five things:

- adopt a Fiscal Year 2006 operating budget;
- adopt a Fiscal Year 2006 capital budget;
- raise undergraduate resident tuition for the 2005-06 academic year by 7% (from \$4,770 to \$5,103 – an increase of \$333 for the 2005-06 academic year);
- increase the undergraduate application fee from \$38 to \$50; and
- adopt a new graduate and professional non-resident tuition waiver under which most graduate and professional students would be eligible for the resident tuition rate after having lived in the state for one year (this will be a separate action item).

Status of Fiscal Year 2006 Operating and Capital Budget Development

It is important to note at the start of this discussion that while the process of developing the Fiscal Year 2006 operating and capital budgets is well along the road to completion, this is still a draft budget. Many of the component numbers that feed into this budget proposal will be updated one more time between the informational presentation at the May 2005 Board of Regents meeting and when the budget is brought for adoption at the June 2005 Board of Regents meeting. The proposed budget may also be revised based on feedback that the administration receives from the Board of Regents at the May 2005 meeting, as well as additional feedback from various campus constituencies.

Budget Context

There are three areas of budget context highlighted below: ongoing academic transformation; efficiency/effectiveness of university operations; and the state and local financial context that impacts the proposed Fiscal Year 2006 Budget.

Ongoing Academic Transformation

As part of the presentation of the proposed Fiscal Year 2006 budget at the May 2005 Board meeting, a short discussion of ongoing academic transformation at the UW will be presented.

Efficiency/Effectiveness of University Operations

As part of the presentation of the proposed Fiscal Year 2006 budget at the May 2005 Board meeting, a short update of information concerning the efficiency/effectiveness of university operations will be presented.

Financial Context

The Fiscal Year 2006 budget proposal that is being presented to the Board of Regents is divided into four areas:

- the core education budget;
- the restricted programs budget;
- the academic enhancement/support budget; and
- the capital budget.

The Fiscal Year 2006 proposed budget is summarized in Table 1. The budget context for Fiscal Year 2006 varies depending on which of these four areas of the budget is under discussion.

The context for the Fiscal Year 2006 Core Education Budget is primarily set by two factors: the outcome of the recently completed State legislative session and the tuition setting decisions for the 2005-06 academic year for undergraduate non-resident, graduate and professional students that the Board made in March 2005. Although the Fiscal Year 2006 State budget includes a \$3,497,000 budget cut for the UW, the UW will still receive \$14,579,000 more in State funding in Fiscal Year 2006 than it received in Fiscal Year 2005. New state funding is provided for salary increases, health benefit increases and new enrollments at all three campuses; the adopted State budget gives the UW the authority to raise undergraduate resident tuition by up to 7% and gives the authority to raise the undergraduate application fee to \$50.

The budget outlook for the Fiscal Year 2006 Restricted Programs Budget continues to be positive. Expenditures on grants and contracts and indirect cost recovery collections in the current fiscal year are at or above budgeted levels and grant awards are stable. Spending from gift and endowment accounts is predicted to increase as a result of improving returns for the Consolidated Endowment Fund and continued strength in gifts to the university. State Restricted Funds will increase slightly based on legislative actions.

The university's academic enhancement/support functions have a stable outlook for Fiscal Year 2006. The university's large auxiliary business enterprises (UW Medical Center, Educational Outreach, Housing and Food Services, Intercollegiate Athletics, and Parking and Transportation Services) are all financially stable and expect continued growth in Fiscal Year 2006.

The proposed UW capital budget for Fiscal Year 2006 reflects the legislature's actions on the State's 2005-07 capital budget. The Fiscal Year 2006 Capital Budget includes construction funding for the renovation of Architecture Hall and Guggenheim Hall, pre-design/design funding for the second phase of the UW's Restoration Program (Savery Hall, Clark Hall and the Playhouse Theater) and funding for the Assembly Hall project at UW/Tacoma. Funding for construction of the UW/Bothell South Campus Access Project is provided through the 2005-07 State transportation budget. While this is a positive short term outcome, State capital resource allocations continue to lag behind needs; while the UW accounts for 35% of State higher education facilities, the 2005-07 State capital allocation to the UW is only 10% of the allocation to higher education.

Approach to Fiscal Year 2006 Budget Decisions

Four over-riding themes guided the development of the Fiscal Year 2006 budget:

- the reaffirmation of excellence through a reinvestment in the core academic mission of the university;
- continued support for the research enterprise at the UW and its associated impacts on economic development in the state;
- the promise of responsible stewardship of the various resources entrusted to the university – from the State, from students and their families, from donors, from patients and from consumers of university programs; and
- the obligations the university assumes in meeting the oversight responsibilities of the regulatory environment in which it operates.

In the context of these themes, a set of specific objectives influenced the building of the budget:

- investing in program excellence – recruiting and retaining top talent in all fields;
- expanding the opportunity higher education affords – through greater access for students seeking baccalaureate and advanced degrees and maintaining affordability through increased financial aid; and
- promoting greater diversity of the student population and of the university's faculty and staff.

Fiscal Year 2006 Core Education Budget Discussion

The proposed Fiscal Year 2006 Core Education Budget is presented in Table 2. Note that while the Board of Regents will only adopt an annual budget for Fiscal Year 2006, a Fiscal Year 2007 column is included on Table 2 for informational purposes.

Changes in Revenues

The changes in revenues supporting the Fiscal Year 2006 Core Education Budget are summarized below:

Revenue Source	FY 2005 Adopted	FY 2006 President Proposed	Change
State General Fund	325,122,000	339,701,000	14,579,000
Tuition Operating Fee	201,351,000	221,026,000	19,675,000
Designated Operating Fund	47,825,000	50,063,000	2,238,000
Use of Interest Stabilization Reserve	2,000,000	0	(2,000,000)
Use of Fund Balance	6,260,000	23,000,000	16,740,000
TOTAL REVENUES	582,558,000	633,790,000	51,232,000

Comments on Changes in Revenues

Budgeted revenues in the proposed Fiscal Year 2006 Core Education Budget are \$51,232,000 higher than the budgeted revenues that supported this budget in Fiscal Year 2005. State General Fund (which in this presentation includes the new Education Trust Fund allocation) revenues increase by \$14,579,000, tuition operating fee revenues increase by \$19,675,000 and Designated Operating Fund revenues increase by \$2,238,000. In Fiscal Year 2005, \$6,260,000 in fund balance was used to support selected one-time or limited duration investments; in Fiscal Year 2006, the administration is proposing to utilize \$23,000,000 in fund balance to support selected one-time or limited duration investments – an increase of \$16,740,000 over the current fiscal year. These proposed changes in revenues for Fiscal Year 2006 are discussed below.

State General Fund. The State General Fund figure in the proposed Fiscal Year 2006 budget comes from the recently adopted State 2005-07 biennial budget. All of the \$14,579,000 increase is dedicated to specific purposes – primarily salary and benefit increases, new enrollments, and specific program allocations.

Tuition Operating Fee. Three factors account for the \$19,675,000 increase in tuition operating fee revenue for Fiscal Year 2006: revenue associated with the tuition increases for undergraduate non-resident, graduate and professional programs that were adopted by the Board of Regents in March is included; this proposed budget assumes that undergraduate resident tuition is increased by 7% (the maximum increase allowed in the 2005-07 State budget bill) for the 2005-06 academic year; and tuition associated with the new enrollments funding in Fiscal Year 2006 included in the estimate.

Designated Operating Fund. Three changes account for the small (\$2,238,000) increase in Designated Operating Fund revenue for Fiscal Year 2006: investment income revenue is assumed to increase by \$1,000,000; Summer Quarter tuition revenue is assumed to increase by \$1,000,000; and \$238,000 in increased revenue is assumed from increasing the undergraduate application fee (which both freshman and transfer applicants pay) from \$38 to \$50.

Use of Fund Balance. The proposed Fiscal Year 2006 Core Education Budget utilizes \$23,000,000 in fund balance to support various one-time or limited duration commitments that are specified later in this section.

Fiscal Year 2006 Core Education Budget Allocations

The new allocations in the Fiscal Year 2006 Core Education Budget are summarized below:

<u>Area of Budget</u>	<u>FY 2006 Allocations</u>
<u>Competitive Compensation:</u>	
Salaries	18,376,000
Benefits	5,698,000
Subtotal	24,074,000
<u>Expanding Higher Education Opportunity:</u>	
Enrollment Allocations	
UW/Seattle (140 UG, 40 GR each year)	1,369,000
UW/Bothell (75 in FY06, 200 in FY07)	675,000
UW/Tacoma (100 in FY06, 225 in FY07)	900,000
High demand enrollment adjustment	1,811,000
UG Resident Financial Aid	980,000
Grad/Professional Financial Aid	483,000
Subtotal	6,218,000
<u>Investments in Program Excellence</u>	
Colleges/Schools Investments	2,221,000
Administrative Units Investments	1,108,000
In Innovation	2,150,000
Research & Scholarship Office support	60,000
Grad career services/MyGrad program	120,000
Freshman application: 100% comp review	250,000
Advising/Academic progress	750,000
Leadership & Values Initiative	250,000
Library materials	450,000
Subtotal	7,359,000
<u>Investments to Promote Diversity</u>	
Diversity Assessment Follow-up	300,000
Diversity minor in Arts & Sciences	85,000
Subtotal	385,000
<u>Investments in Oversight/Compliance</u>	
Financial Aid Compliance	200,000
<u>Legislative Actions</u>	
Operating to Capital Shift	(2,858,000)
<u>Required Cost Increases/Budget Adjustments</u>	
	2,910,000
<u>Use of Fund Balance</u>	
	23,000,000

Comments on Fiscal Year 2006 Budget Allocations

The new budget allocations in the proposed Fiscal Year 2006 Core Education Budget are summarized below.

Competitive Compensation. The details of the compensation allocations for Fiscal Year 2006 are provided in Appendix 1. In the Fiscal Year 2006 proposed budget, \$24,074,000 is allocated for new funding for salary and benefits. Funding is provided for 3.2% average salary increases for faculty, professional staff, librarians, teaching and research assistants, and classified staff. Additional funding is provided for faculty promotions, salary floor adjustments and emeritus rehires. A \$2,000,000 allocation is made for retention of senior faculty. In addition, \$1,500,000 is budgeted for a recruitment and retention pool for faculty, librarians and professional staff.

Additional funding is allocated for increased costs of the employer share of health benefits and for increases in PERS pension costs.

Expanding Higher Education Opportunity. In Fiscal Year 2006, the recently adopted State budget for the 2005-07 biennium includes 140 undergraduate enrollments at the UW/Seattle, 40 graduate enrollments at the UW/Seattle, 75 upper division undergraduate enrollments at the UW/Bothell, and 100 upper division enrollments at the UW/Tacoma. The specific allocations of these enrollments to academic programs are still under discussion. At the UW/Seattle, the current plan is to allocate these funds as follows: \$132,000 to the School of Public Health and Community Medicine for an undergraduate public health major; \$208,000 to the College of Architecture and Urban Planning for a Masters in Real Estate program; \$100,000 to the Graduate School for additional research assistantships in interdisciplinary graduate programs; \$60,000 to the Evans School of Public Affairs for research assistantships for Ph.D. students; and \$869,000 to the College of Arts and Sciences which will absorb new enrollments in a variety of areas.

The high demand enrollment adjustment that appears in this category is a technical adjustment to the budget to account for the cost of the high demand enrollment allocations to the UW in Fiscal Years 2004 and 2005. These high demand program allocations include: expansion of the undergraduate Bioengineering program at UW/Seattle; expansion of the undergraduate Nursing program at UW/Seattle; expansion of the undergraduate Computer and Software Systems program at UW/Tacoma; expansion of the Pharm.D. program at UW/Seattle; expansion of the undergraduate Informatics program at UW/Seattle; and expansion of the undergraduate Electrical Engineering Program at the UW/Seattle.

The 7% increase in undergraduate resident tuition for the 2004-05 academic year will produce \$1,572,000 in additional unfunded need for undergraduate students in the 2005-06 academic year. The Regents have adopted a policy of meeting 55% of this additional need figure with financial aid grants and tuition waivers. To meet this policy goal next year, \$865,000 in additional grant and tuition waiver financial aid has to be made available to undergraduate resident students next year. The UW's current financial aid policy of utilizing 3.5% of tuition operating fee collections for financial aid grants and waiving 4% of tuition will make \$980,000

in additional financial aid available to needy undergraduate resident students in the 2005-06 academic year. This additional allocation to financial aid exceeds the commitment that the Regents have made.

The UW's current financial aid policy of utilizing 3.5% of tuition operating fee collections for financial aid grants and waiving 4% of tuition will make \$483,000 of additional financial aid available to graduate and professional students in the 2005-06 academic year. In addition, graduate appointees qualifying for the non-resident differential and the operating fee tuition waivers will have \$2,836,000 in additional tuition waiver benefit in Fiscal Year 2006.

Investments in Program Excellence. The proposed Fiscal Year 2006 budget provides \$7,359,000 of investments in program excellence. A variety of investments to support program excellence are included in the "Colleges/Schools Investments" and the "Administrative Unit Investments" rows in Table 2 – and these allocations are summarized in Appendix 2 and selected items are highlighted here. In Fiscal Year 2006 program enhancement investments will be made in the following academic units: the Business School (\$476,000), the School of Pharmacy (\$240,000), the Law School (\$141,000), the School of Nursing (\$120,000) and the School of Medicine (\$143,000). In addition, funding is provided to Student Affairs to support the changes in the freshman and transfer student admissions and undergraduate student recruitment efforts that have been made over the last few years.

This category also includes investments in selected programs that the State legislature made in the recently passed State budget. These legislatively directed allocations include: temporary allocations of \$100,000 each to the UW/Bothell and the UW/Tacoma campuses to support planning for having lower division enrollments starting in Fiscal Year 2007; an allocation of \$146,000 to the Burke Museum to support public outreach capabilities; an allocation of \$30,000 to the Harry Bridges Center to support research on labor and economic issues in Washington state; an allocation of \$125,000 to the Institute of Learning and Brain Sciences to support developing partnerships linking the institute to policy makers, the private sector and user groups; an allocation to provide ongoing support for the UW/Tacoma Autism Center; and a temporary allocation of \$250,000 to support a Korean Studies endowment (with an additional \$250,000 allocation provided in Fiscal Year 2007.)

Significant support (\$2,150,000) for innovation efforts is provided in the proposed budget: \$900,000 of this amount is not yet permanently allocated University Initiatives Fund resources; and \$1,250,000 of "research matching" funds provided in the 2003-05 State budget is being set aside for innovative programs to leverage private and federal research investments.

A number of budget allocations are made in Fiscal Year 2006 to help improve the quality of undergraduate education: support for the undergraduate research and scholarship office; support for undergraduate advising and academic progress initiatives; and support needed to have all freshman applications undergo comprehensive reviews. Almost all of the additional cost associated with having all freshman applications undergo comprehensive review will be covered by increasing the undergraduate application fee from \$38 to \$50.

Support is provided for graduate student career services and for expanding the MyGrad Program web portal through which graduate and professional students can access various services.

Two other allocations are included in this category: support to partially cover the increased costs of books and periodicals purchased by the library; and support for the Leadership, Community and Values Initiative the President has started.

Investments to Promote Diversity. Two allocations are proposed for Fiscal Year 2006 to support campus diversity efforts: \$300,000 for various follow-up proposals from the Diversity Assessment; and \$85,000 to support a diversity minor in the College of Arts and Sciences.

Investments in Oversight/Compliance. The proposed budget includes support for necessary computer system changes to insure compliance with financial aid regulations.

Legislative Actions. In the 2005-07 State budget that the legislature recently adopted, the legislature expanded a policy of transferring building operations and maintenance expenses from the operating budget to the capital budget; this policy results in a \$2,858,000 reduction in the operating budget that is offset by an identical increase in the capital budget.

Required Cost Increases/Budget Adjustments. Required cost increases and budget adjustments are shown in Appendix 3. These cost adjustments include changes in utility, property rental, risk management, and other budgets.

Use of Fund Balance. The proposed Fiscal Year 2006 Core Education Budget includes \$23,000,000 of funding from unrestricted fund balance (see Table 3) for a number of one-time or limited duration commitments:

Support for Research

\$10,000,000 of one-time support for the South Lake Union Phase 2 building.

\$500,000 from the Royalty Research Fund to support the Technology Gap Innovation Fund which helps bring UW developed technologies to commercialization – this investment leverages additional funding from the Washington Research Foundation and is the second year of a three-year commitment.

Academic Program Excellence

\$3,000,000 for renovation of undergraduate chemistry labs in Bagley Hall.

\$2,000,000 for renovation of classroom space in T-Wing in the Health Sciences complex; these funds are specifically targeted to classroom space that is directly assigned to the Department of Medicine.

\$1,250,000 of support for implementation of wireless computing capacity – this is the second year of a three-year commitment.

\$1,000,000 for classroom technology equipment replacement/expansion; these funds will be allocated by the Academic Technology Advisory Committee.

\$750,000 to support various initiatives to promote diversity at the UW.

\$500,000 of support for the continuation of selected efforts to transform undergraduate education, including Foundation Courses, Web Enhanced Foreign Language Instruction, Learning Goals and Writing Initiative projects.

\$500,000 to provide matching funds for a proposed Faculty/Staff/Retiree Campaign for Students development effort.

\$500,000 to provide additional high demand/bottleneck course sections.

Support for Oversight/Compliance

\$1,500,000 of support for modifications to administrative computing systems needed to support the implementation of Civil Service Reform – this will be the last year of temporary support for this effort.

\$500,000 of support for modifications to administrative computing systems to resolve issues with transferring data to the State Department of Retirement Systems computing systems – this will be the last year of temporary support for this initiative.

Stewardship of Resources

\$1,000,000 of support for the Chief Investment Office pilot project – this is the first year of a five-year commitment.

Fiscal Year 2006 Restricted Programs Budget Discussion

The proposed Fiscal Year 2006 Restricted Programs Budget is presented in Table 4. As in the Core Education Budget presentation, while the Board of Regents will only adopt an annual Restricted Programs Budget for Fiscal Year 2006, a “planned” Fiscal Year 2007 column is included on Table 4 for informational purposes.

Changes in Revenues

The changes in revenues supporting the Fiscal Year 2006 Restricted Programs Budget are summarized below:

<u>Revenue Source</u>	<u>FY 2005 Adopted</u>	<u>FY 2006 President Proposed</u>	<u>Change</u>
Grant and Contract Direct Cost	780,000,000	800,000,000	20,000,000
Grant and Contract Indirect Cost	180,000,000	187,000,000	7,000,000
Gifts	110,000,000	116,000,000	6,000,000
State Restricted Funds	6,220,000	6,310,000	90,000
TOTAL REVENUES	1,076,220,000	1,109,310,000	33,090,000

Comments on Changes in Revenues

Budgeted revenues in the proposed Fiscal Year 2006 Restricted Programs Budget increase by \$33,090,000 over the Fiscal Year 2005 budgeted level: Grant and Contract Direct Cost increases by \$20,000,000; Grant and Contract Indirect Cost increases by \$7,000,000; Gift and endowment revenue is projected to increase by \$6,000,000; and State Restricted Funds increase by \$90,000. These proposed changes in revenues are discussed below.

Grant and Contract Direct Cost. Grant and contract direct cost is projected to increase by a modest 2.6% in Fiscal Year 2006. While grant and contract awards for the current fiscal year are flat, some modest growth is expected as research activity related to previous awards ramps up.

Grant and Contract Indirect Cost. As grant and contract direct costs are projected to be slightly higher in Fiscal Year 2006 than in Fiscal Year 2005, grant and contract indirect cost recovery is also to be slightly higher.

Gifts. Revenues to gift and endowment spending accounts are projected to increase moderately in Fiscal Year 2006. This increase reflects both continued fund raising success and that endowment distributions are rebounding somewhat from recent lows.

State Restricted Funds. The School of Public Health and Community Medicine receives a small amount of appropriated State funding from the Accident Account and the Medical Aid

Account for specific activities performed by the Department of Environmental Health. Changes in revenues for Fiscal Year 2006 simply reflect changes in State appropriations.

FY 2006 Restricted Programs Budget Allocations

The discussion in this section is limited to how the administration proposes to allocate additional indirect cost recovery resources that are anticipated in Fiscal Year 2005. Expenditures from grant and contract direct cost, almost all gifts, and State restricted funds budgets can only be used for the specific purposes specified by the granting agency, donor or State. Thus, for the grant and contract direct cost, gifts and State restricted funds areas, annual expenditures are assumed to be equal to budgeted levels. Proposed allocations of additional indirect cost recovery resources are discussed below.

The new allocations in Fiscal Year 2006 supported by indirect cost recovery resources are summarized below:

<u>Area of Budget</u>	<u>FY 2006 Allocations</u>
<u>Indirect Cost Recovery:</u>	
<u>Competitive Compensation:</u>	
Salaries	1,682,000
Benefits	842,000
Subtotal	2,524,000
<u>Investments in Research Support</u>	
Change in Research Cost Recovery	2,000,000
Change in ICR to capital	(366,000)
Research Equipment Allocation	4,000,000
Administrative Units Investments	54,000
Library materials	450,000
Support for major research initiatives	750,000
Enhance indirect cost recovery	400,000
Subtotal	7,288,000
<u>Investments in Oversight/Compliance</u>	
New Faculty Effort Cert. System	500,000
IRB Support	500,000
Office of Research Computing Systems	750,000
Research Advisory Board Recommendations	907,000
Subtotal	2,657,000
<u>Required Cost Increases/Budget Adjustments</u>	
Required cost increases/investments	4,233,000
Bioe/Genome Sciences O&M	1,021,000
Subtotal	5,254,000

Comments on FY 2006 Budget Allocations

Competitive Compensation. The indirect cost recovery budget picks up a calculated share of salary and benefit costs of employees who are funded from indirect cost recovery resources.

Investments in Research Support. The proposed Fiscal Year 2006 Indirect Cost Recovery Budget provides over \$7,000,000 of investments in research support. Under the UW's Research Cost Recovery policy, the portion of indirect cost recovery that is associated with college and department administration of grants is allocated to the schools and colleges. In Fiscal Year 2006, the Research Cost Recovery allocations to schools/colleges are estimated to increase by \$2,000,000. Similarly, by policy the administration allocates the building depreciation portion of indirect cost recovery to the capital budget for program-related building renovations. In Fiscal Year 2006 this allocation of indirect cost recovery resources to capital has been reduced by \$366,000 as a result of a more refined calculation method. After this reduction, there will be \$11,000,000 of indirect cost recovery revenue transferred to the capital budget to support program driven building adaptation and renewal projects.

As part of the adoption of the Fiscal Year 2005 budget, the administration committed to utilize \$4,000,000 of indirect cost recovery resources for three years to provide a research equipment allocation to colleges and schools; Fiscal Year 2006 will be the second year of this three-year research equipment support commitment.

Three other investments in research support are included in the proposed budget: \$750,000 of temporary support for major research initiatives like DUSEL, Neptune and nanotechnology – which can have substantial start-up costs associated with them; \$450,000 of support for purchase of library materials; and a temporary allocation of \$400,000 for computer system changes to enhance indirect cost recovery.

Investments in Oversight/Compliance. The proposed Fiscal Year 2006 Indirect Cost Recovery budget makes over \$2,600,000 of investments in various oversight/compliance functions related to research. These investments include:

\$500,000, which supplements funds provided in the current fiscal year, for implementation of a new Faculty Effort Certification system; this investment will replace an outdated system and substantially improve the accuracy of faculty effort reporting that is required by granting agencies;

\$500,000 for additional support for the UW's Institutional Review Boards (the committees that review and approve research proposals involving the use of human subjects); as a follow-up to a recently completed federal review of the university's human subjects procedures, the university has identified a number of areas where these procedures can be improved;

\$750,000 of temporary support for further development of Office of Research computing systems; the Office of Research operates a number of computer systems that support the grant submittal process and a number of enhancements to the existing systems that would ease the grant submission process have been identified; and

\$907,000 of additional funding for research support areas/tasks identified as needing further investment by the Research Advisory Board.

Required Cost Increases/Budget Adjustments. The indirect cost recovery budget picks up its share of estimated increases in cost for utilities and risk management, its share of other critical institutional investments approved by the President and Provost – and these allocations are shown in Appendix 3. The large allocations in this area are \$970,000 for increased utility costs, \$979,000 in debt service costs for the soon to be completed Bioengineering Building, \$440,000 in costs associated with hazardous materials remediation in research space, and \$150,000 for an attending veterinarian for approving and monitoring protocols required when animals are used in research.

Annual adjustments to certain indirect cost recovery budgets that are dedicated to specific purposes (the Primate Center “B” rate) or to pay the operations and maintenance costs of particular buildings (Harborview Research and Training, other Harborview research space, etc.) are also included in this category, and are shown in Appendix 3.

The last item in this category is \$1,021,000 for operations and maintenance costs associated with the new Bioengineering and Genome Sciences buildings. The Bioengineering Building is scheduled to be occupied starting in January 2006 and the Genome Sciences Building is scheduled to be occupied starting in April 2006.

Fiscal Year 2006 Academic Enhancement/Support Budget Discussion

There are four areas included in the Academic Enhancement/Support Budget: UW Medical Center; auxiliary enterprises; auxiliary educational activities; and institutional overhead activities that support the other functions. Auxiliary enterprises include: Housing and Food Services; Intercollegiate Athletics; Parking; internal service units (Stores, Motor Pool, Publication Services, etc.); Student Government; Recreational Sports; and miscellaneous other activities. Auxiliary educational activities include: continuing education; conferences; the medical resident program; the WAMI Program in the School of Medicine; and miscellaneous activities. The University charges institutional overhead to all of these activities to recover the cost of central services utilized by these academic enhancement/support activities.

The projected changes in revenue for academic enhancement/support activity are shown in the table below:

Revenue Source	FY 2005 Adopted	FY 2006 President Proposed	Change
UWMC	550,000,000	567,000,000	17,000,000
Auxiliary Enterprises	265,796,000	281,911,000	16,115,000
Auxiliary Educational Activities	151,893,000	169,052,000	17,159,000
Institutional Overhead	12,357,000	14,000,000	1,643,000
TOTAL REVENUES	980,046,000	1,031,963,000	51,917,000

Based on financial results over the last few years, inflationary increases in revenues have been projected for Fiscal Year 2006 for UW Medical Center, auxiliary enterprise, and auxiliary educational revenues. The projected increases in institutional overhead revenue is based on both actual collections in the current fiscal year and projected increased revenues for the units that pay institutional overhead.

With the exception of institutional overhead resources, the Academic Enhancement/Support Budget resources can only be spent for specified purposes and annual expenditures are assumed to be equal to budgeted levels.

Fiscal Year 2006 Capital Budget Discussion

The proposed Fiscal Year 2006 Capital Budget is presented in Table 5, and includes approval of \$142,912,500 in new capital funding (of which \$112,812,500 is state-appropriated), with the balance for the biennium of \$32,462,500 (of which \$23,862,500 is state-appropriated) to be approved in FY 2007. Non-appropriated funds from donors, indirect cost recovery, and transfers from unrestricted operating funds are also included for approval as part of the overall funding for the FY 2006 capital program. The FY 2006 capital budget is consistent with, and supportive of the themes and objectives that have guided the development of the proposed FY 2006 operating budget.

The 2005-07 state capital budget provides the essential funding required for the Seattle campus restoration program, partial funding for expansion at the Bothell and Tacoma campuses, and relies on local University of Washington funds to support the minor works program. In total, the state capital funding to the University of Washington was about half of the amount requested in the Council of President's Prioritized Capital List, and provided a record low for state investment in minor works projects (\$900,000). Although the legislature adhered to the prioritized list for only a few projects, a budget proviso requires the continuation of the prioritized list process in 2007-09, and calls for the Higher Education Coordinating Board to play a significant role in ranking projects.

Investing in Stewardship. The University of Washington's reinvestment in its physical facilities is a commitment to excellence and responsible stewardship. The university's facilities are not only culturally and historically significant, but they also represent an incredible financial asset, with an estimated total current replacement value of approximately \$6 billion. Our beautiful but aging facilities are integral to the delivery of a quality educational experience; reinvestment and skillful management of these facilities is vital to the well-being of the institution. In the 2005-07 biennium, the legislature provided \$61.5 million of the \$63 million requested for Phase II of the UW's Seattle campus restoration program. This funding provides renovation construction funds for Architecture Hall (\$1 million less than requested) and Guggenheim Hall (\$512,000 less than requested), incremental construction funding for renovations to MHSC H-Wing, and pre-design/design funding for Savery Hall, Clark Hall, and the Playhouse Theater. This pre-design/design funding places \$75 million in renovation construction work in the pipeline for the 2007-09 biennium.

As part of the university's comprehensive program to reduce the backlog of deferred renewal, significant investments are also required to complete minor works projects such as roofing, plumbing, electrical, exteriors, utilities, road and sidewalk improvements, and seismic and accessibility corrections. A total of \$41 million from the University of Washington Building Account and local capital reserve balances was appropriated to fund minor works preservation projects proposed for the 2005-07 biennium. In addition, an institution the size of the University of Washington requires ongoing improvements and renovation projects to support changing program needs and strategic goals. In total, the state funding for minor works was a record low of \$900,000 for the biennium, with this amount appropriated to program projects. An additional \$22 million in facilities indirect cost recovery funds will be directed toward program renewal projects.

Investing in Student Access and Success. Capacity expansion projects for Tacoma and Bothell were partially funded in the 2005-07 state capital budget. The UW Bothell South Campus Access project was funded through an appropriation of \$18 million in the State transportation budget with a commitment to an additional \$8 million in 2007-09 transportation funding. The university also requested \$2.2 million in design funding for the next phase of development at the Bothell campus; this design funding was not provided by the legislature, although design funds for the next phase of development of Cascadia Community College were provided. Funding was provided to Tacoma for the construction of the UW Tacoma Assembly Hall project, which will essentially demolish the facility known as the “Dawg Shed”, and construct a flexible assembly hall facility in its place. State funding for the UW/Tacoma Assembly Hall are proposed to be enhanced by \$2,500,000 in donor funds. Funding was not however, provided for additional land acquisition and soils remediation in Tacoma.

Table 1

University of Washington Fiscal Year 2006 Proposed Operating Budget

Budget Category	FY 2005 Adopted	FY 2006 President Proposed
CORE EDUCATION BUDGET		
Revenues		
State General Fund	325,122,000	339,701,000
Tuition Operating Fee	201,351,000	221,026,000
Designated Operating Fund	47,825,000	50,063,000
Use of Interest Stabilization Reserve	2,000,000	0
Use of Fund Balance	6,260,000	23,000,000
Total Revenues	582,558,000	633,790,000
Expenditures	582,558,000	633,790,000
RESTRICTED OPERATING BUDGET		
Revenues		
Grant and Contract Direct Costs	780,000,000	800,000,000
Grant and Contract Indirect Costs	180,000,000	187,000,000
Gifts	110,000,000	116,000,000
State Restricted Funds	6,220,000	6,310,000
Total Revenues	1,076,220,000	1,109,310,000
Expenditures	1,076,220,000	1,109,310,000
ACADEMIC ENHANCEMENT/SUPPORT BUDGET		
Revenues		
UWMC	550,000,000	567,000,000
Auxiliary Enterprises	265,796,000	281,911,000
Auxiliary Educational Activities	151,893,000	169,052,000
Institutional Overhead	12,357,000	14,000,000
Total Revenues	980,046,000	1,031,963,000
Expenditures	980,046,000	1,031,963,000
TOTAL OPERATING BUDGET		
Revenues	2,638,824,000	2,775,063,000
Expenditures	2,638,824,000	2,775,063,000

Table 2
President Proposed Budget
Core Education Operating Budget for Fiscal Year 2006 and Fiscal Year 2007

	FY 2005 Adopted	FY 2006 President Proposed	FY 2007 President Planned	Comment
REVENUES				
State General Fund	325,122,000	339,701,000	351,809,000	
Tuition Operating Fee	201,351,000	221,026,000	234,026,000	
Designated Operating Fund	47,825,000	50,063,000	50,063,000	<i>UG Res @ 7%; others @ Regents adopted (w/o indirect cost and inst. overhead)</i>
Use of Interest Stabilization Reserve	2,000,000	0	0	
Use of Fund Balance	6,260,000	23,000,000	0	
TOTAL REVENUES	582,558,000	633,790,000	635,898,000	
EXPENDITURES				
Adjusted Base Budget	582,558,000	572,502,000	609,327,000	
Competitive Compensation:				
Salaries		18,376,000	11,226,000	
Benefits		5,698,000	1,593,000	
Subtotal		24,074,000	12,819,000	
Expanding Higher Education Opportunity:				
Enrollment Allocations				
UW/Seattle (140 UG, 40 GR each year)		1,369,000	1,369,000	
UW/Bothell (75 in FY06, 200 in FY07)		675,000	1,463,000	<i>125 lower division in FY07</i>
UW/Tacoma (100 in FY06, 225 in FY07)		900,000	1,688,000	<i>125 lower division in FY07</i>
High demand enrollment adjustment		1,811,000		
UG Resident Financial Aid		980,000		<i>FY 07 determined next year</i>
Grad/Professional Financial Aid		483,000		<i>FY 07 determined next year</i>
Subtotal		6,218,000	4,520,000	
Investments in Program Excellence				
Colleges/Schools Investments		2,221,000	632,000	
Administrative Units Investments		1,108,000		
In Innovation		2,150,000		
Research & Scholarship Office support		60,000		
Grad career services/MyGrad program		120,000		
Freshman application: 100% comp review		250,000		
Advising/Academic progress		750,000		
Leadership & Values Initiative		250,000		
Library materials		450,000		
Subtotal		7,359,000	632,000	
Investments to Promote Diversity				
Diversity Assessment Follow-up		300,000		
Diversity minor in Arts & Sciences		85,000		
Subtotal		385,000		
Investments in Oversight/Compliance				
Financial Aid Compliance		200,000	0	<i>Temp investment</i>
Legislative Actions				
Operating to Capital Shift		(2,858,000)	(1,000)	
Required Cost Increases/Budget Adjustments				
		2,910,000	3,000,000	
Available for FY 07 Allocations				
		0	5,601,000	
Use of Fund Balance				
		23,000,000	0	<i>See table 3</i>
TOTAL EXPENDITURES	582,558,000	633,790,000	635,898,000	

Table 3
Proposed Temporary Investments from Fund Balance for Fiscal Year 2006

Temporary Investments	FY 2006 President Proposed
<u>EXPENDITURES</u>	
<u>Support for Research</u>	
South Lake Union Phase 2 Construction	10,000,000
Technology Gap Innovation Fund (WRF matches UW)	500,000
Total Support for Research	10,500,000
<u>Academic Program Excellence</u>	
Undergraduate Chemistry Lab Renovation	3,000,000
T-Wing Classrooms Assigned to Schools Renovation	2,000,000
Wireless Computing Infrastructure	1,250,000
Classroom Tech Equipment Replacement/Expansion	1,000,000
Diversity Initiatives	750,000
Arts and Sciences Undergraduate Education Initiatives	500,000
Staff/Faculty/Retiree Campaign for Students	500,000
Additional High Demand/Bottleneck Course Sections	500,000
Total Academic Program Excellence	9,500,000
<u>Support for Oversight/Compliance</u>	
Civil Service Reform Implementation	1,500,000
Department of Retirement Systems Project	500,000
Total Compliance	2,000,000
<u>Stewardship of Resources</u>	
Chief Investment Office Pilot Project	1,000,000
TOTAL EXPENDITURES	23,000,000

Table 4

**President Proposed Budget
Restricted Programs Budget for Fiscal Year 2006 and Fiscal Year 2007**

	FY 2005 Adopted	FY 2006 President Proposed	FY 2007 President Planned	Comments
<u>REVENUES</u>				
Grant and Contract Direct Cost	780,000,000	800,000,000	800,000,000	
Grant and Contract Indirect Cost	180,000,000	187,000,000	189,000,000	
Gifts	110,000,000	116,000,000	116,000,000	
State Restricted Funds	6,220,000	6,310,000	6,335,000	
TOTAL REVENUES	1,076,220,000	1,109,310,000	1,111,335,000	
<u>EXPENDITURES</u>				
Grant and Contract Direct Cost	780,000,000	800,000,000	800,000,000	
Gifts	110,000,000	116,000,000	116,000,000	
State Restricted Funds	6,220,000	6,310,000	6,335,000	
Subtotal	896,220,000	922,310,000	922,335,000	
<u>Indirect Cost Recovery:</u>				
<u>Adjusted Base ICR Budget</u>	180,000,000	169,277,000	180,193,000	
<u>Competitive Compensation:</u>				
Salaries		1,682,000	1,028,000	
Benefits		842,000	236,000	
Subtotal		2,524,000	1,264,000	
<u>Investments in Research Support</u>				
Change in Research Cost Recovery		2,000,000	0	
Change in ICR to capital		(366,000)	0	
Research Equipment Allocation		4,000,000	4,000,000	Temp allocation
Administrative Units Investments		54,000	0	
Library materials		450,000	0	
Support for major research initiatives		750,000	0	Temp allocation
Enhance indirect cost recovery		400,000	0	Temp allocation
Subtotal		7,288,000	4,000,000	
<u>Investments in Oversight/Compliance</u>				
New Faculty Effort Cert. System		500,000	0	
IRB Support		500,000	0	
Office of Research Computing Systems		750,000	0	Temp allocation
Research Advisory Board Recommendations		907,000	0	
Subtotal		2,657,000	0	
<u>Required Cost Increases/Budget Adjustments</u>				
Required cost increases/investments		4,233,000	2,000,000	
Bioe/Genome Sciences O&M		1,021,000	1,165,000	
Subtotal		5,254,000	3,165,000	
Subtotal Indirect Cost Recovery Bdg:		187,000,000	188,622,000	
Still available for allocations:		0	378,000	
TOTAL EXPENDITURES	1,076,220,000	1,109,310,000	1,111,335,000	

Table 5

**President Proposed Budget
Capital Budget for Fiscal Year 2006 and Fiscal Year 2007**

	FY 2006 President Proposed	FY 2007 President Planned
<u>REVENUES</u>		
Funding for FY 2006 & FY 2007 Projects		
State Funds (State Bonds)	69,400,000	450,000
Education Construction Account	12,912,500	12,912,500
UW Building Account - Local Funds	30,500,000	10,500,000
Donor/ICR - Local Fund	22,000,000	2,500,000
Federal Funds	-	3,000,000
Transfer from Unrestricted Local Funds	8,100,000	3,100,000
Subtotal	142,912,500	32,462,500
Funding for Previously Approved Projects	95,763,677	-
Funding for Enterprise Unit Projects	154,129,549	-
TOTAL REVENUES	392,805,726	32,462,500
<u>EXPENDITURES</u>		
<u>Previously Approved Projects</u>	95,763,677	3,000,000
<u>Enterprise/Self-sustaining Unit Projects - Previously Approved</u>	154,129,549	-
<u>Proposed Projects to be Approved FY06</u>		
Architecture Hall - C	21,850,000	-
Guggenheim Hall - C	24,500,000	-
HSC H Wing - C	5,000,000	-
Savery Hall - P/D	6,600,000	-
Clark Hall - P/D	2,500,000	-
Playhouse Theater - P/D	1,000,000	-
UW Tacoma Assembly Hall - C	7,500,000	2,500,000
Total Proposed Projects	68,950,000	2,500,000
<u>Minor Projects</u>		
Minor Works, Preservation	31,700,000	11,700,000
Preventative Facility Maintenance and Building System Repairs	12,912,500	12,912,500
Minor Works, Program	29,350,000	2,350,000
Total Minor Projects	73,962,500	26,962,500
TOTAL EXPENDITURES	392,805,726	32,462,500

P - Planning; D-Design; C-Construction

Note: \$18,000,000 in construction funding for the UW Bothell/Cascadia Community College South Campus access project was provided through the 2005-07 State transportation budget; with a commitment for an additional \$8,000,000 in 2007-09.

Appendix 1

COMPETITIVE COMPENSATION

Item	FY 2006 Change	FY 2006 Amount to Core Educ.	FY 2006 Amount to ICR
<u>SALARIES</u>			
Faculty			
2% continuing merit	4,340,000	4,340,000	0
1.2% other	2,604,000	2,604,000	0
Promotions	500,000	500,000	0
Floors	75,000	75,000	0
Senior Faculty Retention	2,000,000	2,000,000	0
Emeritus re-hires	500,000	500,000	0
Faculty/Prof Staff/Lib recruit/retention	1,500,000	1,500,000	0
Teaching/Research Assistants 3.2%	650,000	650,000	0
Professional Staff/Librarians 3.2%	3,639,417	2,836,000	804,000
Represented Classified Staff 3.2%			
Classified staff -- GOF	2,199,000	2,199,000	0
Classified staff -- DOF	1,052,000	324,000	728,000
Non-represented Classified Staff GOF & DOF	300,000	300,000	0
Classification Revisions/Salary Survey	398,000	398,000	0
Library Hourly minimum wage	300,000	150,000	150,000
Total Salaries	20,057,417	18,376,000	1,682,000
<u>BENEFITS</u>			
Employer share of health benefits			
Benefits -- GOF	4,462,000	4,462,000	0
Benefits -- DOF	1,217,000	375,000	842,000
TA/RA health insurance	150,000	150,000	0
Others			
Social Sec Base Change	165,000	165,000	0
PERS Pension Change	708,000	708,000	0
Workers Comp change	(162,000)	(162,000)	0
Total Benefits	6,540,000	5,698,000	842,000
TOTAL COMPENSATION	26,597,417	24,074,000	2,524,000

Appendix 2

INVESTMENTS IN PROGRAM EXCELLENCE

Item	FY 2006 Change	FY 2006 Amount to Core Educ.	FY 2006 Amount to ICR
<u>Colleges/Schools Investments</u>			
UW Allocations			
Business Program Enhancement	476,000	476,000	0
Law Program Enhancement	141,000	141,000	0
Nursing Program Enhancement	120,000	120,000	0
Pharmacy Program Enhancement	240,000	240,000	0
Medicine - WAMI adjustment	143,000	143,000	0
Total UW Allocations	1,120,000	1,120,000	0
Legislative Actions			
UW/Tacoma & UW/Bothell Lower Div Planning Fnd	200,000	200,000	0
Burke Museum	146,000	146,000	0
Labor Ctr Rsch	30,000	30,000	0
Institute for Learning & Brain Science	125,000	125,000	0
Tacoma Autism Center	350,000	350,000	0
Korean Studies Endowed Chair	250,000	250,000	0
Total Legislative Actions	1,101,000	1,101,000	0
Total Colleges/Schools Investments	2,221,000	2,221,000	0
<u>Administrative Units Investments</u>			
Student Affairs Admissions/Recruit Process (current procedure)	692,000	692,000	0
Adjustments to Regent's Office budget	150,000	113,000	37,000
New Provost/Dean hires	250,000	250,000	0
Attorney General Office Support	70,000	53,000	17,000
Total Administrative Units Investments	1,162,000	1,108,000	54,000

Appendix 3

REQUIRED COST INCREASES/BUDGET ADJUSTMENTS

Item	FY 2006 Change	FY 2006 Amount to Core Educ.	FY 2006 Amount to ICR
<u>Fixed Cost Budgets</u>			
Utilities:			
Electricity	181,000	137,000	44,000
Natural gas	3,197,000	2,413,000	784,000
Water/sewer	604,000	456,000	148,000
Solid waste	27,000	20,000	7,000
Power plant operations	(53,000)	(40,000)	(13,000)
Subtotal utilities:	3,956,000	2,986,000	970,000
Other fixed cost budgets:			
Property rentals-general	(516,000)	(516,000)	0
Prop. Rental-Sand Point central	19,000	19,000	0
Prop. Rental-Sand Point unassigned	19,000	19,000	0
Risk management	(905,000)	(683,000)	(222,000)
Investment management fees	80,000	80,000	0
Other fixed cost budgets	100,000	75,000	25,000
Subtotal other fixed cost budgets	(1,203,000)	(1,006,000)	(197,000)
<u>UW/Bothell and UW/Tacoma Allocations</u>			
UW/Bothell O&M increases	306,000	306,000	0
UW/Tacoma O&M increases	408,000	408,000	0
UW/B & UW/T Summer Qtr tuition adjustment	696,000	696,000	0
<u>Other Issues</u>			
Recycling program	250,000	189,000	61,000
Change in Summer Quarter cost	500,000	500,000	0
Bioengineering debt service	979,000	0	979,000
Hazardous materials charges	585,000	145,000	440,000
Attending veterinarian	150,000	0	150,000
Institutional overhead offset	(1,500,000)	(1,500,000)	0
Changes in State Revolving Funds	186,000	186,000	0
Subtotal Other Issues	1,150,000	(480,000)	1,630,000
Subtotal for Fixed Cost budgets, O&M increases & Other Issues	5,313,000	2,910,000	2,403,000
<u>Dedicated Indirect Cost Recovery Dollars</u>			
Primate Center "B" Rate	300,000	0	300,000
Harborview Research and Training Bldg	300,000	0	300,000
Harborview Other Research Buildings	75,000	0	75,000
Rosen Building	125,000	0	125,000
Sand Point Building 29	(200,000)	0	(200,000)
Roosevelt 1 Building	(600,000)	0	(600,000)
I-LABS	375,000	0	375,000
K-Wing debt service	500,000	0	500,000
401 Broadway	500,000	0	500,000
411 Nickerson	100,000	0	100,000
UW/Bothell ICR	230,000	0	230,000
UW/Tacoma ICR	50,000	0	50,000
Applied Physics Lab	75,000	0	75,000
Subtotal Dedicated Indirect Cost Recovery	1,830,000	0	1,830,000
TOTAL REQUIRED COST INCREASES/BUDGET ADJUSTMENTS	7,143,000	2,910,000	4,233,000

University of Washington

Department of Intercollegiate Athletics



2005-2006 Budget Overview with
Financial and Capital Projections

University of Washington
Department of Intercollegiate Athletics
Projected Revenues and Expenses for 2004-2005 and 2005-2006

	2004-2005		2005-2006	
	Projections		Projections	
<u>Operating Revenues</u>				
Gate Revenues	\$12,470	k	\$14,310	k
Contributions (except for facilities)	9,285		9,970	
Television/Radio	5,912		6,360	
Donated Advertising	1,500		1,500	
Investment Income	1,625		1,125	
State Funded Tuition Waivers	1,460		1,562	
Concessions/Souvenirs	725		735	
Post-Season	2,540		2,685	
Sponsorships	1,500		1,827	
Other Revenues	2,380		2,375	
Total Operating Revenues	\$39,397	k	\$42,449	k
<u>Operating Expenses</u>				
Salaries and Benefits	\$19,880	k	\$19,900	k
Financial Aid	6,595		7,080	
Day of Game	2,475		2,525	
Team/Administrative Travel	2,930		2,954	
Supplies/Equipment	2,017		1,550	
Preseason/Training Table	700		725	
Repairs/Maintenance	555		635	
Printing	490		490	
Telephone/Postage	430		430	
Institutional Overhead/Utilities	1,400		2,375	
Donated Advertising	1,500		1,500	
Other Expenses	4,725		3,110	
Total Operating Expenses	\$43,697	k	\$43,274	k
Operating Deficit	(\$4,300)	k	(\$825)	k
<u>Non-Operating Revenues</u>				
Facility Contributions	\$3,900	k	\$4,400	k
Building for Excellence Fund Contributions for Capital Projects and Debt Service	2,250		2,250	
Total Non-Operating Revenues	\$6,150	k	\$6,650	k
<u>Non-Operating Expenses</u>				
Debt Service	\$1,315	k	\$1,315	k
Capital Projects	11,100		3,000	
Total Non-Operating Expenses	\$12,415	k	\$4,315	k
<u>Large Items that Contributed to Loss</u>				
Rick Neuheisel Settlement	\$2,050	k	\$0	k
Legal Fees	1,500		100	
Impact of Football Coaching Change	1,300		857	
Total	\$4,850	k	\$957	k

Operating Revenue Assumptions for the 2005-2006 Budget

Gate Revenues (\$14,310k):

\$13,050k	Football gate revenues for 2005 home games assuming a 10% season ticket non-renewal factor and a season ticket price increase from \$208 to \$270. (Each 1% of non-renewal equals approximately \$140k in gate revenues.)
(2,370)	Visiting team share paid out for home football games. (The projected settlement for the WSU home game is \$1,095k.)
<u>1,075</u>	Visiting team share received for away football games.
\$11,755k	Football Subtotal
\$2,150k	Men's basketball gate revenues (25% price increase, two more home games)
275	Women's basketball gate revenues.
<u>130</u>	Olympic sports gate revenues.
<u>\$14,310k</u>	Total for all Gate Revenues

Contributions Except for Facilities and \$50 of the Building for Excellence Fund (\$9,970k):

\$6,400k	Projected Tye contributions. (The calculations include a 10% non-renewal factor.)
750	Gifts for scholarships.
1,125	Additional Building for Excellence Fund contributions due to the \$25 price increase from \$50 to \$75. The contributions related to the additional \$25 are not specifically designated for capital projects.
800	Men's basketball seat related contributions.
65	Women's basketball seat related contributions.
500	Deposits on Don James Center memberships to be received in 2006-2006.
210	Husky Sports contributions that fund salaries/benefits. Other Husky Sports contributions are not budgeted as they offset expenditures beyond approved budget amounts.
<u>120</u>	Estimated increase in annual giving.
<u>\$9,970k</u>	Total Contributions

Television/Radio (\$6,360k):

\$3,200k	Pac-10 football TV revenue (5 games projected to be televised, same mix as in 2004).
715	Pac-10 men's basketball TV revenues (one ABC or CBS appearance budgeted, Fox Sports appearance revenue shared equally by all ten schools).
281	Cable TV with Fox Sports Net NW (per contract, year 3 of 3 year agreement).
2,050	Action Sports Media radio (\$1,800k for last year of contract plus \$250k lump sum payment on 6/30/06).
88	Satellite Radio Agreement with 8 Pac-10 schools. (Year 2 of 3 year agreement.)
<u>26</u>	Internet services
<u>\$6,360k</u>	Total

Donated Advertising (\$1,500k):

Action Sports Media radio contract (offset by donated advertising expense line).

Investment Income (\$1,125k):

\$700k	Endowment distributions (market value is approximately \$15 million).
350	Long-term investments (Diversified Investment Pool, 7% x \$5 million projected balance at 6/30/05).
<u>75</u>	Short-term rate of return on other funds.
<u>\$1,125k</u>	Total

State Funded Tuition Waivers (\$1,562k):

\$1,460k approved amount for 2004-2005 x 7% increase for instate tuition in 2005-2006 = \$1,562k.

Concessions/Souvenirs (\$735k):

\$600k	Sodexo minimum guarantee for food concessions per the contract. (Year 4 of 5 year contract.)
135	Sports Avenue souvenir concessions for store and event sales. (Year 5 of 5 year contract.)
<u>\$735k</u>	Total

Post-Season (\$2,685k):

\$1,315k	Rose Bowl (share to all Pac-10 schools).
120	Other Pac-10 bowl games less ticket subsidy (share to all Pac-10 schools).
1,000	Men's Basketball Tournament (share to all Pac-10 schools).
<u>250</u>	Pac-10 Basketball Tournament revenues.
<u>\$2,685k</u>	Total

Sponsorships (\$1,827k):

\$800k	Scoreboards (regular payment for the final year of the Action Sports Media contract).
332	Action Sports Media also owes \$332k to meet the \$4.5 million minimum in sponsorship payments due over the life of the contract.
350	Affinity Card (agreement ends in 2010).
<u>345</u>	Compensation to coaches per sponsor agreements and other sponsor revenue.
<u>\$1,827k</u>	Total

Other Revenues (\$2,375k):

\$670k	Grants in Aid from NCAA
480	Facilities rental
250	Parking revenue from home football games
200	Trademarks and Licensing
195	Sports Sponsorship from NCAA
130	Student-Athlete Opportunity Fund from NCAA
120	Laundry (IMA towels)
75	Boat Moorage
55	Academic Enhancement Fund from NCAA
42	Special Assistance Fund from NCAA
30	Pressbook sales
128	Other revenues (Pac-10 miscellaneous income, sports medicine custodial recharge etc.).
<u>\$2,375k</u>	Total

Operating Expense Assumptions for the 2005-2006 Budget

Salary and Benefits (\$19,900k):

- \$857k (value of remaining contract obligations to previous football staff).
- Performance, academic and administrative incentives for coaches are included with a total of \$729k.
- 3% average increase for Olympic sports coaching staff.
- 3.2% average increase for professional staff.
- 3.2 % increase for classified and CSA staff in addition to scheduled step increases.

Financial Aid (\$7,080k which is a \$485K increase from 2004-2005):

- 7% increase for in-state tuition (\$52k impact).
- 11½% increase for out-of-state tuition. (Each 1% of increase equals approximately \$28k; total impact is \$330k).
- 3% increase in room and board rates (\$77k impact).
- \$26k increase in costs for summer school, post-eligible aid etc.

Day of Game (\$2,525k):

- No general increase.

Team/Administrative Travel (\$2,954k):

- No general increase.

Supplies/Equipment (\$1,550k):

- No general increase.

Preseason/Training Table (\$725k):

- Conibear dining reopens fall 2005.

Repairs/Maintenance (\$635k)

- Includes increases in the maintenance contracts for the video editing system and the upgraded ticketing and fund development system.
- No general increase.

Printing (\$490k):

- No general increase.

Telephone/Postage (\$430k)

- No general increase.

Institutional Overhead/Utilities (\$2,375k):

\$1,250k	Projected institutional overhead
540	Electricity (projected billing)
360	Steam (projected billing)
<u>225</u>	Water (projected billing)
<u>\$2,375k</u>	Total

Donated Advertising (\$1,500k):

- Action Sports Media radio contract (offset by donated advertising revenue line).

Other Expenses (\$3,110k):

\$520k	Pac-10 Conference Office assessment
500	Hospital/lab fees
300	Insurance (property, travel, loss of revenue)
250	Credit card fees
200	Department Relations
219	Visiting recruits (48-hour visits)
142	Banquets/luncheons/events
130	Student-Athlete Opportunity Fund from NCAA
129	Advertising (non-donated)
120	Copiers
113	Rental of furniture/equipment
100	Legal fees
80	Dues/fees, subscriptions
55	Awards to student-athletes
50	Audit fees (financial, Husky Fever).
50	Freight
45	Special Assistance Fund from NCAA
27	Scouting service
80	Other (Motor Pool, dry cleaning, community relations etc.)
<u>\$ 3,110k</u>	Total

Financial Model Assumptions

Operating Revenues:

Gate Revenues

- Based on signed contracts for future non-conference games.
- A 12th football game is added beginning in 2006. There will be 7/5 home/away games in one year and 6/6 home/away games in alternate years.
- 2% increase for all sports.

Contributions

- Don James Center renewals with a deposits of \$500,000 in 2005-2006 and payments of \$6,250,000 in 2006-2007. These estimates are for five year memberships.
- 3% average annual increase.
- \$200k Men's Basketball seat related revenue added in 2006-2007 due to reallocation.

Television/Radio

- 3% annual increase.

Donated Advertising

- Fixed amount offset by donated advertising expense line item.

Investment Income

- The projected rates of return for future years are 4% for operating fund balances, 5% for endowment fund balances and 7% for DIP fund balances.
- \$500k of endowment principal added each year.

State Funded Tuition Waivers

- 7% projected annual increase in the instate tuition rate.

Concessions/Souvenirs

- 2% annual increase.

Post-Season

- 3% annual increase.

Sponsorships

- 3% annual increase.

Other Revenues

- 3% annual increase.

Financial Model Assumptions

Operating Expenses:

Salaries / Benefits

- 3% annual increase.
- 2006-2007 reduced by \$857k commitment to former football staff before the 3% increase is applied.

Financial Aid

- 6.3% average projected annual increase, which is based on increases of 9% for out of state tuition, 7% for instate tuition, 5% for summer school and post-eligible aid and 3% for room and board and books.
- The NCAA increased the maximum number of scholarships in some women's sports effective in 2006-2007. As a result, approximately \$100k has been added for seven additional instate scholarships beginning in that year.

Day of Game

- 3% annual increase.

Team/Administrative Travel

- 3% annual increase.

Supplies / Equipment

- 3% annual increase.

Pre-season/Training Table

- 3% annual increase.

Repairs/Maintenance

- 3% annual increase.

Printing

- 3% annual increase.

Telephone/Postage

- 3% annual increase.

Institutional Overhead/Utilities

- 3% annual increase as most revenue categories subject to overhead are increasing by 3%.

Donated Advertising

- Fixed amount offset by donated advertising revenue line item.

Other Expenses

- 3% annual increase.

University of Washington
Department of Intercollegiate Athletics

Projected Sources / Uses of Funds and Capital Obligations
2005-2006 through 2009-2010

	<u>2005-2006</u> <u>Projection</u>	<u>2006-2007</u> <u>Projection</u>	<u>2007-2008</u> <u>Projection</u>	<u>2008-2009</u> <u>Projection</u>	<u>2009-2010</u> <u>Projection</u>
<u>Beginning Fund Balance</u>	\$3,160 k	\$4,670 k	\$12,246 k	\$14,008 k	\$14,461 k
<u>Sources</u>					
Net Increase (Decrease) from Operations	(\$825) k	\$6,773 k	\$1,190 k	\$559 k	\$736 k
Contributions for facilities (outstanding pledges)	4,400	2,300	1,500	750	100
Building for Excellence Fund (capital portion)	2,250	2,318	2,387	2,459	2,532
Total Sources of Funds	\$5,825 k	\$11,391 k	\$5,077 k	\$3,768 k	\$3,368 k
<u>Uses</u>					
Capital Projects	\$3,000 k	\$2,500 k	\$2,000 k	\$2,000 k	\$2,000 k
Debt Service for Dempsey Indoor	1,315	1,315	1,315	1,315	1,315
Total Uses of Funds	\$4,315 k	\$3,815 k	\$3,315 k	\$3,315 k	\$3,315 k
Net Increase (Decrease) to Fund Balance	\$1,510 k	\$7,576 k	\$1,762 k	\$453 k	\$53 k
<u>Ending Fund Balance</u>	\$4,670 k	\$12,246 k	\$14,008 k	\$14,461 k	\$14,514 k

Capital Obligations

Principal Balance on Bonds for Dempsey Indoor	\$8,515 k	\$7,615 k	\$6,675 k	\$5,690 k	\$4,655 k
Total Capital Obligations	\$8,515 k	\$7,615 k	\$6,675 k	\$5,690 k	\$4,655 k

Opportunities to Improve the Operating Margin

- Improved football team performance with additional gate revenues, TV revenue, contributions, etc.
- New comprehensive multimedia agreement effective in 2006-2007.
- Pac-10 Conference football TV rights agreement ends after the 2006 football season. The new agreement is being negotiated.
- Change the Pac-10 revenue sharing formula for traditional rival football and men's basketball games.

Risks to a Successful Budget

- Decreased interest in the football program.
- Financial aid rate increases.
- Unforeseen legal fees.
- NCAA mandated legislation that causes/allows additional expense.

Executive Summary

**Washington State Auditor’s Office
University of Washington Audit
July 1, 2004 through June 30, 2005**

The State Auditor’s Office strives to ensure the best use of state resources. To this end, we make every attempt to avoid duplication of audit efforts by considering work performed by other auditors or oversight agencies, including the University’s internal auditors, when appropriate.

In keeping with general auditing practices, we do not examine every portion of the University’s financial activities during each audit. The areas examined are those areas we have determined have the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years.

Our scope of responsibility is first, financial records are audited to ensure public funds are accounted for and controls are in place to protect public resources from misappropriation and misuse and secondly; legal compliance auditing is conducted to make sure units of state and local government adhere to required laws and regulations relating to financial matters.

ELEMENTS OF THE AUDIT

• **Compliance with laws and regulations:**

The State Constitution, Article 3, Section 20 (Audits of Public Accounts) establishes the Office as the auditor of public accounts, and to have such powers and perform such duties as may be prescribed by law. RCW 43.09 grants the auditor authority to examine the financial affairs of public agencies to ensure their integrity in the assessment, collection, and expenditure of public funds.

How? We examine compliance with selected laws, regulations, and policies of a financial. To plan the audit we applied our professional knowledge and experience with University operations and analyzed electronic University data to identify areas at the highest risk for non-compliance, misappropriation or abuse. If, during the course of the audit, we identify other areas not scheduled for review, we consider adjusting our audit scope accordingly and notify University management.

Which areas?

<ul style="list-style-type: none"> • Donations & Endowments • Open Public Meeting Act • Budgetary Compliance • Payroll • Expenditures/Purchasing/Accounts Payable • Competitive Bid Law Compliance • Conflict of Interest • General Inventory • Pharmaceutical Inventory • Bothell Campus • Tacoma Campus • Contracts & Agreements 	<ul style="list-style-type: none"> • Student Accounts • Motor Pool • Risk Management • Publishing Services • Educational Outreach • Office of Intellectual Property & Technology • Recreational Sports • University Press • Intercollegiate Athletics • Housing & Dining • Parking Services • Student Union Facilities • Out of state bank accounts
--	--

Planned computer assisted audit tests of payroll and vendor payment transactions may lead us to additional departments.

- **Single Audit:**

The State Auditor's Office is responsible for performing a single audit of the State of Washington, as required by the revised Single Audit Act and Office of Management and Budget Circular A-133.

We have identified three major federal programs at the University that are scheduled for audit:

- National Research Resources & Research Infrastructure
- Research and Development Cluster
- Student Financial Aid

The federally funded transactions and related internal controls will be examined in the following departments:

<ul style="list-style-type: none">• Office of Sponsored Programs• Grant and Contact Accounting• Management Accounting & Analysis• Regional Primate Center• General Internal Medicine• Bioengineering• Radiology	<ul style="list-style-type: none">• AID's Center• Biochemistry• Department of Medicine• School of Social work• Psychiatry• School of Nursing• Student Financial Aid
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- **Financial Statements:**

The State Auditor's Office is responsible for performing an audit of the financial statements for the State of Washington. University of Washington financial data is included in these statements. We will attest to the fairness of presentation of certain University account balances considered significant to the state's financial statements.

REPORTING

Any conditions considered significant enough to report as a finding will be included in one or two statewide reports:

- Single audit report (for all findings involving federal funds)
- Accountability report (for all findings)

We will also provide the University with a separate accountability report to include all University findings.

Peterson Sullivan PLLC
University of Washington Metropolitan Tract Audit
For the Year Ended June 30, 2005

Peterson Sullivan PLLC has been providing audit services to the University of Washington for over fifteen years. We value our relationship with the University and welcome the opportunity to communicate with the Regents about our audit plan.

SERVICES PROVIDED

This is the second year we have conducted the financial audit of the Metropolitan Tract. Not only do we audit the Metropolitan Tract, we also provide the following other services:

- We audit the Rainier Tower sublease activity, including the results of operations and net change in cash
- We audit the Fairmont Olympic Hotel ("Fairmont") activity, including the gross rental income and percentage rent. We also test lease compliance.
- We audit the Unico Properties, Inc. ("Unico") activity, including the gross rental income and percentage rent. We also test Unico's lease compliance.

Metropolitan Tract

We focus our audit procedures in the areas deemed to be the highest risk. At the Metropolitan Tract, we have determined that cash, rent revenue and capital expenditures represent the largest dollar value and the highest volume of activity and, therefore, represent highest audit risk. We have prepared our audit programs to focus audit efforts in these areas.

Rainier Tower Sublease

The Rainier Tower sublease financial results are included in the Metropolitan Tract financial statements. We also audit the separate schedules of results of operations and net change in cash. The risk areas where we focus our audit procedures related to these two schedules is rent revenue recognition and capital expenditures.

Fairmont Olympic Hotel

The financial results from the Fairmont Olympic Hotel schedules of gross revenue amounts and percentage rentals are included in the Metropolitan Tract financial statements. We also audit the schedules on a stand-alone basis. We focus our audit procedures on revenue recognition, completeness, and revenue/expense classification. In addition, we perform and report on specific agreed upon procedures related to lease compliance.

Unico Properties, Inc.

The financial results from the Unico Properties, Inc. schedule of gross rental income are included in the Metropolitan Tract financial statements. We also audit the schedule on a stand-alone basis. We focus our audit procedures on revenue recognition and revenue classification between commercial space and office space. In addition, we perform and report on specific agreed upon procedures related to lease compliance.

AUDIT TIMELINE AND REPORTING

Our audit procedures are expected to take place as follows:

Fairmont	May 11-13
Unico	May 16-19
Metropolitan Tract	August 1-10
Rainier Tower	August 8-10

Reports for Fairmont and Unico will be issued the end of July. These reports are prepared for the year ended December 31, 2004. Reports for the Metropolitan Tract and Rainier Tower will be issued by September 15. These reports are prepared for the year ended June 30, 2005.

In addition, we will provide the University with a management letter to address any internal control related or other findings noted during our audits.



University of Washington



2005 Audit Plan

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I. Executive Summary

Scope of Audit

We will audit the balance sheet of the University of Washington (University) as of June 30, 2005, and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on the financial statements based on our audit, however we will not express any opinion on the effectiveness of internal controls over financial reporting.

An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we will express no such opinion.

Additionally, we will report separately on our audits for the UW Medical Center, Intercollegiate Athletics, and the Parking System.

Coordination with Other Auditors

We will coordinate and rely on audit testwork performed by the following other auditors: Peterson Sullivan, the Washington State Auditor's Office and the University's Internal Audit Department as considered necessary.

This coordinated approach allows us to reduce duplicative testwork during the audit of the University and increase overall efficiency.

Tentative Timetables

Our timetable is expected to be similar to that of the previous year. We will coordinate with the Office of Financial Management for a more detailed schedule of events and prepare an outline of specific data requirements, timelines and individuals responsible.

II. Financial Reporting Entity

The financial statements of the University of Washington consist of (a) the University of Washington, (b) organizations for which the University is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the University are such that exclusion would cause the University's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. An entity is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the entity. An entity may also be financially accountable for governmental organizations that are fiscally dependent on it.

An entity has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the entity (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

The following illustration depicts the entities included in the University of Washington Annual Report.

Assets (in millions)	Entities	Financial Statements
\$ 4,988	University of Washington UW Activity (teaching, research, public service)* Medical Center* Parking System* Intercollegiate Athletics* Housing and Food Services Metropolitan Tract	University of Washington Annual Report
\$ 17	Wholly Owned Insurance Company Portage Bay Insurance	
\$ 128	Affiliated Organizations - Medical Entities University of Washington Physicians* University of Washington Physicians Network*	
\$ 127	Affiliated Organizations - Real Estate Properties Commodore Duchess Student Housing Nordheim Court Student Housing Radford Court Student Housing Roosevelt I South Lake Union - Blue Flame	
\$ 30	Affiliated Organization - Alumni Entity UW Alumni Association*	

* Audited by KPMG

Organizations Not included in University of Washington Annual Report
Harborview Medical Center
University of Washington Foundation
Henry Gallery Association, Inc.
Washington Law School Foundation
Washington Pulp and Paper Foundation

III. Scope of Our Audits

University Annual Report

We will audit the balance sheet of the University as of June 30, 2005 and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we will express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In planning and performing our audit of the financial statements, we consider internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. Our audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. If, however, during our audit we note matters involving internal control and other operational matters, they will be presented for your consideration. These comments and recommendations, all of which will be discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies.

An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Universities internal control over financial reporting. According we express no such opinion.

This audit meets the needs of the Board of Regents and the administration to manage the University and assist in meeting the University's financial reporting requirements as a public agency and the State of Washington.

UW Medical Center

We will also audit the financial statements of the UW Medical Center as of June 30, 2005. We will conduct our audit in accordance with auditing standards generally accepted in the United States of America. We will provide an audit

report on the UW Medical Center and will use our audit as support in our overall opinion on the University.

Intercollegiate Athletics (ICA)

An audit of the ICA will also be performed for the year ended June 30, 2005. This audit is designed to meet the requirements of the outstanding debt and will be in accordance with auditing standards generally accepted in the United States of America.

We will also be performing newly required agreed upon procedures to meet the requirements of the National Collegiate Athletic Association (NCAA).

Parking System

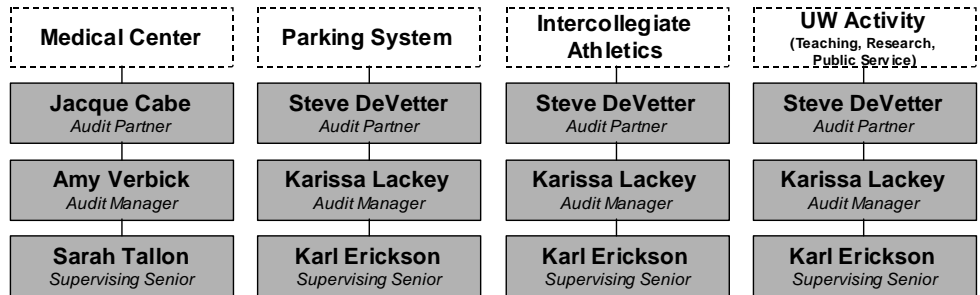
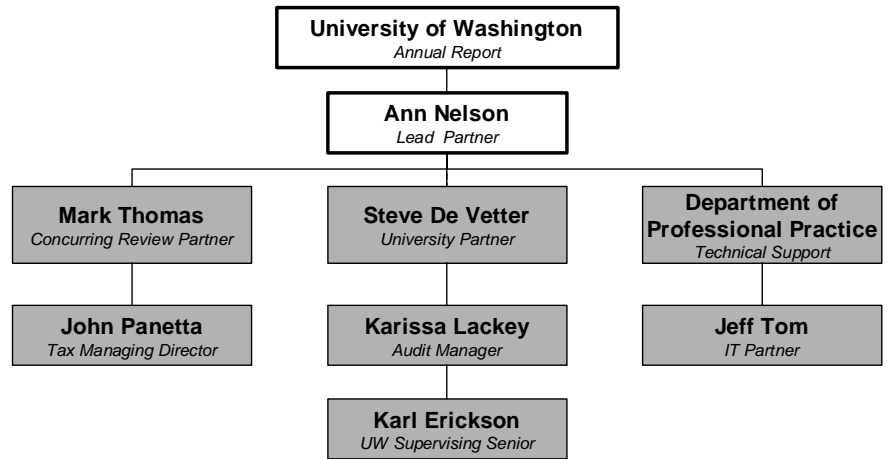
Our audit of the Parking System is designed to provide the necessary information to meet the compliance requirements of the outstanding debt associated with the parking system revenue bonds.

All Other UW Activity

All other UW activity consists of instruction, research, public service, and all other activities included in the University of Washington Annual Report, but not subject to separate reporting requirements.



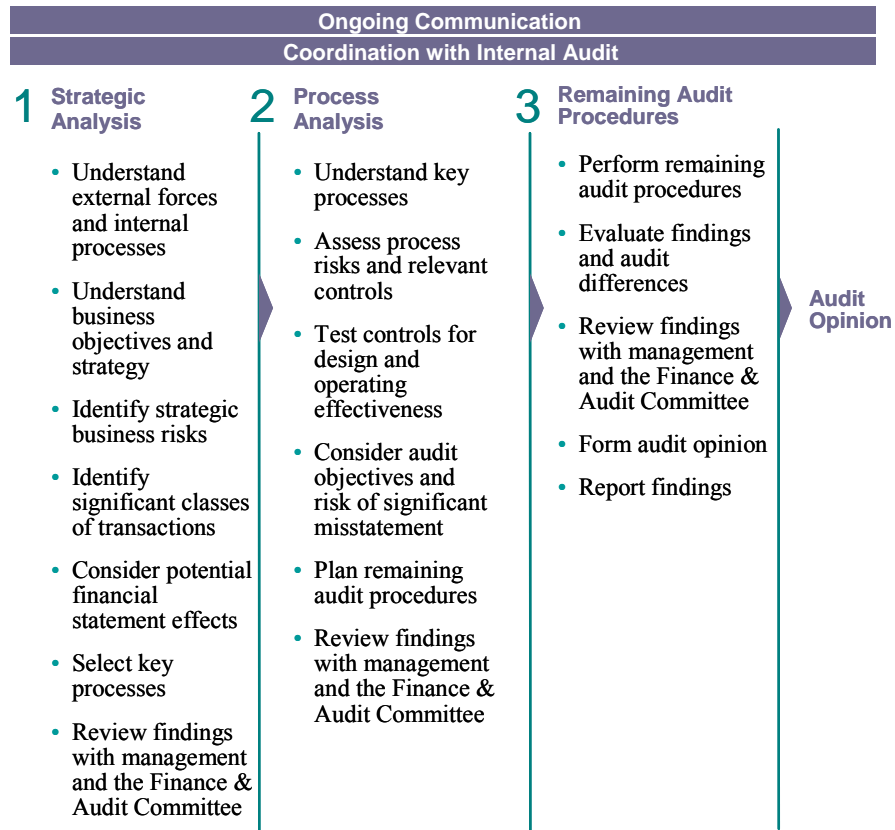
IV. KPMG Team Overview



V. KPMG Audit Process

We apply our audit process through our three-step audit approach. Each step allows us to more clearly identify the University's business risks, and hence our audit risks, and to focus our audit approach on the risks of material misstatements in the financial statements.

An overview of KPMG's standard three-step audit approach follows:



Overview of Audit Procedures

Balance Sheet

Financial Statement Caption	Audit Considerations	Key Audit Procedures
<ul style="list-style-type: none"> Cash and Investments (\$2.5 billion)	<ul style="list-style-type: none"> Accounting for and control over cash and investments focused on the completeness, existence and accuracy of the account balances 	<ul style="list-style-type: none"> Test account reconciliations Confirm key cash and investment balances
<ul style="list-style-type: none"> Accounts Receivable- Patient Services (\$190 million)	<ul style="list-style-type: none"> Existence of receivables Reasonableness of contractual and bad debt allowances Collectibility of receivables 	<ul style="list-style-type: none"> Substantive audit and controls procedures to test reasonableness of accounts receivable contractual allowance and bad debt reserves Accounts receivable testing for existence of account balances Test account reconciliation
<ul style="list-style-type: none"> Accounts Receivable- Grants and Contracts (\$118 million)	<ul style="list-style-type: none"> Existence of receivables Accuracy of receivables Collectibility of receivables 	<ul style="list-style-type: none"> Coordination, review and reliance on the State Auditor testwork over grants and contracts Evaluate internal controls Assess the validity and collectibility of billed and unbilled receivables.
<ul style="list-style-type: none"> MetroTract (\$117 million)	<ul style="list-style-type: none"> Proper recording of net assets of MetroTract 	<ul style="list-style-type: none"> Obtain and review the audit report of Peterson & Sullivan



Financial Statement Caption	Audit Considerations	Key Audit Procedures
<ul style="list-style-type: none"> • Capital Assets (\$2.2 billion) 	<ul style="list-style-type: none"> • Proper capitalization and classification of assets • Appropriate depreciation/amortization • Safeguarding assets 	<ul style="list-style-type: none"> • Review a reconciliation of capital asset activity • Test and evaluate internal controls over capital asset additions • Test a sample of significant additions and retirements by examining supporting documentation.
<ul style="list-style-type: none"> • Accounts Payable and Accrued Liabilities (\$277 million) 	<ul style="list-style-type: none"> • Recognition of transaction in proper accounting period • Accuracy of amounts recorded and assessment of management's estimates 	<ul style="list-style-type: none"> • Perform review of subsequent disbursements • Review reasonableness of balances compared to expectations
<ul style="list-style-type: none"> • Self Insurance Reserve (\$31 million) 	<ul style="list-style-type: none"> • Valuation of management's estimates for legal liabilities 	<ul style="list-style-type: none"> • Test the internal control system for monitoring litigation, claims, and assessments • Obtain and review audit report of the captive insurance company.
<ul style="list-style-type: none"> • Debt (\$668 million) 	<ul style="list-style-type: none"> • Proper classification • Compliance with financial covenants 	<ul style="list-style-type: none"> • Confirm balances • Test disclosure and classification • Test financial covenants
<ul style="list-style-type: none"> • Net Assets (\$3.7 billion) 	<ul style="list-style-type: none"> • Proper classification of restrictions 	<ul style="list-style-type: none"> • Review reasonableness of balances compared to expectations

Statement Of Revenues Expense And Changes In Net Assets

Financial Statement Caption	Audit Considerations	Key Audit Procedures
<ul style="list-style-type: none"> • Student tuition and fees ((\$304 million)) 	<ul style="list-style-type: none"> • Accounting for and control over the tuition cycle • Proper accounting for scholarship allowances 	<ul style="list-style-type: none"> • Review reasonableness of balances compared to expectation • Test and evaluate internal controls
<ul style="list-style-type: none"> • Patient services ((\$689 million)) 	<ul style="list-style-type: none"> • Proper recording of revenues • Proper cut-off of revenue between periods • Accuracy of recording of contractual deductions from revenue • Proper recording of charity care amounts in accordance with charity care policy 	<ul style="list-style-type: none"> • Charge capture testing for appropriate capture of revenues at set charge master rates • Revenue cut-off testing for appropriate revenue recognition • Test and evaluate internal controls
<ul style="list-style-type: none"> • Grants and Contracts revenue ((\$758 million)) 	<ul style="list-style-type: none"> • Proper recording of revenues and collections • Accuracy of account balances 	<ul style="list-style-type: none"> • Coordination, review and reliance on the State Auditor testwork over compliance • Test and evaluate internal controls
<ul style="list-style-type: none"> • Auxiliary Enterprise revenue ((\$126 million)) 	<ul style="list-style-type: none"> • Proper consolidation of entities 	<ul style="list-style-type: none"> • Obtain and review departmental and component unit statements for proper inclusion in the financial statements



Financial Statement Caption	Audit Considerations	Key Audit Procedures
<ul style="list-style-type: none"> Salaries and Benefits (\$1.6 billion) 	<ul style="list-style-type: none"> Recognized in proper accounting period Accuracy of amounts recorded 	<ul style="list-style-type: none"> Test and evaluate the internal controls Coordinate departmental reviews through work performed by the State Auditor Review reasonableness of balances compared to expectation
<ul style="list-style-type: none"> State Appropriations (\$343 million) 	<ul style="list-style-type: none"> Accuracy of amounts recorded 	<ul style="list-style-type: none"> Confirm balances with information provided from the state accounting system
<ul style="list-style-type: none"> Investment Income (\$220 million) 	<ul style="list-style-type: none"> Accuracy of amounts recorded 	<ul style="list-style-type: none"> Confirmation of amounts with the custodian Obtain and review the SAS 70 internal control report provided by the service organization.

Coordination with Other Auditors

When necessary we will coordinate and rely on audit testwork performed by the following other auditors.

Auditor

Peterson Sullivan

Washington State Auditor’s Office

University of Washington Internal Audit

University Component

Metro Tract, Housing & Food Services

Research – Compliance with Laws and Regulations

Statewide Debt

Various

This coordinated approach allows us to reduce duplicative testwork during the audit of the University and increase overall efficiency.

VI. New Accounting Pronouncements

Statement No. 42 Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries

GASB No. 42 was issued in November 2003 and is effective for the University's fiscal year ended June 30, 2006, although early implementation is encouraged.

This Statement establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This Statement also clarifies and establishes accounting requirements for insurance recoveries.

Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset.

Impaired capital assets that will no longer be used by the government should be reported at the lower of carrying value or fair value. Impairment losses on capital assets that will continue to be used by the government should be measured using the method that best reflects the diminished service utility of the capital asset. Impairment of capital assets with physical damage generally should be measured using a restoration cost approach, an approach that uses the estimated cost to restore the capital asset to identify the portion of the historical cost of the capital asset that should be written off. Impairment of capital assets that are affected by enactment or approval of laws or regulations or other changes in environmental factors or are subject to technological changes or obsolescence generally should be measured using a service units approach, an approach that compares the service units provided by the capital asset before and after the impairment event or change in circumstance. Impairment of capital assets that are subject to a change in manner or duration of use generally should be measured using a service units approach, as described above, or using deflated depreciated replacement cost, an approach that quantifies the cost of the service currently being provided by the capital asset and converts that cost to historical cost.

VII. Tentative Timetable

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Initial Planning Meetings	•									
Present Audit Plan to Board of Regents' Finance & Audit Committee		•								
Planning Meetings with University of Washington Finance Department			•							
Interim Fieldwork		•	•	•						
Final Fieldwork					•	•	•			
Financial Statements Preparation and Reporting							•	•	•	
Presentation of Financial Statement and Management Letter to Board of Regents' Finance & Audit Committee										•

We will coordinate with the controller's office a more detailed schedule of events which outlines specific data requirements, timelines and individuals responsible for each will be prepared.

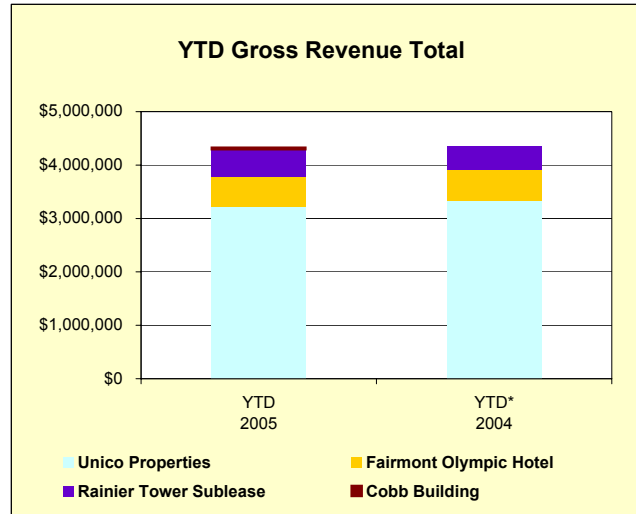
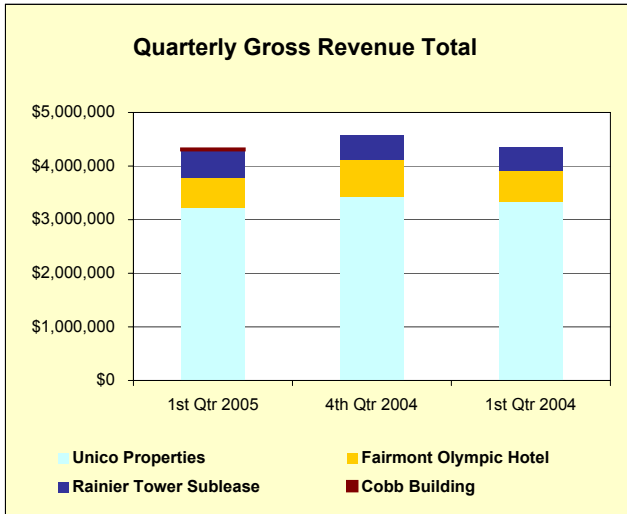
METROPOLITAN TRACT
PERFORMANCE REPORT
For the Quarter Ended
March 31, 2005



Capital Assets Committee

May 19, 2005

University of Washington Metropolitan Tract
CONSOLIDATED METROPOLITAN TRACT PROPERTIES
Quarterly Summary
Quarter Ending March 31, 2005



CURRENT QUARTER							
Gross Revenue to University	1st Qtr 2005	Prior Qtr*	Prior Year*	Change from Prior Qtr		Change from Prior Year	
		4th Qtr 2004	1st Qtr 2004	\$	%	\$	%
Unico Properties	3,220,831	3,425,297	3,324,418	(204,466)	(6.0%)	(103,587)	(3.1%)
Rainier Tower Sublease	516,662	454,551	434,880	62,111	13.7%	81,782	18.8%
Fairmont Olympic Hotel	553,324	695,495	594,285	(142,171)	(20.4%)	(40,961)	(6.9%)
Cobb Building	38,500	0	0	38,500	-	38,500	-
TOTAL GROSS REVENUE	\$4,290,818	\$4,575,344	\$4,353,583	(\$284,526)	(6.2%)	(\$62,766)	(1.4%)

Gross Revenue to University	CALENDAR YEAR TO DATE				ANNUAL	
	YTD 2005	YTD* 2004	Change from Prior YTD		Projected 2005	Actual* 2004
			\$	%		
Unico Properties	3,220,831	3,324,418	(103,587)	(3.1%)	13,854,843	13,463,841
Rainier Tower Sublease	516,662	434,880	81,782	18.8%	636,524	1,954,708
Fairmont Olympic Hotel	553,324	594,285	(40,961)	(6.9%)	2,941,650	2,855,971
Cobb Building	38,500	0	38,500	-	154,000	0
TOTAL GROSS REVENUE	\$4,290,818	\$4,353,583	(\$62,766)	(1.4%)	\$17,433,017	\$18,274,520

*Adjusted to exclude Cobb

CONSOLIDATED METROPOLITAN TRACT PROPERTIES

Quarterly Summary

Quarter Ending March 31, 2005

COBB BUILDING ADJUSTMENT

For comparison purposes, the Cobb Building has been factored out of all office and retail calculations in measurements of both revenue and occupancy.

CONSOLIDATED METROPOLITAN TRACT SUMMARY

Revenue from the Metropolitan Tract totaled \$4.3 million in the first quarter of 2005, off 6% from 4th quarter 2004. First quarter's total, however, represents an increase of \$100,000, or 2.5% over 1st quarter of 2004. Unadjusted totals (with Cobb included) produced results of \$4.7 million in the previous quarter and \$4.4 million in the year-ago period.

UNICO PROPERTIES

Revenue from the Unico properties totaled \$3.22 million in the first quarter, for a decrease of 6%. Compared to first quarter of last year, revenue from the Unico properties is up 2.0%. From the last quarter of 2004 to the first quarter of 2005, the office properties declined \$160,922 (5.9%). With the lone exception of the Skinner Building, which posted a slight gain, all of the individual office buildings suffered decreases in revenues. Most notably, the IBM Building's revenues were off more than 25%. Some of this decline is a function of Piper Jaffray's termination fee, paid in December 2004, but aside from that event, IBM was off nearly 20%. Retail predictably was down from the 4th quarter of 2004. The 8.9% decline is largely attributable to the holiday shopping receipts accrued in the previous quarter. Compared to 1st quarter 2004, the change was less than 1%. Conversely, parking income increased 6.2%. Again, this is a function of holiday shoppers, but with the delay in reporting, these numbers aren't realized until the subsequent quarter. Occupancy in the office properties is 89%. While Rainier Tower, Financial Center and IBM all enjoy occupancy exceeding 85%, Skinner and Puget Sound Plaza both have occupancies below 80%. The average in the downtown submarkets is 85.66%

RAINIER TOWER SUBLEASE

Revenue from the Rainier Tower Sublease totaled \$516,662 in the 1st quarter of 2005, up 13.7% from the 4th quarter of 2004. The difference is heavily influenced by a more than \$70,000 adjustment to address Unico's operating expenses in December 2004. Additionally, this marks an annual improvement of 18.8%, or \$81,782. A positive start to the year is all the better as Rainier Tower will be confronted by some challenges toward the middle of the year and into 2006. Washington Mutual will be vacating the 14th floor in August and the 13th floor in September. In addition to these leasing obstacles, Washington Mutual will be pulling out of 3 more floors (20-22) in May 2006. Since 1995, the Rainier Tower Sublease has generated more than \$14.2 million dollars of net revenue.

FAIRMONT OLYMPIC HOTEL

Gross revenue from the Fairmont Olympic Hotel declined \$142,171 (20.4%) in the 1st quarter, finishing at 553,324. Though that decline is seasonal and should be expected, it is also a decline of 6.9% from 2004's opening quarter. With the approach of spring, we see continued improvement from the seasonal lows of January. Occupancy, room rates and, therefore, RevPar all are increasing and we expect that trend to continue through the 2nd quarter, peaking during the middle to late summer.

MARKET UPDATE

OFFICE MARKET

Overall, the Puget Sound office market ended 2004 with a vacancy rate of 85.06%. With the upward trend in the economy, employment is also increasing, ultimately driving office space occupancy to higher levels. In March, unemployment was down to 5.2%, its lowest level in four years. General estimates are that employment growth for the region will be in the 2%-3% range in 2005. The effect of increasing employment can be seen in the Seattle office market that finished the 1st quarter at nearly 86% occupied. However, average office lease rates were off a bit this quarter and are not expected to increase dramatically in the next year or two. This is indicative of the still high level of competition in the marketplace for the available tenants as well as the anticipation of a drop in occupancy when Washington Mutual Center opens in mid-2006 and pulls nearly 900,000 square feet of tenants from existing buildings.

HOTEL MARKET

As mentioned last quarter, the general consensus was quite positive for 2005's outlook for the Seattle hotel market. Thus far, higher rates and occupancies in the market have seemingly reflected that this outlook may be bearing out, though Fairmont Olympic's numbers reveal a slow start. Most hotels in the area still have not recovered to pre-9/11 levels, but many expect that 2005 will be the year that happens. While there are a number of high-end hotels in development or planning stages, none of them will be coming onto the market until the summer of 2006 at the earliest. Thus, the optimistic outlook for 2005 will not be negatively impacted by new supply.

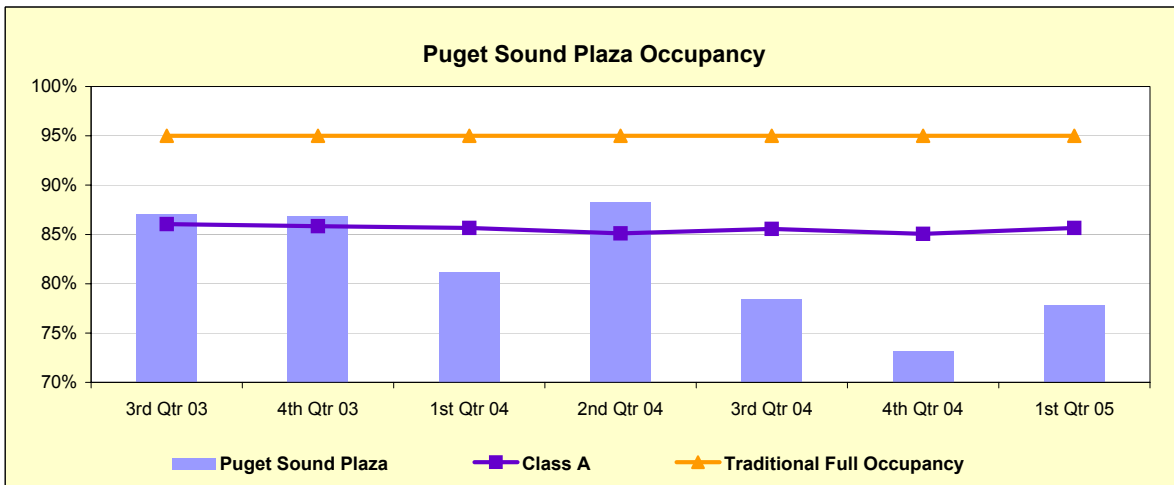
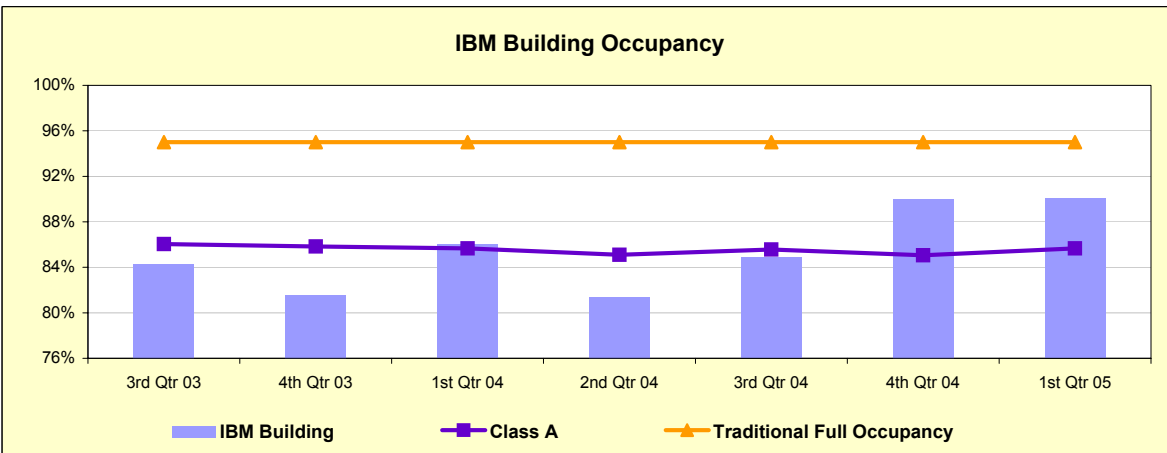
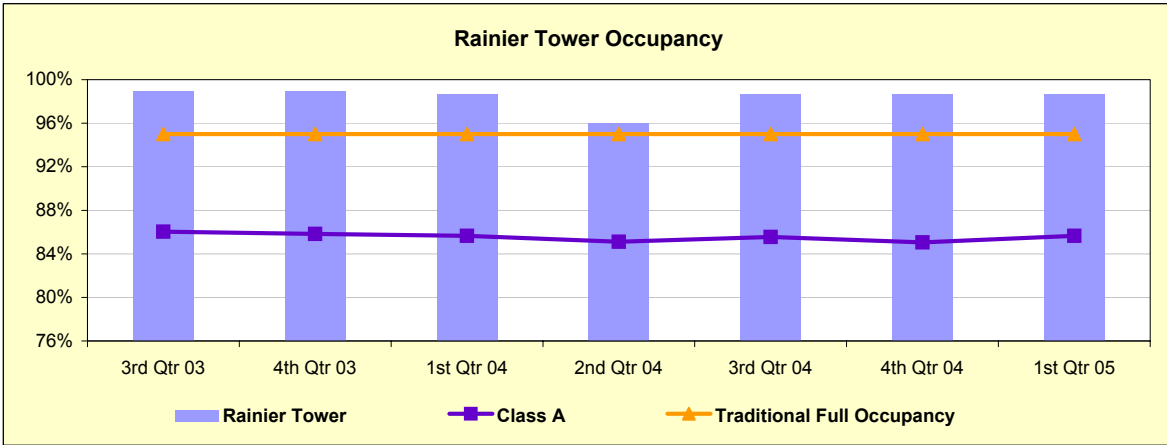
Even when the new projects do begin to come on line, their impact may not be too dramatic. Of the three higher-end projects--those that are targeting the ultra-high-end user that is the Fairmont's core market--none of them is larger than 160 rooms. Additionally, locations of these higher-end projects is more peripheral to the center of downtown. This reinforces the strength of Fairmont's proximity to both the business and retail cores. It should be noted, however, that the Four Seasons site does have distinct scenic advantage of views of Elliott Bay and Puget Sound.

DOWNTOWN RESIDENTIAL

The market for upscale residential options in the downtown area continues to be strong. Additionally, the city is working toward enabling greater development of this sort and creating a more livable downtown. Aside from the condominium components of the new hotel developments the lack of available locations seems to be limiting activity on this front. So, when Cobb is redeployed it should find a positive demand, yet not too much competition. The Metropolitan Improvement District's efforts have also improved the cleanliness and safety of downtown Seattle, enhancing the appeal and demand for more downtown residential options.

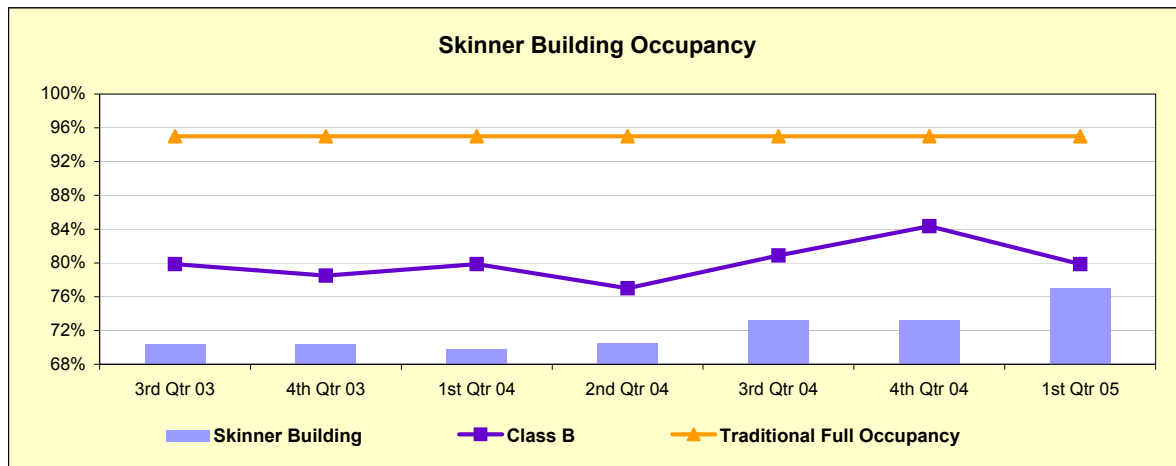
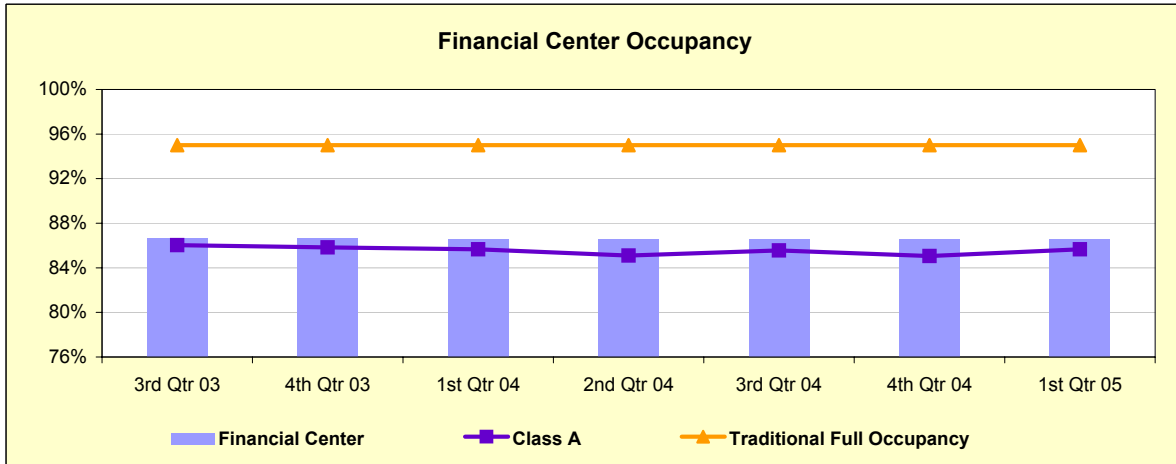
University of Washington Metropolitan Tract
OFFICE BUILDING OCCUPANCY COMPARISON CHARTS
 Last Six Quarters
 Quarter Ending March 31, 2005

Includes Direct and Sublease Vacancy



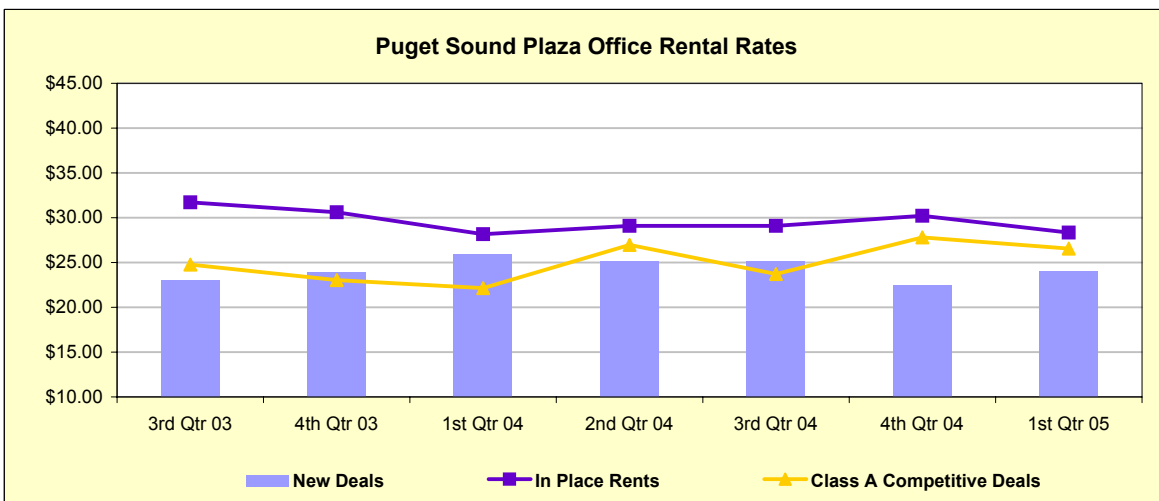
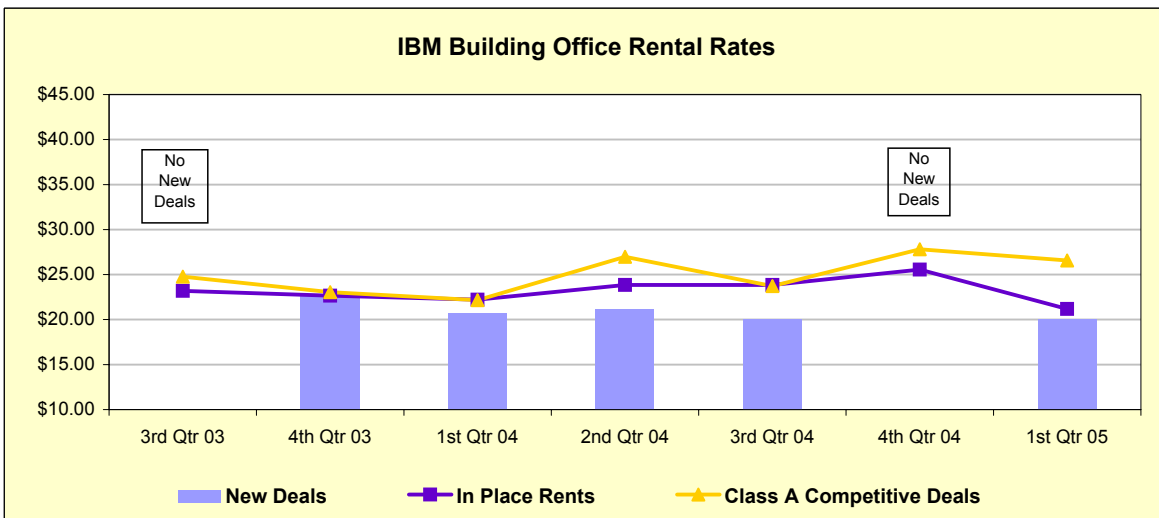
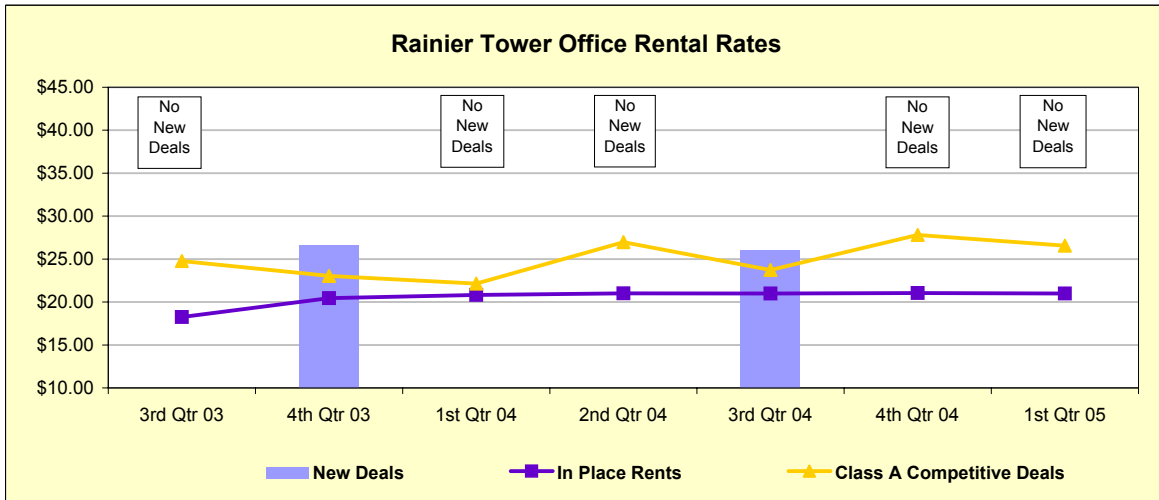
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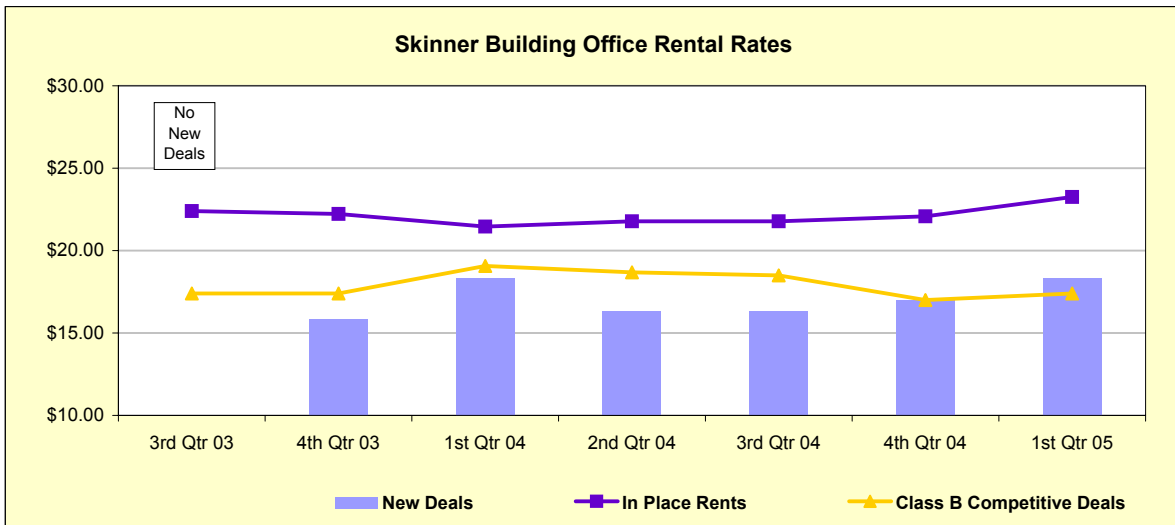
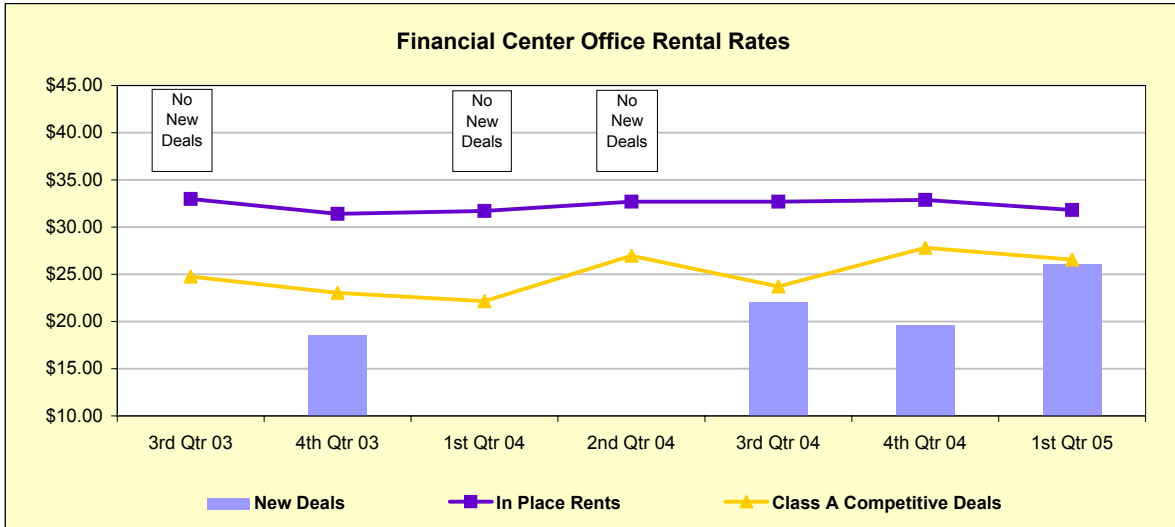
* Vacancy in the Skinner Building was created by loss of a single, full floor tenant coupled with a disruption due to current construction to complete the seismic upgrade.

OFFICE BUILDING RENTAL RATE COMPARISON
 Last Six Quarters
 Quarter Ending March 31, 2005



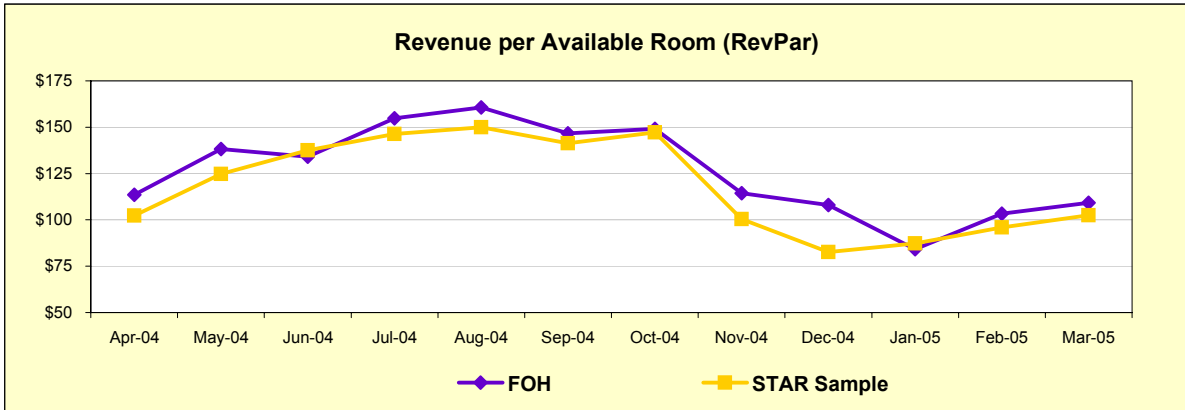
Note: Due to a decline in leasing velocity in the last several quarters, the competitive deals included in the charts above are based heavily upon asking rents, which are higher compared to where lease deals are actually being done. The result is a gap between New Deals in the Metropolitan Tract and Competitive Deals in the market.

OFFICE BUILDING RENTAL RATE COMPARISON
 Last Six Quarters
 Quarter Ending March 31, 2005



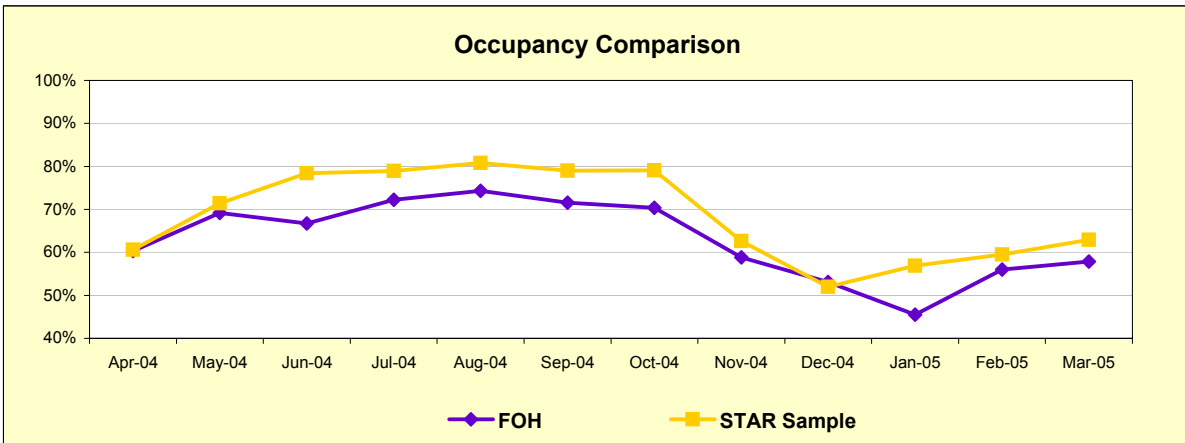
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FAIRMONT OLYMPIC HOTEL MARKET COMPARISONS
Twelve Months Ended March 31, 2004



RevPar 12-months Average	Mar-05	Mar-04	Change from Prior Year \$
FOH	\$126.35	\$127.01	(\$0.66)
STAR Sample Avg <1>	\$118.20	\$111.83	\$6.37

RevPar Current Month Ended	Mar-05	Mar-04	Change from Prior Year %
FOH	\$109.16	\$127.95	(\$18.79)
STAR Sample Avg <1>	\$102.47	\$108.17	(\$5.70)

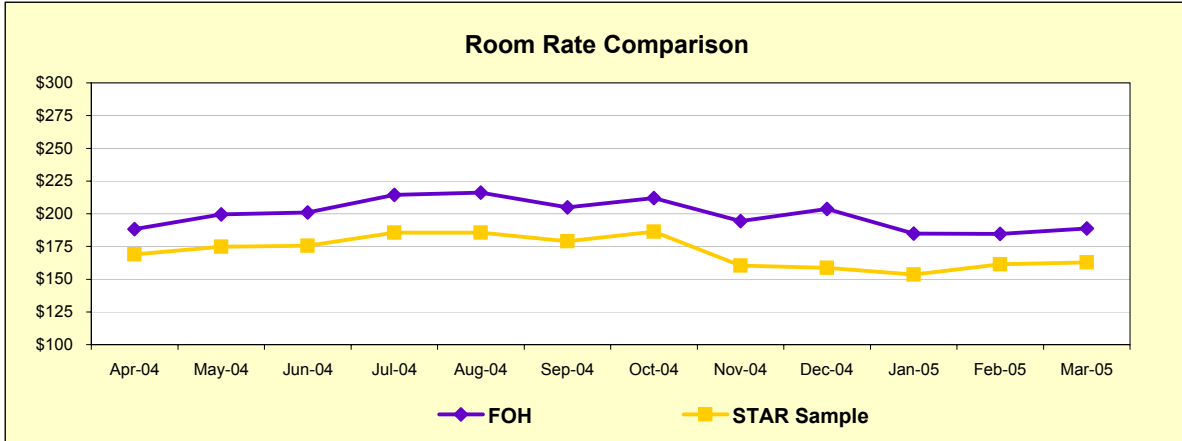


Occupancy 12-months Average	Mar-05	Mar-04	Change from Prior Year %
FOH	63.0%	62.5%	0.5%
STAR Sample Avg <1>	68.5%	69.8%	(1.3%)

Occupancy Current Month Ended	Mar-05	Mar-04	Change from Prior Year %
FOH	57.9%	68.0%	(10.1%)
STAR Sample Avg <1>	62.9%	66.3%	(3.4%)

<1> Information is based on Smith Travel Research (STAR) Report for the Sheraton Hotel, Hotel Vintage Park, Hotel Monaco, Seattle Alexis, Sorrento, Westin, W Hotel, Madison and Inn at the Market.

FAIRMONT OLYMPIC HOTEL MARKET COMPARISONS
Twelve Months Ended March 31, 2004



Average Daily Rate 12-months Average	Mar-05	Mar-04	Change from Prior Year \$
FOH	\$203.49	\$204.68	(\$1.18)
STAR Sample Avg <1>	\$161.57	\$157.54	\$4.03

Average Daily Rate Month Ended	Mar-05	Mar-04	Change from Prior Year \$
FOH	\$188.67	\$188.14	\$0.53
STAR Sample Avg <1>	\$162.95	\$170.06	(\$7.11)

<1> Information is based on Smith Travel Research (STAR) Report for the Sheraton Hotel, Hotel Vintage Park, Hotel Monaco, Seattle Alexis, Sorrento, Westin, W Hotel, Madison and Inn at the Market.

VII. STANDING COMMITTEE

B. Finance, Audit and Facilities Committee

Extension of Houseboat Leases

Oral presentation will be made at the meeting.

