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## **Revenue shortfalls lead to layoffs in UW Technology**

A revenue shortfall of approximately \$10 million annually is leading to the layoff of 66 in employees in UW Technology, which provides central support for the University of Washington's computing services.

Administrators became aware of the revenue problem several months ago and began the task of finding a solution and reducing expenditures. They reached the conclusion that layoffs were unavoidable. The layoffs represent about 15 percent of the unit's employees.

"We found that UW Technology is unable to support the size of the work force that it has," said Ron Johnson, vice president for UW Technology. The organization operates in many ways like a small business, realizing most of its revenues by recharging other campus units for its services. In the past several years, the number of staff has expanded and their overall compensation has increased. However, for a variety of reasons the unit was unable to increase its revenues to cover those expenses.

In addition, some of the services offered by UW Technology – such as email -- are available in the commercial marketplace at little or no cost, further inhibiting efforts at cost recovery.

"We are doing everything we can to minimize the effect of these cutbacks on our clients," Johnson said. "Throughout this painful process, we will endeavor to bring our services more closely into alignment with our clients' needs. In addition, we will be assisting those affected employees in seeking employment elsewhere on campus or in the region."

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