June 2, 2016

TO: Members of the Board of Regents
    Designated Representatives to the Board of Regents

FROM: Joan Goldblatt, Secretary of the Board of Regents

RE: Schedule of Meetings

THURSDAY, JUNE 9, 2016

8:30 to 10:05 a.m. Petersen Room
                  Allen Library
                  ACADEMIC AND STUDENT AFFAIRS
                  COMMITTEE: Regents Rice (Chair), Kritzer,
                              Riojas, Simon

*10:20 to 11:20 a.m. Petersen Room
                      Allen Library
                      FINANCE AND ASSET MANAGEMENT
                      COMMITTEE: Regents Jaech (Chair), Ayer,
                                  Benoliel, Blake, Harrell

11:45 a.m. Petersen Room
           Allen Library
           REGULAR MEETING OF BOARD OF
           REGENTS: Regents Shanahan (Chair), Ayer,
                     Benoliel, Blake, Harrell, Jaech, Kritzer, Rice, Riojas,
                     Simon

*or upon conclusion of the previous session.

Unless otherwise indicated, committee meetings of the Board of Regents will run consecutively; starting times
following the first committee are estimates only. If a session ends earlier than expected, the next scheduled session may
convene immediately. Committee meetings may be attended by all members of the Board of Regents and all members
may participate.

To request disability accommodation, contact the Disability Services Office at: 206.543.6450 (voice), 206.543.6452 (TTY),
206.685.7264 (fax), or email at dso@uw.edu. The University of Washington makes every effort to honor disability
accommodation requests. Requests can be responded to most effectively if received as far in advance of the event as possible.
UNIVERSITY OF WASHINGTON
BOARD OF REGENTS

Academic and Student Affairs Committee
Regents Rice (Chair), Kritzer, Riojas, Simon

June 9, 2016
8:30 to 10:05 a.m.
Petersen Room, Allen Library

Approval of Minutes of Committee Meeting on May 12, 2016

1. Academic and Administrative Appointments
   Ana Mari Cauce, President
   Gerald J. Baldasty, Provost and Executive Vice President

2. Granting of Degrees for 2015-16
   Gerald J. Baldasty, Provost and Executive Vice President

3. Introduction of New Leadership: Athletic Director
   Ana Mari Cauce, President
   Jennifer Cohen, Athletic Director, Intercollegiate Athletics

4. Approve UW Tacoma Change of Status: Designation of the Institute of Technology from a Program to a School at the University of Washington Tacoma as a Collegiate-Level Unit Headed by a Dean
   Mark Pagano, Chancellor, UW Tacoma

5. Approve UW Tacoma Change of Status: Designation of the Education Program from a Program to a School at the University of Washington Tacoma as a Collegiate-Level Unit Headed by a Dean
   Mark Pagano, Chancellor, UW Tacoma

6. Approve Services and Activities Fee – University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions
   Mark Pagano, Chancellor, UW Tacoma
   Cedric Howard, Vice Chancellor, Student Services, Student and Enrollment Services
   William Towey, SAF Co-Chair, UW Tacoma
   Youcef Bennour, SAF Co-Chair, UW Tacoma
7. Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds
   Karla Sanchez, SAF Chair, Senior, Global Studies, UW Bothell
   Josh Holler, SAF Liaison, Freshman, UW Bothell
   George Theo, Dean of Student Affairs, Student Affairs, UW Bothell

ACTION A–7

8. Approve Services and Activities Fee – University of Washington, Seattle: 2016-17 Reduction of Fees, Distribution of Fees, Allocation of Funds, and SAF Guidelines Revisions
   Denzil Suite, Vice President for Student Life, Office of Student Life
   Michael R. (Mac) Zellem, SAF Chair

ACTION A–8

9. Approve 2016-17 Student Technology Fee Adjustment, University of Washington, Seattle
   Denzil Suite, Vice President for Student Life, Office of Student Life
   Kiehl Sundt, STF Co-Chair
   Bryce Kolton, STF Co-Chair

ACTION A–9

10. Provost Advisory Committee for Students (PACS) Recommendation and Budgeting Principles FY17-19
    Alice Popejoy, PACS Chair
    Kevin Celustka, PACS Vice Chair

INFORMATION A–10

11. Race and Equity Initiative Update
    Ana Mari Cauce, President
    Ed Taylor, Vice Provost and Dean, Undergraduate Academic Affairs
    Jeanette James, Staff Diversity Specialist, Office of Minority Affairs and Diversity
    Chadwick Allen, Associate Vice Provost for Faculty Advancement, Office of the Provost and Office of Minority Affairs and Diversity, Professor of English

INFORMATION A–11

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<td><strong>UW One Capital Plan</strong></td>
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<td>Chris Malins, Associate Vice President, Treasury</td>
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<td><strong>2018 Campus Master Plan Update</strong></td>
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<td>Theresa Doherty, Senior Project Director, Planning &amp;</td>
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<td>Rebecca Barnes, University Architect, Associate Vice</td>
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<td><strong>Approve Intercollegiate Athletics Financial Stability Plan</strong></td>
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<td>Jennifer Cohen, Athletic Director, Intercollegiate Athletics</td>
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<td>Stephanie Rempe, Senior Associate Athletic Director,</td>
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<td><strong>Audit Advisory Committee Update</strong></td>
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<td>Kristi Blake, Audit Advisory Committee Chair, Regent</td>
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<td>Richard Cordova, Executive Director, Internal Audit</td>
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<td><strong>Other Business</strong></td>
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AGENDA

BOARD OF REGENTS
University of Washington

June 9, 2016
11:45 a.m.
Petersen Room, Allen Library

I. CALL TO ORDER

II. ROLL CALL: Assistant Secretary Shelley Tennant

III. CONFIRM AGENDA

IV. PUBLIC COMMENT PERIOD

V. BOARD ITEMS

Safety Update (Information only)
Ana Mari Cauce, President

Approve FY 2017 Operating Budget and 2016-17 Tuition Rates (Action)
Sarah Norris Hall, Associate Vice Provost, Planning and Budgeting
Gerald J. Baldasty, Provost and Executive Vice President

Draft 6-Year Prioritized Capital Plan and State Capital Budget Request
(Information only)
Paul Jenny, Senior Vice President, Planning and Management
Chris Malins, Associate Vice President, Treasury

Socially Responsible Investing at University of Washington and Peer
Institutions (Information only)
Ana Mari Cauce, President
Gerald J. Baldasty, Provost and Executive Vice President
Ann Sarna, Associate Treasurer, Treasury Office
Scott Davies, Senior Investment Officer, Treasury Office
Simon Billenness, President, CSR Strategy Group

Transforming Administration Program (TAP) Update (Information only)
Gerald J. Baldasty, Provost and Executive Vice President
Ruth Johnston, Associate Vice President/Chief of Staff, Planning and Management

Regents Resolution of Appreciation to Vanessa Kritzer (Action)
Pat Shanahan, Chair of the Board of Regents
VI. REPORT OF THE CHAIR OF THE BOARD OF REGENTS: Regent Shanahan

VII. REPORT OF THE UNIVERSITY PRESIDENT: President Cauce

VIII. CONSENT AGENDA

Approval of Minutes of Meeting of May 12, 2016

Granting of Degrees for 2015-16

Approve UW Tacoma Change of Status: Designation of the Institute of Technology from a Program to a School at the University of Washington Tacoma as a Collegiate-Level Unit Headed by a Dean

Approve UW Tacoma Change of Status: Designation of the Education Program from a Program to a School at the University of Washington Tacoma as a Collegiate-Level Unit Headed by a Dean

Approve Services and Activities Fee – University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds

Approve Services and Activities Fee – University of Washington, Seattle: 2016-17 Reduction of Fees, Distribution of Fees, Allocation of Funds, and SAF Guidelines Revisions

Approve 2016-17 Student Technology Fee Adjustment, University of Washington, Seattle

Approve Intercollegiate Athletics Financial Stability Plan

IX. STANDING COMMITTEES

A. Academic and Student Affairs Committee: Regent Rice – Chair

Academic and Administrative Appointments (Action)

Introduction of New Leadership: Athletic Director (Information only)

Provost Advisory Committee for Students (PACS) Recommendation and Budgeting Principles FY17-19 (Information only)

Race and Equity Initiative Update (Information only)
B. Finance and Asset Management Committee: Regent Jaech – Chair

UW One Capital Plan (Information only) F–1
2018 Campus Master Plan Update (Information only) F–2
Audit Advisory Committee Update (Information only) F–4

X. REPORTS TO THE BOARD

Faculty Senate Chair – Professor Norman Beauchamp

Student Leaders:
ASUW President – Mr. Tyler Wu
GPSS President – Mr. Alex Bolton
ASUW Tacoma President – Ms. Sophie Nop
ASUW Bothell President – Mr. Dom Juarez

Alumni Association President – Mr. Jeff Rochon

XI. DATE FOR NEXT REGULAR MEETING: Thursday, July 14, 2016

XII. EXECUTIVE SESSIONS
(to discuss with legal counsel litigation or potential litigation as defined in RCW 42.30.110.)
(to review the performance of public employees.)

XIII. ADJOURN
The Board of Regents held its regular meeting on Thursday, June 9, 2016, beginning at 11:45 a.m. in the Petersen Room of the Allen Library. The notice of the meeting was appropriately provided to the public and the media.

CALL TO ORDER

The Board Chair, Regent Shanahan, called the meeting to order at 11:45 a.m.

ROLL CALL

Assistant Secretary Tennant called the roll. Present were Regents Shanahan (chairing), Ayer, Benoliel, Blake, Harrell, Jaech, Kritzer, Rice, Riojas, Simon; President Cauce, Provost Baldasty, Ms. Goldblatt; designated representatives: Professor Beauchamp, Mr. Bolton, Mr. Wu, Mr. Rochon.

CONFIRM AGENDA

The agenda was confirmed as presented.

PUBLIC COMMENT PERIOD

Regent Shanahan announced the Board would receive comments from the public. This segment of the meeting provides Board members a chance to hear directly from the public on any subject pertaining to the University. He reminded the group that five commenters have two minutes for their presentations. He noted the Board would listen attentively and thanked them for preparing their remarks. Any Board member who has questions or would like additional information would make a request through staff following the meeting. Regent Shanahan offered the opportunity to comment to people who signed up in advance.

Regents heard comments from the following individuals:

- Two UW students from Confronting Climate Change encouraged the University to take action on climate change and divest from all fossil fuels, including oil and gas.
A UW faculty member asked the University to stop the plan to build the Computer Science & Engineering II building on the selected site currently occupied by More Hall Annex and recommended two alternate sites for consideration for a multi-disciplinary building.

A UW graduate student, who works as a teaching assistant, commented about teaching assistant position cuts in the College of Arts & Sciences.

Regent Shanahan thanked the speakers for expressing their views and for attending the meeting.

**BOARD ITEMS**

**Safety Update** (Agenda no. B–1) (Information only)

President Cauce invited Elizabeth Cherry, Associate Vice President for Compliance and Risk Services, to provide the Board with an update on safety. President Cauce said safety is critical at the University. Ms. Cherry reviewed safety statistics.

Regent Shanahan said he hopes to see a set of analytics to maintain awareness around safety issues at the University.

See Attachment B–1.

**Approve FY 2017 Operating Budget and 2016-17 Tuition Rates** (Agenda no. B–2) (Action)

Sarah Norris Hall, Associate Vice Provost in Planning and Budgeting, and Gerald J. Baldasty, Provost and Executive Vice President, reviewed changes made in the proposed Operating Budget and Tuition Rates since the item was presented for information at the meeting last month.

Provost Baldasty explained the budget policies and assumptions, including administrative oversight of costs, described in Attachment 1.

Ms. Hall reviewed Attachment 2, the FY 2017 Operating Budget, and the tuition rates and financial aid allocations. She highlighted the changes from the information item presented at the Board meeting in May. She noted there were no changes in the tuition rates from last month.

Ms. Hall said the financial aid section recognizes the use of additional tuition operating fee revenue to fund gender equity waivers for student athletes. Regent Kritzer asked about tuition-setting for graduate programs, specifically if there were any notable discussions. Provost Baldasty said there were tuition increase requests that were pared down from the units’ requests. Some of the tuition increases reflect rising program costs. The Senate Committee on Planning and Budgeting reviewed all increases over 5%. Schools were compared with others with similar ranking, and compared to the national
tuition rates for professional schools. Ms. Hall added for some schools and colleges tuition rate increases were necessary to provide compensation to keep programs competitive and add important student services. Regent Ayer asked about the practice in some units of maintaining tuition in a cohort model and asked if this has been effective. Provost Baldasty said this is a new, but sensible, model.

Ms. Hall described Attachment 3, which shows the total cost of attendance, with fees, and said it would be brought to Regents with every future fee approval item.

For information only, Attachment 4 outlines the preliminary slate of operating budget funding requests to be submitted to the Office of Financial Management in September. In response to Regent Shanahan’s question about working with the legislature, Ms. Hall said the UW prepares one uniform submission for all three campuses, which may be modified during the session. Regents will have an opportunity to review a more final version of the list.

Regent Ayer asked how the UW Medicine Health System is involved in the budget process, noting it accounts for about half of the total enterprise. The Office of Planning and Budget works with UW Medicine’s financial team to get revenue projections for each of its entities. The projections are folded into the budget item. Bothell and Tacoma are included in the budget item; their tuition revenue assumptions are rolled into the total and allocated back to each campus to fund their expenses (after a charge for shared services).

Regent Blake moved, Regent Harrell seconded, and the Board voted to approve item B–2, as presented.

See Attachment B–2.

**Draft 6-Year Prioritized Capital Plan and State Capital Budget Request** (Agenda no. B–3) (Information only)

Paul Jenny, Senior Vice President, Planning and Management, and Chris Malins, Associate Vice President, Treasury, presented the information item. Mr. Jenny said he believes progress has been made in the way the University considers capital space utilization and investments choosing between new projects, acquisitions, restoration, or deferred maintenance. To develop the 6-year plan, the UW has aligned potential projects with strategic initiatives and capital planning goals, and specifically looked at how each project aligns with the realities of construction lending. As part of this process, stakeholders from across campus were contacted for their input and priorities in consultation with the President and Provost. The draft is intended for approval at the meeting of the Board in July. Mr. Jenny explored debt capacity, saying last year the Board approved $450 million in debt for new projects, while the projected debt capacity for the next five years is $425 million. Debt capacity is dynamic and the projections may change, especially against pledges on gift funding.

See Attachment B–3.
Socially Responsible Investing at University of Washington and Peer Institutions
(Agenda no. B–4) (Information only)

Regents requested some context around socially responsible investing and divestment. The information in this item is intended to provide an overview and framework to develop an approach to investment.

President Cauce said everyone is aware the University has been receiving increased calls for divestment over several issues. Regents asked to explore a more comprehensive strategy to respond to these concerns about socially responsible investment.

Ann Sarna, Associate Treasurer, walked the group through some highlights in the item distributed to the Board, including the mechanisms for divestment and a history of the Board’s actions related to socially responsible investing. There were four issues in thirty years: thermal coal, genocide in Sudan, tobacco, and South Africa. Related to Burma, the University relied on shareholder activism regarding human rights.

Scott Davies, Senior Investment Officer, reviewed the historical cost of divestment and other considerations to weigh when deciding to divest. Ms. Sarna described the current process used to address divestment requests. She prepared and shared a survey of how peer universities are dealing with these concerns.

Simon Billenness, President of the CSR Strategy Group, presented some background about shareholder activism and divestment. He described how institutions such as the University, can express their values and mission through their investment choices and the impact and outcome of shareholder activism and divestment. He explored the differences between ethical and socially responsible investment.

Following the presentations, Regents discussed possible next steps. Regent Benoliel asked about investment policies and guidelines by the state treasurer, other colleges and universities, and cities and counties that invest public funds in Washington. Ms. Sarna agreed to find out more about this and create a summary of the policies. Regent Benoliel also commented, from professional experience, on the effectiveness of shareholder activism. President Cauce questioned if the University’s decisions to divest have any impact on donors’ decisions to support the University. Ms. Sarna said anecdotally her office heard from donors for and against the decision to divest from thermal coal. There have been no major statements but her office would look at this. Regent Ayer commented that the more restrictions there are on the portfolio, the lower the returns will be over time. In the current governance structure the Board of Regents sets the investment policy. He said he and Regent Jaech attended the recent UWINCO meeting. The described the current process – the UW’s finance group, in consultation with UWINCO, implements the investment policy, but he observed the University and the Regents have a fiduciary duty on behalf of donors and beneficiaries (including students and faculty members) to maximize the returns subject to the restrictions in place. He also observed the UW has an active management approach to investing. The more restrictions there are on the portfolio, the less effective an active management strategy will be. The UW’s history on divestment decisions have been well thought out processes assessing the level of consensus on campus. UWINCO believes the University would benefit from a clear,
consistent, and broad set of guidelines and policies. Regent Jaech said in the four cases where UW divested, the results varied. Having some sense of principles in place ahead of each decision would allow the Regents to think about the issues in a consistent versus ad hoc manner using consistent criteria. Regent Blake commented that the other side of divestment is investment and said the UW implemented this with its climate change initiative, directing investment in areas of innovation and creating alternative ways to replace fossil fuels. She said the UW should consider this mechanism in the future.

Regent Kritzer said she met with Treasury and with a group of concerned students and faculty about divestment from prison industries. At the core of the issue, for a lot of people, is how the University decides what its institutional values are – ethically and morally – and how those values are expressed in investments or other actions.

Regent Shanahan said the University should give itself a timeline to come up with a policy and needs to be able to communicate its position on various issues.

Regent Harrell observed the discussion shifted from policy to process. She recalled the work to divest from thermal coal followed a process of understanding, engaging, and working with Treasury. As Regents consider a policy, the process can inform the policy. The University can learn from past actions how to get to a decision. Regent Ayer underscored the importance of engagement to understand issues. He would like to learn more about successful shareholder engagement by universities and possibly several universities joining together around a specific issue.

Regent Jaech said the Regents need to understand the full scope of their fiduciary responsibility to the donors and future beneficiaries.

Protesters began chanting about various issues including Israeli apartheid, private prisons, fossil fuels, and genocide. A member of the group was invited to speak and UW student Daniel Oron said students favor divestment as the only option to deal with corporations and organizations that violate human rights. He encouraged divestment from prisons, Israeli apartheid, and fossil fuels.

Regent Shanahan asked Regent Benoliel to meet with Ms. Sarna. Regent Shanahan and President Cauce will work together to develop a timeline to create a process and policy.

See Attachment B–4.

**Transforming Administration Program (TAP) Update** (Agenda no. B–5) (Information only)

In the interest of time, Regent Shanahan asked that the TAP item be postponed to a future meeting.

See Attachment B–5.

Regent Shanahan invited ASUW Tacoma President Sophie Nop and ASUW Bothell President Dominick Juarez to be seated at the Board table.
Regents Resolution of Appreciation (Agenda no. B–6) (Action)

The term of office for the student member of the Board ends on June 30. Regent Shanahan read a Resolution of Appreciation for Regent Vanessa Kritzer and then invited her to comment. She thanked a number of people:

- Governor Inslee for giving her the opportunity to serve on the Board;
- Regents for demonstrating true leadership in governance and for their commitment to the University and to its public mission;
- President Cauce and Provost Baldasty for collaborating with her over the year and for their incredible leadership;
- Members of the administration who have taken time to talk with her and inform her on important issues.

She said it had been a wonderful opportunity to understand how the University functions. The UW is positioned to continue to expand its work on diversity, equity, and inclusion through the newly formed advisory committee. She encouraged work on affordability, a focus on excellence, and making sure the public mission is served with a clear vision of where the UW is going with its three campuses. She said the “coolest” thing is seeing the impact the University makes on students’ lives.

Regent Simon moved, Regent Rice seconded, and the Board voted to approve the Resolution of Appreciation. Regent Kritzer abstained.

See Attachment B–6.

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

Regent Shanahan said this is the last meeting for student leaders Tyler Wu, Alex Bolton, Sophie Nop, and Dom Juarez. He reflected they truly are student leaders and he appreciates this. He’s learned they are not just engaged, but involved. They want to understand issues, give a voice to those concerns, and forward recommendations for action. They are an integral part of the process. He will miss working with them and is confident that their successors are talented. He assigned them with homework to send him a note explaining what one thing he, or the Board, could do better to increase effectiveness.

REPORT OF THE UNIVERSITY PRESIDENT: President Cauce

President Cauce recognized the amazing accomplishments of the class of 2016. She acknowledged all the students, but especially the “defy-ers of negative prediction,” who came to the UW under negative circumstances.

She thanked student leaders Vanessa Kritzer, Tyler Wu, Sophie Nop, Dom Juarez, and Alex Bolton for their hard work and the legacy they will leave.
She praised the amazing work of the UW’s faculty and staff who will be recognized and celebrated at the upcoming Awards of Excellence Ceremony. Professor Beauchamp will receive the David Thorud Leadership Award.

CONSENT AGENDA

Regent Shanahan noted there were seven items for approval on the consent agenda, and called for a motion. He noted items A–4 and A–5 were pulled from the Academic and Student Affairs Committee agenda and postponed to a future meeting.

MOTION: Upon the recommendation of the Chair of the Board and the motion made by Regent Simon, seconded by Regent Blake, the Board voted to approve the seven items on the consent agenda as shown below.

Minutes for the meeting on May 14, 2016

Granting of Degrees for 2015-16 (Agenda no. A–2)

It was the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve the granting of degrees to those individuals who, in the judgment of the faculty, have satisfied the requirements for their respective degrees during the 2015-16 academic year.

See Attachment A–2.

Approve UW Tacoma Change of Status: Designation of the Institute of Technology from a Program to a School at the University of Washington Tacoma as a Collegiate-Level Unit Headed by a Dean (Agenda no. A–4)

This item was pulled from the agenda and postponed to a future meeting.

Approve UW Tacoma Change of Status: Designation of the Education Program from a Program to a School at the University of Washington Tacoma as a Collegiate-Level Unit Headed by a Dean (Agenda no. A–5)

This item was pulled from the agenda and postponed to a future meeting.

Approve Services and Activities Fee – University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions (Agenda no. A–6)

It was the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve the following Services and Activities Fee proposals for the University of Washington Tacoma:

1) no increase in the Services and Activities Fee for academic year 2016-17,
2) the distribution of Services and Activities Fee for 2016-17,
3) the operating budgets and expenditures recommended for 2016-17, and
4) the revision to the Services and Activities Fee Guidelines.

See Attachment A–6.

**Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds** (Agenda no. A–7)

It was the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve for the University of Washington Bothell (UW Bothell):

1. Recommended Services and Activities Fee (SAF) Budget for 2016-17, which is inclusive of spending authority on excess fee collection and includes a recommended increase to the Services and Activities Fee level for 2016-17 from $89 per full-time student per quarter to $91 (2% increase);
2. Recommended use of SAF accrued Fund Balance in the amount $453,421 for one-time and non-recurring initiatives; which is inclusive of the Activities and Recreation Center Phase Two (2) feasibility study and Childcare support.

See Attachment A–7.

**Approve Services and Activities Fee – University of Washington, Seattle: 2016-17 Reduction of Fees, Distribution of Fees, Allocation of Funds, and SAF Guidelines Revisions** (Agenda no. A–8)

It was the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve for the Seattle campus:

1. Decreasing the S&A Fee level for 2016-17 from $131 per full-time student per quarter to $129;
2. Allocating $17,076,006 (operating: $16,856,332; capital: $219,674) for 2016-17 S&A Fee operating and capital funds;
3. Allocate up to $400,000 from the accrued interest from the S&A Fee Fund Balance to fund one-time and non-recurring 201617 Innovation Fund grants to units to develop areas of growth and/or opportunities to research potential alternatives to current operations;
4. Decreasing the Student Facilities Renovation Fee (i.e., the Husky Union Building, Hall Health Primary Care Center, and Ethnic Cultural Center bond) from $73 per quarter to $70. Based on the recommendation of UW Treasury, the S&A Fee Committee will maintain capital reserves equal to nine months of debt service in the fund balance for the Student Facilities Renovation Fee. This amount currently sits at $5,240,155. At the beginning of each fiscal year, UW Treasury will use funds over the capital reserve amount to make early debt payments;
5. Allocate $303,000 from the S&A Fee Fund Balance to alleviate the Student Publications operating deficit;
6. Allocate $258,519 from the S&A Fee Fund Balance to the Student Parent Resource Center for students enrolling at the UW during academic year 2016-17, and freeze admittance of new students enrolling after academic year 2016-17 pending a review of measures being taken by Financial Aid to address structural deficiencies in the current system;

7. Modifications to the UW-Seattle S&A Fee Guidelines (Regental approval required):
   a. Title III.2.A – increasing voting membership from Nine to Eleven
   b. Title III.2.B.i – increasing ASUW nominees from Five to Six
   c. Title III.2.B.ii – increasing GPSS nominees from Four to Five

See Attachment A–8.

**Approve 2016-17 Student Technology Fee Adjustment, University of Washington, Seattle** (Agenda no. A–9)

It was the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve for the Seattle campus:

1. Apply the Technology Fee to students enrolled during summer quarter starting in the summer of 2017;
2. Lower the Technology Fee level for 2016-17 from $41 to $38 per full-time student per quarter.

See Attachment A–9.

**Approve Intercollegiate Athletics Financial Stability Plan** (Agenda no. F–3)

It was the recommendation of the administration and the Finance and Asset Management Committee that the Board of Regents:

1) Approve the Intercollegiate Athletics Financial Stability Plan (FSP); and
2) Temporarily modify Internal Lending Program (ILP) loan covenants through FY 2019:
   a. Suspend the Debt Service Coverage covenant
   b. Reduce the minimum unrestricted fund balance to $10 million

See Attachment F–3.

**STANDING COMMITTEES**

**ACADEMIC AND STUDENT AFFAIRS COMMITTEE:** Regent Rice, Chair

At the request of Regent Rice, President Cauce highlighted the appointment of Provost Baldasty, and Provost Baldasty highlighted appointments

**Academic and Administrative Appointments** (Agenda no. A–1)
MOTION: Upon the recommendation of the administration and the motion made by Regent Rice, the Board voted to approve the personnel appointments. Regent Kritzer abstained from the vote.

See Attachment A–1.

**Introduction of New Leadership: Athletic Director** (Agenda no. A–3)

See Attachment A–3.

**Provost Advisory Committee for Students (PACS) Recommendation and Budgeting Principles FY17-19** (Agenda no. A–10)

See Attachment A–10.

**Race and Equity Initiative Update** (Agenda no. A–11)

See Attachment A–11.

**FINANCE AND ASSET MANAGEMENT COMMITTEE:** Regent Jaech, Chair

**UW One Capital Plan** (Agenda no. F–1)

See Attachment F–1.

**2018 Campus Master Plan Update** (Agenda no. F–2)

See Attachment F–2.

**Audit Advisory Committee Update** (Agenda no. F–4)

See Attachment F–4.

**REPORTS TO THE BOARD OF REGENTS**

**Faculty Senate Chair:** Professor Norman Beauchamp

Prof Beauchamp quoted Viktor Frankl, “If you know the ‘why’ there is no ‘what’ you cannot overcome.” He said it has been a privilege to work with the great student leaders and that he found them inspiring and wished them great luck in the future.

**ASUW President:** Mr. Tyler Wu

Mr. Wu reported his successor is Daniele Menez who has extensive ASUW experience.

Mr. Wu reminded Regents he is the first person in his family to attend college. He would not have thought he would be graduating on Saturday, nor be ASUW President. As he
reflects on ASUW’s accomplishments, he considers the policies developed to be legacy items. He said it’s been a great experience observing the work of the Regents and it is reassuring to find people who care about the school.

His final paper was about being the ASUW President. In it he wrote, “So, when all is said and done what does being ASUW student body President mean to me? It means drinking three cups of coffee a day to stay functioning, it means having your family consistently ask you why you look so tired, it means starting papers the night before they are due. However, most importantly being the President means having an impact on people you will never meet, being a role model to those whom you have never met, and an opportunity to challenge yourself and ultimately you meet people that care about this university as much as you do.”

**GPSS President:** Mr. Alex Bolton

Mr. Bolton said when President Cauce was Provost she would say she was the Provost of “socks and underwear.” Mr. Bolton felt like this year his role was to be the GPSS President of “socks and underwear,” doing his best to set relationships for the future. Following a large organizational restructuring, the number of GPSS Vice Presidents was increased, enabling Mr. Bolton to be more effective. He praised the work of the officers in his administration. He said it was an honor to serve on search committees for President, Provost, and Athletic Director. He highlighted the partnership between GPSS and the Provost and thanked Provost Baldasty. He thanked Tyler Wu, Vanessa Kritzer, Dom Juarez, and Sophie Nop for their collaboration.

Next year, GPSS plans to continue its work with Vice Provost Branon in Educational Outreach to find ways for students to engage on fee-based programs. He said mental health will continue to be a big concern for students. Mr. Bolton closed by reminding everyone to “never forget that we are public.”

**ASUW Tacoma President:** Ms. Sophie Nop

Ms. Nop introduced Berkan Koroglu, the incoming ASUWT President. Mr. Koroglu is studying politics, philosophy, and economics and one of his goals is to grow career development. He is from Istanbul, Turkey.

Finals as well as commencement week create a mix of heightened emotions at UW Tacoma.

This year, UW Tacoma students found their voices and places to share where they stand on things. But, she said, this would mean nothing if the right people weren’t in leadership.

Ms. Nop submitted the remainder of her remarks in writing to the Board Secretary and they follow:

“There are no words to describe Vanessa’s commitment to students. Alex, Tyler, Dom, and Alice have also been invaluable to the successes at UW Tacoma.
Cross campus collaboration made me stronger, resilient, and gave me courage to keep working hard no matter what I was up against. Because of this experience and support I was able to model this for my Directors at UW Tacoma. Like all of you have modeled this sort of leadership to me. As a result, students at UW Tacoma were able to truly shape decisions on; minimum wage, SAF bylaws, New Student Orientation and Enrollment, Housing Fees, commencement, and we created the council for campus engagement so that we can break down silos amongst student organizations. Tacoma is not perfect we have a lot of work to do but this year from your commitment to me and UW Tacoma students can breathe easier and can go into the community and world feeling they are valued and that they have something good to offer.”

**ASUW Bothell President**: Mr. Dom Juarez

Mr. Juarez commented on the UW Bothell commencement ceremony. With a growing student population, the Alaska Airlines Arena is becoming too small to accommodate families of graduates. Last year, students could have eight tickets, this year it is four. This is critical to students and their families, especially first generation students. This will be an issue in the future and he asked for consideration of an alternate location.

Mr. Juarez named Tanya Kumar as the 2016-17 ASUW Bothell President. She is a Law, Economics, and Public Policy student. She is passionate about helping student parents at UW Bothell find childcare solutions.

Mr. Juarez said he will be the first in his family to graduate from college and mentioned the struggle and strife he observes. He did not envision himself in student government but found it to be a great opportunity. Working with student leaders was an important experience. He also recognized the support of the President. He congratulated Professor Beauchamp on his award and thanked him for helping people see the potential inside themselves.

**Alumni Association President**: Mr. Jeff Rochon

Mr. Rochon said this is an exciting time of year, especially from an alumni standpoint, gaining new members to the family. He congratulated the graduates and said he hopes they will continue to be engaged as alumni.

Regents receive the June issue of Columns magazine, featuring Sally Jewell on the cover. Ms. Jewell is a former Regent, the current U.S. Secretary of the Interior, this year’s Alumna Summa Laude Dignata, and the commencement speaker.

Mr. Rochon reported on the Huskies at Work job shadowing program that aligns current students with alumni. More than 250 people participated, including alumni from many fields. The program received positive feedback. He looks forward to building on a strong first year. Through “Grad Packs,” approximately 2000 graduates joined the UW Alumni Association and 650 made their first gift. Five hundred graduates plan to attend the annual Grad Toast in the Sylvan Grove.
Upcoming UWAA events include the annual UW Night with the Mariners on Friday, July 15, with proceeds funding scholarships. Athletic Director Jen Cohen will be the featured speaker at salmon barbeques with alumni across the country – on June 18 and 19 in New York and Washington, D.C. and on August 6 and 7 in the California Bay Area and in Southern California.

On July 26, UWAA and PBS will host an advance screening of the PBS American Experience documentary *The Boys of ’36* at Meany Hall. Daniel James Brown, author of *The Boys in the Boat*, will be a featured speaker.

**DATE FOR NEXT MEETING**

The next regular meeting of the Board of Regents will be held on Thursday, July 14, 2016, on the Seattle campus.

A student attending the meeting requested to be heard by the Regents. Regent Shanahan invited him to comment. Mr. Michael Moynihan, also known as Renaissance, asked the Regents to focus on divestment from prison industries, as the core business violates human rights. He requested an action item to present the issues to the Board and explain why his group believes investments in prisons may not be fiscally responsible. He opposes investment in an institution that removes students from the educational system and enslaves and disenfranchises them so they cannot empower themselves and their communities. These values are opposed to the UW’s values as a public institution meant to serve the people. His group is working with Treasury and Procurement to revise the supplier code of conduct. He believes this initiative has broad support across campus.

**EXECUTIVE SESSIONS**

Regent Shanahan announced the Board would hold and executive session to discuss with legal counsel litigation or potential litigation as defined in RCW 42.30.110.

Returning to open session, Regent Shanahan announced the Board would hold an executive session to review the performance of public employees.

**ADJOURNMENT**

Returning to open session, Regent Shanahan adjourned the regular meeting at 3:05 p.m.

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Joan Goldblatt
Secretary of the Board of Regents

*Approved at the meeting of the Board on July 14, 2016.*
STANDING COMMITTEES

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
Academic and Administrative Appointments
ADMINISTRATIVE APPOINTMENTS

Administration
Office of the Provost

Baldasty, Gerald Joseph

Provost and Executive Vice President, effective 6/1/2016
Continuing Appointments:
  • Professor, Communication
  • Adjunct Professor, American Ethnic Studies
  • Adjunct Professor, Gender, Women, and Sexuality Studies
Degrees:
  • PhD, 1978, University of Washington
  • MA, 1974, University of Wisconsin (Madison)
  • BA, 1972, University of Washington

School of Law

Cimini, Christine N.

Associate Dean, Law, effective 6/16/2016
Degrees:
  • JD, 1992, University of Connecticut
  • BA, 1989, Clark University

University of Washington, Tacoma

UW Tacoma School of Interdisciplinary Arts and Sciences
Bartlett, Anne Clark

Dean, School of Interdisciplinary Arts and Sciences, Tacoma, effective 7/1/2016
Degrees:
  • PhD, 1993, University of Iowa
  • BA, 1987, State University of New York (Genesco)
ENDOWED APPOINTMENTS

College of Arts and Sciences
Department of Applied Mathematics
LeVeque, Randall John
Boeing Endowed Professorship In Applied Mathematics, effective 9/16/2016
Continuing Appointments:
- Professor, Applied Mathematics
- Adjunct Professor, Earth and Space Sciences
- Adjunct Professor, Mathematics
Degrees:
- PhD, 1982, Stanford University
- BA, 1977, University of California (San Diego)

Department of Philosophy
Talbott, William Johnson
Joff Hanauer Endowment for Excellence in Western Civilization, effective 9/1/2016
Continuing Appointment:
- Professor, Philosophy
Degrees:
- PhD, 1976, Harvard University
- AB, 1970, Princeton University

Jackson School of International Studies
Novetzke, Christian Lee
College of Arts and Sciences Term Professorship, effective 9/16/2016
Continuing Appointment:
- Associate Professor, International Studies
Degrees:
- PhD, 2002, Columbia University
- MS, 1996, Harvard University
- BA, 1993, Macalester College
Information School

Martin, Michelle Holley
Beverly Cleary Endowed Professorship in Children and Youth Services, effective 9/1/2016
Continuing Appointment:
• Professor, Information School
Degrees:
• PhD, 1997, Illinois State University
• MSEd, 1991, Northern Illinois University
• BA, 1988, College of William and Mary

NEW APPOINTMENTS

College of Arts and Sciences
Department of Asian Languages and Literature
Lenz, Timothy John
Senior Lecturer, Full-time, Asian Languages and Literature, effective 9/16/2016
Prior UW Appointment:
• Lecturer Full-Time, Asian Languages and Literature
Degrees:
• PhD, 1999, University of Washington
• MA, 1994, University of Washington
• BA, 1979, Western Michigan University

Department of Near Eastern Languages and Civilization
Shams, Shahrzad
Lecturer, Full-time, Near Eastern Languages and Civilization, effective 9/16/2016
Prior UW Appointment:
• Lecturer Full-Time, Near Eastern Languages and Civilization
Degrees:
• MA, 1985, California State University (Fullerton)
• BA, 1980, California State University (Fullerton)
Department of Philosophy
Franco, Paul Leonard
Lecturer, Full-time, Philosophy, effective 9/16/2016
Prior UW Appointment:
• Acting Assistant Professor, temporary, Philosophy
Degrees:
• PhD, 2011, University of Pennsylvania
• MA, 2007, University of Pennsylvania
• BA, 2004, Colorado State University

Department of Physics
Brahmia, Suzanne Marie
Assistant Professor, Physics, effective 1/1/2017
Degrees:
• PhD, 2014, Rutgers University
• MS, 2013, Rutgers University
• BS, 1986, University of Washington

McLerran, Larry Dean
Professor, Physics, effective 8/1/2016
Degrees:
• PhD, 1975, University of Washington
• BS, 1971, University of Washington

Department of Political Science
Ainsley, Caitlin Thomas
Assistant Professor, Political Science, effective 9/16/2016
Degrees:
• MA, 2016, Emory University
• PhD, 2016, Emory University
• BA, 2010, Emory University

Wallace, Geoffrey Paul Raymond
Associate Professor, Political Science, effective 7/1/2016
Degrees:
• PhD, 2010, Cornell University
• MA, 2006, Cornell University
• MA, 2002, University of Toronto (Canada)
• BA, 2001, University of Toronto (Canada)
Wallace, Sophia Jordan  
Associate Professor, Political Science, effective 7/1/2016  
Degrees:  
- PhD, 2010, Cornell University  
- MA, 2007, Cornell University  
- BA, 2002, University of California (San Diego)

Department of Spanish and Portuguese Studies  
Gonzalez, Jorge  
Lecturer, Full-time, Spanish and Portuguese Studies, effective 9/1/2016  
Prior UW Appointment:  
- Lecturer Full-Time, Spanish and Portuguese Studies  
Degrees:  
- MA, 1986, University of Wisconsin  
- BA, 1983, Conservatorio Nacional de Musica (Mexico)

Mediavilla, Maria Luisa  
Lecturer, Full-time, Spanish and Portuguese Studies, effective 9/1/2016  
Prior UW Appointment:  
- Teaching Associate, Spanish and Portuguese Studies  
Degrees:  
- MA, 2000, University of Madrid (Spain)  
- MA, 1994, Universidad de Valladolid (Spain)  
- MA, 1992, Universidad de Valladolid (Spain)

Robles Rivera, Jose Francisco  
Assistant Professor, Spanish and Portuguese Studies, effective 9/1/2016  
Degrees:  
- PhD, 2012, El Colegio de Mexico (Colmex)  
- MA, 2011, El Colegio de Mexico (Colmex)  
- MA, 2009, University of Chile  
- BA, 2004, University of Chile

Rueda, Antonio Manuel  
Lecturer, Full-time, Spanish and Portuguese Studies, effective 9/1/2016  
Degrees:  
- PhD, 2012, Tulane University  
- MA, 2009, Tulane University  
- MA, 2005, University of Illinois (Urbana)  
- BA, 2003, University of Seville (Spain)
Spannagel Bradley, Sabrina I.
Lecturer, Full-time, Spanish and Portuguese Studies, effective 9/1/2016
Prior UW Appointment:
  • Teaching Associate, Spanish and Portuguese Studies
Degrees:
  • MA, 1995, University of Montana
  • BA, 1990, University of Montana

Villanueva Chavez, Judith Iliana
Lecturer, Full-time, Spanish and Portuguese Studies, effective 9/1/2016
Prior UW Appointment:
  • Teaching Associate, Spanish and Portuguese Studies
Degrees:
  • PhD, 2009, University of California (Irvine)
  • MA, 2005, University of California (Irvine)
  • BA, 2003, University of Texas (El Paso)

Department of Speech and Hearing Sciences
Pompon, Rebecca Hunting
Research Assistant Professor, Speech and Hearing Sciences, effective 6/16/2016
Prior UW Appointment:
  • Lecturer Part-Time, Speech and Hearing Sciences
Degrees:
  • PhD, 2013, University of Washington
  • BS, 2007, University of Washington
  • MA, 1997, Seattle University
  • BA, 1993, Western Washington University

Gender, Women, and Sexuality Studies
Adeyemi, Adekemi Alana
Assistant Professor, Gender, Women, and Sexuality Studies, effective 9/1/2016
Degrees:
  • PhD, 2016, Northwestern University
  • MA, 2012, Northwestern University
  • BA, 2009, Macalester College

School of Art, Art History, and Design
Bunn-Marcuse, Kathryn Burgess
Assistant Professor, Art, Art History, and Design, effective 9/16/2016
Degrees:
  • PhD, 2007, University of Washington
  • MA, 1998, University of Washington
  • BA, 1993, Middlebury College
Michael G. Foster School of Business
Department of Finance and Business Economics

Stern, Lea Henny
Acting Assistant Professor, pending Ph.D., Finance and Business Economics, effective 7/16/2016
Degrees:
• PhD - Expected, 2016, Syracuse University
• MSC, 2009, University of Montreal (Canada)
• BBA, 2007, University of Montreal (Canada)

Zeng, Yao
Acting Assistant Professor, pending Ph.D., Finance and Business Economics, effective 6/16/2016
Degrees:
• PhD - Expected, 2016, Harvard University
• MA, 2013, Harvard University
• MA, 2010, Peking University (China)
• BTech, 2007, Beijing Institute of Technology (China)
• BA, 2007, Peking University (China)

Department of Management and Organization

Olson, Daniel McCandless
Acting Assistant Professor, pending Ph.D., Management and Organization, effective 7/16/2016
Degrees:
• PhD - Expected, 2016, University of Maryland
• JD, 2004, Harvard University
• BA, 2000, Brigham Young University (Utah)

Schabram, Kira Franziska
Acting Assistant Professor, pending Ph.D., Management and Organization, effective 7/16/2016
Degrees:
• PhD - Expected, 2016, University of British Columbia (Canada)
• MSC, 2010, Concordia University
• BA, 2005, University of California (San Diego)
• BSC, 2005, University of California (San Diego)
College of Engineering
Department of Computer Science and Engineering
Mausam
    Visiting Associate Professor, Computer Science and Engineering, effective 5/24/2016
Prior UW Appointment:
    • Affiliate Assistant Professor, Computer Science and Engineering
Degrees:
    • PhD, 2007, University of Washington
    • MS, 2004, University of Washington
    • BTech, 2001, Indian Institute of Technology (India)

Information School
Information School
Martin, Michelle Holley
    Professor, Information School, effective 9/1/2016
Degrees:
    • PhD, 1997, Illinois State University
    • MSEd, 1991, Northern Illinois University
    • BA, 1988, College of William and Mary

School of Law
School of Law
Cimini, Christine N.
    Professor, Law, effective 6/16/2016
Prior UW Appointment:
    • Affiliate Professor, Law
Degrees:
    • JD, 1992, University of Connecticut
    • BA, 1989, Clark University

West, Jessica Lynn
    Visiting Associate Professor, Law, effective 9/16/2016
Degrees:
    • JD, 1993, University of Connecticut
    • BA, 1989, Brown University
School of Medicine
Department of Biomedical Informatics and Medical Education
Korngiebel, Diane Marie
Assistant Professor without Tenure, Biomedical Informatics and Medical Education, effective 5/1/2016
Prior UW Appointment:
- Acting Assistant Professor, temporary, Biomedical Informatics and Medical Education

Degrees:
- Doctor Philosophiae (DPhil), 2005, University of Oxford (UK)
- MA, 1999, University of Durham (UK)
- MA, 1998, Cardiff University (Wales)
- BA, 1997, University of Washington

Department of Global Health
Drake, Alison Louise
Assistant Professor without Tenure, Global Health, effective 4/1/2016
Prior UW Appointment:
- Acting Assistant Professor, temporary, Global Health

Degrees:
- PhD, 2010, University of Washington
- MPH, 2002, University of Michigan (Ann Arbor)
- BS, 2000, University of Michigan (Ann Arbor)

Department of Microbiology
Krause, Sascha
Research Assistant Professor, Microbiology, effective 5/2/2016
Prior UW Appointment:
- Research Associate, Chemical Engineering

Degrees:
- PhD, 2010, University of Marburg (Germany)
- MS, 2006, Osnabrueck University (Germany)
- BS, 2004, Osnabrueck University (Germany)

Department of Obstetrics and Gynecology
Chandrasekaran, Suchitra
Assistant Professor without Tenure, Obstetrics and Gynecology, effective 7/1/2016
Prior UW Appointment:
- Acting Assistant Professor, temporary, Obstetrics and Gynecology

Degrees:
- MSCE, 2014, University of Pennsylvania
- MD, 2007, Northwestern University
- BA, 2002, Johns Hopkins University
Yu, Bo  
Assistant Professor without Tenure, Obstetrics and Gynecology, effective 7/1/2016  
Degrees:  
- MD, 2005, University of Michigan (Ann Arbor)  
- MS, 1997, Clemson University  
- BS, 1994, Zhengzhou University (China)

Department of Ophthalmology  
Chee, Yewlin E.  
Assistant Professor without Tenure, Ophthalmology, effective 8/16/2016  
Degrees:  
- MD, 2009, University of Pennsylvania  
- AB, 2004, Princeton University

Department of Radiology  
Edwards, Rachael Marie  
Assistant Professor without Tenure, Radiology, effective 7/1/2016  
Prior UW Appointment:  
- Acting Instructor, Radiology  
Degrees:  
- MD, 2010, University of Washington  
- BS, 2006, Washington State University

School of Pharmacy  
Department of Medicinal Chemistry  
Guttman, Miklos  
Assistant Professor, Medicinal Chemistry, effective 9/1/2016  
Degrees:  
- PhD, 2009, University of California (San Diego)  
- BS, 2003, University of California (Irvine)

School of Public Health  
Department of Global Health  
Drake, Alison Louise  
Assistant Professor without Tenure, Global Health, effective 4/1/2016  
Prior UW Appointment:  
- Acting Assistant Professor, temporary, Global Health  
Degrees:  
- PhD, 2010, University of Washington  
- MPH, 2002, University of Michigan (Ann Arbor)  
- BS, 2000, University of Michigan (Ann Arbor)
University of Washington, Bothell
UW Bothell School of Business
Nedita, Codrin Constantin
Lecturer, Full-time, School of Business, Bothell, effective 9/16/2016
Degrees:
- PhD, 2010, University of North Carolina (Chapel Hill)
- BS, 1997, Bucharest Academy of Economic Studies

University of Washington, Tacoma
Institute of Technology, Tacoma
Lloyd, Wesley James
Assistant Professor, Institute of Technology, Tacoma, effective 9/16/2016
Degrees:
- PhD, 2014, Colorado State University
- MS, 2001, Virginia Polytechnic Institute and State University
- BS, 1997, University of Toledo

Nursing Program, Tacoma
Backonja, Uba
Assistant Professor, Nursing, Tacoma, effective 8/16/2016
Degrees:
- PhD, 2014, University of Wisconsin (Madison)
- MSN, 2011, University of Wisconsin (Madison)
- BSN, 2010, University of Wisconsin (Madison)
- BS, 2005, University of Wisconsin (Madison)

UW Tacoma School of Interdisciplinary Arts and Sciences
Bartlett, Anne Clark
Professor, School of Interdisciplinary Arts and Sciences, Tacoma, effective 7/1/2016
Degrees:
- PhD, 1993, University of Iowa
- BA, 1987, State University of New York (Genesco)
STANDING COMMITTEES

Academic and Student Affairs Committee

Granting of Degrees for 2015-16

RECOMMENDED ACTION

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve the granting of degrees to those individuals who, in the judgment of the faculty, have satisfied the requirements for their respective degrees during the 2015-16 academic year.

BACKGROUND

The statutes of the State of Washington require that the Board of Regents approve the granting of degrees to those individuals who have satisfied the requirements for their respective degrees. Similar action is taken each year by the Board of Regents.

Approximately 15,768 degrees will be awarded this academic year. For work completed at the University of Washington, Seattle, students will receive an estimated 12,527 degrees, specifically: 7,749 bachelor's degrees, 3,508 master's degrees, 519 professional degrees, 11 Educational Specialist degrees, and 741 doctoral degrees. For work completed at the University of Washington, Bothell, students will receive about 1,693 degrees, including 1,459 bachelor's degrees and 235 master's degrees. For work completed at the University of Washington, Tacoma, students will receive about 1,548 degrees, including 1,281 bachelor's degrees, 247 master's degrees, and 20 doctoral degrees.

Last year a total of 15,637 degrees were awarded: At Seattle, 7,505 bachelor's degrees, 3,607 master's degrees, 554 professional degrees (Law, 190, Medicine, 216, Dentistry, 67, Pharmacy, 81), 14 Educational Specialist degrees, and 771 doctoral degrees; at Bothell, 1377 bachelor's degrees and 225 master's degrees; and at Tacoma, 1296 bachelor's degrees and 288 master's degrees.
STANDING COMMITTEES

Academic and Student Affairs Committee

Introduction of New Leadership: Athletic Director

INFORMATION

For information only.

BACKGROUND

In January 2016, President Ana Mari Cauce convened a search committee with the charge of identifying and recommending candidates for the position of Athletic Director.

The search committee identified several finalists for campus visits. After those visits, Jennifer Cohen was offered the position of Athletic Director for the University of Washington effective June 1, 2016.

BIOGRAPHICAL SKETCH

Jennifer Cohen has been with the UW for 18 years and for much of that time has overseen the athletic department’s fundraising efforts. In recent years, the football and baseball programs also reported directly to her. A native of Tacoma, she joined the athletic department staff in 1998 as an assistant director of development before moving to the university’s central development office to focus on fundraising efforts on behalf of the office of undergraduate education. She also
STANDING COMMITTEES

Academic and Student Affairs Committee

Introduction of New Leadership: Athletic Director (continued p. 2)

spent time with the UW's regional gifts program before returning to athletics to oversee the department's major gifts program.

Cohen and her team led the “Drive for Husky Stadium” campaign, in which the department raised over $50 million in gifts for the renovation of Husky Stadium, which was completed in August 2013. Cohen has also led development efforts for a number of other initiatives, including the renovation of Hec Edmundson Pavilion and the Conibear Shellhouse, the construction of the Dempsey Indoor Practice Facility, the Husky Legends Center, Husky Golf Center and various scholarship endowments.

A 1991 graduate of San Diego State University, Cohen earned her master's degree in physical education with an emphasis in sports administration, from Pacific Lutheran University in 1994. Her professional experience includes a variety of roles in intercollegiate athletics administration at Pacific Lutheran, the University of Puget Sound and Texas Tech University. She and her husband, Bill, are the parents of two sons, Tyson and Dylan.
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve UW Tacoma Change of Status: Designation of the Institute of Technology from a Program to a School at the University of Washington Tacoma as a Collegiate-Level Unit Headed by a Dean

RECOMMENDED ACTION

It is the recommendation of the administration and the Academic and Student Affairs Committee that the status of the Institute of Technology at the University of Washington Tacoma be changed to a School as a collegiate-level unit under the leadership of a Dean, effective September 16, 2016.

BACKGROUND

In 2001 the state’s legislature passed a bill that funded the creation of the Institute of Technology at UW Tacoma (henceforth referred to as the Institute). The bill states the following about the degree programs that would be offered by the Institute, “The university (UW Tacoma) will expand undergraduate and graduate degree programs meeting regional technology needs including, but not limited to, computing and software systems.” The BS in Computer Science and Systems (CSS) program existed prior to the formation of the Institute. Since 2001, the following degree programs have started in the Institute: The MS program in CSS launched in 2003, the BA program in CSS launched in 2005, the BS program in Computer Engineering and Systems (CES) launched in 2006, the BS program in Information Technology (IT) launched in 2009, and the Master of Cybersecurity and Leadership (MCL) launched in 2013. Student enrollments in the Institute have grown from 181 in 2007 to 780 in 2015.

The Institute plans to start new undergraduate and graduate programs in engineering in the coming years in order to keep up with the increased need for technology professionals in the South Sound. A new program that was proposed in 2015-16 and is currently moving through the UW system is the BS in Electrical Engineering (EE). The MS in Electrical and Computer Engineering (ECE) and the MS in Information Technology (IT) are also currently being considered by the Institute. These programs are expected to add approximately 220 new students to the unit. Students in these new programs and growth in existing programs will lead to an overall Institute enrollment of 1000 students in the very near future.

The new school will function as a traditional school and have the responsibilities that the President and the University faculty have delegated to the faculty of each school in accordance with the UW Faculty Code, Chapter 23, Sections 23-43. The
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve UW Tacoma Change of Status: Designation of the Institute of Technology from a Program to a School at the University of Washington Tacoma as a Collegiate-Level Unit Headed by a Dean (continued p. 2)

school will be led by a “dean,” whose responsibilities are defined in the UW Faculty Code, Section 12-24, with one qualification: whereas Deans are responsible to the Provost, the School Dean will be responsible to the Executive Vice Chancellor for Academic Affairs and Chancellor for all matters related to the educational, budgetary and administrative affairs of the School. A dean will bring his/her experience with a diversity of academic offerings to the school. Such leadership is vital to a nascent school that is looking to strengthen and expand its technical program base and strengthen the teaching, research, and engagement missions of the unit.

The Institute of Technology has grown rapidly since 2007. Student enrollment grew from 181 in 2007 to 780 in 2015. During the same time, the number of faculty increased from 15 to 35. Staff numbers have expanded from 5 in 2009 to 13 in 2016.

During the current academic year (2015-2016), the combined full-time faculty of the Institute of Technology consists of five Professors, seven Associate Professors, five Assistant Professors, twelve Lecturers, and one Acting Professor, for a total of 29 voting faculty; two Emeritus and one Affiliate Assistant Professor are also included in the faculty. Each degree program relies in part on a number of part-time lecturers, and there are currently two Assistant Professor and four lecturer searches for additional faculty underway for September 2016 hire.

To date, the programs have graduated 1,166 undergraduates and 334 graduate students.

Types of Degrees: The following degrees are currently offered by the programs.

Computer Science and Systems
- Bachelor of Science in Computer Science and Systems
- Bachelor of Arts in Computer Science and Systems
- Master of Science in Computer Science and Systems

Computer Engineering and Systems
- Bachelor of Science in Computer Engineering and Systems

Information Technology
- Bachelor of Science in Information Technology
Academic and Student Affairs Committee

Approve UW Tacoma Change of Status: Designation of the Institute of Technology from a Program to a School at the University of Washington Tacoma as a Collegiate-Level Unit Headed by a Dean (continued p. 3)

Cybersecurity and Leadership
- Master of Cybersecurity and Leadership (currently a fee-based professional master’s degree offered jointly between the Institute of Technology and the Milgard School of Business)

Additional undergraduate and graduate degree programs are proposed, in development or planned for the future. These include a BS in Electrical Engineering, a BS in Industrial and Manufacturing Engineering, a BS in Cybersecurity, an MS in Computer and Electrical Engineering, and an MS in Information Technology.

The Institute currently offers a minor in Applied Computing, and two new non-credit certificates are under consideration: Ethical Hacking and Digital Forensics.

Conclusion
Given the increasing number of students, faculty and staff, coupled with the planned expansion of degree offerings, the significant growth and complexity of the Institute warrant its transition to school status. Furthermore, having a dean as its academic leader facilitates the Institute’s outreach and fundraising success. Industry and community partners expect to interact with a dean who is able to represent the best interests of the Institute while serving as a UWT campus leader. In order for campus to move to its next level of organizational maturity, the time is right for the Institute to become a School.

Attachment
Formation of Schools at UWT, UW Tacoma General Guidelines and Process for Formation of Schools (February 2014)
UW Tacoma General Guidelines and Process for Formation of Schools
(February 2014)

Guidelines

1. Designation, re-designation, or reorganization of academic units requires a compelling rationale. The primary motivation for organization as a School is to improve organizational effectiveness in fulfillment of curriculum and student learning, faculty and student scholarship, internal governance, and community engagement. Key considerations include the complexity, size, governance of the unit, its academic coherence, and the strategic needs of the campus.

2. Academic leadership at UW Tacoma will report to the Chancellor (via the Vice Chancellor for Academic Affairs). The Chancellor will allocate resources (including budgets, faculty positions, physical facilities) for Schools at UW Tacoma.

3. Consistent with the UW Faculty Code (23-45C), each School shall have an elected faculty council, which will advise its leadership on matters of policy. The faculty of each school shall determine for itself the organization and structure of its council and the procedure by which the members are elected, to be articulated in School by-laws.

4. The UW Tacoma Faculty Assembly Executive Council has the authority to determine how Faculty Senators will be allocated across the campus.

5. Schools may be sub-divided into units that will have delegated responsibilities. The appointing unit for hiring, promotion and tenure will be the School and not the sub-unit unless otherwise proposed by the faculty of the School and approved by the campus faculty (or Faculty Assembly Executive Council), VCAA, Chancellor, Provost, and Regents.

6. Each School will establish criteria for faculty appointments; promotion and tenure; and merit review, curriculum development, and admissions.

7. Additional Schools may be formed from existing Programs, new Programs, or a combination thereof as the Campus develops.

8. Existing Programs need not become Schools or units within Schools by any specific deadline.

9. The appropriate bodies of the UW Tacoma Faculty Assembly will continue to advise the Chancellor on matters affecting the general welfare of the campus, matters of faculty promotion and tenure, and on matters involving academic policy, including priorities, resource and salary allocation, and budgets.

1 These February 2014 Guidelines and Process may be modified as experience and circumstance warrant.
Process

1. The voting faculty of the affected academic units must vote (in accordance with the unit’s or units’ bylaws) in favor of the formation of a School, including a plan for governance.

2. The faculty, along with the Chancellor, Provost, and chair of the Faculty Senate Committee on Planning and Budget (or representatives of these offices) should confer regarding the applicability of sections of Chapter 26 of the Faculty Code (Reorganization, Consolidation, and Eliminations of Programs). If applicable, the process of the appropriate section must be followed.

3. The proposal for formation of a School should address the rationale, considerations, and requirements identified in the Guidelines above.

4. The formation of a School shall be approved by the Vice Chancellor for Academic Affairs (EVCAA) and the Chancellor, following review and recommendation by relevant campus bodies (Academic Council\(^2\) (AC) and Faculty Assembly Executive Council (EC)) before being forwarded to the Provost for review and approval. The Provost will then submit to the Regents for information (or approval in cases for which Regental action is required, such as the appointment of Deans).

5. In accordance with Faculty Assembly by-laws and the Faculty Code, School by-laws will be approved by appropriate faculty and administrative bodies before implementation.

\(^2\) The current name of the leadership group composed of the Chancellor, VCAA, heads of all academic units and programs, Faculty Assembly chair and vice chair, and head of the campus branch of UW Libraries.
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve UW Tacoma Change of Status: Designation of the Education Program from a Program to a School at the University of Washington Tacoma as a Collegiate-Level Unit Headed by a Dean

RECOMMENDED ACTION

It is the recommendation of the administration and the Academic and Student Affairs Committee that the status of the Education Program at the University of Washington Tacoma be changed to the School of Education as a collegiate-level unit under the leadership of a Dean, effective September 16, 2016.

BACKGROUND

The Primary objective of this proposal is to improve the ability of the University of Washington Tacoma’s Education Program to self-govern and to continue to develop and deliver coherent curricula for students and a high functioning teaching, research, and engagement environment for its faculty and staff. The Education Program has expanded over the last several years with the addition of the first doctoral degree away from the flagship campus. Students from the inaugural cohort will be graduating this June. It now operates at a level of complexity that warrants designation as a School and the establishment of a Dean in the leadership position.

The faculty of the Education Program request consideration for the creation of a School of Education. Pursuing school designation is unanimously endorsed by the program faculty and by the members of two Professional Education Advisory Boards.

Motivations

- Advances the strategic needs of the campus. The creation of a School of Education is consistent with the UW Tacoma General Principles and Process for Formation of Schools that was adopted in 2014.
- Improves student learning, faculty and student scholarship, and community engagement.
- Recognizes the growth and complexity of the Education Program.
- Recognizes the relative size of the Education Program. The Education Program is comparable in size to the program at UW Bothell when it became the School of Educational Studies. In 2014, when the Bothell...
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve UW Tacoma Change of Status: Designation of the Education Program from a Program to a School at the University of Washington Tacoma as a Collegiate-Level Unit Headed by a Dean (continued p. 2)

program received school designation, it had 179 students in graduate degree and endorsement programs. At that same time, the UW Tacoma program had 246 graduate students enrolled in its degree and endorsement programs. Therefore, it is clear that size is not a barrier to school status.

• Positions Education on comparable footing with other like programs across the state and other academic programs and/or schools at UW Tacoma.

• Assists in the recruitment of diverse faculty and advancement of new initiatives: Designation as a school will enhance the ability of the Education Program to attract faculty and promote important new initiatives.

• Supports faculty in research and grant activity. A school designation would increase the competitiveness of the unit faculty, the fiscal management of the unit, and the development of external partnerships.

• Better positions the campus to be an active voice in discussions within the state: School designation and recruitment of a dean would better position UW Tacoma to contribute to ongoing discussions around teacher education nationally and in the state.

• Does not create accreditation issues: The Education Program received independent accreditation through the Professional Educator Standards Board for the State of Washington. As such, school status will not have any negative impact in this area.

• Connects Education mission to the Capital Campaign: Designation as a school provides recognition of the growth, academic status, and credibility of the program. This stature would better position the program with Foundations, community partners, and alumni as we move into the public phase of the UW Campaign this coming fall.

Breadth and Scale: The Education Program has evolved from a post baccalaureate program preparing elementary school teachers to a complex program that supports a range of pathways needed in the South Sound and the State of Washington. The Education program, in collaboration with the Nursing program, is home to the first doctorate available on the Bothell or Tacoma campuses, a collection of Master’s degrees to address various areas, and a minor in Education for students interested in pursuing a certificate or advanced degree.
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve UW Tacoma Change of Status: Designation of the Education Program from a Program to a School at the University of Washington Tacoma as a Collegiate-Level Unit Headed by a Dean (continued p. 3)

Degrees, Majors & Minors

The degrees and certificates include:

- Doctor of Education in Educational Leadership
  - P-12 Educator (with option for Superintendent Certification)
  - Nursing Educator Leadership
  - Higher Education Leadership
- Masters of Education for Currently Practicing Educators
  - Curriculum & Instruction
  - Special Education
  - Student Academic and Social Success
  - Teaching English Language Learners
- Masters of Education Certification Programs
  - Principal or Program Administrator
  - K-8/Special Education
  - K-8/Teaching English Language Learners
  - Secondary Mathematics
  - Secondary Science
- Endorsements for Practicing Educators
  - Pathway 2 Endorsements
    - Biology
    - Earth and Space Science
    - English Language Arts
    - History
    - Mathematics
    - Middle Level Humanities
    - Middle Level Mathematics
    - Middle Level Science
    - Reading
    - Science
    - Social Studies
  - Pathway 3 Endorsements
    - Special Education
    - Teaching English Language Learners
- Undergraduate Minor in Education

Enrollment: Total student enrollment for the 2014-2015 academic year was 213 graduate students plus 81 undergraduate students declared in the Education minor. Total program student FTE equaled 284. Program enrollments throughout the state decreased in response to more competitive salaries in other professions and budget cuts in elementary and secondary education. Through 2014-15, the Education Program did see such decreases in
Academic and Student Affairs Committee

Approve UW Tacoma Change of Status: Designation of the Education Program from a Program to a School at the University of Washington Tacoma as a Collegiate-Level Unit Headed by a Dean (continued p. 4)

the graduate programs; the tripling of declared undergraduate minors from 2013-14 is, however, encouraging, as is the continued upward trend in 2015-16. The program is preparing for growth in English Language Endorsements, doctoral students, and our undergraduate program.

<table>
<thead>
<tr>
<th>2014-2015 Enrollment by Program:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctor of Education:</td>
</tr>
<tr>
<td>Masters of Education</td>
</tr>
<tr>
<td>MEd Principal or Program Administrator</td>
</tr>
<tr>
<td>Pathway 3 Endorsement (GNM)</td>
</tr>
<tr>
<td>Teacher Certification</td>
</tr>
<tr>
<td>First year M.Ed. plus certification</td>
</tr>
<tr>
<td>Second year M.Ed. certification induction</td>
</tr>
<tr>
<td>Education Undergraduate Minor</td>
</tr>
</tbody>
</table>

(FYI, 2015-16 data shows more encouraging news in the undergraduate program, along with a large bump in the EdAdmin program).

<table>
<thead>
<tr>
<th>2015-2016 Enrollment by Program:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctor of Education:</td>
</tr>
<tr>
<td>Masters of Education</td>
</tr>
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<td>MEd Principal or Program Administrator</td>
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</table>
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve UW Tacoma Change of Status: Designation of the Education Program from a Program to a School at the University of Washington Tacoma as a Collegiate-Level Unit Headed by a Dean (continued p. 5)

Support: The Education Program is responsible for the program budget. The budget for 2014-15 was divided into the following categories:

**Budget**

- General Operating Funds:
  - $1,601,375 ($3,323,430.00 biennium)
  - $275,436 ($574,474 biennium, Ed.D.)
- Designated Operating Funds:
  - $364,222 (summer rev, etc.)
  - $222,700 (student fees)
- Restricted Operating Funds:
  - $28,125 awarded in student scholarships from interest income; actual balances of gift funds higher and administered by Advancement.
  - $11,000 U.S. Bank funds.
- Other Operating Funds: $4,000 - $2,000 funded per PEAB per year
- Discretionary Funds: continual revenue, $7,000
- Grants: Approx. $1.2 million administered in 2014-15

The Education Program budget is managed by the Program Administrator and approved by the Program Director. Transition to a school designation is not dependent on any new immediate resources.

**Faculty & Staff 2015-16**

The 14 members of the full-time faculty consist of eight full professors, five associate professors, one assistant professor and one senior lecturer. The Education Program is led by a full-time director.

In order to complete the mission of the program, 37 part-time faculty teach courses and/or provide field supervision. Part-time lecturers are reviewed yearly by faculty to ensure current content expertise and strong course evaluations. Field supervisors are expert educators who support teacher interns, administrator/principal interns, and Educational leadership interns.
Academic and Student Affairs Committee

Approve UW Tacoma Change of Status: Designation of the Education Program from a Program to a School at the University of Washington Tacoma as a Collegiate-Level Unit Headed by a Dean (continued p. 6)

in the field. Faculty mentors are assigned to part-time lecturers to provide support.

The staff consists of five members including a full-time program administrator, one Ed.D. program advisor, one teacher certification field placement officer, advisor and certification specialist, one admissions officer, and a program coordinator. The program also successfully submitted a proposal for a data steward, who begins work in the 2015-16 year.

Research: Centers & Grants

- The Center for Strong Schools: The Center for Strong Schools launched a path breaking partnership with Tacoma Public Schools, called the Tacoma Whole Child Initiative (TWCI), intended to harness the momentum of school transformation at an unprecedented scale.

- Since 1992, the Education faculty members have been Principal Investigators, co-Principal Investigators, or researchers on 43 externally funded grants totaling over $16 million. The primary funders have been the U.S. Department of Education, the National Science Foundation, and the State of Washington Office of the Superintendent of Public Instruction.

Governance: Designation as a school would enhance the ability of the faculty in Education to govern itself and to continue to develop and grow curricular programs to meet the needs of the South Sound and the State of Washington. The faculty of the Education Program approved formal bylaws on April 1, 2014.

Procedure

The campus developed a procedure and set of guidelines for faculty to use as they seek approval for moving programs to school status. The request and review process moves through the UW Tacoma campus Faculty Assembly and up through the Provost Office in Seattle and finally to the Board of Regents. This procedure was approved by the UW Tacoma campus in 2014. (See attached)

Summary

The Education Program has evolved into one of the most complex academic units on the Tacoma campus, with a doctoral level program, multiple pathways for
Academic and Student Affairs Committee

*Approve UW Tacoma Change of Status: Designation of the Education Program from a Program to a School at the University of Washington Tacoma as a Collegiate-Level Unit Headed by a Dean* (continued p. 7)

Master’s degrees, endorsements for a Washington State Teaching Certificate and a minor in Education. These programs, moreover, fall within the accreditation of the Professional Educators Standards Board for the State of Washington. In summary, the Education program now has the organizational complexity and external commitments to warrant designation as a School and the establishment of a Dean as its leader.

*Attachment*
Formation of Schools at UWT, UW Tacoma General Guidelines and Process for Formation of Schools (February 2014)
UW Tacoma General Guidelines and Process for Formation of Schools
(February 2014)\(^1\)

**Guidelines**

1. Designation, re-designation, or reorganization of academic units requires a compelling rationale. The primary motivation for organization as a School is to improve organizational effectiveness in fulfillment of curriculum and student learning, faculty and student scholarship, internal governance, and community engagement. Key considerations include the complexity, size, governance of the unit, its academic coherence, and the strategic needs of the campus.

2. Academic leadership at UW Tacoma will report to the Chancellor (via the Vice Chancellor for Academic Affairs). The Chancellor will allocate resources (including budgets, faculty positions, physical facilities) for Schools at UW Tacoma.

3. Consistent with the UW Faculty Code (23-45C), each School shall have an elected faculty council, which will advise its leadership on matters of policy. The faculty of each school shall determine for itself the organization and structure of its council and the procedure by which the members are elected, to be articulated in School by-laws.

4. The UW Tacoma Faculty Assembly Executive Council has the authority to determine how Faculty Senators will be allocated across the campus.

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9. The appropriate bodies of the UW Tacoma Faculty Assembly will continue to advise the Chancellor on matters affecting the general welfare of the campus, matters of faculty promotion and tenure, and on matters involving academic policy, including priorities, resource and salary allocation, and budgets.

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\(^1\) These February 2014 Guidelines and Process may be modified as experience and circumstance warrant.
Formation of Schools at UWT

Process

1. The voting faculty of the affected academic units must vote (in accordance with the unit’s or units’ bylaws) in favor of the formation of a School, including a plan for governance.

2. The faculty, along with the Chancellor, Provost, and chair of the Faculty Senate Committee on Planning and Budget (or representatives of these offices) should confer regarding the applicability of sections of Chapter 26 of the *Faculty Code* (Reorganization, Consolidation, and Eliminations of Programs). If applicable, the process of the appropriate section must be followed.

3. The proposal for formation of a School should address the rationale, considerations, and requirements identified in the Guidelines above.

4. The formation of a School shall be approved by the Vice Chancellor for Academic Affairs (EVCAA) and the Chancellor, following review and recommendation by relevant campus bodies (Academic Council\(^2\) (AC) and Faculty Assembly Executive Council (EC)) before being forwarded to the Provost for review and approval. The Provost will then submit to the Regents for information (or approval in cases for which Regental action is required, such as the appointment of Deans).

5. In accordance with Faculty Assembly by-laws and the *Faculty Code*, School by-laws will be approved by appropriate faculty and administrative bodies before implementation.

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\(^2\) The current name of the leadership group composed of the Chancellor, VCAA, heads of all academic units and programs, Faculty Assembly chair and vice chair, and head of the campus branch of UW Libraries.
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions

RECOMMENDED ACTION

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve the following Services and Activities Fee proposals for the University of Washington Tacoma:

1) no increase in the Services and Activities Fee for academic year 2016-17,
2) the distribution of Services and Activities Fee for 2016-17,
3) the operating budgets and expenditures recommended for 2016-17, and
4) the revision to the Services and Activities Fee Guidelines.

BACKGROUND

Services and Activities Fees at UW Tacoma and UW Bothell are collected separately from the Services and Activities Fee at the Seattle campus, but the process is handled in like manner for each campus. As provided under RCW 28B.15.045, a student committee proposes the annual program priorities and budget allocation levels to the Board of Regents for approval. The Board of Regents has approved the Services and Activities Fee (SAF) Guidelines that established the Services and Activities Fee (SAF) Committee for UW Tacoma and its operating procedures.

The Board of Regents is authorized to increase the Services and Activities Fee by an amount not to exceed the annual percentage increase in undergraduate tuition authorized by the legislature in the Omnibus Budget Bill.

<table>
<thead>
<tr>
<th>Year</th>
<th>SAF Fee</th>
<th>Year</th>
<th>SAF Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>$ 97</td>
<td>2009-10</td>
<td>$136</td>
</tr>
<tr>
<td>2005-06</td>
<td>$103</td>
<td>2010-11</td>
<td>$149</td>
</tr>
<tr>
<td>2006-07</td>
<td>$106</td>
<td>2011-12</td>
<td>$159</td>
</tr>
<tr>
<td>2007-08</td>
<td>$113</td>
<td>2012-13</td>
<td>$159</td>
</tr>
<tr>
<td>2008-09</td>
<td>$120</td>
<td>2013-14</td>
<td>$159</td>
</tr>
<tr>
<td>2009-10</td>
<td>$136</td>
<td>2014-15</td>
<td>$159</td>
</tr>
<tr>
<td>2009-10</td>
<td>$136</td>
<td>2015-16</td>
<td>$159</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2016-17</td>
<td>$159</td>
</tr>
</tbody>
</table>
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions (continued p. 2)

The SAF Committee at UW Tacoma has recommended the following for academic year 2016-2017. Chancellor Mark A. Pagano has reviewed and concurs with these recommendations.

1. **Level of Fee:**

   The quarterly fee payable by a full-time student will remain at $159 per quarter for a full-time student for the 2016-17 academic year.

2. **Distribution of Fees:**

   Based upon estimated revenue of $2,000,000 for fiscal year 2016-17, the Committee recommends that the fees be distributed as follows:

<table>
<thead>
<tr>
<th></th>
<th>2015-16 % Distribution</th>
<th>2015-16 Distribution Based on $159 fee</th>
<th>2016-17 % Distribution</th>
<th>2016-17 Distribution Based on $159 fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Activities and Services</td>
<td>96.5%</td>
<td>$1,923,866</td>
<td>96.5%</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Long-term student loans:</td>
<td>3 ½%</td>
<td>$71,935</td>
<td>3.5%</td>
<td>$72,539</td>
</tr>
<tr>
<td>Long-term development</td>
<td></td>
<td>$59,500</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$2,055,301</td>
<td>100%</td>
<td>$2,072,539</td>
</tr>
</tbody>
</table>
3. **2016-17 Budget Allocations for Student Activities and Services:**

The Committee recommends the following distribution for Student Activities and Services for the 2016-17 year.

<table>
<thead>
<tr>
<th>Service</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASUWT (Student Government) – Stipends and Operations</td>
<td>$163,171</td>
</tr>
<tr>
<td>Conference and Event Fund</td>
<td>$165,000</td>
</tr>
<tr>
<td>Childcare assistance program</td>
<td>$89,000</td>
</tr>
<tr>
<td>Center for Equity &amp; Inclusion</td>
<td>$207,539</td>
</tr>
<tr>
<td>Student Health Center</td>
<td>$309,410</td>
</tr>
<tr>
<td>Student Publications</td>
<td>$189,693</td>
</tr>
<tr>
<td>UWY &amp; Dawg House</td>
<td>$210,900</td>
</tr>
<tr>
<td>Student Engagement</td>
<td>$538,360</td>
</tr>
<tr>
<td>Registered Student Organizations</td>
<td>$39,879</td>
</tr>
<tr>
<td>Student Activities Board</td>
<td>$143,542</td>
</tr>
<tr>
<td>Student Support Programs</td>
<td>$39,277</td>
</tr>
<tr>
<td>Center for Service and Leadership</td>
<td>$36,883</td>
</tr>
<tr>
<td>Outdoor LED Sign</td>
<td>$0</td>
</tr>
<tr>
<td>SAFC Committee Operations</td>
<td>$7,500</td>
</tr>
<tr>
<td>Short-Term Contingency (FLSA overtime exempt threshold)</td>
<td>$8,000</td>
</tr>
<tr>
<td>Programs Total</td>
<td>$2,148,154</td>
</tr>
<tr>
<td>Transfer from Short-Term Contingency to FY17 allocations</td>
<td>($148,154)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$2,000,000</strong></td>
</tr>
</tbody>
</table>

Allocations which are unspent at the end of the fiscal year will revert to the Short Term Contingency fund. Any additional revenue generated as a result of implementation of a fee in the amount of $159 or due to excess enrollment will remain in the Long-Term Development fund.
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions
(continued p. 4)

4. Proposed revisions to the Services and Activities Fee Guidelines:

The Board of Regents approved the original version of these guidelines on September 27, 1991. Subsequent revisions were approved on June 14, 2002, June 10, 2005, and June 8, 2006.

(Changes are noted in red)

SECTION I: THE SERVICES AND ACTIVITIES FEE

A. The Services and Activities Fee (the “S&A” Fee) is authorized by state statute for the express purpose of funding student activities and programs. This may include, but is not limited to, the operation of student-related services, acquisition, construction, equipping, and betterment of lands, buildings, and facilities (RCW 28B.10.300).

B. S&A Fees are defined as “fees, other than tuition and fees, charged to all students registering at the…state universities” (RCW 28B.15.041). For the purpose of these Guidelines, the S&A Fee is defined as a compilation of such fees charged to all students registering at the University of Washington Tacoma campus.

C. S&A Fees and revenues generated by programs and activities funded by such fees are deposited and expended through the offices of the University’s budget and financial accounting systems, the responsibility for which resides with the University’s chief fiscal officer. The S&A Fee and associated revenues are subject to University policies, regulations, and procedures, and to the Budget and Accounting Act of the State of Washington (RCW 43.88).

D. The allowable level of S&A Fee increases is authorized by the State Legislature.

E. In addition to the laws, rules and regulations governing the use of S&A Fees, two provisions of the State Constitution impact the use of public funds (S&A Fee funds are considered to be public funds). The first is Article VIII, Section 5 that prohibits the making of gifts or loans of money or property from public funds. A gift exists when there is a “transfer of property without consideration and with donative intent”. The second is
Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions (continued p. 5)

Article I, Section 11 that prohibits public money or property being appropriated for or applied to any religious worship, exercise or instruction, or the support of any religious establishment.

F. The S&A Fee Long-Term Fund (also known as the “reserve fund”) shall consist of all unallocated revenue derived from the collection of the Services and Activities Fees from students and accrued interest.

G. The S&A Fee Contingency Fee (also known as the “special allocation fund”) shall consist of funds which are derived through annual allocations and reversion of previous year unspent funds.

H. Members of the Board of Regents shall adhere to the principle that desires of the Services and Activities Fee Committee (SAFC) be given priority consideration on funding items that do not fall into the categories of pre-existing contractual obligations, bond covenant agreements, or stability of programs affecting students.

I. With the exception of any funds needed for bond covenant obligations, once the annual budget for expending S&A Fees is approved by the Board of Regents, funds shall not be shifted from funds budgeted for associated students or departmentally-related categories or the reserve fund until the administration provides written justification to the SAFC and the Board of Regents give their express approval.

SECTION II: COMMITTEE ON SERVICES AND ACTIVITIES FEE

The Services and Activities Committee (hereby called the “Committee”) is appointed by the Chancellor of the University of Washington Tacoma, pursuant to RCW 28B.15.045, to review all requests for funding from Services and Activities Fee, to recommend program priorities and budget levels, and to serve in an advisory capacity to the Chancellor.

A. Membership

1. The Committee shall consist of a minimum of seven (7) voting members and four (4) non-voting ex-officio members, and one (1) non-voting compliance officer.
Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions (continued p. 6)

2. The voting members shall be regularly enrolled students at UW Tacoma, recommended by the Associated Students of the University of Washington Tacoma (ASUWT) and appointed by the Chancellor. No more than one (1) voting members shall be an elected ASUWT member.

3. When making recommendations for Committee appointments, ASUWT should strive to recommend a Committee whose voting members represent the diverse interests and perspectives of University of Washington Tacoma students.

4. To aid in continuity of process and information, wherever possible, ASUWT should seek to appoint at least one (1) member, and no more than three (3) members, who served on the prior year’s SAFC.

5. A majority of voting members (but no more than five (5)) shall be recommended by the end of Spring Quarter. The remainder must be recommended by the end of the 3rd week of Autumn Quarter.

6. The ex-officio members shall be:
   i. A staff employee from Student Affairs, to be recommended by the Associate Vice Chancellor for Student Affairs;
   ii. A faculty member, to be recommended by the Faculty Assembly;
   iii. A staff employee from the Office of the Vice Chancellor for Finance and Administration (F&A), to be recommended by the Vice Chancellor for Finance and Administrations;
   iv. A student representative from the Associated Students of the University of Washington Tacoma, and
   v. A Compliance Officer, appointed at the discretion of the Chancellor

B. Term of Membership
   1. Voting members begin their term when appointed and end their term on June 30th of the corresponding fiscal year. No individual may serve more than two terms.
Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions (continued p. 7)

2. Voting members appointed in Spring Quarter for the following academic year will begin immediately transitioning with the members of the outgoing committee.

3. The ex-officio members from Student Affairs, Finance & Administration, and the Compliance Officer shall be appointed to indefinite terms, serving at the discretion of the Chancellor. The faculty ex-officio member and ASUWT ex-officio shall be appointed to a renewable one (1) year term, running from July 1st to June 30th.

4. Any vacancies in membership will be replaced in the same manner provided for new appointments and for the unexpired term of the original appointment.

C. Responsibilities of Voting Members
1. The Committee shall elect a Chair from its membership no later than the 5th week of Autumn Quarter. The Committee may decide to elect a Vice Chair to assist the Chair no later than the 5th week of Autumn Quarter.

2. Attend all meetings, unless excused by the Chair.

3. Members shall participate in all Committee trainings and required transition events.

4. The Chair and Vice Chair (if applicable) shall facilitate transition/orientation of Spring-appointed incoming committee members.

5. Members shall develop and maintain effective communication within the Committee and the campus community, including an annual report of allocations publicized through communication resources provided by the University.

6. Demonstrate a willingness to engage in constructive dialogue on any issue being considered by the Committee and actively participate in the deliberations of the Committee.
Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions (continued p. 8)

7. Adhere to all rules and regulations governing the Committee.

8. A member whose conduct is deemed unethical or whose performance clearly demonstrates a lack of commitment to their responsibilities may be recommended for removal from the Committee by either a unanimous vote of the remaining voting members of the Committee or at the sole discretion of the Chancellor.

9. Respond to all campus queries within five (5) business days.

10. Abstain from discussing, deliberating, or voting on any proposal submitted by a group, department, or organization with which they are affiliated with the exception of annual SAFC request(s).

11. Recommend funding for the employment of Committee staff using funds generated by the S&A Fee, if deemed necessary, under the following conditions:
   i. Each staff position must have a written job description detailing qualifications and expectation of the position.
   ii. The Committee Chair will as a liaison between the Committee and the Committee staff.
   iii. University employees filling Committee staff positions may also work for other University entities with costs of employment shared proportionate to the hours rendered between the Committee and such other entity.

12. During their term in office, the Committee shall delegate to ASUWT and the Chancellor of the University of Washington Tacoma responsibility for establishing the annual stipend, if any, that voting members shall be paid during the following academic year.

D. Responsibilities of Ex-Officio Members and the Compliance Officer
1. Advise the Committee on the laws and regulations of the State and the policies and procedures of the University pertaining to Services and Activities Fees.
Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions (continued p. 9)

2. Advise the Committee on procedural questions pertaining to the conduct of meetings.

3. Provide the Committee with summaries of fund balances in accounts funded by S&A Fees and projections of revenue and expenditures.

4. Advise the Committee on the status of registered student organizations at UW Tacoma.

5. Assist the Committee with matters of continuity and historical perspective as required for the Committee to effectively and efficiently act on requests to fund programs and budgets.

6. Provide the Committee with perspectives of the campus community and the University administration.

E. Committee Meetings

1. Meetings shall be held on a regularly scheduled basis, not less than two (2) per year.

2. The Compliance Officer shall serve as Interim Chair of the Committee until a Chair is elected by its membership.
   i. The Compliance Officer will be a neutral, non-voting member, who maintains compliance with the relevant laws of the state of Washington, University policies, parliamentary procedures, as well as the guidelines laid out in this document.

3. Special meetings may be called by the Committee Chair, at the request of three (3) or more members of the Committee, at the request of three (3) or more members of the campus community; at the request of the Compliance Officer, or at the request of the Chancellor.

4. The Committee Chair shall post notifications of all meetings in compliance with these guidelines and the Open Public Meetings Act (OPMA) and shall be responsible for presiding over such
Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions (continued p. 10)

meetings. An acting Chair will be designed, by the Chair, should it be necessary for him/her to be absent from any meeting.

5. An agenda and a copy of all funding requests to be considered by the Committee will be sent to members of the Committee and be publicly posted in compliance with the OPMA by the Chair or the Chair’s designee.

6. A quorum required for the conduct of business at any meeting shall consist of two-thirds (2/3) of the current voting members and one (1) ex-officio member of the Committee.

7. Proxies will not be permitted for voting.

8. All meetings shall be conducted in accordance with the most current edition of Robert’s Rule of Parliamentary Procedure, which encourage and do not preclude general discussion when conducting committee business, in accordance with Small Board Rules.

9. Program and budget decisions of the Committee shall be made in open public meetings of the Committee, and the reasons for the decisions shall be discussed at those meetings. Minutes will be taken at all meetings and the unofficial minutes shall be publicly posted within five (5) business days after a meeting. The minutes shall include the results of all program and budget decisions made by the Committee.

10. The Committee shall provide full disclosure to the University community concerning programs or budgets funded from S&A Fees.

SECTION III: BUDGETING

A. General

1. RCW 28B.15 defines the authority to collect S&A Fees, the general purposes for which fees may be used, and the budgeting process for administering their expenditure. The law specifically states: “It is the intent of the legislature that students will propose budgetary recommendations for consideration by the college or
University administration and governing board to the extent that such budget recommendations are intended to be funded by Services and Activities Fees” and “the legislature recognized that institutional governing boards have a responsibility to manage and protect institutions of higher education”. It is clear that the legislature deemed that the mechanism for student input in the S&A Fee process is through participation in the budget proposal process, but that the Board of Regents retains ultimate responsibility and authority for the S&A Fees budget.

2. Any member of the campus community may submit a request for funding through either the annual budgeting process or special allocation budgeting process, with the exception of:
   i. Academic funding
      1. Academic funding requests shall only be considered if the request is for services and/or activities that are:
         a. not directly related to an academic program.
         b. initiated by UW Tacoma students.
         c. open to all UW Tacoma students.

3. The Committee shall establish both the annual budget and special allocation processes. Procedures and criteria adopted by the Committee for the submission of budget requests shall apply to every proposer and shall not discriminate on the basis of race, color, national origin, gender, sexual orientation, religion, political orientation, or physical or mental ability.

4. The Committee has the responsibility to review all proposals submitted for funding from S&A Fees, whether for capital expenditures or operating programs and budgets.

5. All funding proposals must contain adequate information which will include, at a minimum, the following:
   i. Detailed line-item breakdown of proposed expenditures (e.g. salaries, travel, supplies, services, etc.)
   ii. Verification of strategic plan alignment
   iii. Additional funding sources being sought or available to fund the program or event
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions (continued p. 12)

iv. Revenues expected to be derived from the program or event
v. If previously funded, an accountability of how funds were spent
vi. A report of the program’s scope and impact for the prior funding cycle.

6. Budget allocation decisions of the Committee shall be posted on the SAFC website and sent the requester within ten (10) business days of its respective action.

7. Allocations of S&A Fees to fund operating budgets are valid and available for expenditure during the ensuing fiscal year only. All unspent and unencumbered funds, at the end of each fiscal year, shall revert to the Contingency Fund and shall be carried forward for future reallocation.

8. Each fiscal year shall begin on July 1st and end on June 30th.

B. Annual Budget Process

1. The annual budget process will be the preliminary process for recommending the distribution of S&A Fees for the ensuing fiscal year. As a part of the annual budget process, the Committee shall:
   i. Formulate a recommendation for the level of the S&A Fees to be assessed during the ensuing fiscal year.
   ii. Place in the Long-Term Fund up to five (5) percent of the projected incoming S&A Fees. Unless a designated purpose has been defined and approved, the Long-Term Fund should not exceed $2,000,000.
   iii. Place in the Contingency Fund up to five (5) percent of the projected incoming S&A Fees. Unless a designated purpose has been defined and approved, the Contingency Fund should not exceed $250,000.

1. Program and budget proposals considered during the annual budget process will be to fund general annual operating costs necessary to run an organization, department, or service.
2. No later than the 1st Friday in December of each year, the Committee will announce the annual budget request submission process.

3. Annual budget request forms and all supporting documentation must be returned to the Committee no later than 12:00pm (noon) the 1st Friday of February. Late submissions will be accepted and/or reviewed at the sole discretion of the SAFC.

4. When considering Annual Allocation requests, the Committee may require the proposer (or their duly appointed representative) to be present to answer questions from the Committee.

5. The Committee shall have a minimum of two (2) weeks to consider Annual proposals from the time they are submitted until formal deliberations begin.

6. The Chancellor may meet with the Committee at appropriate intervals during its annual budget formulation process to respond to emergent ideas and issues and to apprise the Committee of the general position of the administration. The Chancellor may respond in writing to specific written proposals submitted by the Committee and take other actions as needed to assure that the lines of communication to the Committee remain open.

7. The Committee will release preliminary program and budget allocation recommendations no later than the 1st Friday in April. An appeal of the Committee’s decision on any specific budget request may be made as described in Section III.C.1 by the end of business on the 2nd Friday in April, at which time no further appeals will be accepted.

8. The Committee will respond to all allocation appeals as described in Section III.A no later than the end of business on the 4th Friday in April.

9. In addition to allocations to fund specific requests that have been approved by the Committee, the annual budget will contain an allocation to a budget line-item entitled “Contingency”. The
purpose of the “Contingency” budget is to provide the necessary flexibility during the budget execution year to authorize special allocations for capital project expenditures or for emergency expenditures that could not be specifically identified or foreseen at the time of the preparation and submission of the annual budget allocations or authorization of expenditures from the “Contingency” budget will be accomplished through the Special Allocation process.

10. The Chair shall transmit the final annual budget recommendations of Committee with support documentation, including mandatory dissenting opinions on any decision of the Committee that was unanimous, to the Chancellor no later than the 1st Friday in May.

11. Within fourteen (14) business days after receipt of the Committee’s annual budget recommendations, the Chancellor will provide a written response to the Committee. In formulating the response to the Committee and/or recommendations to the Board of Regents, the Chancellor may seek the views of other affected University groups. In the event that the Chancellor disagrees with any of the Committee budget distribution recommendations, the UW Tacoma dispute resolution process described in Section III.C.2 will be invoked.

12. At the time that the Chancellor submits his/her proposed budget recommendations for the expenditure of S&A Fees to the Board of Regents, he/she shall also submit a copy of the Committee recommendations, along with any supporting documentation provided by the Committee, and a copy of the administration’s response to the Committee recommendations. If a dispute exists between the Chancellor and Committee, which has not been resolved by the UW Tacoma dispute resolution process, the UW dispute resolution process described in Section III.C.2 will be invoked.

13. The Board of Regents may take action on those portions of the S&A Fee budget not in dispute and shall consider the results, if any, of the dispute resolution committee appointed in accordance with the dispute resolution process described in Section III.C.2.b
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions (continued p. 15)

14. At the point in the review process at which recommendations on the distribution of S&A Fee budget and dispute resolutions are presented to the Board of Regents, the Board shall provide opportunity for the Committee to present its view.

15. Upon approval of the Board of Regents, the annual budget will be provided to the UW Tacoma Finance and Administration Office for establishment of budget numbers and recording of the necessary revenue transfers in the University accounting system to implement the approved distribution of funds.

16. The Committee may appeal to the Board of Regents if they feel that these guidelines have not been followed, that their participation has been unduly curtail, or that S&A Fee funds have been used for purposes outside of these guidelines. The decision of the Board of Regents shall be final.

17. Voting and ex-officio members are restricted from presenting annual or contingency budget proposals to the Committee.

B. Annual Budget Allocation Appeals and Disputes

1. Budget Allocation Appeal
   i. If a proposer or any other student objects to a budget allocation of Services and Activities Fee funds that has been made by the Committee, a written appeal must be submitted to the Committee Chair by 12:00pm (noon) on the 2nd Friday in April. An extension of the deadline shall not be granted.
   ii. An appeal must allege a violation of the State Constitution, applicable state laws, applicable University policies or regulations, or a material misrepresentation of facts that may serve to invalidate the allocation. An objection based solely on disagreement with the amount of the approved allocation will not be grounds for an appeal. The burden of proof that such a violation has occurred shall be on the proposer or individual making the allegation.
   iii. A special meeting of the Committee will be called by the Chair to address the appeal within five (5) business days of
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions
(continued p. 16)

the receipt of the appeal. The Committee must have responded to all appeals no later than the 4th Friday in April. The proposer or individual filing the appeal will be required to attend the special meeting of the Committee at which the appeal is considered.

iv. If the appeal is denied, the Chair shall transmit a copy of the appeal and the results of the Committee’s decision, with all supporting documentation, for consideration by the Chancellor. The decision of the Chancellor will be final.

2. Budget Allocation Disputes
   i. UW Tacoma Allocation Dispute Resolution Process
      1. If, during the review of the final annual budget recommendations submitted by the Committee, the administration should dispute any of the recommended allocations, the Chancellor shall provide the Committee Chair with written notification of the disputed allocation that includes the administration’s rationale or justification.
      2. Within five (5) business days after receipt of written notification of a disputed allocation recommendation, the Chair shall schedule a special meeting of the Committee with the Chancellor for the purpose of making a good faith effort to resolve the dispute.
      3. In the event that the dispute is not resolved within fourteen (14) business days from the date of the initial special meeting called to consider the dispute, the Chancellor will provide the Committee with the administration’s written response to the Committee’s final annual budget recommendations, which will include any unresolved dispute. A copy of the response, together with a copy of the Committee’s recommendations and any supporting documentation, will be submitted to the Board of Regents with the Chancellor’s proposed budget recommendations for the expenditure of S&A Fees.

   ii. UW Dispute Resolution Process
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions (continued p. 17)

1. Upon receipt of the administration’s written response to the Committee’s final annual budget recommendation that includes an unresolved dispute, the Committee Chair shall convene a Dispute Resolution Committee.

2. The Dispute Resolution Committee shall be selected as follows: the Chancellor shall appoint one (1) non-voting advisory member; the Board of Regents shall appoint two (2) voting members; and the Committee Chair shall appoint two (2) student members of the Committee as voting members, and one (1) student representing the Committee who will Chair the Dispute Resolution Committee and be a non-voting member, except in the case of a tie vote.

3. The Board of Regents shall consider the results, if any, of the Dispute Resolution Committee, and shall provide opportunity for the Committee to present its view, prior to taking action on any disputed portion of the budget.

C. Special Allocation Process

1. The Special Allocation process is designed to provide funding for capital expenditures, or for SAF funded programs to request funding for emergency expenditures that could not be specifically identified or foreseen at the time they prepared and submitted their annual budget request.

2. In general, the funding of Special Allocation requests shall be made from the “Contingency” operating budget line-item that was included in the annual budget. If there is insufficient funding in the “Contingency” budget, the Committee may submit a request through the Chancellor to the Board of Regents for approval of an additional distribution of from the reserve fund.

3. There will be two Special Allocation processes during the year, which will occur in Autumn and Spring Quarter. A call for Special Allocation requests will be announced by the Committee within the first two weeks of each quarter and will be accepted through
Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions (continued p. 18)

3. All Special Allocation requests received shall be placed under the “New Business” section of the agenda for the next meeting. The Committee will review proposals on a rolling basis within two weeks of submission.

4. When considering Special Allocation requests, the Committee may require the proposer (or their duly appointed representative) to be present to answer questions by the Committee.

5. The Committee will release and post decisions on Special Allocation requests no later than five (5) business days after the meeting at which the allocation was considered.

6. An appeal of the Committee’s decision on any specific Special Allocation may be made as described in Section III.5 within five (5) business days of the decision being released, after which no appeals will be appealed.

7. Decisions on appeals will be made within five (5) business days of receipt of the appeal.

8. Upon final approval of a Special Allocation, the Committee Chair shall authorize the Compliance Officer to work with the UW Tacoma Finance and Administration Office to establish a budget number and transfer revenue from the “Contingency” budget to implement the approved allocation.

9. Any change in the intent of an approved allocation that alters its objectives as originally described and appropriated must approval of the Committee before any changes occurs.

D. Special Allocation Appeal

1. If a proposer or any other student objects to an allocation of S&A Fee funds that has been made by the Committee, a written appeal must be submitted to the Committee Chair by the end of business on the fifth (5th) business day after the Committee posted the allocation decisions. An extension of the deadline shall not be granted.
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions (continued p. 19)

2. An appeal must allege a violation of the State Constitution, applicable state laws, applicable University regulations or a misrepresentation of facts that may serve to invalidate the allocation. **An objection based solely on disagreement with the amount of the approved allocation will not be grounds for an appeal.** The burden of proof that such a violation has occurred shall be on the proposer or individual making the allegation.

3. A special meeting of the Committee will be called by the Chair to address the appeal within five (5) business days of the receipt of the appeal. The proposer or individual filing the appeal will be required to attend the special meeting of the Committee at which the appeal is considered.

4. If the appeal is denied, the Chair shall transmit a copy of the appeal and the results of the Committee’s decision (with all supporting documentation) for consideration by the Chancellor. The decision of the Chancellor is final.

E. **Stipulations**
   1. The Committee may place stipulations on the use of funds and/or recommend guidelines in the operations of a program as long as they are in compliance with University policy, state and federal law. All stipulations shall be binding.

   2. Actual expenditures shall not exceed the amount of approved budget allocations without prior approval of the Committee. If prior notification to the Committee is not possible, the University entity in question must submit sufficient reasons and documentation.

   3. Funding recipients may not use funds allocated to a specific budget line-item for another purpose without prior approval from the committee.

SECTION IV: CAMPUS ENGAGEMENT

A. **Community Forums**
Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions (continued p. 20)

1. The Committee shall host a community forum, no less than one (1) per year, to update the campus community about the Committee’s process and operations.

B. Annual Report
1. Each year, the Committee must publish an annual report of the allocation of funding.

SECTION V: Review of Guidelines
1. The Committee may propose changes to these bylaws at any time. Changes are subjective to the review and approval of the Chancellor of the University of Washington Tacoma and the University of Washington Regents.

Attachments
1. 2016-17 Recommendations from SAFC Co-Chair William Towey to Chancellor Pagano, May 2, 2016
2. 2016-17 Approval letter from Chancellor Pagano to SAFC Co-Chair William Towey, May 11, 2016
3. Presenters’ Biographical Information
STANDING COMMITTEES

Academic and Student Affairs Committee

Revised

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions

RECOMMENDED ACTION

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve the following Services and Activities Fee proposals for the University of Washington Tacoma:

1) no increase in the Services and Activities Fee for academic year 2016-17,
2) the distribution of Services and Activities Fee for 2016-17,
3) the operating budgets and expenditures recommended for 2016-17, and
4) the revision to the Services and Activities Fee Guidelines.

BACKGROUND

Services and Activities Fees at UW Tacoma and UW Bothell are collected separately from the Services and Activities Fee at the Seattle campus, but the process is handled in like manner for each campus. As provided under RCW 28B.15.045, a student committee proposes the annual program priorities and budget allocation levels to the Board of Regents for approval. The Board of Regents has approved the Services and Activities Fee (SAF) Guidelines that established the Services and Activities Fee (SAF) Committee for UW Tacoma and its operating procedures.

The Board of Regents is authorized to increase the Services and Activities Fee by an amount not to exceed the annual percentage increase in undergraduate tuition authorized by the legislature in the Omnibus Budget Bill.

<table>
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<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
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<td>2004-05</td>
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<td>2009-10</td>
<td>$136</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>2016-17</td>
<td>$159</td>
</tr>
</tbody>
</table>
The SAF Committee at UW Tacoma has recommended the following for academic year 2016-2017. Chancellor Mark A. Pagano has reviewed and concurs with these recommendations.

1. **Level of Fee:**

The quarterly fee payable by a full-time student will remain at $159 per quarter for a full-time student for the 2016-17 academic year.

2. **Distribution of Fees:**

Based upon estimated revenue of **$2,000,000** for fiscal year 2016-17, the Committee recommends that the fees be distributed as follows:

<table>
<thead>
<tr>
<th>Distribution</th>
<th>2015-16 % Distribution</th>
<th>2015-16 Distribution Based on $159 Fee</th>
<th>2016-17 % Distribution</th>
<th>2016-17 Distribution Based on $159 Fee</th>
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</thead>
<tbody>
<tr>
<td>Student Activities and Services</td>
<td>96.5%</td>
<td>$1,923,866</td>
<td>96.5%</td>
<td>$2,000,000</td>
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<tr>
<td>Long-term student loans:</td>
<td>3 ½%</td>
<td>$71,935</td>
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<tr>
<td>Long-term development</td>
<td>0</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td><strong>$2,055,301</strong></td>
<td><strong>$2,083,333</strong></td>
<td></td>
</tr>
</tbody>
</table>

3. **2016-17 Budget Allocations for Student Activities and Services:**

The Committee recommends the following distribution for Student Activities and Services for the 2016-17 year:

- ASUWT (Student Government) – Stipends and Operations………..$163,171
- Conference and Event Fund .................................................................165,000
- Childcare assistance program...............................................................89,000
- Center for Equity & Inclusion..............................................................207,539
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions (continued p. 3)

Student Health Center ................................................................. 309,410
Student Publications ................................................................. 189,693
UWY & Dawg House ................................................................. 210,900
Student Engagement ................................................................. 538,360
Registered Student Organizations .............................................. 39,879
Student Activities Board ......................................................... 143,542
Student Support Programs ...................................................... 39,277
Center for Service and Leadership ............................................. 36,883

2016-17 Budget Allocations for Student Activities and Services- cont’d

Outdoor LED Sign ........................................................................ 0
SAFC Committee Operations ..................................................... 7,500
Short-Term Contingency (FLSA overtime exempt threshold) ........... 8,000
Programs Total ........................................................................... $2,148,154
Transfer from Short-Term Contingency to FY17 allocations .......... (148,154)
TOTAL .............................................................................. $2,000,000

Allocations which are unspent at the end of the fiscal year will revert to the Short Term Contingency fund. Any additional revenue generated as a result of implementation of a fee in the amount of $159 or due to excess enrollment will remain in the Long-Term Development fund.

4. Proposed revisions to the Services and Activities Fee Guidelines:

The Board of Regents approved the original version of these guidelines on September 27, 1991. Subsequent revisions were approved on June 14, 2002, June 10, 2005, and June 8, 2006.
SECTION I: THE SERVICES AND ACTIVITIES FEE

A. The Services and Activities Fee (the “S&A” Fee) is authorized by state statute for the express purpose of funding student activities and programs. This may include, but is not limited to, the operation of student-related services, acquisition, construction, equipping, and betterment of lands, buildings, and facilities (RCW 28B.10.300).

B. S&A Fees are defined as “fees, other than tuition and fees, charged to all students registering at the…state universities” (RCW 28B.15.041). For the purpose of these Guidelines, the S&A Fee is defined as a compilation of such fees charged to all students registering at the University of Washington Tacoma campus.

C. S&A Fees and revenues generated by programs and activities funded by such fees are deposited and expended through the offices of the University’s budget and financial accounting systems, the responsibility for which resides with the University’s chief fiscal officer. The S&A Fee and associated revenues are subject to University policies, regulations, and procedures, and to the Budget and Accounting Act of the State of Washington (RCW 43.88).

D. The allowable level of S&A Fee increases is authorized by the State Legislature.

E. In addition to the laws, rules and regulations governing the use of S&A Fees, two provisions of the State Constitution impact the use of public funds (S&A Fee funds are considered to be public funds). The first is Article VIII, Section 5 that prohibits the making of gifts or loans of money or property from public funds. A gift exists when there is a “transfer of property without consideration and with donative intent”. The second is Article I, Section 11 that prohibits public money or property being appropriated for or applied to any religious worship, exercise or instruction, or the support of any religious establishment.
Academic and Student Affairs Committee

Approve Services and Activities Fee - University of Washington, Tacoma: Distribution of Fees, Allocation of Funds and SAF Guideline Revisions (continued p. 5)

F. The S&A Fee Long-Term Fund (also known as the “reserve fund”) shall consist of all unallocated revenue derived from the collection of the Services and Activities Fees from students and accrued interest.

G. The S&A Fee Contingency Fee (also known as the “special allocation fund”) shall consist of funds which are derived through annual allocations and reversion of previous year unspent funds.

H. Members of the Board of Regents shall adhere to the principle that desires of the Services and Activities Fee Committee (SAFC) be given priority consideration on funding items that do not fall into the categories of pre-existing contractual obligations, bond covenant agreements, or stability of programs affecting students.

I. With the exception of any funds needed for bond covenant obligations, once the annual budget for expending S&A Fees is approved by the Board of Regents, funds shall not be shifted from funds budgeted for associated students or departmentally-related categories or the reserve fund until the administration provides written justification to the SAFC and the Board of Regents give their express approval.

SECTION II: COMMITTEE ON SERVICES AND ACTIVITIES FEE

The Services and Activities Committee (hereby called the “Committee”) is appointed by the Chancellor of the University of Washington Tacoma, pursuant to RCW 28B.15.045, to review all requests for funding from Services and Activities Fee, to recommend program priorities and budget levels, and to serve in an advisory capacity to the Chancellor.

A. Membership

1. The Committee shall consist of a minimum of seven (7) voting members and four (4) non-voting ex-officio members, and one (1) non-voting compliance officer.

2. The voting members shall be regularly enrolled students at UW Tacoma, recommended by the Associated Students of the University of Washington Tacoma (ASUWT) and appointed by the Chancellor. No more than one (1) voting members shall be an elected ASUWT member.
3. When making recommendations for Committee appointments, ASUWT should strive to recommend a Committee whose voting members represent the diverse interests and perspectives of University of Washington Tacoma students.

4. To aid in continuity of process and information, wherever possible, ASUWT should seek to appoint at least one (1) member, and no more than three (3) members, who served on the prior year’s SAFC.

5. A majority of voting members (but no more than five (5)) shall be recommended by the end of Spring Quarter. The remainder must be recommended by the end of the 3rd week of Autumn Quarter.

6. The ex-officio members shall be:
   i. A staff employee from Student Affairs, to be recommended by the Associate Vice Chancellor for Student Affairs;
   ii. A faculty member, to be recommended by the Faculty Assembly;
   iii. A staff employee from the Office of the Vice Chancellor for Finance and Administration (F&A), to be recommended by the Vice Chancellor for Finance and Administrations;
   iv. A student representative from the Associated Students of the University of Washington Tacoma, and
   v. A Compliance Officer, appointed at the discretion of the Chancellor

B. Term of Membership
   1. Voting members begin their term when appointed and end their term on June 30th of the corresponding fiscal year. No individual may serve more than two terms.

   2. Voting members appointed in Spring Quarter for the following academic year will begin immediately transitioning with the members of the outgoing committee.

   3. The ex-officio members from Student Affairs, Finance & Administration, and the Compliance Officer shall be appointed to
indefinite terms, serving at the discretion of the Chancellor. The faculty ex-officio member and ASUWT ex-officio shall be appointed to a renewable one (1) year term, running from July 1st to June 30th.

4. Any vacancies in membership will be replaced in the same manner provided for new appointments and for the unexpired term of the original appointment.

C. Responsibilities of Voting Members

1. The Committee shall elect a Chair from its membership no later than the 5th week of Autumn Quarter. The Committee may decide to elect a Vice Chair to assist the Chair no later than the 5th week of Autumn Quarter.

2. Attend all meetings, unless excused by the Chair.

3. Members shall participate in all Committee trainings and required transition events.

4. The Chair and Vice Chair (if applicable) shall facilitate transition/orientation of Spring-appointed incoming committee members.

5. Members shall develop and maintain effective communication within the Committee and the campus community, including an annual report of allocations publicized through communication resources provided by the University.

6. Demonstrate a willingness to engage in constructive dialogue on any issue being considered by the Committee and actively participate in the deliberations of the Committee.

7. Adhere to all rules and regulations governing the Committee.

8. A member whose conduct is deemed unethical or whose performance clearly demonstrates a lack of commitment to their responsibilities may be recommended for removal from the Committee by either a unanimous vote of the remaining voting
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members of the Committee or at the sole discretion of the Chancellor.

9. Respond to all campus queries within five (5) business days.

10. Abstain from discussing, deliberating, or voting on any proposal submitted by a group, department, or organization with which they are affiliated with the exception of annual SAFC request(s).

11. Recommend funding for the employment of Committee staff using funds generated by the S&A Fee, if deemed necessary, under the following conditions:
   i. Each staff position must have a written job description detailing qualifications and expectation of the position.
   ii. The Committee Chair will as a liaison between the Committee and the Committee staff.
   iii. University employees filling Committee staff positions may also work for other University entities with costs of employment shared proportionate to the hours rendered between the Committee and such other entity.

12. During their term in office, the Committee shall delegate to ASUWT and the Chancellor of the University of Washington Tacoma responsibility for establishing the annual stipend, if any, that voting members shall be paid during the following academic year.

D. Responsibilities of Ex-Officio Members and the Compliance Officer

1. Advise the Committee on the laws and regulations of the State and the policies and procedures of the University pertaining to Services and Activities Fees.

2. Advise the Committee on procedural questions pertaining to the conduct of meetings.

3. Provide the Committee with summaries of fund balances in accounts funded by S&A Fees and projections of revenue and expenditures.
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4. Advise the Committee on the status of registered student organizations at UW Tacoma.

5. Assist the Committee with matters of continuity and historical perspective as required for the Committee to effectively and efficiently act on requests to fund programs and budgets.

6. Provide the Committee with perspectives of the campus community and the University administration.

E. Committee Meetings

1. Meetings shall be held on a regularly scheduled basis, not less than two (2) per year.

2. The Compliance Officer shall serve as Interim Chair of the Committee until a Chair is elected by its membership.
   i. The Compliance Officer will be a neutral, non-voting member, who maintains compliance with the relevant laws of the state of Washington, University policies, parliamentary procedures, as well as the guidelines laid out in this document.

3. Special meetings may be called by the Committee Chair, at the request of three (3) or more members of the Committee, at the request of three (3) or more members of the campus community; at the request of the Compliance Officer, or at the request of the Chancellor.

4. The Committee Chair shall post notifications of all meetings in compliance with these guidelines and the Open Public Meetings Act (OPMA) and shall be responsible for presiding over such meetings. An acting Chair will be designed, by the Chair, should it be necessary for him/her to be absent from any meeting.

5. An agenda and a copy of all funding requests to be considered by the Committee will be sent to members of the Committee and be publicly posted in compliance with the OPMA by the Chair or the Chair’s designee.
6. A quorum required for the conduct of business at any meeting shall consist of two-thirds (2/3) of the current voting members and one (1) ex-officio member of the Committee.

7. Proxies will not be permitted for voting.

8. All meetings shall be conducted in accordance with the most current edition of Robert’s Rule of Parliamentary Procedure, which encourage and do not preclude general discussion when conducting committee business, in accordance with Small Board Rules.

9. Program and budget decisions of the Committee shall be made in open public meetings of the Committee, and the reasons for the decisions shall be discussed at those meetings. Minutes will be taken at all meetings and the unofficial minutes shall be publicly posted within five (5) business days after a meeting. The minutes shall include the results of all program and budget decisions made by the Committee.

10. The Committee shall provide full disclosure to the University community concerning programs or budgets funded from S&A Fees.

SECTION III: BUDGETING

A. General

1. RCW 28B.15 defines the authority to collect S&A Fees, the general purposes for which fees may be used, and the budgeting process for administering their expenditure. The law specifically states: “It is the intent of the legislature that students will propose budgetary recommendations for consideration by the college or University administration and governing board to the extent that such budget recommendations are intended to be funded by Services and Activities Fees” and “the legislature recognized that institutional governing boards have a responsibility to manage and protect institutions of higher education”. It is clear that the legislature deemed that the mechanism for student input in the S&A Fee process is through participation in the budget proposal
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process, but that the Board of Regents retains ultimate responsibility and authority for the S&A Fees budget.

2. Any member of the campus community may submit a request for funding through either the annual budgeting process or special allocation budgeting process, with the exception of:
   i. Academic funding
      1. Academic funding requests shall only be considered if the request is for services and/or activities that are:
         a. not directly related to an academic program.
         b. initiated by UW Tacoma students.
         c. open to all UW Tacoma students.

3. The Committee shall establish both the annual budget and special allocation processes. Procedures and criteria adopted by the Committee for the submission of budget requests shall apply to every proposer and shall not discriminate on the basis of race, color, national origin, gender, sexual orientation, religion, political orientation, or physical or mental ability.

4. The Committee has the responsibility to review all proposals submitted for funding from S&A Fees, whether for capital expenditures or operating programs and budgets.

5. All funding proposals must contain adequate information which will include, at a minimum, the following:
   i. Detailed line-item breakdown of proposed expenditures (e.g. salaries, travel, supplies, services, etc.)
   ii. Verification of strategic plan alignment
   iii. Additional funding sources being sought or available to fund the program or event
   iv. Revenues expected to be derived from the program or event
   v. If previously funded, an accountability of how funds were spent
   vi. A report of the program’s scope and impact for the prior funding cycle.
6. Budget allocation decisions of the Committee shall be posted on the SAFC website and sent the requester within ten (10) business days of its respective action.

7. Allocations of S&A Fees to fund operating budgets are valid and available for expenditure during the ensuing fiscal year only. All unspent and unencumbered funds, at the end of each fiscal year, shall revert to the Contingency Fund and shall be carried forward for future reallocation.

8. Each fiscal year shall begin on July 1st and end on June 30th.

B. Annual Budget Process

1. The annual budget process will be the preliminary process for recommending the distribution of S&A Fees for the ensuing fiscal year. As a part of the annual budget process, the Committee shall:
   i. Formulate a recommendation for the level of the S&A Fees to be assessed during the ensuing fiscal year.
   ii. Place in the Long-Term Fund up to five (5) percent of the projected incoming S&A Fees. Unless a designated purpose has been defined and approved, the Long-Term Fund should not exceed $2,000,000.
   iii. Place in the Contingency Fund up to five (5) percent of the projected incoming S&A Fees. Unless a designated purpose has been defined and approved, the Contingency Fund should not exceed $250,000.

1. Program and budget proposals considered during the annual budget process will be to fund general annual operating costs necessary to run an organization, department, or service.

2. No later than the 1st Friday in December of each year, the Committee will announce the annual budget request submission process.

3. Annual budget request forms and all supporting documentation must be returned to the Committee no later than 12:00pm (noon)
the 1st Friday of February. Late submissions will be accepted and/or reviewed at the sole discretion of the SAFC.

4. When considering Annual Allocation requests, the Committee may require the proposer (or their duly appointed representative) to be present to answer questions from the Committee.

5. The Committee shall have a minimum of two (2) weeks to consider Annual proposals from the time they are submitted until formal deliberations begin.

6. The Chancellor may meet with the Committee at appropriate intervals during its annual budget formulation process to respond to emergent ideas and issues and to apprise the Committee of the general position of the administration. The Chancellor may respond in writing to specific written proposals submitted by the Committee and take other actions as needed to assure that the lines of communication to the Committee remain open.

7. The Committee will release preliminary program and budget allocation recommendations no later than the 1st Friday in April. An appeal of the Committee’s decision on any specific budget request may be made as described in Section III.C.1 by the end of business on the 2nd Friday in April, at which time no further appeals will be accepted.

8. The Committee will respond to all allocation appeals as described in Section III.A no later than the end of business on the 4th Friday in April.

9. In addition to allocations to fund specific requests that have been approved by the Committee, the annual budget will contain an allocation to a budget line-item entitled “Contingency”. The purpose of the “Contingency” budget is to provide the necessary flexibility during the budget execution year to authorize special allocations for capital project expenditures or for emergency expenditures that could not be specifically identified or foreseen at the time of the preparation and submission of the annual budget allocations or authorization of expenditures from the
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“Contingency” budget will be accomplished through the Special Allocation process.

10. The Chair shall transmit the final annual budget recommendations of Committee with support documentation, including mandatory dissenting opinions on any decision of the Committee that was unanimous, to the Chancellor no later than the 1st Friday in May.

11. Within fourteen (14) business days after receipt of the Committee’s annual budget recommendations, the Chancellor will provide a written response to the Committee. In formulating the response to the Committee and/or recommendations to the Board of Regents, the Chancellor may seek the views of other affected University groups. In the event that the Chancellor disagrees with any of the Committee budget distribution recommendations, the UW Tacoma dispute resolution process described in Section III.C.2 will be invoked.

12. At the time that the Chancellor submits his/her proposed budget recommendations for the expenditure of S&A Fees to the Board of Regents, he/she shall also submit a copy of the Committee recommendations, along with any supporting documentation provided by the Committee, and a copy of the administration’s response to the Committee recommendations. If a dispute exists between the Chancellor and Committee, which has not been resolved by the UW Tacoma dispute resolution process, the UW dispute resolution process described in Section III.C.2 will be invoked.

13. The Board of Regents may take action on those portions of the S&A Fee budget not in dispute and shall consider the results, if any, of the dispute resolution committee appointed in accordance with the dispute resolution process described in Section III.C.2.b

14. At the point in the review process at which recommendations on the distribution of S&A Fee budget and dispute resolutions are presented to the Board of Regents, the Board shall provide opportunity for the Committee to present its view.
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15. Upon approval of the Board of Regents, the annual budget will be provided to the UW Tacoma Finance and Administration Office for establishment of budget numbers and recording of the necessary revenue transfers in the University accounting system to implement the approved distribution of funds.

16. The Committee may appeal to the Board of Regents if they feel that these guidelines have not been followed, that their participation has been unduly curtail, or that S&A Fee funds have been used for purposes outside of these guidelines. The decision of the Board of Regents shall be final.

17. Voting and ex-officio members are restricted from presenting annual or contingency budget proposals to the Committee.

B. Annual Budget Allocation Appeals and Disputes

1. Budget Allocation Appeal
   i. If a proposer or any other student objects to a budget allocation of Services and Activities Fee funds that has been made by the Committee, a written appeal must be submitted to the Committee Chair by 12:00pm (noon) on the 2nd Friday in April. An extension of the deadline shall not be granted.
   ii. An appeal must allege a violation of the State Constitution, applicable state laws, applicable University policies or regulations, or a material misrepresentation of facts that may serve to invalidate the allocation. An objection based solely on disagreement with the amount of the approved allocation will not be grounds for an appeal. The burden of proof that such a violation has occurred shall be on the proposer or individual making the allegation.
   iii. A special meeting of the Committee will be called by the Chair to address the appeal within five (5) business days of the receipt of the appeal. The Committee must have responded to all appeals no later than the 4th Friday in April. The proposer or individual filing the appeal will be required to attend the special meeting of the Committee at which the appeal is considered.
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iv. If the appeal is denied, the Chair shall transmit a copy of the appeal and the results of the Committee’s decision, with all supporting documentation, for consideration by the Chancellor. The decision of the Chancellor will be final.

2. Budget Allocation Disputes
   i. UW Tacoma Allocation Dispute Resolution Process
      1. If, during the review of the final annual budget recommendations submitted by the Committee, the administration should dispute any of the recommended allocations, the Chancellor shall provide the Committee Chair with written notification of the disputed allocation that includes the administration’s rationale or justification.
      2. Within five (5) business days after receipt of written notification of a disputed allocation recommendation, the Chair shall schedule a special meeting of the Committee with the Chancellor for the purpose of making a good faith effort to resolve the dispute.
      3. In the event that the dispute is not resolved within fourteen (14) business days from the date of the initial special meeting called to consider the dispute, the Chancellor will provide the Committee with the administration’s written response to the Committee’s final annual budget recommendations, which will include any unresolved dispute. A copy of the response, together with a copy of the Committee’s recommendations and any supporting documentation, will be submitted to the Board of Regents with the Chancellor’s proposed budget recommendations for the expenditure of S&A Fees.
   ii. UW Dispute Resolution Process
      1. Upon receipt of the administration’s written response to the Committee’s final annual budget recommendation that includes an unresolved dispute, the Committee Chair shall convene a Dispute Resolution Committee.
2. The Dispute Resolution Committee shall be selected as follows: the Chancellor shall appoint one (1) non-voting advisory member; the Board of Regents shall appoint two (2) voting members; and the Committee Chair shall appoint two (2) student members of the Committee as voting members, and one (1) student representing the Committee who will Chair the Dispute Resolution Committee and be a non-voting member, except in the case of a tie vote.

3. The Board of Regents shall consider the results, if any, of the Dispute Resolution Committee, and shall provide opportunity for the Committee to present its view, prior to taking action on any disputed portion of the budget.

C. Special Allocation Process
   1. The Special Allocation process is designed to provide funding for capital expenditures, or for SAF funded programs to request funding for emergency expenditures that could not be specifically identified or foreseen at the time they prepared and submitted their annual budget request.

   2. In general, the funding of Special Allocation requests shall be made from the “Contingency” operating budget line-item that was included in the annual budget. If there is insufficient funding in the “Contingency” budget, the Committee may submit a request through the Chancellor to the Board of Regents for approval of an additional distribution of from the reserve fund.

   3. There will be two Special Allocation processes during the year, which will occur in Autumn and Spring Quarter. A call for Special Allocation requests will be announced by the Committee within the first two weeks of each quarter and will be accepted through the end of the quarter. All Special Allocation requests received shall be placed under the “New Business” section of the agenda for the next meeting. The Committee will review proposals on a rolling basis within two weeks of submission.
4. When considering Special Allocation requests, the Committee may require the proposer (or their duly appointed representative) to be present to answer questions by the Committee.

5. The Committee will release and post decisions on Special Allocation requests no later than five (5) business days after the meeting at which the allocation was considered.

6. An appeal of the Committee’s decision on any specific Special Allocation may be made as described in Section III.5 within five (5) business days of the decision being released, after which no appeals will be appealed.

7. Decisions on appeals will be made within five (5) business days of receipt of the appeal.

8. Upon final approval of a Special Allocation, the Committee Chair shall authorize the Compliance Officer to work with the UW Tacoma Finance and Administration Office to establish a budget number and transfer revenue from the “Contingency” budget to implement the approved allocation.

9. Any change in the intent of an approved allocation that alters its objectives as originally described and appropriated must approval of the Committee before any changes occurs.

D. Special Allocation Appeal

1. If a proposer or any other student objects to an allocation of S&A Fee funds that has been made by the Committee, a written appeal must be submitted to the Committee Chair by the end of business on the fifth (5th) business day after the Committee posted the allocation decisions. An extension of the deadline shall not be granted.

2. An appeal must allege a violation of the State Constitution, applicable state laws, applicable University regulations or a misrepresentation of facts that may serve to invalidate the allocation. An objection based solely on disagreement with the amount of the approved allocation will not be grounds for an
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appeal. The burden of proof that such a violation has occurred shall be on the proposer or individual making the allegation.

3. A special meeting of the Committee will be called by the Chair to address the appeal within five (5) business days of the receipt of the appeal. The proposer or individual filing the appeal will be required to attend the special meeting of the Committee at which the appeal is considered.

4. If the appeal is denied, the Chair shall transmit a copy of the appeal and the results of the Committee’s decision (with all supporting documentation) for consideration by the Chancellor. The decision of the Chancellor is final.

E. Stipulations
   1. The Committee may place stipulations on the use of funds and/or recommend guidelines in the operations of a program as long as they are in compliance with University policy, state and federal law. All stipulations shall be binding.
   
   2. Actual expenditures shall not exceed the amount of approved budget allocations without prior approval of the Committee. If prior notification to the Committee is not possible, the University entity in question must submit sufficient reasons and documentation.
   
   3. Funding recipients may not use funds allocated to a specific budget line-item for another purpose without prior approval from the committee.

SECTION IV: CAMPUS ENGAGEMENT

A. Community Forums
   1. The Committee shall host a community forum, no less than one (1) per year, to update the campus community about the Committee’s process and operations.

B. Annual Report
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1. Each year, the Committee must publish an annual report of the allocation of funding.

SECTION V: Review of Guidelines

1. The Committee may propose changes to these bylaws at any time. Changes are subjective to the review and approval of the Chancellor of the University of Washington Tacoma and the University of Washington Regents.

Attachments

1. 2016-17 Recommendations from SAFC Co-Chair William Towey to Chancellor Pagano, May 2, 2016
2. 2016-17 Approval letter from Chancellor Pagano to SAFC Co-Chair William Towey, May 11, 2016
3. Presenters’ Biographical Information
May 2, 1016

Chancellor Mark Pagano
University of Washington Tacoma
1900 Commerce Street
Box 358430
Tacoma, WA 98402

Dear Chancellor Pagano:

Thank you again for your recent visit to the SAFC meeting and willingness to acknowledge and consider our feedback.

I am pleased to provide you with our recommendations for the 2016-17 Services & Activities Fee (SAF) level, program allocations and contingency allocations.

In addition to our 2016-17 budget recommendations, this letter makes two requests: (1) that you partner with ASUWT to consider awarding stipends to future SAFC members and (2) that your administration partner with next year’s SAFC to reallocate some SAF expenses to be paid by UW Tacoma’s general operating funds. We have provided more details on the second request below and I am confident that your insightful comments during our recent meeting regarding the historical pressures of recessionary budget measures can be ameliorated somewhat in the coming years.

Also included is an update on the Committee’s progress toward meeting your charge that we update the SAFC bylaws.

**Recommendation: 2016-17 UW Tacoma Services & Activities Fee**

The SAFC voted to maintain UW Tacoma’s SAF at $159 per quarter for 2016 - 17.

**2016-17 Budget Assumptions**

In consultation with UW Tacoma’s Office of Finance and Administration, this year’s committee projected $2,000,000 in SAF revenue for 2016-17. This number is based on an enrollment of 4,193 FTE’s and a Services and Activities Fee (SAF) of $159 per quarter. In addition, the committee voted to supplement its projected revenue by allocating $148,154 from its contingency reserve to fund programs and services in 2016-17.

Our decision to utilize contingency funds for annual operating expenses is rooted in the conversation you had with the committee on February 26, 2016. The committee appreciated your time and heard your commitment to partner with students to ensure programs and services that are central to UW
Tacoma’s mission are paid by university dollars, rather than student fees. In that spirit, we are requesting that your administration begin planning to share financial responsibility for two programs and services we believe are currently disproportionately funded by the SAF - Student Engagement and the Center for Equity and Inclusion (CEI). (We detail our rationale for this request later in this document.)

We are optimistic SAF’s annual funding for these programs can be reduced over the next several years. In the meantime, our contingency reserve is sufficient to supplement our annual revenue for one or two additional funding cycles, while the university identifies additional resources. Rather than wait, using contingency funds to build the 2016-17 budget allowed us to immediately expand programs and services that are solely in SAF’s domain (e.g. childcare programs, registered student organizations and the conference and event fund). Additionally, this budgeting approach lessens the rate at which our contingency reserve accumulates, relative to our annual budget, due to the annual return of unused allocations.

**Recommendation: 2016-17 SAF Programs**

When determining funding of program allocations, the Committee considered a variety of factors including, but not limited to, whether the service has been funded in the past, assessment data, alignment with UW Tacoma’s mission as an urban serving university and the Committee’s strong acknowledgment of the increasing importance of institutional competency regarding issues of equity and inclusion. For past SAF recipients, the Committee also completed a line-by-line budget review of actual usage, projected expenditures, and staffing costs for each program. This was done in an effort to enhance fiscal efficiency and full use of SAF funds before increasing the amount allocated to any given program.

**Department of Student Engagement | $538,360 (5% increase)**

Student Engagement coordinates the majority of staffing and resources to administer and facilitate student involvement on-campus. Student Engagement’s 2016 - 2017 budget is almost entirely allocated for staffing (93%) with the remaining costs being overhead supplies, professional development and student recognition. The committee requests that UW Tacoma administration plan to increase its investment in Student Engagement (see “Request for SAF / University Partnership,” below) which will allow the SAF to decrease its allocation to this program.

**Student Health Services | $309,410 (1% increase)**

Student Health Services (SHS) serves as a vital entity at this University, allowing students the opportunity to receive convenient, no-fee basic healthcare. Our committee is aware that our decision to fund SHS for 2016-17 cements a three year SAF commitment to the University’s new contract with Franciscan Health, and that the SAF must accommodate a 3% annual increase over the term of that agreement.

**Center for Equity and Inclusion | $207,539 (3% increase)**

The Center for Equity and Inclusion is a service to the students, which strives to create a welcoming and inclusive environment that enables all members of the UW Tacoma community to learn through the exploration of human differences. CEI provides programs and support in three main areas: enhancing campus education, developing community partnerships, and building a diverse campus community. The committee requests that UW Tacoma administration plan to increase its investment in The Center for Equity and Inclusion (see
“Request for SAF / University Partnership,” below) which will allow the SAFC to decrease its allocation to this program.

**University Y and Dawg House | $210,900 (5% increase)**
The committee sees the benefits of the University Y Student Center and continued relevance of the Dawg House Student Lounge. It is continuing its investment in these vital spaces for students to socialize, connect with others, while studying and relaxing. The funds will be used for staffing and operational costs at both locations.

**Conference & Event Fund | $165,000 (18% increase)**
The Conference & Event Fund (CEF) allows students, faculty and staff to submit requests to bring a broad spectrum of activities to our campus for the benefit of students; it provides opportunities for students who are not directly involved with Registered Student Organizations to be involved in planning events for the campus. In addition, the CEF supports students’ attendance at conferences and training events—often affiliated with their academic program or service activities—that provide skill enhancement and enrichment.

**Associated Students of University of Washington Tacoma (ASUWT) | $163,171 (21% increase)**
The Associated Students of UW Tacoma represents and promotes student interests, needs, and welfare within the University community through committee representation and administrative-level interactions. It also provides for the expression of student opinion and interests to the community at-large and assists the University in providing physical and social environments that are student-centered.

**Student Publications | $189,693 (44% increase)**
The committee increased personnel funding for the Ledger and Tahoma West to provide the Ledger with additional reporter hours.

**Student Activities Board (SAB) | $143,542 (13% increase)**
The Committee recognizes the important role the Student Activities Board plays at this University and in our community. Diverse programming that promotes student involvement provides opportunities to build a sense of student community, and activities deemed essential to student development and success.

**Childcare Assistance Program | $89,000 (24% increase)**
This program is important to this campus as it allows students with children to receive funding for childcare, which would then give student-parents space and time to attend classes and/or take advantage of campus programs and services. The Committee funded the Childcare Assistance Program (CAP) with more money than CAP requested; we calculated the amount required to provide childcare support to students on the waitlist and determined the additional investment ($11,000) was feasible and that the impact for students would be significant and worthwhile.

**Center for Service and Leadership | $36,883 (4% increase)**
The Center for Service and Leadership provides leadership, personal and professional development for students through their participation and reflection in community engagement and opportunities. Consisting of Volunteer Services and Leadership Endorsement, CSL provides a
wide range of experiences for students, based on their passion and commitment, while
enhancing their leadership skills and community engagement.

**Student Support Programs | $39,277 (46% increase)**
A newly-funded entity, Student Support Programs provide programming for new and returning
students, departments, faculty, and staff that assist with recruitment and retention activities,
and help facilitate the experience of a broad spectrum of special need students, including
underrepresented, veteran and military, first-generation, low income, and at-risk students.

**Registered Student Organizations (RSOs) | $39,879 (185% increase)**
Registered Student Organizations (RSOs) are an integral part of student and campus life. They
provide opportunities for student involvement, camaraderie, and leadership development. RSOs
also provide students with an opportunity to come together with people of similar interests,
cultures, and viewpoints. As RSOs create significant connections for students, the committee
has funded a new student position to increase support for the development of RSOs and
organization leaders.

**Outdoor LED Sign | $0**
The Committee supports the concept of a centrally located, outdoor LED sign that would
advertise campus events, programs and services. However, we believe the proposal that was
submitted should be submitted to other funding entities – including the Student Technology Fee
Committee and UW Tacoma Finance and Administration – and that it needed more detail before
being considered fully.

**Recommendation: Contingency Allocations**
The committee recommends allocating $8,000 to its short-term contingency reserve. These funds are
earmarked to offset anticipated salary and fringe increases that would result from pending federal
legislation affecting the overtime-exempt status of SAF funded positions.

**Recommendation: SAF Operating Funds & Compensating SAFC Members**
The committee recommends allocating $7,500 to its Operating Fund. Of this amount, $500 is reserved
for supplies and operating expenses. We request that you partner with the ASUWT President prior to
recruiting the 2016-17 committee to authorize allocation of the remaining $7,000 to compensate
students who serve on the 2016-17 SAFC. This would allow up to $1,000 each for 7 committee
members. Long-term, a process for compensating committee members would need to be written into
the SAFC bylaws – a provision we are including in our proposed revisions.

While it is an honor to allocate $2M annually, and a tremendous learning experience, we believe SAFC
members deserve compensation similar to other campus leadership positions. Committee members
take on a significant responsibility and devote tremendous amounts of time during a single year to learn
the history and legalities of SAF, understand budgeting nuances, read proposals, participate in hearings
and engage in deliberations. The commitment is significant on any campus, but we are particularly
mindful that this opportunity may pose barriers and non-financial costs for our many UW Tacoma peers
who must prioritize work and family responsibilities. Compensating SAFC members will level the playing
field so more students can serve, acknowledges the committee’s hard work for our campus community,
and also will encourage multi-year participation. This element of continuity—that is currently missing—
is a crucial component in ensuring that the Committee functions in a way that meets, not only the spirit
and intention of the RCW upon which it draws its authority, but also the letter of the law itself.
Stipulation on Funding Awards
The Committee requested that all 2016-17 SAF recipients align their programs and services with UW Tacoma’s Strategic Plan, once it is released. The 2017-18 funding request process will ask applicants to provide evidence that programs and services support UW Tacoma’s top priorities.

Request: SAF / University Partnership

The SAF makes a significant investment in the personnel and operating expenses of Student Engagement and the Center for Equity and Inclusion (CEI).

With regard to the CEI: Given recent events nationally and locally, it is crucial that the University of Washington Race & Equity Initiative provide more than rhetorical mollycoddling. As chair of the SAFC committee I remain startled, alarmed and confused by the level of funding support from the University for the CEI.

With regard to Student Engagement: There remains considerable discomfort that nearly twenty five percent of our funds are being used to fund staff positions. For many students these positions appear to be University staff and they are disconcerted to learn they are paid for by students.

Nationally, programs like these are recognized as playing a significant role in student retention and building campus community. Locally, they are instrumental for advancing UW Tacoma’s mission and campus priorities. We recognize these offices coordinate many programs and services that are student-directed and deserving of SAF support. However, they do so in the context of mission-critical co-curricular functions that the university should be investing in as well.

For example, at least three of Student Engagement’s SAF-funded positions (Assistant Director of Student Engagement, Civic Engagement Specialist, Student Publications Manager) coordinate programs that dovetail with academic programs and priorities such as facilitating service learning, funding student travel to academic conferences, sponsoring faculty/student initiated campus events and supporting student organizations affiliated with academic programs. The Center for Equity and Inclusion is a symbolic and functional hub for the University’s Race & Equity Initiative and we would argue that on our campus—which prides itself in its diversity and urban-serving mission—equity and inclusion initiatives geared to students should be proudly supported at the institutional level and not because students opt to do so through a fee allocation. As students, we are putting our money where our mouth is and we ask that the University do the same.

The committee believes that many, if not most, functions of Student Engagement and CEI fall within the SAF’s jurisdiction and we do not seek to stop funding them altogether. We do think there should be shared investment with the university at-large. We would welcome the opportunity to discuss this with you before our term ends, and look forward to learning how next year’s committee will collaborate with your team to make this recommendation a reality. The committee will direct the incoming SAFC chair to meet with you about this and other matters within his/her first month of service. We also respectfully ask that you update the committee about this request no later than October 31, 2016.

Update: SAFC Bylaws
The committee is actively working on revisions to the SAFC bylaws and is doing so in partnership with ASUWT. Because our committee was appointed later in autumn quarter than anticipated, we launched immediately into our contingency and annual allocation processes and necessarily delayed getting
started on our bylaws. We anticipate submitting revisions to you in time for review by the Board of Regents at their June 2016 meeting. However, we may need to ask that our bylaws be reviewed in July 2016. I will update you no later than May 13 about our timeline.

**Closing Comments:**
Serving as the chair of the SAFC continues to be an enlightening and rewarding experience for which I am grateful. Our committee members have come together to form a solid working group. I would also like to acknowledge the invaluable role Kathleen Farrell has played in our efforts. Simply put, we could not have done it without her insight and assistance. We thank you for your continued support and consideration and I personally look forward to speaking with you again soon.

Best Regards,

**William Towey**  
Services & Activities Fee Committee  
Chair
May 11, 2016

Mr. William Towey
2015-16 Student and Activities Fee Committee Chair
Student and Enrollment Services Planning and Administration
Box 358403
1900 Commerce Street
Tacoma, WA 98402-3100

Dear William,

First, I must thank you for your outstanding service as our 2015-2016 Service and Activities Fee Committee (SAFC) chair. I have heard several positive comments about your diligence and leadership.

I congratulate your committee on an extremely thoughtful conclusion to your deliberations and listening sessions. I am also impressed by the results. Your recommendations are both thoughtful and innovative. I will approve your recommendations in total and will begin discussions immediately with our campus budget committee concerning your committee’s recommendations that the campus administration begin to accept some of the ongoing responsibility to fund the Student Engagement and Equity and Inclusion Programs. I will work with next year’s student government leaders and SAFC group to continue the discussions that we have begun. We look forward to the updated draft of your By-laws. We will begin to prepare the necessary paperwork to have your proposal and By-laws submitted to the June 2016 Board of Regents Agenda. Thank you again for your service on behalf of the students of UW Tacoma.

Sincerely,

Mark A. Pagano
Chancellor
Presenter’s biographical information

University of Washington Tacoma Services and Activities Fee

William Towey is a graduate student in the Master of Arts Interdisciplinary Studies program taking the Community and Social Change track and 2016 Co-chair of the SAF Committee at UW Tacoma. His research is in the area of self-sustaining systems of community based intergenerational wealth. He is also a member of the UWT Race and Equity Steering Committee. Professionally, William is a program manager for the Tacoma Urban League and community advocate for social justice. Active in the local community, he sits on the boards of the “Hilltop Action Coalition” and “Downtown On the Go!” as well as being involved with several other local community advocacy groups.

Cedric Howard, Vice Chancellor for Student and Enrollment Services. Since 2007, he has served as the Senior Student Affairs Officer at the University of Washington Tacoma. In his current capacity as Vice Chancellor for Student and Enrollment Services, Cedric has led formal development of two distinct units (Student Affairs and Enrollment Management) into one highly-effective student services operation. His professional responsibilities include Student Enrollment (pre-college programs, recruitment, financial aid, and registration), Student Success (counseling, health services, career development, disability, veterans and international support services), Student Engagement (student government, clubs, student activities, conduct, and peer advisors), Student Administration (strategic planning, budget management, and student funding committees), and Student Fellowship and Awards (competitive student fellowships and national merit scholarships).
Youcef Bennour, 2016 Co-chair SAF Committee.

My name is Youcef Bennour. I’m a sophomore double majoring in Computer Science and Mathematics. Since I entered the University of Washington Tacoma, I have searched for different ways to make this campus my place in which I feel like home. One way I was able to do this is by volunteering to serve the students and be their representative on different committees. I serve as a committee member on the Student Activity Fee Committee (SAFC) and as a vice chair. Having the opportunity to serve the university students is an opportunity that I’m very much proud of. SAFC has allowed me to impact the student body experience through the funding of different departments. One interesting fact about me is that I grew up in Algeria and lived there for almost fifteen years. In addition, I also speak Arabic, French, and Barbra. Moreover, the majority of the courses that I have taken have helped me better serve the campus community, but also represent diverse students from different backgrounds. Having the Algerian background I believe provides me with a special lens, which I can use to advocate for students. As a committee member on SAFC I have had the honor to represent UW Tacoma students. I look forward to serving the student body in the different roles I hope to hold on campus.
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds

RECOMMENDED ACTION

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve for the University of Washington Bothell (UW Bothell):

1. Recommended Services and Activities Fee (SAF) Budget for 2016-17, which is inclusive of spending authority on excess fee collection and includes a recommended increase to the Services and Activities Fee level for 2016-17 from $89 per full-time student per quarter to $91 (2% increase).
2. Recommended use of SAF accrued Fund Balance in the amount $453,421 for one-time and non-recurring initiatives; which is inclusive of the Activities and Recreation Center Phase Two (2) feasibility study and Childcare support.

BACKGROUND

Services and Activities Fees at the UW Bothell and Tacoma campuses are collected separately from the Services and Activities Fees at the Seattle campus, but the process is handled in like manner. As provided under RCW 28B.15.045, a student committee recommends the annual allocations to the Board of Regents for approval. The Board of Regents, at the September 27, 1991 meeting, approved the Guidelines that established the Services and Activities Fees (SAF) Committee for the Bothell campus and its operating procedures. The Board of Regents approved revisions on June 11, 2015.

The Board of Regents is authorized to increase the Services and Activities Fee annually by a percentage not to exceed the annual percentage increase of tuition.

The quarterly rate history of the Services and Activities Fee at UW Bothell is:

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Fee</th>
<th>Academic Year</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991-92</td>
<td>$76</td>
<td>2003-04</td>
<td>$86</td>
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<tr>
<td>1992-93</td>
<td>$76</td>
<td>2005-06</td>
<td>$91</td>
</tr>
<tr>
<td>1993-94</td>
<td>$79</td>
<td>2006-07</td>
<td>$93</td>
</tr>
</tbody>
</table>
Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 2)

<table>
<thead>
<tr>
<th>Year</th>
<th>Directory Fee</th>
<th>Year</th>
<th>Directory Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994-95</td>
<td>$81</td>
<td>2007-08</td>
<td>$95</td>
</tr>
<tr>
<td>1995-96</td>
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<tr>
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<td>$83</td>
<td>2015-16</td>
<td>$89</td>
</tr>
<tr>
<td>2004-05</td>
<td>$89</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Recommended Services and Activities Fee Budget for 2016-2017, including Increase in Fees:

   a. Services and Activities Fee for 2016-2017

   The SAF Committee is recommending a 2% increase (rounded up conservatively to the nearest whole dollar) in the Service and Activities Fee this coming year; an increase from $89 per quarter to $91. With this increase the annual SAF fee will be $273. The fee revenue was calculated by using FY 2017 enrollment revenues (4,661 annualized and 1,200 summer Full-Time-Equivalent students (FTE)). Prior to allocating any awards, the committee first established a contingency fund of 5% of the available revenue ($65,629) for next year’s group to allot for new student-initiated projects and activities. Barring the 5% contingency, we had $2,420,868 to allocate among 29 annual operating requests as illustrated in Schedule 1 below.

In addition, we are asking for spending authority on excess fees collected in the 2016-17 academic year.

Recommended use of SAF accrued Fund Balance in the amount $453,421 for one-time and no-recurring initiation; which is inclusive of the Activities and Recreation Center Phase Two (2) feasibility study and childcare support.

<table>
<thead>
<tr>
<th>Schedule 1: Distribution of Fees for 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>4661 FTE Assumed</td>
</tr>
<tr>
<td>Estimated Summer 2016 Revenue</td>
</tr>
</tbody>
</table>
Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 3)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Mandated Loan Fund/Financial Aid (5%)</td>
<td>$(69,083)</td>
</tr>
<tr>
<td>SAF Annual Sub-total</td>
<td>$1,312,570</td>
</tr>
<tr>
<td>Cascadia College Revenue from Activities and Recreation Center (ARC)</td>
<td>$570,000</td>
</tr>
<tr>
<td>SAF Annual Revenue</td>
<td>$1,882,570</td>
</tr>
<tr>
<td>Activities and Recreation Center Revenue</td>
<td>$307,626</td>
</tr>
<tr>
<td>Estimated Summer 2016 Revenue</td>
<td>$26,400</td>
</tr>
<tr>
<td>Less Mandated Loan Fund/Financial Aid (5%) ARC</td>
<td>$(16,701)</td>
</tr>
<tr>
<td>ARC Annual Sub-Total</td>
<td>$317,325</td>
</tr>
<tr>
<td>Sports Field Fee Annual Revenue</td>
<td>$419,490</td>
</tr>
<tr>
<td>Estimated Summer 2016 Revenue</td>
<td>$36,000</td>
</tr>
<tr>
<td>Less ILP</td>
<td>$(146,113)</td>
</tr>
<tr>
<td>Less Mandated Loan Fund/Financial Aid (5%) Sports Field</td>
<td>$(22,775)</td>
</tr>
<tr>
<td>Sports Field Annual Revenue</td>
<td>$286,602</td>
</tr>
<tr>
<td>Net available funds for allocation</td>
<td>$2,486,497</td>
</tr>
</tbody>
</table>

b. 2016-17 Allocation of Student Activities and Services Funds

SAF Annual Fee

Achieving Community Transformation (ACT) $58,848
Associated Students of the University of Washington Bothell (ASUWB) $230,649
Campus Events Board (CEB) $157,986
Campus Research and Observational Writings (CROW) $3,026
Career Services $110,115
Clamor Literary Arts Journal $15,522
Club Council $122,620
Contingency $65,629
Health Promotion $79,193
Husky Herald $10,800
Library Technology Services (Laptop) $22,572
Merit Increase $5,077
Parent Union – Family Friendly Spaces $6,912
Recreation and Wellness Operations $110,172
Social Justice Organizers $152,774
Student Affairs $234,154
Student Engagement and Activities $404,024
Student Marketing & Graphic Design $37,529
Student Publications $35,861
Academic and Student Affairs Committee

**Academic and Student Affairs Committee**

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 4)

<table>
<thead>
<tr>
<th>UWave Radio</th>
<th>$2,500</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-Total Requested SAF Annual Funding</strong></td>
<td>$1,800,334</td>
</tr>
</tbody>
</table>

**Sports Field Annual Fee Distribution**

<table>
<thead>
<tr>
<th>Club Council</th>
<th>$6,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intramural Activities</td>
<td>$97,621</td>
</tr>
<tr>
<td>Recreation and Wellness Operations</td>
<td>$99,993</td>
</tr>
<tr>
<td>Student Affairs</td>
<td>$81,657</td>
</tr>
<tr>
<td><strong>Sub-Total Requested Sports Field Fee</strong></td>
<td>$285,271</td>
</tr>
</tbody>
</table>

**Activities and Recreation Center Fee Distribution**

| Activities and Recreation Center Operations    | $30,852|
| Campus Events Board                            | $2,000 |
| NEST                                           | $99,485|
| OWLS                                           | $60,412|
| Recreation and Wellness Operations             | $76,993|
| Student Engagement and Activities              | $26,486|
| Student Marketing                              | $19,091|
| **Sub-Total Requested Activities and Recreation Fee** | $315,319|

**Total Fee Distribution Requested**

$2,400,924

**Long Term Funds Distribution Requested**

| ARC Phase 2 (SAF)                               | $300,000|
| Husky Herald (SAF)                              | $1,000 |
| Intramural Activities (Sports Field)            | $5,000 |
| OWLS (Sports Field)                             | $5,000 |
| Recreation and Wellness (Sports Field)          | $23,000|
| Parent Union – Childcare Assistance (SAF)       | $105,000|
| Parent Union – Family Friendly Spaces (SAF)     | $14,421|
| **Sub-Total Requested Long Term funds (SAF)**   | $453,421|

**Total Funding Requested (Fee Distribution and Long Term Funds)**

$2,854,345

c. 2016-17 Budget Notes and Funding Stipulations

Stipulations are as follows:
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 5)

Achieving Community Transformation (ACT) - $58,848
  o Stipulations
    ▪ Follow UW Bothell wage guidelines.
    ▪ No telecommunications.
    ▪ As broken down, ACT has $28,241 for student salaries and $24,166 for professional staff.
  o Funding Source:
    ▪ SAF $58,848

Activities and Recreation Center (ARC) - $30,852
  • Stipulations:
    ▪ Follow UW Bothell wage guidelines.
    ▪ No telecommunications.
    ▪ No new hire packages.
  o Notes: Funding represents one third of total cost, other two thirds of funding to come from Cascadia S&A and SFAC.
  o Funding Source
    ▪ ARC Programming Budget $30,852

Associated Students of the University of Washington Bothell (ASUWB) - $230,649
  o Stipulations:
    ▪ Follow UW Bothell wage guidelines.
    ▪ No telecommunications.
    ▪ Promotional items are not to exceed $800
    ▪ Wages for President and Vice-President will be student fixed fees funded at $19,815 and $18,714 respectively.
    ▪ Funding for the Directors and Senators are funded as student fixed fees funded at $67,780 and $42,340 respectively.
  o Funding Source:
    ▪ SAF $230,649

ASUWB - ARC Phase II - $300,000
  o Stipulations:
    ▪ The funds of $300,000 for the ARC Phase II are earmarked, ASUWB must work with the Capital Project Office and UW Bothell to insure the project is successful and feasible.
Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 6)

for the campus community. As the plan is developed, SAF requests updates of the timeline for final approval.

- Notes:
  - The SAF committee saw value in funding the extension to the ARC with intentions of making structural additions in the future to meet student needs.

- Funding Source:
  - SAF Long Term Funds $300,000

Campus Events Board (CEB) - $159,986

- Stipulations:
  - Follow UW Bothell wage guidelines.
  - No telecommunications.
  - Promotional items are not to exceed $2,000 annually.
  - The separate programing allocations are to be spent according to line items.
  - CEB has been allocated $53,000 for the regular programing.
  - CEB has been allocated $2,000 for the ARC programing.
  - Conference fees not to exceed $9,600.

- Funding Source:
  - SAF $157,986
  - ARC programming $2,000

Career Services - $110,115

- Stipulations:
  - Follow UW Bothell wage guidelines.
  - No telecommunications.
  - The committee approves coverage funding for Assistant Career Advisors at $63,629, Marketing Assistant at $18,069, and Graduate Program Assistant at $24,737.

- Funding Source:
  - SAF $110,115

Clamor and Literary Arts Journal - $15,522

- Stipulations:
  - Follow UW Bothell wage guidelines.
  - No telecommunications.

- Notes:
Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 7)

- This is a trial run; SAF requests the group to report back to 2016-2017 SAF.
  - Funding Source:
    - SAF $15,522

Club Council - $128,620
  - Stipulations:
    - Follow UW Bothell wage guidelines.
    - No telecommunications.
    - The committee approves coverage funding for student employees at $58,620.
    - The separate programing allocations are to be spent according to line items.
      - Club Council has been allocated $64,000 club spending.
      - Club Council has been allocated $6,000 for Sports Field related activity.
  - Funding Sources:
    - SAF $122,620
    - Sports Field $6,000

Campus Research and Observational Writings (CROW) - $3,026
  - Stipulations:
    - SAF does not provide funds for food if there is no educational component to the programing.
  - Funding Source:
    - SAF $3,026

Health Promotion - $79,193
  - Stipulations:
    - Follow UW Bothell wage guidelines.
    - No telecommunications.
    - The committee approves coverage funding for student positions at $51,550.
  - Funding Source
    - SAF $79,193

Husky Herald - $11,800
  - Stipulations:
Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 8)

- Promotional items are not to exceed $800.
- Funds to purchase newspaper racks will only be available once Husky Herald can confirm the University has approved the locations. If University doesn’t approve locations, funds will not be available.

  - Funding Source:
    - SAF $10,800
    - SAF Long-Term $1,000

**Library Laptops - $22,572**

  - Stipulations:
    - Follow UW Bothell wage guidelines.
  - Funding Source:
    - SAF $22,572

**Outdoor Wellness Program (Outdoor Wellness Leaders (OWLs)) - $65,412**

  - Stipulations:
    - Follow UW Bothell wage guidelines.
    - No telecommunications.
  - Funding Source:
    - Sports Field Long Term $5,000
    - ARC Programming $60,412

**Parent Union – Childcare Assistance - $105,000**

  - Stipulations:
    - The total award of $105,000 is to be evenly distributed to a sum of $35,000 throughout the three quarters (Fall, Winter, Spring).
    - This funding is an additive to the financial aid for UW Bothell. It is not intended decrease the general funding of UW Bothell financial aid; it is to increase UW Bothell financial aid for UW Bothell students with dependents.
  - This is a pilot program. SAF requests the group to report back to 2016-2017 SAF by December 2, 2016.
  - Funding Source:
    - SAF Long Term $105,000

**Parent Union – Family Friendly Spaces – $21,333**

  - Stipulations:
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 9)

- Items cannot not be purchased until approval is obtained from the space owner or University.
- This is a pilot program. SAF requests the group to report back to 2016-2017 SAF by December 2, 2016.
- Consider placing the toys in storage during the summer quarter and or clean them during the summer quarter period.

  o Funding Source:
    - SAF $6,912
    - SAF Long Term $14,421

Recreation and Wellness - $310,157

  o Stipulations:
    - Follow UW Bothell wage guidelines.
    - No telecommunications.
    - Promotional items are not to exceed $800.
    - Professional development funds are funded at $1200 per person (4 people at $1200 - total $4800).

  o Funding Source:
    - SAF $111,171
    - ARC Programming Fee $75,993
    - Sports Field Fee $99,993
    - Sports Field Long Term $23,000

Recreation and Wellness - ARC Program and Gear Shop (NEST) - $99,485

  o Stipulations:
    - Follow UW Bothell wage guidelines.
    - No telecommunications.
    - Uniforms must not exceed more than $600.

  o Funding Source:
    - ARC Programming Fee: $99,485

Recreation and Wellness - Intramural Activities - $102,621

  o Stipulations:
    - Follow UW Bothell wage guidelines.
    - No telecommunications.
    - Uniform expenses are not to exceed $400.
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 10)

- The committee approves coverage funding for $83,141 for student salary.
  - Funding Source
    - Sports Field Fee: $97,621
    - Sports Field Long Term: $5,000

Social Justice Organizers - $152,774
- Stipulations:
  - Follow UW Bothell wage guidelines
  - No telecommunications.
- Funding Source:
  - SAF: $152,774

Student Affairs - $315,812
- Stipulations:
  - Follow UW Bothell wage guidelines.
  - No telecommunications.
  - No new hire packages.
- Funding Source:
  - SAF: $234,154
  - Sports Field: $81,658

Student Engagement and Activities (SEA) - $430,510
- Stipulations:
  - Follow UW Bothell wage guidelines.
  - No telecommunications.
  - Promotional items are not to exceed $2,000.
  - Business cards and name tags are not to exceed $200.
  - Professional development not to exceed $1,200 per person.
- Funding Source:
  - SAF Total: $404,024
  - ARC Programming Total: $26,486

Student Marketing & Graphic Design - $56,620
- Stipulations:
  - Follow UW Bothell wage guidelines.
  - No telecommunications.
  - Services are to be marketed to all student groups.
Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 11)

- The committee approves coverage funding for Student Marketing & Graphic Design student wages and salaries at but not to exceed $53,080.
  - Funding Source:
    - SAF: $37,529
    - ARC Programming: $19,091

Student Publications - $35,861
- Stipulations:
  - Funds allocated are to support and partially fund a professional staff member to advisor the publication groups. Groups must work with Student Affairs before these funds will be available.
  - Notes: Partial funding awarded to professional position in the UWAVE budget.
  - Funding Source:
    - SAF: $35,861

UWave - $2,500
- Stipulations:
  - Follow UW Bothell wage guidelines.
  - Promotional items are not to exceed $800.
  - Until UWave has approval for the sashes, the committee cannot provide funds for sashes, SAF will need written approval from the Commencement coordinator.
  - SAF has provided funds for one tent; funds are not to be used for a second tent.
- Funding Source:
  - SAF: $2,500

2. Recommended use of SAF accrued fund balance
The SAF Committee recommends the use of the SAF accrued fund balance in the amount $453,421 for one-time and non-recurring initiatives; which is inclusive of the Activities and Recreation Center Phase Two (2) feasibility study and Childcare support.
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 12)

Attachments
1. Letter from Chancellor Bjong Wolf Yeigh to SAF Chair, May 23, 2016
2. SAF Recommendations Letter to Chancellor Yeigh, May 12, 2016
3. SAF letter of support for ARC Phase 2 project, May 10, 2016
4. SAF Committee: Fee Allocation Recommendations – Requested v Recommended and Fee Sources of Recommended Funding
5. SAF Committee: Fee Allocation Recommendations – Uses of Funds
STANDING COMMITTEES

Academic and Student Affairs Committee

Revised

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds

RECOMMENDED ACTION

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve for the University of Washington Bothell (UW Bothell):

1. Recommended Services and Activities Fee (SAF) Budget for 2016-17, which is inclusive of spending authority on excess fee collection and includes a recommended increase to the Services and Activities Fee level for 2016-17 from $89 per full-time student per quarter to $91 (2% increase).

2. Recommended use of SAF accrued Fund Balance in the amount $453,421 for one-time and non-recurring initiatives; which is inclusive of the Activities and Recreation Center Phase Two (2) feasibility study and Childcare support.

BACKGROUND

Services and Activities Fees at the UW Bothell and Tacoma campuses are collected separately from the Services and Activities Fees at the Seattle campus, but the process is handled in like manner. As provided under RCW 28B.15.045, a student committee recommends the annual allocations to the Board of Regents for approval. The Board of Regents, at the September 27, 1991 meeting, approved the Guidelines that established the Services and Activities Fees (SAF) Committee for the Bothell campus and its operating procedures. The Board of Regents approved revisions on June 11, 2015.

The Board of Regents is authorized to increase the Services and Activities Fee annually by a percentage not to exceed the annual percentage increase of tuition.

The quarterly rate history of the Services and Activities Fee at UW Bothell is:

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Fee</th>
<th>Academic Year</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991-92</td>
<td>$76</td>
<td>2003-04</td>
<td>$86</td>
</tr>
<tr>
<td>1992-93</td>
<td>$76</td>
<td>2005-06</td>
<td>$91</td>
</tr>
<tr>
<td>1993-94</td>
<td>$79</td>
<td>2006-07</td>
<td>$93</td>
</tr>
</tbody>
</table>
1. **Recommended Services and Activities Fee Budget for 2016-2017, including Increase in Fees:**

   **a. Services and Activities Fee for 2016-2017**

   The SAF Committee is recommending a 2% increase (rounded up conservatively to the nearest whole dollar) in the Service and Activities Fee this coming year; an increase from $89 per quarter to $91. With this increase the annual SAF fee will be $273. The fee revenue was calculated by using FY 2017 enrollment revenues (4,661 annualized and 1,200 summer Full-Time-Equivalent students (FTE)). Prior to allocating any awards, the committee first established a contingency fund of 5% of the available revenue ($66,319) for next year’s group to allot for new student-initiated projects and activities. Barring the 5% contingency, we had $2,435,995 to allocate among 29 annual operating requests as illustrated in Schedule 1 below.

   In addition, we are asking for spending authority on excess fees collected in the 2016-17 academic year.

   **Recommended use of SAF accrued Fund Balance in the amount $453,421 for one-time and no-recurring initiation; which is inclusive of the Activities and Recreation Center Phase Two (2) feasibility study and childcare support.**

**Schedule 1: Distribution of Fees for 2016-17**

<table>
<thead>
<tr>
<th>Year</th>
<th>4661 FTE Assumed</th>
<th>Estimated Summer 2016 Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994-95</td>
<td>$81</td>
<td>$1,272,453</td>
</tr>
<tr>
<td>1995-96</td>
<td>$84</td>
<td></td>
</tr>
<tr>
<td>1996-97</td>
<td>$87</td>
<td></td>
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<tr>
<td>1997-98</td>
<td>$90</td>
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<tr>
<td>1998-99</td>
<td>$93</td>
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<td>1999-00</td>
<td>$93</td>
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<tr>
<td>2000-01</td>
<td>$83</td>
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<td>2001-02</td>
<td>$83</td>
<td></td>
</tr>
<tr>
<td>2002-03</td>
<td>$83</td>
<td></td>
</tr>
<tr>
<td>2004-05</td>
<td>$89</td>
<td></td>
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</tbody>
</table>
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 3)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Mandated Loan Fund/Financial Aid (4%)</td>
<td>$(55,266)</td>
</tr>
<tr>
<td>SAF Annual Sub-total</td>
<td>$1,326,387</td>
</tr>
<tr>
<td>Cascadia College Revenue from Activities and Recreation Center (ARC)</td>
<td>$570,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAF Annual Revenue</td>
<td>$1,896,387</td>
</tr>
<tr>
<td>Activities and Recreation Center Revenue</td>
<td>$307,626</td>
</tr>
<tr>
<td>Estimated Summer 2016 Revenue</td>
<td>$26,400</td>
</tr>
<tr>
<td>Less Mandated Loan Fund/Financial Aid (5%) ARC</td>
<td>$(16,701)</td>
</tr>
<tr>
<td>ARC Annual Sub-Total</td>
<td>$317,325</td>
</tr>
<tr>
<td>Sports Field Fee Annual Revenue</td>
<td>$419,490</td>
</tr>
<tr>
<td>Estimated Summer 2016 Revenue</td>
<td>$36,000</td>
</tr>
<tr>
<td>Less ILP</td>
<td>$(146,113)</td>
</tr>
<tr>
<td>Less Mandated Loan Fund/Financial Aid (5%) Sports Field</td>
<td>$(22,775)</td>
</tr>
<tr>
<td>Sports Field Annual Revenue</td>
<td>$286,602</td>
</tr>
<tr>
<td>Net available funds for allocation</td>
<td>$2,502,314</td>
</tr>
</tbody>
</table>

b. 2016-17 Allocation of Student Activities and Services Funds

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAF Annual Fee</td>
<td>$58,848</td>
</tr>
<tr>
<td>Achieving Community Transformation (ACT)</td>
<td>$58,848</td>
</tr>
<tr>
<td>Associated Students of the University of Washington Bothell (ASUWB)</td>
<td>$230,649</td>
</tr>
<tr>
<td>Campus Events Board (CEB)</td>
<td>$157,986</td>
</tr>
<tr>
<td>Campus Research and Observational Writings (CROW)</td>
<td>$3,026</td>
</tr>
<tr>
<td>Career Services</td>
<td>$110,115</td>
</tr>
<tr>
<td>Clamor Literary Arts Journal</td>
<td>$15,522</td>
</tr>
<tr>
<td>Club Council</td>
<td>$122,620</td>
</tr>
<tr>
<td>Contingency</td>
<td>$66,319</td>
</tr>
<tr>
<td>Health Promotion</td>
<td>$79,193</td>
</tr>
<tr>
<td>Husky Herald</td>
<td>$10,800</td>
</tr>
<tr>
<td>Library Technology Services (Laptop)</td>
<td>$22,572</td>
</tr>
<tr>
<td>Merit Increase</td>
<td>$5,077</td>
</tr>
<tr>
<td>Parent Union – Family Friendly Spaces</td>
<td>$6,912</td>
</tr>
<tr>
<td>Recreation and Wellness Operations</td>
<td>$110,172</td>
</tr>
<tr>
<td>Social Justice Organizers</td>
<td>$152,774</td>
</tr>
<tr>
<td>Student Affairs</td>
<td>$234,154</td>
</tr>
<tr>
<td>Student Engagement and Activities</td>
<td>$404,024</td>
</tr>
<tr>
<td>Student Marketing &amp; Graphic Design</td>
<td>$37,529</td>
</tr>
<tr>
<td>Student Publications</td>
<td>$35,861</td>
</tr>
</tbody>
</table>
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 4)

<table>
<thead>
<tr>
<th></th>
<th>Requested SAF Annual Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>UWave Radio</td>
<td>$2,500</td>
</tr>
<tr>
<td>Sub-Total Requested SAF Annual Funding</td>
<td><strong>$1,866,653</strong></td>
</tr>
</tbody>
</table>

**Sports Field Annual Fee Distribution**
- Club Council: $6,000
- Intramural Activities: $97,621
- Recreation and Wellness Operations: $99,993
- Student Affairs: $81,657
- Sub-Total Requested Sports Field Fee: **$285,271**

**Activities and Recreation Center Fee Distribution**
- Activities and Recreation Center Operations: $30,852
- Campus Events Board: $2,000
- NEST: $99,485
- OWLS: $60,412
- Recreation and Wellness Operations: $76,993
- Student Engagement and Activities: $26,486
- Student Marketing: $19,091
- Sub-Total Requested Activities and Recreation Fee: **$315,319**

**Total Fee Distribution Requested**: **$2,467,243**

**Long Term Funds Distribution Requested**
- ARC Phase 2 (SAF): $300,000
- Husky Herald (SAF): $1,000
- Intramural Activities (Sports Field): $5,000
- OWLS (Sports Field): $5,000
- Recreation and Wellness (Sports Field): $23,000
- Parent Union – Childcare Assistance (SAF): $105,000
- Parent Union – Family Friendly Spaces (SAF): $14,421
- Sub-Total Requested Long Term funds (SAF): **$453,421**

**Total Funding Requested (Fee Distribution and Long Term Funds)**: **$2,920,664**

c. **2016-17 Budget Notes and Funding Stipulations**

Stipulations are as follows:
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 5)

Achieving Community Transformation (ACT) - $58,848
  o  Stipulations
    ▪  Follow UW Bothell wage guidelines.
    ▪  No telecommunications.
    ▪  As broken down, ACT has $28,241 for student salaries and $24,166 for professional staff.
  o  Funding Source:
    ▪  SAF $58,848

Activities and Recreation Center (ARC) - $30,852
  •  Stipulations:
    ▪  Follow UW Bothell wage guidelines.
    ▪  No telecommunications.
    ▪  No new hire packages
  o  Notes: Funding represents one third of total cost, other two thirds of funding to come from Cascadia S&A and SFAC.
  o  Funding Source
    ▪  ARC Programming Budget $30,852

Associated Students of the University of Washington Bothell (ASUWB) - $230,649
  o  Stipulations:
    ▪  Follow UW Bothell wage guidelines.
    ▪  No telecommunications.
    ▪  Promotional items are not to exceed $800
    ▪  Wages for President and Vice-President will be student fixed fees funded at $19,815 and $18,714 respectively.
    ▪  Funding for the Directors and Senators are funded as student fixed fees funded at $67,780 and $42,340 respectively.
  o  Funding Source:
    ▪  SAF $230,649

ASUWB - ARC Phase II - $300,000
  o  Stipulations:
    ▪  The funds of $300,000 for the ARC Phase II are earmarked, ASUWB must work with the Capital Project Office and UW Bothell to insure the project is successful and feasible
Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds
(continued p. 6)

for the campus community. As the plan is developed, SAF requests updates of the timeline for final approval.

○ Notes:
  ▪ The SAF committee saw value in funding the extension to the ARC with intentions of making structural additions in the future to meet student needs.

○ Funding Source:
  ▪ SAF Long Term Funds $300,000

Campus Events Board (CEB) - $159,986

○ Stipulations:
  ▪ Follow UW Bothell wage guidelines.
  ▪ No telecommunications.
  ▪ Promotional items are not to exceed $2,000 annually
  ▪ The separate programing allocations are to be spent according to line items.
  ▪ CEB has been allocated $53,000 for the regular programing
  ▪ CEB has been allocated $2,000 for the ARC programing
  ▪ Conference fees not to exceed $9,600

○ Funding Source:
  ▪ SAF $157,986
  ▪ ARC programing $2,000

Career Services - $110,115

○ Stipulations:
  ▪ Follow UW Bothell wage guidelines.
  ▪ No telecommunications.
  ▪ The committee approves coverage funding for Assistant Career Advisors at $63,629, Marketing Assistant at $18,069, and Graduate Program Assistant at $24,737.

○ Funding Source:
  ▪ SAF $110,115

Clamor and Literary Arts Journal - $15,522

○ Stipulations:
  ▪ Follow UW Bothell wage guidelines.
  ▪ No telecommunications.

○ Notes:
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 7)

- This is a trial run; SAF requests the group to report back to 2016-2017 SAF.
  - Funding Source:
    - SAF $15,522

Club Council - $128,620
- Stipulations:
  - Follow UW Bothell wage guidelines.
  - No telecommunications.
  - The committee approves coverage funding for student employees at $58,620.
  - The separate programing allocations are to be spent according to line items.
    - Club Council has been allocated $64,000 club spending.
    - Club Council has been allocated $6,000 for Sports Field related activity.
  - Funding Sources:
    - SAF $122,620
    - Sports Field $6,000

Campus Research and Observational Writings (CROW) - $3,026
- Stipulations:
  - SAF does not provide funds for food if there is no educational component to the programing.
- Funding Source:
  - SAF $3,026

Health Promotion - $79,193
- Stipulations:
  - Follow UW Bothell wage guidelines.
  - No telecommunications.
  - The committee approves coverage funding for student positions at $51,550.
- Funding Source
  - SAF $79,193

Husky Herald - $11,800
- Stipulations:
Promotional items are not to exceed $800.
Funds to purchase newspaper racks will only be available once Husky Herald can confirm the University has approved of the locations. If University doesn’t approve locations, funds will not be available.

- Funding Source:
  - SAF $10,800
  - SAF Long-Term $1,000

**Library Laptops - $22,572**
- Stipulations:
  - Follow UW Bothell wage guidelines.
- Funding Source:
  - SAF $22,572

**Outdoor Wellness Program (Outdoor Wellness Leaders (OWLs)) - $65,412**
- Stipulations:
  - Follow UW Bothell wage guidelines.
  - No telecommunications.
- Funding Source:
  - Sports Field Long Term $5,000
  - ARC Programming $60,412

**Parent Union – Childcare Assistance - $105,000**
- Stipulations:
  - The total award of $105,000 is to be evenly distributed to a sum of $35,000 throughout the three quarters (Fall, Winter, Spring).
  - This funding is an additive to the financial aid for UW Bothell. It is not intended decrease the general funding of UW Bothell financial aid; it is to increase UW Bothell financial aid for UW Bothell students with dependents.
- Funding Source:
  - SAF Long Term $105,000

**Parent Union – Family Friendly Spaces – $21,333**
- Stipulations:
Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds
(continued p. 9)

- Items cannot be purchased until approval is obtained from the space owner or University.
- This is a pilot program. SAF requests the group to report back to 2016-2017 SAF by December 2, 2016.
- Consider placing the toys in storage during the summer quarter and or clean them during the summer quarter period.

○ Funding Source:
  - SAF $6,912
  - SAF Long Term $14,421

Recreation and Wellness - $310,157

○ Stipulations:
  - Follow UW Bothell wage guidelines.
  - No telecommunications.
  - Promotional items are not to exceed $800.
  - Professional development funds are funded at $1200 per person (4 people at $1200 - total $4800).

○ Funding Source:
  - SAF $111,171
  - ARC Programming Fee $75,993
  - Sports Field Fee $99,993
  - Sports Field Long Term $23,000

Recreation and Wellness - ARC Program and Gear Shop (NEST) - $99,485

○ Stipulations:
  - Follow UW Bothell wage guidelines.
  - No telecommunications.
  - Uniforms must not exceed more than $600.

○ Funding Source:
  - ARC Programming Fee: $99,485

Recreation and Wellness - Intramural Activities - $102,621

○ Stipulations:
  - Follow UW Bothell wage guidelines.
  - No telecommunications.
  - Uniform expenses are not to exceed $400.
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 10)

- The committee approves coverage funding for $83,141 for student salary.
  - Funding Source
    - Sports Field Fee: $97,621
    - Sports Field Long Term: $5,000

Social Justice Organizers - $152,774
  - Stipulations:
    - Follow UW Bothell wage guidelines
    - No telecommunication.
  - Funding Source:
    - SAF: $152,774

Student Affairs - $315,812
  - Stipulations:
    - Follow UW Bothell wage guidelines.
    - No telecommunication.
    - No new hire packages.
  - Funding Source:
    - SAF: $234,154
    - Sports Field: $81,658

Student Engagement and Activities (SEA) - $430,510
  - Stipulations:
    - Follow UW Bothell wage guidelines.
    - No telecommunication.
    - Promotional items are not to exceed $2,000.
    - Business cards and name tags are not to exceed $200.
    - Professional development not to exceed $1,200 per person.
  - Funding Source:
    - SAF Total: $404,024
    - ARC Programming Total: $26,486

Student Marketing & Graphic Design - $56,620
  - Stipulations:
    - Follow UW Bothell wage guidelines.
    - No telecommunication.
    - Services are to be marketed to all student groups.
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 11)

- The committee approves coverage funding for Student Marketing & Graphic Design student wages and salaries at but not to exceed $53,080.
  - Funding Source:
    - SAF: $37,529
    - ARC Programming: $19,091

Student Publications - $35,861
  - Stipulations:
    - Funds allocated are to support and partially fund a professional staff member to advisor the publication groups. Groups must work with Student Affairs before these funds will be available.
  - Notes: Partial funding awarded to professional position in the UWAVE budget.
  - Funding Source:
    - SAF: $35,861

UWave - $2,500
  - Stipulations:
    - Follow UW Bothell wage guidelines.
    - Promotional items are not to exceed $800.
    - Until UWave has approval for the sashes, the committee cannot provide funds for sashes, SAF will need written approval from the Commencement coordinator.
    - SAF has provided funds for one tent; funds are not to be used for a second tent.
  - Funding Source:
    - SAF: $2,500

2. Recommended use of SAF accrued fund balance
   The SAF Committee recommends the use of the SAF accrued fund balance in the amount $453,421 for one-time and non-recurring initiatives; which is inclusive of the Activities and Recreation Center Phase Two (2) feasibility study and Childcare support.
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Bothell: 2016-17 Distribution of Fees, including Fee Increase, and Allocation of Funds (continued p. 12)

Attachments

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2. SAF Recommendations Letter to Chancellor Yeigh (May 12, 2016)
3. SAF letter of support for ARC Phase 2 project (May 10, 2016)
4. FY 16 SAF Committee Fee Allocation Recommendations – Requested versus Funding
5. FY 16 SAF Committee Fee Allocation Recommendations – Uses of Funds
May 23, 2016

Karla G. Sanchez V., Chair, Services and Activities Fee Committee
UW Bothell

Dear Karla,

Thank you for providing the attached recommendations for the 2016-2017 Services and Activities Fee (SAF) 2% increase of fees, distribution of fees, and allocation of funds. I concur with the recommendations of the SAF Committee and will forward the proposed budget and other materials for presentation at the June 9 Board of Regents meeting.

Please send my thanks to the committee members for a job well done.

Sincerely,

Bjorn Wolf Yeigh, Ph.D., F.ASME
Chancellor and Professor of Engineering

Attachments:
2016-17 SAF Letter
2016-17 SAF Annual Stipulations
2016-17 SAF Proposal Spreadsheet
May 12, 2016

Dear Chancellor Yeigh,

On behalf of the 2015-16 Services and Activities Fee Committee, I am pleased to submit our 2016-17 annual budget and corollary stipulations for your consideration. A total of 29 proposals were received from members of the campus community. These requests totaled $3,973,361, approximately $1,491,319 more than we had available to allocate.

The committee based its budget on revised net revenue of $2,486,498 computed as follows:

<table>
<thead>
<tr>
<th>Recommended Distribution of Fees for 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>4661 FTE assumed</td>
</tr>
<tr>
<td>Estimated Summer 2016 Revenue</td>
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<td>Less Mandated Loan Fund/Financial Aid (5%) ARC</td>
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<td><strong>ARC Annual Sub-total</strong></td>
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<td>Estimated Summer 2016 Revenue</td>
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<tr>
<td>Less ILP</td>
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<tr>
<td>Net available funds for allocation</td>
</tr>
</tbody>
</table>

The SAF committee is recommending a 2% increase in the Service and Activities Fee this coming year; which is an increase from $89 per quarter to $91. With this increase the annual SAF fee will be $273. Prior to allocating any awards, the committee first established a contingency fund of 5% of the available revenue ($65,629) for next year’s group to allot for new student-initiated projects and activities. Baring the 5% contingency, we had $2,420,869 to allocate among 29 annual operating requests.

In addition, we are asking for spending authority on excess fees collected in the 2016-17 academic year.

The general criteria and funding principals were used to evaluate each funding request included:
Criteria:
- the degree to which the request supports a UWB student program or activity or provides a direct service that is of general interest and has broad appeal to currently enrolled UWB students;
- how well the proposed program, activity, or service is conceived and organized and, if previously funded, its track record for success;
- the likelihood of partial or full funding from another source or the probability that alternative funding (full or partial) is available from another source; and
- the number and diversity of currently enrolled UWB students likely to benefit from the program, activity, or service in proportion to the level of proposed funding.

Principals:
- Student led, student governed and student centered;
- A proposal’s track record of success, and/or research incorporated into the proposal;
- The amount of opportunities made available to the student body.

Open forums were held on April 29 and May 6, providing members of the campus community an opportunity to comment on or appeal any of our proposed allocations, budget stipulations, or amendments. The budget was approved on Friday, May 13, 2016.

In addition to the annual SAF allocations, we are recommending the following:

1) Recommended use of SAF accrued Fund Balance in the amount $453,421 for one-time and non-recurring initiatives; which is inclusive of the Activities and Recreation Center Phase two (2) feasibility study and Childcare support.

2) Recommended Services and Activities Fee (SAF) Budget for 2016-17, which is inclusive of spending authority on excess fee collection.

3) Recommended increase to the Services and Activities Fee level for 2016-17 from $89 per full-time student per quarter to $91 (2% increase).

Please feel free to contact me for further information or if clarification is needed. Thank you for your support of our recommendations and efforts. It has been a pleasure to serve on the committee.

Sincerely,
Karla Sanchez, Chairperson
2015-16 SAF Committee
May 10, 2016

Dear Chancellor Yeigh,

During the Services and Activities Fee (SAF) committee annual budget process, Associated Students of the University of Washington Bothell (ASUWB) requested funding to support a feasibility study and pre-design process to develop phase 2 of the Activities and Recreation Center (ARC). This request is the first step in the two year process that requires units whose projects will necessitate the SAF Committee to institute a new long term fee on students. The SAF committee recommends funding $300,000 from its accrued fund balance to complete this study to support the continued growth of student space and amenities that will enhance the student experience.

The completion of the first phase of the ARC has proved to be a catalyst in developing a stronger sense of community on campus. The ARC has become the hub of student life on campus – a location for students to gather, socialize, exercise, as well as, engage in programs and events hosted in the facility. We concur with the endorsement by ASUWB to begin the process for building out the next phase of the ARC. We look forward to the ongoing discussion and support of this project.

On behalf of the Services and Activities Fee Committee, sincerely

Karla Sanchez
2015-16 Chair
Services and Activities Fee Committee
### UNIVERSITY OF WASHINGTON BOTHELL

### SAF COMMITTEE: FEE ALLOCATION RECOMMENDATIONS

#### REQUESTED V RECOMMENDED FUNDING

<table>
<thead>
<tr>
<th>Requested Funding</th>
<th>Recommended Funding</th>
<th>Services and Activity Fee</th>
<th>ARC $22 Fee</th>
<th>Sports Field Fee</th>
<th>SAF Long Term Fund</th>
<th>Sports Field Long Term Fund</th>
<th>Total</th>
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#### FEE SOURCES OF RECOMMENDED FUNDING

<table>
<thead>
<tr>
<th>Funds Available to Allocate</th>
<th>$1,816,942</th>
<th>$317,325</th>
<th>$286,603</th>
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<th>$317,052</th>
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<td>Unallocated/LT Funds Funds</td>
<td>$16,608</td>
<td>$2,006</td>
<td>$1,332</td>
<td>$609,781</td>
<td>$284,052</td>
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**ATTACHMENT 4**
# UNIVERSITY OF WASHINGTON BOTHELL
## SAF COMMITTEE: FEE ALLOCATION RECOMMENDATIONS
### USES OF FUNDS

<table>
<thead>
<tr>
<th>Use of Funding</th>
<th>Services and Activity Fee</th>
<th>ARC $22 Fee</th>
<th>Sports Field Fee</th>
<th>SAF Long Term Fund</th>
<th>Sports Field Long Term Fund</th>
<th>Total</th>
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<tbody>
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<td>Equipment Rentals/Purchase</td>
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### USES OF FUNDS, AS A PERCENTAGE OF ALLOCATION

<table>
<thead>
<tr>
<th>Use of Funding</th>
<th>Services and Activity Fee</th>
<th>ARC $22 Fee</th>
<th>Sports Field Fee</th>
<th>SAF Long Term Fund</th>
<th>Sports Field Long Term Fund</th>
<th>Total</th>
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</thead>
<tbody>
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<td>Equipment Rentals/Purchase</td>
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<td>0.0%</td>
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<td>Facilities Rentals/Set-Ups</td>
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<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
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<td>0.0%</td>
</tr>
<tr>
<td>Food/Refreshments</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
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</tr>
<tr>
<td>Meals and Lodging for Travel</td>
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<tr>
<td>Office Supplies</td>
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<td>0.0%</td>
<td>0.2%</td>
<td>0.7%</td>
<td>0.7%</td>
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<td>Operations</td>
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<td>31.3%</td>
<td>61.8%</td>
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<tr>
<td>Salary- Student/Hourly</td>
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<td>29.1%</td>
<td>0.0%</td>
<td>31.9%</td>
<td>31.9%</td>
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<tr>
<td>Grand Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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</table>
Karla G. Sanchez Villegas is a first generation and undocumented student, born in Mexico and raised in the United States. She earned an Associate of Arts degree from Edmonds Community College and then transferred to the University of Washington of Bothell.

Karla is double majoring in Society, Ethics, and Human Behavior and Global Studies with a minor in Human Rights. She will be obtaining her undergraduate degree in June 2016. She plans to employ the knowledge and skills she has gained through her educational career at the University of Washington of Bothell in her plans to attend law school for a career in criminal law.

Joshua Holler is a freshman at the University of Washington Bothell. He is 19 years old and is pursuing a major in Business. He is the first in his family to attend a four year college. He has received credits from Everett Community College from his time in high school where he participated in the college-in-the-high-school program.

Joshua has a love for accounting and charity. He plans to continually develop his skills in accounting while working at a small corporation called UHC and hopes to help bring the company to its full potential. He plans to one day own an idea-to-market/consulting company of his own, as well as a non-profit, with which he will organize and oversee events and programs for charity.

Joshua will utilize his skills and draw from his past experiences in order to contribute and add value to the SAF committee at UW Bothell. He is very thankful to have this wonderful opportunity to serve his fellow students in such a meaningful way.
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Seattle: 2016-17 Reduction of Fees, Distribution of Fees, Allocation of Funds, and SAF Guidelines Revisions

RECOMMENDED ACTION

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve for the Seattle campus:

1. Decreasing the S&A Fee level for 2016 - 17 from $131 per full-time student per quarter to $129;

2. Allocating $17,076,006 (operating: $16,856,332; capital: $219,674) for 2016 - 17 S&A Fee operating and capital funds;

3. Allocate up to $400,000 from the accrued interest from the S&A Fee Fund Balance to fund one-time and non-recurring 2016-17 Innovation Fund grants to units to develop areas of growth and/or opportunities to research potential alternatives to current operations.

4. Decreasing the Student Facilities Renovation Fee (i.e., the Husky Union Building, Hall Health Primary Care Center, and Ethnic Cultural Center bond) from $73 per quarter to $70. Based on the recommendation of UW Treasury, the S&A Fee Committee will maintain capital reserves equal to nine months of debt service in the fund balance for the Student Facilities Renovation Fee. This amount currently sits at $5,240,155. At the beginning of each fiscal year, UW Treasury will use funds over the capital reserve amount to make early debt payments.

5. Allocate $303,000 from the S&A Fee Fund Balance to alleviate the Student Publications operating deficit.

6. Allocate $258,519 from the S&A Fee Fund Balance to the Student Parent Resource Center for students enrolling at the UW during academic year 2016 – 2017, and freeze admittance of new students enrolling after academic year 2016 - 2017 pending a review of measures being taken by Financial Aid to address structural deficiencies in the current system.
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Seattle: 2016-17 Reduction of Fees, Distribution of Fees, Allocation of Funds, and SAF Guidelines Revisions (continued p. 2)

7. Modifications to the UW-Seattle S&A Fee Guidelines (Regental approval required):
   a. Title III.2.A – increasing voting membership from Nine to Eleven
   b. Title III.2.B.i – increasing ASUW nominees from Five to Six
   c. Title III.2.B.ii – increasing GPSS nominees from Four to Five

BACKGROUND

Each year, on the basis of recommendations by the administration and the S&A Fee Committee, the Board of Regents approves annual S&A Fee allocations for the Seattle campus. Additional allocations may be approved during a given year. The 2016 - 17 recommendations grew out of S&A Fee Committee discussions over the course of the current academic year—discussions that included at different times representatives of the units supported by S&A Fee income. Based on revenue projections provided by the Office of Planning and Budgeting, the S&A Fee Committee estimates 2016 - 17 revenue for a $129 per quarter S&A Fee to be $17,699,000 (projected revenue figures are net of waivers and funds set aside for financial aid). Based on those projections, the S&A Fee Committee recommends funding the operating allocations ($16,856,332) and capital allocations ($219,674) from revenue generated from the quarterly S&A Fee. The S&A Fee Committee submitted its written recommendations to the Vice President for Student Life on May 26, 2016 (Attachment 1). The Vice President concurred with the S&A Fee Committee’s recommendations on May 27, 2016 (Attachment 2).

The 2015 - 16 and recommended 2016 - 17 distributions of the quarterly S&A Fee are displayed below:

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<th></th>
<th>Full-time 2015 – 16</th>
<th>Full-time 2016 – 17</th>
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</thead>
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<tr>
<td>Long Term Loan Fund (based on 5% of the S&amp;A Fee)</td>
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<tr>
<td>Facilities and Programming Account</td>
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<td>$122.55</td>
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<tr>
<td>Total</td>
<td>$131.00</td>
<td>$129.00</td>
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</tbody>
</table>
The proposed 2016 - 17 operations and capital budgets for each program are included below:

**Associated Students of the University of Washington (ASUW) – $1,129,823 (Operations) and $12,500 (Capital)**

The recommended allocations support and expand ongoing functions, programs, student leader and assistant salaries, and general operating costs of ASUW.

**Campus Sustainability Fund - $430,043 (Operations)**

This funding allocates funds for projects that further the University’s commitment to environmental stewardship and campus sustainability. This fund is allocated by a student committee and managed by the UW Environmental Stewardship and Sustainability Office.

**Counseling Center - $867,336 (Operations)**

The recommended allocations would continue to provide support for Counseling Center staff ($742,979) and the programs and operations of the Mindfulness Project ($124,357).

**Disability (D) Center - $52,235 (Operations)**

The recommended allocation would support ongoing functions, programs, student salaries, and operating costs for the D Center.

**Ethnic Cultural Center/Theater (ECC/T) - $993,125 (Operations) and $20,300 (Capital)**

The recommended allocations would continue to support and expand the ongoing functions, staff and general operations of the Ethnic Cultural Center/Theater.

**Graduate and Professional Student Senate (GPSS) - $482,474 (Operations)**

The recommended allocation would continue to support ongoing programs, functions, tuition stipends, student assistant salaries, and general operating costs of GPSS.
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Seattle: 2016-17 Reduction of Fees, Distribution of Fees, Allocation of Funds, and SAF Guidelines Revisions (continued p. 4)

Hall Health Primary Care Center (HHPCC) - $6,795,642 (Operations)

The recommended allocation supports the HHPCC in its work to provide on-campus care for students, faculty, staff, and the community.

Husky Union Building (HUB) - $1,044,290 (Operations)

The recommended allocation will continue to support ongoing programs and services through the HUB such as the Student Activities Office, Event Services, the RSO Event Fund, and the Student Organization Resource Center.

Peer Health Education Group - $60,716 (Operations)

The recommended allocation would support peer-to-peer educational programming in the areas of health and well-being. The program is overseen by the staff in Health & Wellness.

Q Center - $349,843 (Operations) and 6,300 (Capital)

The recommended allocations would expand the ongoing programs, services, wages, and general operating costs of the Q Center.

Recreational Sports Programs (RSP) - $2,643,529 (Operations) and $180,000 (Capital)

The recommended allocation will support related programs, staff, and general operations. The capital allocation will provide $180,000 in capital improvements to keep RSP facilities functional.

Services & Activities Fee Committee - $37,079 (Operations)

The recommended allocation provides student salaries for the Committee Chair, Vice-Chair, the S&A Fee Coordinator and Web/IT Coordinator.

Student Technology Fee (STF) Equipment Loan Program - $166,662 (Operations)

The recommended allocation would continue to support wages of student staff for the Equipment Loan Program.
Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Seattle: 2016-17 Reduction of Fees, Distribution of Fees, Allocation of Funds, and SAF Guidelines Revisions (continued p. 5)

Student Legal Services (SLS) - $210,713 (Operations) and $574 (Capital)

The recommended allocations will fund the essential operations of the office and the salaries of the Director/Staff Attorney and the Rule 9 Interns (3rd year law students).

Student Parent Resource Center - $1,145,879 (Operations)

The recommended allocation provides staff support of this unit and Childcare Assistance Program subsidies to student parents currently enrolled in the program.

Student Publications - $325,000 (Operations)

The recommended allocations would support ongoing functions, salaries, and general operating costs of The Daily.

Student Veteran Life – $121,943 (Operations)

After a successful round of Innovation funding, the SAF Committee voted to move funding of Student Veteran Life to revenue generated as part of the S&A Fee. The recommended allocation would fund the essential operations, salaries, and student wages of this new campus department.

Attachments
1. Letter from SAF Committee Chair Mac Zellem to Dr. Denzil Suite with the 2016-17 Services and Activities Fee Committee Recommendations, May 25, 2016
2. Concurrence email message from Dr. Denzil J. Suite, Vice President for Student Life, May 27, 2016
3. Services and Activities Fee Committee Guidelines, revised May 26, 2016
4. Presenter Biographical Information, Mac Zellem
STANDING COMMITTEES

Academic and Student Affairs Committee

Revised

Approve Services and Activities Fee – University of Washington, Seattle: 2016-17 Reduction of Fees, Distribution of Fees, Allocation of Funds, and SAF Guidelines Revisions

RECOMMENDED ACTION

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve for the Seattle campus:

1. Decreasing the S&A Fee level for 2016 - 17 from $131 per full-time student per quarter to $129;

2. Allocating $17,076,006 (operating: $16,856,332; capital: $219,674) for 2016 - 17 S&A Fee operating and capital funds;

3. Allocate up to $400,000 from the accrued interest from the S&A Fee Fund Balance to fund one-time and non-recurring 2016-17 Innovation Fund grants to units to develop areas of growth and/or opportunities to research potential alternatives to current operations.

4. Decreasing the Student Facilities Renovation Fee (i.e., the Husky Union Building, Hall Health Primary Care Center, and Ethnic Cultural Center bond) from $73 per quarter to $70. Based on the recommendation of UW Treasury, the S&A Fee Committee will maintain capital reserves equal to nine months of debt service in the fund balance for the Student Facilities Renovation Fee. This amount currently sits at $5,240,155. At the beginning of each fiscal year, UW Treasury will use funds over the capital reserve amount to make early debt payments.

5. Allocate $303,000 from the S&A Fee Fund Balance to alleviate the Student Publications operating deficit.

6. Allocate $258,519 from the S&A Fee Fund Balance to the Student Parent Resource Center for students enrolling at the UW during academic year 2016 – 2017, and freeze admittance of new students enrolling after academic year 2016 - 2017 pending a review of measures being taken by Financial Aid to address structural deficiencies in the current system.

7. Modifications to the UW-Seattle S&A Fee Guidelines (Regental approval required):
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Seattle: 2016-17 Reduction of Fees, Distribution of Fees, Allocation of Funds, and SAF Guidelines Revisions (continued p. 2)

a. Title III.2.A – increasing voting membership from Nine to Eleven
b. Title III.2.B.i – increasing ASUW nominees from Five to Six
c. Title III.2.B.ii – increasing GPSS nominees from Four to Five

BACKGROUND

Each year, on the basis of recommendations by the administration and the S&A Fee Committee, the Board of Regents approves annual S&A Fee allocations for the Seattle campus. Additional allocations may be approved during a given year. The 2016-17 recommendations grew out of S&A Fee Committee discussions over the course of the current academic year—discussions that included at different times representatives of the units supported by S&A Fee income. Based on revenue projections provided by the Office of Planning and Budgeting, the S&A Fee Committee estimates 2016-17 revenue for a $129 per quarter S&A Fee to be $17,699,000 (projected revenue figures are net of waivers and funds set aside for financial aid). Based on those projections, the S&A Fee Committee recommends funding the operating allocations ($16,856,332) and capital allocations ($219,674) from revenue generated from the quarterly S&A Fee. The S&A Fee Committee submitted its written recommendations to the Vice President for Student Life on May 26, 2016 (Attachment 1). The Vice President concurred with the S&A Fee Committee’s recommendations on May 27, 2016 (Attachment 2).

The 2015-16 and recommended 2016-17 distributions of the quarterly S&A Fee are displayed below:

<table>
<thead>
<tr>
<th></th>
<th>Full-time 2015 – 16</th>
<th>Full-time 2016 – 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Term Loan Fund (based on 4% of the S&amp;A Fee)</td>
<td>$5.24</td>
<td>$5.16</td>
</tr>
<tr>
<td>Facilities and Programming Account</td>
<td>$125.76</td>
<td>$123.84</td>
</tr>
<tr>
<td>Total</td>
<td>$131.00</td>
<td>$129.00</td>
</tr>
</tbody>
</table>

The proposed 2016-17 operations and capital budgets for each program are included below:
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Seattle: 2016-17 Reduction of Fees, Distribution of Fees, Allocation of Funds, and SAF Guidelines Revisions (continued p. 3)

Associated Students of the University of Washington (ASUW) – $1,129,823 (Operations) and $12,500 (Capital)

The recommended allocations support and expand ongoing functions, programs, student leader and assistant salaries, and general operating costs of ASUW.

Campus Sustainability Fund - $430,043 (Operations)

This funding allocates funds for projects that further the University’s commitment to environmental stewardship and campus sustainability. This fund is allocated by a student committee and managed by the UW Environmental Stewardship and Sustainability Office.

Counseling Center - $867,336 (Operations)

The recommended allocations would continue to provide support for Counseling Center staff ($742,979) and the programs and operations of the Mindfulness Project ($124,357).

Disability (D) Center - $52,235 (Operations)

The recommended allocation would support ongoing functions, programs, student salaries, and operating costs for the D Center.

Ethnic Cultural Center/Theater (ECC/T) - $993,125 (Operations) and $20,300 (Capital)

The recommended allocations would continue to support and expand the ongoing functions, staff and general operations of the Ethnic Cultural Center/Theater.

Graduate and Professional Student Senate (GPSS) - $482,474 (Operations)

The recommended allocation would continue to support ongoing programs, functions, tuition stipends, student assistant salaries, and general operating costs of GPSS.

Hall Health Primary Care Center (HHPCC) - $6,795,642 (Operations)
Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Seattle: 2016-17 Reduction of Fees, Distribution of Fees, Allocation of Funds, and SAF Guidelines Revisions (continued p. 4)

The recommended allocation supports the HHPCC in its work to provide on-campus care for students, faculty, staff, and the community.

Husky Union Building (HUB) - $1,044,290 (Operations)

The recommended allocation will continue to support ongoing programs and services through the HUB such as the Student Activities Office, Event Services, the RSO Event Fund, and the Student Organization Resource Center.

Peer Health Education Group - $60,716 (Operations)

The recommended allocation would support peer-to-peer educational programming in the areas of health and well-being. The program is overseen by the staff in Health & Wellness.

Q Center - $349,843 (Operations) and 6,300 (Capital)

The recommended allocations would expand the ongoing programs, services, wages, and general operating costs of the Q Center.

Recreational Sports Programs (RSP) - $2,643,529 (Operations) and $180,000 (Capital)

The recommended allocation will support related programs, staff, and general operations. The capital allocation will provide $180,000 in capital improvements to keep RSP facilities functional.

Services & Activities Fee Committee - $37,079 (Operations)

The recommended allocation provides student salaries for the Committee Chair, Vice-Chair, the S&A Fee Coordinator and Web/IT Coordinator.

Student Technology Fee (STF) Equipment Loan Program - $166,662 (Operations)

The recommended allocation would continue to support wages of student staff for the Equipment Loan Program.

Student Legal Services (SLS) - $210,713 (Operations) and $574 (Capital)
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve Services and Activities Fee – University of Washington, Seattle: 2016-17 Reduction of Fees, Distribution of Fees, Allocation of Funds, and SAF Guidelines Revisions (continued p. 5)

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3. Services and Activities Fee Committee Guidelines, revised May 26, 2016
4. Presenter Biographical Information, Mac Zellem
May 25, 2016

Denzil J. Suite, Ph.D.
Vice President for Student Life
University of Washington

Dear Dr. Suite,

I am writing to you at this time to report the Services and Activities Fee Committee’s Recommendations to the University of Washington Board of Regents for Fiscal Year 2017. I respectfully request that upon review of these recommendations you issue a concurrence on behalf of the University of Washington administration and submit it along with the recommendations to the Board of Regents for consideration at their June 9 meeting. The Committee has been working diligently since autumn quarter and is confident in our recommendations.

The students who serve on SAF have been excellent stewards of student dollars. This year we are recommending operational and capital budget awards totaling $17,076,006, all the while recommending a $2 fee decrease. We have taken a careful look at our outstanding debt and chose to continue making early debt payments on the Student Facility Renovation Fee, thereby saving future students millions of dollars in interest payments.

The Committee spent a great deal of time this year addressing child care on campus. Pending a review of measures being taken by Financial Aid to address structural deficiencies in the current system, the Committee has moved to freeze admittance of new students enrolling after Academic Year 2016 - 2017 to the Student Parent Resource Center. Alternative options were initially considered but the committee ultimately decided to attempt to reform the current voucher system. If reforms prove unsuccessful, the Committee has taken actions to ensure that currently enrolled students and students enrolling during this upcoming academic year are grandfathered in as the program is wound down.

It has been my honor and privilege to serve as Chair of the Services and Activities Fee Committee these past two years. It has been a remarkable experience that I will forever be thankful to committee members and the UW Community awarding me. It is my sincerest hope that through the committee’s work we have help make the University of Washington even a little bit better. This institution means to so much to so many different people and it has been a deeply rewarding experience engaging with diverse groups of students and staff all across campus.

Please find the Committee’s Recommendations attached to this letter.

Sincerely,

Mac Zellem
SAF Committee Chair

ATTACHMENT 1
Fee Levels

Decrease the Services and Activities Fee from $131 to $129
Projected Revenue | $17,699,000
Recommended Allocation | $17,076,006

The Office of Planning and Budgeting has updated the Services and Activities Fee revenue projections for FY 17. Revenue has exceeded projections in the magnitude $2,000,000 for the last two years, and it is OPB and the SAF Committee’s hopes that these projections are closer to what real collections will be. Revenue projections at $129 are in fact larger than FY 16’s revenue projections for a fee of $131. After building the aggregate budget, the SAF Committee strongly felt it necessary to recommend a fee decrease as to avoid a large overcharge to students. The Committee will monitor collections closely.

Decrease the Student Facilities Renovation Fee from $73 to $70
Projected Revenue | $8,429,249
Projected Annual Debt Service | $6,986,874

Per last year’s recommendation to the Board of Regents, the UW Treasury Office began to use surplus funds over the reserve requirement to make early debt payments. The first early payment of $4,000,000 will be made on June 1, 2016. Treasury has informed the SAF Committee that it is lowering the reserve requirement from one year’s debt service to nine month’s debt service for the SFRF account. Treasury continues to recommend a coverage ratio of revenue collection to debt service of 1.15. After much discussion as a committee and with Treasury, the SAF Committee is recommending a fee level of $70 which represents a coverage ratio of 1.21. The Committee felt it prudent to continue to make early debt payments and to charge current students a surcharge in order to save on future interest. If these recommendations are adopted, the second early debt payment will be made on June 1, 2017, in the amount of roughly $2,000,000.

Maintain the IMA Bond Fee at $31
Projected Revenue | $3,808,875
Projected Annual Debt Service | $3,419,146

The IMA Bond was issued prior to the creation of the Internal Loan Program. This past year, Treasury refinanced the bond and has recommended maintaining the current fee level while they conduct an analysis of collections. The committee will make a more comprehensive recommendation concerning the IMA Bond fee upon receipt of Treasury’s analysis.
General Fund Allocations

Allocate $400,000 in accrued interests to the Innovation Fund

Each year the committee recommends spending a portion of the accrued interest from the SAF fund balance on the SAF Innovation fund. The objective of the fund is to encourage and inspire units to explore and/or research areas of interest outside their current operations that fall into the mission of SAF. The Committee also funds new units, on a trial period, though these funds. This year the Committee is excited to announce it has unanimously voted to extend an offer to the Intellectual House to apply for innovation funds in the hopes of becoming a fully-fledged SAF funded unit in the future.

Allocate $303,000 to Student Publications to Alleviate their Debt

Changes in the media landscape have left the Daily unprofitable for the last few years. The Board of Student Publications approved a comprehensive new business plan that will reverse this trend. The business plan includes a review of print frequency, a pivot towards digital media, and an updated payroll regime. The SAF Committee is deeply invested in ensuring there is a robust student media at the UW and has voted to provide funding to alleviate the budget deficit and provide them with a small fund balance to begin the fiscal year. The Committee has chosen not to forgive the $615,000 that Student Publication's owes to the SAF Committee. The Committee elected to review its status once the success of the new business plan is known.

Allocate $258,519 to Student Parent Resource Center to cover the cost of vouchers for new students

This amount would cover the cost of vouchers for the 100 or so newly enrolled students expected to qualify to receive one. The costs of vouchers for existing students will continue to be paid for out of the Services and Activities Fee. The SAF Committee has voted to freeze admittance of new students enrolling after Academic Year 2016 - 2017 to the Student Parent Resource Center’s voucher program, pending a review of measures being taken by Financial Aid to address structural deficiencies in the current system.

It has always been the SAF Committee’s goal to serve more student parents better. Quite simply put, not enough students are currently able to access the benefits of the program. Of all of the recipients of vouchers this year roughly 40% were unable to “cash” them in due to a lack of supply of childcare providers eligible to receive the voucher. Financial Aid has undertaken a review of the program and is confident that by removing structural barriers they will be able to achieve a higher utilization rate. It is the Committee’s hope that the measures being undertaken can increase utilization of the SPRC to 400 students per quarter up from the current 260 students.
Guidelines

Increase Voting Committee Members from Nine to Eleven

The Committee has voted to increase voting membership to eleven in order to enable more voices to become part of committee deliberations. It is our intent that by increasing committee membership we will be a step closer to a committee that represents campus holistically. The Committee recommends updating the SAF Guidelines as follows:

Title III.2.A – increasing voting membership from Nine to Eleven
Title III.2.B.i – increasing ASUW nominees from Five to Six
Title III.2.B.ii – increasing GPSS nominees from Four to Five

Please find the guidelines with highlighted inline revisions attached.

Operating and Capital Allocations

Associated Students of the University of Washington
Operational Award | $1,129,823
Capital Award | $12,500

The operational award represents a 12% increase to the ASUW’s budget. The ASUW’s increase almost entirely goes to cover the costs associated with the increase of the minimum wage to $15-an-hour. The committee also approved additional funds for Arts & Entertainment to abate the effect Baumol’s cost-disease is having on attracting talent. The Committee beseeches ASUW to select less esoteric bands that have a wider appeal to the campus community as a whole. It is our intent that these additional funds go towards this aim. The Committee also approved the funds to create a Middle Eastern Student Commission. The SAF Committee does not approve the funding for the full hours requested for the Elections Committee Vice-Chair. The Committee requests that the ASUW reconsider the number of hours various chairs and vice-chairs are paid to work. The Committee was pleased to hear that the ASUW was expanding its involvement in issues pertaining to mental health, and hope this trend continues.

The capital award is to cover the cost of routine computer and technological replacements for the ASUW office.

Campus Sustainability Fund
Operational Award | $430,043

The operational award represents a 13% increase to the CSF’s budget. Over 70% of this increase is to increase the grants budget. The remainder of the increase is for wage increases, increases in the GSA stipend, and miscellaneous operational expenses. The Committee is thrilled to hear about the success of the fund, and commends the students.
who serve on the CSF board as well as the student Coordinator as excellent stewards of student dollars as well as suburb investors in our future.

**Counseling Center**
Operational Award | $867,336

The operational award represents a 14% increase to the Counseling Centers budget of $742,979. The increase is almost entirely for the cost of hiring a case manager, who will help counselors and students better manage sessions as well as assist students in navigating insurance for mental health care. The Affordable Care Act has actually hampered some students’ ability to access appropriate and affordable care, and this individual would assist alleviating some of the technical barriers. The Committee is strongly committed to mental health, and commends the Counseling Center for their success in lowering the wait time to see a counselor.

This operational award includes a budget of $124,357 for the Mindfulness Project. This program is currently housed within the Counseling Center, and the Committee enjoin the Counseling Center and Mindfulness Project leadership to find a more permanent solution. The SAF Committee has been incredibly impressed by the success of the program and have heard accolades from students who have used it and units who have collaborated with it. The Committee does not support a change of pay grade for the program coordinator, and has denied funds for this purpose. The Committee strongly supports the hiring of student employees as well as providing funds for room rentals. The Committee has approved funds to hire contract yoga teachers, but requests that the Mindfulness program reevaluate the hourly wages that were requested.

**D-Center**
Operational Award | $52,235

The operational award represents a 47% increase to the D-Centers’ budget. The increase is to covers the costs associated with the higher minimum wage as well as to increase the programing budget of the D-Center. The SAF Committee has also provided funds to backfill the expiration of the D-Center's grant from OMAD. The Committee cannot adequately express how thrilled we are at the change in direction and tone that has occurred under the current adviser and student leadership.

**The Ethnic and Cultural Center**
Operational Award | $993,125
Capital Award | $20,300

The operational award represents a 17% increase to the ECC’s budget. Part of the award is to cover the costs associated with the new minimum wage as well as to provide cost of living increases. The majority of the award is to incorporate the Leadership Without Borders Program into the ECC’s operational budget. The LWB program was originally funded through a SAF Innovation grant. The Committee is thrilled at its success and
strongly approves the hiring of a program coordinator. Each and every program that SAF funds is unique, and while the committee recognizes that the cost per student of the LWB program is high we believe the returns to the students who engage with LWB and use its services, is exponential. There is a multiplier effect for all of campus when addressing the issue of undocumented students. Due to deficiencies in our current immigration system, the Committee strongly endorses the necessity to do more for our fellow students who are undocumented.

The capital award is to cover the costs of a Lobby Digital Media Display, mobile whiteboards, and tables. The Committee requests that the ECC attempts to procure tables at a lower price point then the ones originally requested.

**Graduate and Professional Student Senate**  
Operational Award | $482,474

The operational award represents a 0.3% increase to GPSS’ budget. The SAF Committee commends GPSS on cutting inefficiencies and enacting cost savings measures. While the requested increase is minuscule, GPSS plans to create a new position of communications director, increase the travel grants program by $5,000, increase GPSS funding to ASUW Arts & Entertainment, as well as miscellaneous office upgrades and expenses.

**Hall Health**  
Operational Award | $6,795,642

The operational award represents a 2% increase to Hall Health’s budget. The SAF Committee commends the Hall Health leadership and clinical staff for the suburb level of care they provide the UW Community. The Committee has deep concerns regarding the increasing costs of EPIC — UW Medicine Health Care Record System. The Committee strongly encourages Hall Health to continue pursuing alternatives. The Committee is uneasy with the increasing numbers of students utilizing Hall Health who are on Medicaid. As Medicaid utilization has spiked, reimbursement rates have fallen. Prior to the Affordable Care Act, 0.5% of students using Hall Health were on Medicaid, so far this fiscal year the percentage topped 15%. Recognizing that this is an issue that only the State and Federal Governments can solve, the SAF Committee continues to support Hall Health’s efforts to build their fund balance in order to absorb potential shocks to Health Care costs.

**Health and Wellness’ Peer Health Educators Program**  
Operational Award | $60,716

The operational award represents a -0.2% decrease to the Peer Health Educator’s budget. The Committee continues to strongly support the Peer Health program, and this decrease is the result of decreases in the benefit loading rates. The Committee commends the student leaders for their impressive collaboration from all corners of campus.
The Husky Union Building
Operational Award | $1,044,290

The operational award represents a 14% increase to the HUB’s budget. The majority of this increase is for wage and benefit increases. The award also covers the RSO Event and Travel Funds, programming resources, and the salary of the Provost Advisory Committee Chair. The Committee approved the funds for the hiring of a new Program Assistant in the Student Activities Office to assist with the organizational and financial affairs of RSO’s. Being part of an RSO is an integral part of the Husky Experience, and the committee congratulates SAO for its role in this. It is our hope that though this additional position SAO will be able to even better serve students by assisting them to navigate increasing financial complexities. The HUB is the central meeting place for students from all corners of campus and the SAF Committee is thrilled the community it provides for so many.

Q-Center
Operational Award | $349,843
Capital Award | $6,300

The operational award represents a 9% increase to the Q-Center’s budget. This award is entirely for increases to staff and student wages, as well as the hiring of an additional GSA to oversee the Queer Mentoring Program. The Committee is pleased to see the Q-Center continually grow and build itself into such a successful program.

The capital award is for a couch, a sectional, and five ottomans for the Q-Center student lounge.

Recreational Sports Programs
Operational Award | $2,643,529
Capital Award | $180,000

The operational award represents an 18% increase to the IMA’s budget. An overwhelming majority of this increase is to cover the costs associated with the minimum wage increases. The IMA is the SAF unit with the most student employees and the effect of the price floor increase was over $300,000. The Committee approved additional funds for the UWild program. The Committee is thrilled with the success of the program, as well as the recent opening of the Gear Garage. The Committee encourages the IMA to continue to pursue athletic opportunities for students out in our amazing, natural environment. The Committee approved the funds for the hiring of a new program outreach coordinator responsible for marketing, social media management, website development, and other engagement activities.

$100,000 of the capital award is for basic facilities and equipment maintenance. $80,000 of the capital award is to partially cover the costs of feasibility studies for: a new aquatic facility; modernizing the IMA pool/locker rooms; constructing an in-house laundry facility; and renovating the Old Shell House.
Services and Activities Fee Committee Operations
Operational Award | $37,079

The operational award represents a 32% increase to SAFCOM’s budget. This increase is a planned reversal of last year’s decreased allocation. The previous year’s Committee opted to spend down funds that had accumulated in the SAFCOM account over this past year. This budget provides for the salaries for the Chair, Co-Chair, Committee Coordinator, and Committee Webmaster. The yearly Student Fee Audit is paid out of this budget. This budget also provides for office supplies, committee printing, and room reservations.

Equipment Loan Program
Operational Award | $166,662

The operational award represents a 3% increase to the Tech Loan Program’s budget. The SAF award for Tech Loan only covers the wages for the student employees. This entire increase is associated with the increase of the minimum wage. The SAF Committee views the program as one of the most important at the UW as it allows all students, regardless of financial background access to the high quality technology that is increasingly needed to succeed at the University. We applaud the work done by the student staff and the professional staff advisers in Classroom Technology & Events.

Student Legal Services
Operational Award | $210,713
Capital Award | $574

The operational award represents a 5% increase to SLS’s budget. This award is for statutory wage increases and miscellaneous office supplies. The Committee is pleased by the effective and efficient manner in which the Law students, Undergraduate assistants, and the professional staff serve students. The Committee encourages SLS to pursue further outreach to highlight their services to students who may otherwise be unaware of them.

The capital award is to cover the cost of extended warrantees from UWIT for six computers. The SAF Committee complements SLS on their frugality, in choosing to maintain existing computers rather than replace them per UWIT’s schedule.

Student Parent Resource Center
Operational Award | $1,145,879

The operational award represents a -18% decrease to the SPRC’s budget. This award covers the operational costs of the SPRC as well as voucher costs for students currently enrolled at the UW and receiving a voucher. Please note that the Committee is recommending funding students enrolling in the UW during Academic Year 2016 - 2017 though a transfer from the SAF General Fund. These two amounts equal $1,404,398 — the total amount the SPRC requested for Fiscal Year 2017. The Committee has elected to
construct the award in this way due to our recommended freeze on future enrollment in the program, while we review the effect of the structural reforms being undertaken by Financial Aid. The Committee is very hopeful that the reforms will be successful in removing barriers students face finding a childcare provider, as well as increase utilization by shifting to a quarterly application. The Committee is grateful for the work being done by Financial Aid’s staff to address our shared concerns. In the event that the results of these reforms are unsuccessful and next year’s Committee decides to maintain the freeze, a yearly one-fifth reduction in the vouchers budget will be used to phase out the program, allowing students currently enrolled in SPRC to continue receiving vouchers until they graduate.

**Student Publication**
Operational Award | $325,000

The operational award represents an 8% increase to the Student Publication’s budget. This increase is to subsidize the operations of the Daily. The SAF Committee has full faith that the measures being undertaken by the students and staff of Student Publications to address the changes in collegiate media will be successful. Please note that we have recommended a transfer of $303,000 from the SAF General Fund to alleviate the Daily’s operating deficit and provide a small fund balance.

**Student Veteran Life**
Operational Award | $121,943

After a successful year as an Innovation Funded Unit, the SAF Committee voted unanimously to move Student Veteran Life’s budget to revenue from the Services and Activities Fee. As such this is the first year that this unit has appeared on the Regents’ item. The SAF Committee could not be more thrilled with the success of the unit. There are around 750 Student Veterans on campus and 1,500 veteran dependents. Vet Life is filling a much needed role in helping veterans acclimate back into civilian life, foster a community at the UW, and provide them the support they need to be successful on campus. This unit is jointly funded by SAF and Student Life. This award provides for the hiring of an Assistant Director, increased hours for the student staff, and operational funds for the various programs Vet Life runs. The Committee would like to draw attention to the Student Veteran Peer Mentor program. We strongly support peer mentoring programs, and this is a superb example of a population of students who will benefit greatly from access to a network of individuals who have had similar experiences and are experiencing similar struggles adapting to collegiate life. The Committee has been deeply impressed by the network of partnerships that they have built and their work connecting veteran and civilian students at the UW.
Excellent work Mac! Commendations to you and the entire Committee. I concur with these recommendations and will forward them for inclusion on the Regent’s agenda.

-Denzil Suite

Dear Dr. Suite,

Please see the attached letter and updated SAF Guidelines.

Cheers,

Mac Zellem | Chair
Services & Activities Fee Committee
University of Washington
603.781.5462
depts.washington.edu/safcom
SERVICES AND ACTIVITIES FEE COMMITTEE
Guidelines

Title I | Services & Activities Fee

I. The Services & Activities Fee (the “S&A” Fee) is authorized by state statute for the express purpose of funding student activities and programs. This may include, but is not limited to, the operation of student related services and the acquisition, construction, equipping, and betterment of lands, buildings and facilities.

II. Student services and activities fees are defined in state law as “fees, other than tuition fees, charged to all students registering at the…..state universities.” (RCW 28B.15.041.) For the purposes of these Guidelines, the S&A Fee is defined as the compilation of such fees charged to all students registering at the University of Washington Seattle Campus.

III. The S&A Fee and revenues generated by units funded by the S&A Fee are deposited and expended through the University's budget and financial accounting systems, the responsibility for which resides with the University’s chief fiscal officer. The S&A Fee and associated revenues are subject to University policies, regulations and procedures, and to the Budget and Accounting Act of the State of Washington. (RCW 43.88)

IV. The allowable level of the S&A Fee is authorized by the State Legislature.

V. The Board of Regents may exercise its authority to increase the S&A Fee to the authorized level and allocates funds derived provided the Board of Regents has first sought the recommendation of the S&A Fee Committee or meets an exception as defined within these Guidelines.

VI. The Board of Regents may exempt classes of students from the S&A Fee and may levy the fees at a rate proportionate to the credit load of any part time student. It is recommended the Board of Regents seek the opinion of the S&A Fee Committee prior to approving an exemption.

VII. Any University unit or Registered Student Organization may request funding from the S&A Fee.

VIII. The S&A Fee Committee (the Committee) is appointed pursuant to RCW 28B.15.044 and 28B.15.045 to review and make recommendations regarding the collection, allocation, budgeting and use of the S&A Fee.

IX. All non-confidential information pertaining to the S&A Fee's budget shall be available to interested parties.

Title II | Sources of Committee Authority

I. State Statute
   A. All decisions made regarding the S&A Fee will be made in accordance with relevant state statutes. Should it be determined that any guidelines, policies, or decisions contradict current state law, state statute has precedence.
   B. The Committee may exercise authority granted directly by state law or delegated by either the Board of Regents or University Administration through these Guidelines and policies.
   C. The Committee may develop recommended changes to the state law, as needed, related to the S&A Fee. Such recommendations will be communicated to the appropriate University and Student Government representatives.
II. Committee Guidelines

A. These Guidelines delineate the process and procedure to be used for developing recommendations regarding the collection, allocation, budgeting, and use of the S&A Fee at the University of Washington Seattle Campus.

B. The Board of Regents may amend or adopt new guidelines as it deems necessary, provided representatives from the Student Government and the current Committee are given notice and an opportunity to comment on proposed changes unless the Board determines that the interests of the University would be harmed by a delay.

C. The Committee may recommend changes to these Guidelines. Such recommendations shall be subject to review by the University Administration prior to being submitted for consideration by the Regents. The University Administration may suggest changes to the Committee recommendation which the Committee shall be given the opportunity to review before they are submitted for approval from the Regents.

III. Committee Policies

A. The Committee may recommend policies ("Committee Policies") not inconsistent with state law and these Committee Guidelines.

B. Committee Policies may relate to any topic, issue, or authority delegated to Committee through these Guidelines.

C. Procedure for Adopting and Changing Committee Policies

1. The Committee may issue draft proposals to adopt new Committee Policies, amend current policies, or remove old policies up until the submission of its annual budget recommendations to the administration.

2. Draft proposals must include the specific language to be added, changed, or deleted along with a statement explaining the intent of the change and the Committee’s rationale for adoption.

3. The draft proposals must be made public along with directions on how to provide comments to the Committee.

4. The Committee may recommend the final proposal to the University Administration for adoption. If the University Administration adopts the proposal it will become a fully enforceable Committee Policy. If the University Administration does not adopt the proposal within two academic weeks of the Committee’s recommendation, the Committee may submit the matter for resolution under the Dispute Resolution Procedure contained within these Guidelines. The University Administration may request additional time when proposed policies are complex or require additional consultation.

5. Any proposal not enacted into policy by the end of the current Committee’s Term expires. The next Committee may choose to reconsider any proposal which has expired.

IV. Sturgis Standard Code of Parliamentary Procedure

A. In all matters not covered within these Guidelines or Committee Policies, the Committee will adhere to the most current edition of Sturgis Standard Code of Parliamentary Procedure (Sturgis).

B. At the request of any Committee Member, and with the permission of the Committee Chairperson, the Committee may enter into informal discussion during which Sturgis will not apply. During this period minutes will still be taken and no final decisions may be made. The Committee will leave
informal discussion at the request of any Committee Member and with permission of the Committee Chairperson.

**Tittle III | Committee Structure**

I. Committee Term

A. The Committee’s Term begins once at least 2/3rds of all Student Government Representatives and at least one University Administration Representative have been appointed.

B. The Committee’s Term expires at the end of Spring Quarter of each year or the Regential approval of a final budget, whichever is later, or earlier if the Committee votes to dissolve.

II. Committee Membership

A. The Committee is appointed by the University President (or his or her delegate), and shall consist of nine eleven voting members and five non-voting members. Committee members are appointed for a single term, but may serve multiple terms if eligible, subject to being re-nominated and re-appointed as provided herein.

B. All groups listed below will nominate the number of appointees as specified to the University Administration no later than the fifth week of Autumn Quarter. Returning committee members must be re-nominated and re-appointed each year.

1. **Five Six nominees from the Associated Students of the University of Washington.**
   a) No more than one nominee may be a ASUW Director.
   b) It is recommend that at least one nominee be eligible to serve two full terms.

2. **Four Five nominees from the Graduate & Professional Student Senate.**
   a) No more than one nominee may be a GPSS Officer.
   b) It is recommend that at least one nominee be eligible to serve two full terms.

3. Three nominees from the University Administration. It is recommended, although not required, that:
   a) one appointee be from the Office of the Vice President for Minority Affairs;
   b) one appointee be from the Office of the Vice Provost for Student Life; and
   c) one appointee be from the Office of the Associate Vice President for Medical Affairs.

4. Two nominees from the Faculty Senate.
   a) It is recommended, although not required, that one appointee be from the Faculty Council for Student Affairs.

C. All groups making nominations should make every effort to nominate appointees who reflect the diversity of their constituency.

D. The University Administration will make every effort to appoint nominated members in a timely fashion. If any nominee is rejected, the University Administration will, to the extent possible, provide written explanation to the group responsible for making the nomination and the Interim Committee Chairperson.
E. For the purposes of these Guidelines, any nominated member properly appointed by the University Administration will be referred to as a “Representative” of the group that nominated that member, i.e., Student Government Representative, Faculty Representative, or Administration Representative.

F. Membership Privileges & Responsibilities

1. Only Student Government Representatives may vote on matters before the Committee. Student Government Representatives may not send a proxy. Administration Representatives may proxy for the purposes of quorum.

2. The Committee Chairperson may request that the appointing authority remove from the Committee a non-voting member who fails to attend at least 60% of all regular meetings and that such member be replaced by a new representative from that member’s nominating group.

3. All members carry the responsibility to engage in Committee business and keep informed of topics relevant to the S&A Fee. Members should make themselves available for public questioning and comment, either through the campus press or the Student Governments.

G. Committee vacancies will be filled by persons nominated by the original nominating group. If a vacancy makes it impossible for a quorum to assemble, the nominating group has two weeks to forward such nomination. After such time, the University President or his or her delegate may appoint a person nominated by the Committee Chairperson to fill the longest standing vacancy.

III. Committee Chairperson

A. At the second regular meeting the Interim Committee Chairperson will ask for nominations for Chairperson. All nominees will be given the opportunity to speak to the Committee. The nominee receiving a majority vote will become the new Committee Chairperson effective immediately. At any Committee Member’s request the vote will be delayed a period of one week for further deliberation.

B. The Committee Chairperson must be a Student Government Representative.

C. The Committee Chairperson will preside over all Committee meetings. The Chairperson may appoint an acting Chairperson in his or her absence.

D. If the Committee Chairperson is either an Officer of the Graduate Professional Student Senate or a Director of the Associated Student of the University of Washington, they must appoint an acting Committee Chairperson from the other Student Government when considering funding requests from their Student Government. This clause does not apply during the Final Budget Deliberation.

E. The Committee Chairperson will keep informed of all issues related to the S&A Fee and advise the Committee on issues as they arise. The University Administration and all units will honor requests for information from the Committee Chairperson as if they originated from the Committee.

F. A new election for Committee Chairperson may be called by three voting members of the Committee. Notice of a new election must be served to all Committee Members. The vote must take place at the next Regular Committee Meeting following the request for a new election.

IV. University Administration Designee

A. The University President may appoint a University Administration Designee to fulfill functions as assigned in these Guidelines and Committee Policies. The Designee need not be one of the Committee’s University Administration Representatives.
B. The Designee will act as the principal intermediary between the Committee and the Board of Regents.

C. The Designee appointed should have significant experience with issues related to the S&A Fee, student activities, and the campus community.

D. The Designee will make him/herself available to the Committee to answer questions or respond to concerns as necessary.

V. Interim Committee

A. During the period falling outside of the Committee’s Term, an Interim Committee will exist for time sensitive issues. The Interim Committee will be comprised of the Interim Committee Chairperson, the President of the Associated Student of Washington (or designee), the President of the Graduate & Professional Student Senate (or designee), and one representative from the University of Administration (who may not vote).

B. The Interim Committee may only hold Special Meetings called by any two members of the Interim Committee and may do so no later than the sixth week of Autumn Quarter. The Interim Committee may never meet during the Committee’s Term.

C. The Interim Committee may exercise any authority, answer any question, or give any directive consistent with the Committee’s authority. The Interim Committee may not make recommendations to alter the Guidelines or initiate a change in Committee Policy.

D. Interim Committee Chairperson

1. At the final Committee Meeting before the end of the Committee’s Term, the Chairperson will ask for nominations for Interim Committee Chairperson. Nominees must be a Student Government Representative but need not be eligible to serve the following Committee’s Term. All nominees will be given the opportunity to speak to the Committee. The nominee receiving a majority vote will become the Interim Committee Chairperson.

2. If there are no nominees, the Committee Chairperson and the University Administration Designee will select a student from the student body to serve as the Interim Committee Chairperson.

3. The Interim Committee Chairperson’s primary responsibility is to organize the first Committee meeting of the following Term. This may involve meeting with the appropriate representatives of the recommending groups with the goal of completing all appointments by the fifth week of Autumn Quarter.

4. The Interim Committee Chairperson’s secondary responsibility is to ensure the decisions of the previous Committee are faithfully executed and that ongoing discussions from previous Committees are properly communicated to the next Committee.

5. The Interim Committee Chairperson, in consultation with the University Administration, may exercise any authority, answer any question, or give any directive consistent with the Committee’s authority provided it has no direct budgetary impact. The Interim Committee Chairperson may not initiate a change in Committee Policy or make recommendations to alter the Guidelines.

VI. Committee Staff

A. The Committee may recommend the funding for the employment of Committee staff using funds generated by the S&A Fee.
B. Each staff position must have a written job description detailing qualifications and expectations of the position.

C. The Committee Chairperson will act as a liaison between the Committee and the Committee Staff.

D. University employees filling Committee Staff positions may also work for other University entities with costs of employment shared proportionate to the hours rendered between the Committee and such other entity.

Title IV | Committee Procedure

I. Committee Meetings

A. Regular Meetings

1. The Committee Chairperson will establish a Regular Meetings schedule of the Committee at the beginning of each quarter.

2. The agenda for Regular Meetings will be distributed to Committee Members at least 24 hours prior to the meeting.

3. Any agenda including a vote to make a final recommendation must be distributed to Committee members at least 72 hours prior to the meeting.

B. Special Meetings

1. A Special Meeting can be called by three or more of the Student Government Representatives.

2. A Special Meeting can be called by the University Administration Designee.

3. The agenda for a Special Meeting must accompany the call for a Special Meeting and must be issued to all Committee Members at least 72 hours prior to the meeting.

C. Open Public Meetings Act Compliance

1. In addition to the notice requirements in Section 1(A)(iii) and Section 1(B)(iii), the Committee shall comply with the Open Public Meeting Act.

D. A quorum of the Committee will consist of at least four voting members, with at least one representative from each Student Government, and one University Administration Representative.

1. Absent a quorum the Committee may make no final decision.

2. Absent a quorum the Committee may proceed with Unit Orientations and Budget Hearings, provided minutes are kept and the lack of quorum is clearly indicated.

E. All meetings must be open and publicly announced.

F. Minutes will be taken at all meetings and following their approval by the Committee will be published for public review.

II. Committee Training

A. All members of the Committee will be trained in the operations of the Committee, briefed on current discussions relating to the S&A Fee, and other materials deemed necessary by the Committee Chairperson or the University Administration.
III. Committee Work Schedule

A. Following Committee training the Committee will prepare the work schedule for the Term of the Committee. The work schedule will include the period during which Unit Orientations will be given, the date on which budget requests are due, the period during which Budget Hearings will be held, and the date for the Final Budget Deliberation.

B. The Committee will also approve at this time:

1. All budget request forms to be completed by units seeking funding; and
2. General criteria by which budget requests will be evaluated.

IV. Unit Orientations

A. All units seeking continued funding from the S&A Fee must submit an orientation document prior to the deadline set by the committee.

B. Units not previously supported by the S&A Fee must submit a new unit orientation document prior to the deadline set by the committee.

C. Orientation documents will include a review of all services provided, including those not directly funded by the S&A Fee, current status of any capital assets, and a budget breakdown from the previous year.

D. Units are requested to submit relevant information to the committee for review prior to their orientation documents.

E. The Committee may request, and units will provide, additional information as needed.

F. All materials related to an orientation will be published for public review.

V. Budget Requests

A. The Committee may establish through Committee Policies different funds (i.e. operating, capital, savings) supplied by the S&A Fee. Each fund may require a different budget request form providing information deemed relevant by the Committee.

B. Budget Requests must be submitted in the form designated by the Committee. Deviation from the designated form may result in the rejection of the request.

C. Once the deadline for Budget Requests has passed all submitted requests will be distributed to Committee Members.

D. Units that fail to submit their requests by the deadline may submit late only with the permission of the Committee Chair upon showing of good cause.

E. Units that wish to amend their request after the deadline may do so with the permission of the Committee.

F. All budget requests will be published for public review.

VI. Budget Hearings

A. The Committee may call for any unit submitting a budget request to answer questions regarding the unit’s services, including those related but not directly funded by the S&A Fee, current status of any capital assets, previous budget breakdowns, and the current budget request.
B. Should the Committee determine a single hearing is insufficient to discuss all issues presented in a unit’s request additional hearings may be scheduled.

C. The Committee may not recommend any extraordinary changes without hold a hearing on the impacted unit.

D. Any Committee member may send written questions to a unit seeking funding which will be answered as fully as possible. Written questions and answers must be distributed to other Committee members.

VII. Final Budget Deliberations

A. Following the completion of all Budget Hearings and any additional meetings the Committee may require, the Committee will hold Final Budget Deliberations.

B. The Committee Chairperson should take special care to invite all units requesting funding, officials from the Student Governments, campus press, and the public at large.

C. The University Administration Designee will attend and participate in the Final Budget Deliberation.

D. During the Final Budget Deliberation the Committee must approve:

1. The amount to be recommended for allocation to each unit requesting funding for the following academic year; and

2. The level of the fees to be recommended for the following academic year.

E. The Committee may also decide any additional issues as deemed appropriate.

F. During these deliberations the Committee Chairperson will allow those in attendance to make comments on pending decisions. The Committee Chairperson is authorized to close the comment period on the particular question after everyone present has had the opportunity to speak at least once.

VIII. Chairperson’s Letter

A. Following the Final Budget Deliberations the Committee Chairperson will draft a letter to the University Administration detailing the decisions of the Committee and the associated rationales for each decision.

B. The Chairperson will ensure minority viewpoints expressed during the Final Budget Deliberation are included in the letter.

C. The letter will be distributed to the Committee for review and comment prior to being sent to the University Administration.

IX. Administrative Review

A. Upon receipt of the Chairperson’s Letter, the University Administration will review the recommendations of the Committee. The University Administration may review any materials provided to the Committee in its review, but should refrain from considering materials not available to the Committee.

B. If the University Administration agrees with all of the Committee recommendations it will draft a letter to the Board of Regents stating that opinion. The Committee Chairperson’s Letter will be attached to the letter to the Board of Regents.
C. If the University Administration disagrees with any of the Committee recommendations it will notify the Committee in writing. The Chairperson will call a Committee meeting to discuss the disagreement with the University Administration. The Committee may decide to change the recommendation to conform with the concerns of the University Administration. However, should the Committee reject those concerns the matter will be referred to the Dispute Resolution process.

X. Dispute Resolution

A. The following process is to be used if any issue is referred to the Dispute Resolution process through these Guidelines or Committee Policy, or if any Committee member claims that the Guidelines have not been followed, that the Committee participation has been unduly curtailed, or that funds have been used inappropriately.

B. Parties involved in an issue referred to the Dispute Resolution process shall meet in good faith in an effort to achieve a decision which is best for all involved.

C. If, after engaging in a good faith effort to achieve a resolution, any of the parties involved determines that the issue cannot be resolved through further good faith discussions, the issue shall be considered a “Dispute,” and within fourteen days thereafter, a Dispute Resolution Committee will be convened by the S&A Fee Committee Chairperson comprised of:

1. Three S&A Fee Committee members chosen by the S&A Fee Committee Chairperson from among the Student Government Representatives;
2. Three representatives chosen by the Board of Regents;
3. One student selected by the S&A Fee Committee who will chair the Dispute Resolution Committee and only vote in the case of a tie; and
4. Two representatives from the University Administration who will serve in an advisory capacity and may not vote.

D. The President of the Associated Student of the University of Washington and the President of the Graduate & Professional Student Senate may attend meetings of the Dispute Resolution Committee, but may not vote.

E. The Dispute Resolution Committee will meet in good faith, and settle by vote any and all Disputes.

F. All decisions of the Dispute Resolution Committee will be presented to the Board of Regents for their consideration along with appropriate materials.

G. The decision of the Board of Regents regarding the resolution of all disputes is final.

XI. Regential Approval

A. After receiving both letters, as specified in Section 9, the Board of Regents will consider the recommendations of the Committee and the University Administration.

B. All recommendations emerging from the Dispute Resolution Process will be considered by the Board of Regents. The recommendations of the Committee, University Administration, and the Resolution Process will be presented by the Committee Chairperson and the University Administration Designee.

C. The Committee’s recommendations and those of the University Administration shall be required before a final decision unless the Board of Regents determine such a decision is necessary to avoid defaulting on debt to be repaid by the S&A Fee or an emergency. The Board of Regents must give the Committee adequate notice in all other cases to render an opinion on any issue related to the collection or distribution of funds from the S&A Fee. (RCW 28B.15.045)
D. Members of the Board of Regents shall adhere to the principle that Committee recommendations be given priority consideration on funding items that do not fall into the categories of preexisting contractual obligations, bond covenant agreements, or stability for programs affecting students.

XII. Notification of Budget Request Determination

A. The Committee Chairperson shall provide notice to all units submitting an application for funding stating the outcome of their request following a final decision by the Board of Regents.

B. This notice must state specific amounts to be allocated, any specific instructions approved by the Regents, and any recommendations issued by the Committee.

C. Notice must be in writing and copies must be retained by Committee Staff.

XIII. Letter to the Next Committee

A. After the Board of Regents issues its final decision regarding the Committee's recommendations the Committee Chairperson, with advice from the Interim Committee Chairperson, will draft a letter to be distributed to next Committee’s membership.

B. The letter should:
   1. detail the recommendations and outcomes from the Board of Regents meeting;
   2. outline discussions and thinking from the Committee's deliberative process;
   3. discuss input and instructions given to units to provide evidence to the next Committee of what is reasonably expected from units receiving funding;
   4. suggest topics for Committee consideration; and
   5. describe the outgoing Committee’s long-term planning and how this year’s decisions fit into that plan.

Title V | Committee Powers & Limitations

I. Annual Reporting

A. During Committee Training the University Administration will present to the Committee a summary of projected income and costs of all funded units for the current academic year.

B. Prior to the Final Budget Deliberation the University Administration will present to the Committee projected income from the S&A Fee at its current level and other reasonable alternatives for the next academic year.

C. During the Budget Hearings the University Administration will present a report on the current state of all debt to which S&A Fee funds are obligated.

II. Requests for Information

A. The Committee may make reasonable requests for access to any existing non-confidential information, report, legal opinion, analysis, or policy decision reasonably related to the S&A Fee. Such requests will be filled by the University Administration within three academic weeks, unless the Administration shows reasonable cause for an extension.
B. The Committee will be apprised of the cost to comply with a request for information that requires expenditure of university resources beyond those already budgeted. The Committee may allocate funds from its budget to cover such costs or choose to forgo the requested information.

III. Oversight

A. The Committee may participate in the budgetary oversight of any unit receiving funding to ensure allocations are spent in accordance with budget requests and Committee instructions.

B. The Committee may give input on the operation of any unit receiving funding at either the Unit Orientation, Budget Hearing, or Final Budget Deliberation. Units are encouraged to incorporate such input whenever possible.

C. The Committee may recommend an instruction be issued with an allocation specifying restrictions on how the funds may be spent. Such instructions may not be used by the Committee to engage in micromanaging; however, should the Committee determine a unit is consistently disregarding input, specific instructions may be recommended. All such instructions must be incorporated into the Chairperson’s Letter and shall be subject to Administration Review and Regent Approval.

IV. Recommendations

A. The Committee may issue recommendations to the Board of Regents on any of the following issues:

1. Level to be assessed by the S&A Fee. Such levels must consistent with the restrictions imposed by RCW 28B.15.041.

2. Annual allocations for the next academic year.

3. The use of SAF fund balances, collected through either operational or capital fees, for purposes within the committee’s purview.

4. Alterations to allocations for the current academic year.

5. Issuing bonds to which S&A Fee funds will be obligated.

6. The creation of new specialized S&A Fees.

7. Capital expenditures and savings plans.

8. The management of the Fund Balance.

9. Revisions to related State Statutes and Committee Guidelines.

10. University investigations of units that the Committee believes have improperly spent allocated funds or disregarded Committee instructions.

B. The Committee may not issue recommendations to the Board of Regents which:

1. Reduce the annual funding allocation to the Student Governments unless ⅔ of the all voting members agree.

2. Threaten to default on bonds to which S&A Fee funds are obligated.

3. Involve issues not reasonably related to the S&A Fee.

V. Mid-year Allocations
A. The Committee may recommend, with the approval of the University Administration and subject to approval by the Board of Regents, changes to a unit’s allocation at the unit’s request. The Committee may not recommend decreasing the level of allocation.

B. The Committee may authorize, with the approval of the University Administration, the spending of funds reserved in the Fund Balance for specific purpose approved during previous Committee Terms. All such previous designations must be approved by the Board of Regents.

VI. Committee Funding

A. The Committee Chairperson, with the assistance of Committee Staff, may request funds from the S&A Fee for the purposes of operating the Committee.

B. Committee Staff may spend from the Committee’s allocation with the approval of the Committee Chairperson for regularly budgeted items. The Committee Chairperson will report all such authorizations to the Committee.

C. Non-budgeted items must be approved by the Committee.

Adopted July 20th, 2006 by Jonathan Evans (Chair)
Revised June 2011 by Conor McLean & Mallory Martin (Co–Chairs)
Revised May 2014 by Kiehl Sundt (Chair)
Revised May 2015 by Abe McClenny (Vice Chair)
Revised May 2016 by Mac Zellem (Chair)
Michael “Mac” Zellem

Originally from Rollinsford, New Hampshire, Mac moved to Seattle in 2012 to attend the UW. He has served as the SAF Chair for the last two academic years. Mac is a double major in Economics and International Studies graduating this June. Mac’s academic area of interests are international trade and economic development. He plans on pursuing a career in trade financing or sovereign debt. An avid hiker and sailor, Mac plans to stay in the Pacific North West after graduation.
STANDING COMMITTEES

Academic and Student Affairs Committee

Approve 2016-17 Student Technology Fee Adjustment, University of Washington, Seattle

RECOMMENDED ACTION

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve for the Seattle campus:

1. Apply the Technology Fee to students enrolled during summer quarter starting in the summer of 2017;
2. Lower the Technology Fee level for 2016-17 from $41 to $38 per full-time student per quarter.

BACKGROUND

The UW Seattle Student Technology Fee Committee (STFC) exists to support technology that augments students’ ability to engage in their educational experience. STFC accomplishes this goal by funding technology proposals generated by the UW community. STFC dollars pay for computers in Odegaard Undergraduate Library, instruments for the Low Speed Wind Tunnel, 3D printers, and much more.

The 2016-17 recommendation has two purposes. First, it is intended to create a more equitable distribution of STFC costs. Students benefit from STFC-supported projects year-round. However, only students enrolled in fall, winter, and spring quarters pay for those projects. That is why the STFC recommends charging the Technology Fee during summer quarter.

Second, the STFC wishes to reduce the amount it over-collects. In recent years, the STFC has spent significantly less money on campus technology projects than it has collected. The committee does not wish to take money from students unless it is being put to work for students. The committee therefore recommends that the Technology Fee be decreased by $3. $2 of this decrease is to compensate for the increase in revenue from charging summer quarter students the Technology Fee. An additional $1 decrease is recommended to reduce the gap between collections and expenditures.

The Student Technology Fee has been $41 a quarter (but $0 during summer quarter) for the past 10 years. The fee has not gone below $37 or above $41 per quarter since it was initiated. If the STF Fee is applied to summer quarter, it is
Academic and Student Affairs Committee

Approve 2016-17 Student Technology Fee Adjustment, University of Washington, Seattle (continued p. 2)

conservatively estimated that revenue will be approximately $4,818,000 for 2016-17.

The Student Technology Fee Committee submitted its written recommendations to the Vice President for Student Life on May 24, 2016.

The 2015 - 16 and recommended 2016 - 17 distributions of the quarterly S&A Fee are displayed below:

<table>
<thead>
<tr>
<th></th>
<th>Full-time 2015 – 16</th>
<th>Full-time 2016 – 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Term Loan Fund (5% of the Student Technology Fee)</td>
<td>$2.05</td>
<td>$1.90</td>
</tr>
<tr>
<td>Student Technology Fee</td>
<td>$38.95</td>
<td>$36.10</td>
</tr>
<tr>
<td>Total</td>
<td>$41.00</td>
<td>$38.00</td>
</tr>
</tbody>
</table>

Attachments
1. May 24, 2016 Letter, Student Technology Fee Committee’s Recommendation for 2016-17
2. Presenters’ Biographical Information
From:
Bryce Kolton and Kiehl Sundt
University of Washington
4001 NE Stevens Way
Suite 305
Seattle, WA  98195

To:
Dr. Denzil J. Suite
Vice President for Student Life
University of Washington
101 Gerberding
Seattle, Washington 98195

May 24, 2016

Dear Dr. Denzil J. Suite,

I am writing to offer the Student Technology Fee Committee’s fee recommendations for the coming year.

**CHARGE the Student Technology Fee During all Four Academic Quarters**

The Student Technology Fee Committee (STFC) was surprised to learn that the Technology Fee is currently charged to students enrolled in fall, winter, and spring quarters, but not to summer quarter students. The origins of this difference is not currently understood, but it has been the case for many years.\(^1\) Charging all enrolled students the Technology Fee will create a more fair distribution of the fee burden and make the cost of attendance a more consistent.

**DECREASE the Student Technology Fee from $41 to $38**

The Student Technology Fee Committee is currently cash-flush, with approximately $3,000,000 in reserves. In addition, it is spending significantly less money than it collects in fees. The STFC will under-spend by approximately $400,000 this year, and OPB projects a substantial FTE increase for next year. If summer quarter students are charged the Technology Fee as recommended, this over-collection rate will become even more dramatic.

The STFC therefore recommends a $3 decrease in the Student Technology Fee. $2 of this drop will offset the increase in revenue that will result from charging Summer Quarter students the Technology Fee. $1 of this drop serves purely to help control the over-collection rate.

\(^1\) https://opb.washington.edu/content/summer-tuition-and-fees
Despite this $3 decrease, STFC’s revenue will likely increase slightly in the coming year. The STFC contemplated recommending even larger fee decreases. However, it ultimately decided against such measures because the committee is also undertaking new measures to increase the quantity and quality of funding requests that it receives. The committee foresees its collected revenues aligning with its expenditures in coming years through some combination of decreases in the fee level and increased student demand for the committee’s financial support.

The Student Technology Fee Committee therefore recommends that the Student Technology Fee be charged year-round and set at $38.

Sincerely,

Kiehl Sundt
Co-Chair, Student Technology Fee Committee

Bryce Kolton
Co-Chair, Student Technology Fee Committee
Presenters’ Biographical Information
2016-17 Student Technology Fee Adjustment, University of Washington, Seattle

Bryce Kolton, STF Co-Chair

A native Seattleite, Bryce is a junior studying Informatics at the UW. He currently serves as a Co-Chair on the Student Technology Fee Committee, joining the group during his first quarter at UW as a liaison from ASUW Student Senate. Bryce has a wide range of academic and personal interests, focusing largely around technology, science, programming, politics, and social issues. A true nerd at heart Bryce plans on staying in Seattle after graduation.

Kiehl Sundt, STF Co-Chair

Kiehl was born and raised in Sequim, WA. He earned a B.A. in Political Science and is now in his second year at UW Law.
STANDING COMMITTEES

Academic and Student Affairs Committee

Provost Advisory Committee for Students (PACS) Recommendation and
Budgeting Principles FY17-19

INFORMATION

This item is being presented for information only.

BACKGROUND

This presentation is an annual report to the Board of Regents by this year’s Chair
(Alice B. Popejoy) and Vice Chair (TBA) of the Provost Advisory Committee for
Students (PACS).

The information included in this document will be covered in an oral presentation
and discussion, and the critical background information is contained primarily in
two attachments: the first is a formal Recommendation passed by two consecutive
years of PACS on the use of tuition dollars for capital projects. The second is a
revised set of budgeting principles approved by PACS for use by the Board of
Regents, the Office of Planning and Budgeting, UW Treasury, Planning &
Management, President Cauce, and Provost Baldasty in the drafting and
implementation of the FY17-19 budget.

The previous PACS Budgeting Principles were presented at last year’s June
meeting of the Board of Regents, and were intended for use in FY16.

Attachments
1. PACS Recommendation on the Use of Student Tuition Dollars for Capital Projects
2. Budgeting Principles: Fiscal Years 2017-19
3. Presenter Biographical Information
PACS Recommendation on the Use of Student Tuition Dollars for Capital Projects

Prior to the institutional implementation of Activity Based Budgeting (ABB), the flow of funds through the University of Washington was less transparent than it is today. The fact that student tuition dollars were indirectly being spent to fund capital projects on campus was not widely known or well understood. Since the implementation of ABB, the trend of using current [and future] student tuition dollars for capital projects has become apparent, and the question has arisen as to whether or not this is justifiable. The implications of approving capital projects whose funding source comes from bonds purchased through the UW Internal Lending Program (ILP) are such that future student tuition dollars are anticipated to continue to pay for capital projects decades after the initial approval of the project.

Given that Washington State places the responsibility on the state legislature of maintaining and funding capital projects on public land such as the University of Washington, it is the strong opinion of PACS that student tuition dollars should not be included as part of the initial financial strategy of funding capital projects on the University of Washington's three campuses. As such, any decrease or lack of investment in capital projects by the state legislature should not create an additional direct or indirect cost burden for students. When academic and administrative units make the budgetary decision to spend tuition dollars on buildings, these projects come at the expense of opportunities for students, including but not limited to Teaching and Research Assistantships, student employment, and paid research positions for undergraduates. Students suffer an opportunity cost in the form of fewer positions for offsetting financial burdens and a growing dearth of essential resources and services.

The University of Washington should exercise extensive lobbying and advocacy efforts to make clear to the Washington State legislature the University's capital needs, and prioritize projects with least potential for alternative sources of funding. In the case that lobbying efforts are unsuccessful in obtaining state funds for capital projects deemed essential by the Board of Regents, private donations should be actively pursued. Advancement efforts of the UW Administration should prioritize such projects with the intention of obtaining full funding through private investments.

The situation may arise where the UW administration feels that the use of student tuition dollars is the only way to finance such projects. In this event, PACS recommends the following procedure be utilized prior to selecting an architect and requesting the project as an information item at the Board of Regents:

1) A Dean or Chancellor whose School/College has identified local funds (student tuition dollars) for financing a capital project either in part or in full shall gain approval from their School/College’s Student Budget Advisory Council (College Council).
   a. In the event the School/College does not have an active College Council that advises the Dean or Chancellor on budget and policy principles, the Dean shall work with PACS and the Provost to set up a Student Advisory Council to serve in this advisory role before proceeding.

2) College Council leaders and the Dean or Chancellor proposing a capital project shall present to PACS and gain approval from ASUW and GPSS for projects on the Seattle campus, ASUWT for projects on the Tacoma campus, and ASUWB for projects on the Bothell campus.
   a. This presentation shall include the components described in the Services and Activities Fee (SAF) Committee Policy on Capital Expenditures:
      i. Explanation of student involvement in the formulation of the request;
      ii. Explanations of other sources of funding that have or will be sought;
      iii. A tentative budget outline, including the per student cost; and
      iv. A tentative timeline of action.

This document is a formal recommendation of the Provost Advisory Committee of Students (PACS), approved in two consecutive administrations in substance and form (2014-15 and 2015-16). It shall be forwarded to the Presidents of the ASUW, GPSS, ASUWT and ASUWB, President Ana Mari Cauce, Provost Jerry Baldasty, Chair of the Faculty Senate Committee on Planning & Budgeting (SCPB) Kate O’Neill, and Regent Vanessa Kritzer.
Budgeting Principles: Fiscal Years 2017-19

Provost Advisory Committee for Students (PACS)

Finalized 27 May 2016

What follows are a general mission and principles to be considered by the Provost and other budget officers at the University of Washington during the drafting and implementation of the FY17-19 budget as well as future budgets until the submission of new principles by the Chair of the Provost’s Advisory Committee for Students (PACS).
Provost Advisory Committee for Students (PACS)

The mission of the Provost Advisory Committee for Students (PACS) is to give students a voice in University budgeting and policy decisions so as to maintain access to the University of Washington’s high-quality educational opportunities. Working towards the goal of sustainable budgets across the University, PACS represents students’ interests while promoting shared governance as well as fair and equal access to information relevant to decision making.

PACS ensures that investments are having their intended impact by working with student groups the different colleges to understand and advocate for students’ needs. Additionally, PACS provides a leadership role in educating Student Advisory Councils (College Councils) about the budget process and resources about how to have effective budget conversations with UW Deans and Chancellors.

PACS Budgeting Principles, FY17-19

Principle 1: Respect the University’s Status as a Public Institution
The University of Washington is a public institution; therefore its budget and policies should reflect this charge. As such, PACS supports the following:

1. Budgetary models that seek to reduce or constrain the growth of tuition and fees for all students.
2. Student tuition dollars should not be included as part of the financial strategy of funding major capital projects on the University of Washington’s three campuses. In the event that the UW administration has exhausted its efforts in lobbying for state money as well as private fundraising to support a major, high-priority capital project and feels that tuition dollars are the only way to finance such an investment, then students should be consulted early and often. Please see the PACS Recommendation on the use of student tuition dollars for capital projects as a guide to which student groups should be consulted when, and how they should be involved in the decision making process.
3. Uphold the moratorium on new fee-based programs and promote state reinvestment in those already existing.
4. Programs should never substantially increase tuition or fees during the course of an individual’s education as a way to compensate for decreased state or institutional support. Before Deans propose to increase tuition levels or fees for any student category, student advisory councils at the local school/college level should be consulted in addition to PACS.
5. Transparent and accessible information about major institutional contractual relationships and sponsorships from corporations or other entities; students should have opportunities to provide feedback about these relationships and contracts.
6. Research investigating the impact of increased enrollment and growth of the number of fee-based programs on our ability to serve our mission as a public institution.
Principle 2: Increase Access

All qualified students should have the ability to pursue and complete an education at the University of Washington regardless of socioeconomic status.

As such, PACS believes the UW should:

1. Explore new opportunities for financial aid services for low-income groups while maintaining and protecting existing programs such as Husky Promise.
2. Work to address unique and growing unmet need for aid in middle-income groups.
3. Ensure that statewide and university funding do not dictate the access that students have to the academic major of their choice.
4. Programs should actively advertise all costs of education, both direct and indirect. All programs should also collect and provide graduate employment statistics and the average median income of recent graduates.
5. Removing the burden of financing additional, group-specific, non-academic programming for individual groups who may require them. Costs of services for populations such as international students, students with disabilities, and student parents should be collectively born.

Principle 3: Enhance Educational Quality

The University should provide a high quality education and learning environment through classroom instruction, research, the campus experience, and by striving to do the following:

1. Create an inclusive campus culture for students, staff and faculty through measures such as trainings on implicit (unconscious) bias awareness, stereotypes, and cultural competency.
2. Promote diversity among faculty and staff so that the diversity of students is reflected in the leadership of the institution and students from all underrepresented groups may have access to visible role models.
3. Maintain funding for teaching and research assistant positions, and encourage academic units to expand these opportunities. These positions are essential to the quality and competitiveness of our institution, create opportunities for students to develop professionally, and are the national standard of employment and training for graduate students.
4. Emphasize pedagogical integrity as units adopt new ways of providing courses, especially in the online context.
5. Prioritize administrative services, advising functions, and tutoring programs that directly contribute to the academic mission. In particular, services should strive to accommodate low-income, first-generation, transfer, and returning students.
6. Focus on the student as a whole. Attempts should be made to protect critical functions such as campus safety, mental and physical health, childcare and other services that contribute to the student experience.
7. Acknowledge the value of interdisciplinary education and academic exploration by ensuring that these opportunities are not diminished by financial policy decisions, which may or may not be related to the implementation of Activity Based Budgeting (ABB).
Presenters’ Biographical Information
Provost Advisory Committee for Students (PACS)
Recommendation and Budgeting Principles FY17-19

Alice B. Popejoy
PACS Chair, 2015-16

Alice B. Popejoy is this year’s Chair of the Provost Advisory Committee for Students (PACS) and a fourth-year PhD Candidate in Public Health Genetics with a Certificate in Statistical Genetics at the University of Washington, Seattle. She has formerly served as President of the Graduate and Professional Student Senate (GPSS), GPSS Executive Senator, Executive Liaison to the Faculty Senate Council on Research, and Chair of the GPSS Science Policy Committee. Alice received her Bachelor of Arts from Hamilton College in 2009 with a double major in Biology and French, and spent one year living in Paris. Alice has worked in the California State Senate, the U.S. House of Representatives, and the Association for Women in Science (AWIS). Her academic and professional interests lie in the intersection of biological light receptors, genomic research, bioethics and public health initiatives combined with a passion for science communication and effective advocacy. In her spare time, Alice teaches parkour in Seattle, spends time exploring the outdoors, and enjoys visiting her friends and family in her home state of California.

Kevin Celustka
PACS Vice Chair, 2015-16

Kevin Celustka is a Junior majoring in International Relations. Kevin grew up in Wenatchee, WA and before coming to UW he was a Rotary Youth Exchange student to Belgium where he studied French. He has been involved in student government through the ASUW since his first quarter at UW when he joined UW Leaders and the ASUW Senate as the Administrative Assistant. Since then, he has continued to serve in the Senate as Vice Speaker, and then Speaker, and as a UW Leaders Mentor for the past two years. Kevin is pre-med and hopes to engage in clinical medicine, research, and health policy in the future (hopefully after becoming a Double Dawg at UW Med!). He spent last summer in South Africa as a Student Intern for Child Family Health International, and is developing his honors thesis surrounding the emigration of healthcare professionals from the country. He currently does research at Fred Hutch in the Boeckh Lab under his mentor Steven Pergam, and will be spending the summer as an intern in the Fred Hutch Summer Undergraduate Research Program. He joined PACS last year as an ASUW appointee and is excited at the opportunity to serve the UW and the Provost as PACS Chair.
INFORMATION

This item is for information only.

BACKGROUND

The goal of the Race & Equity Initiative (R&EI) is to affirm the University of Washington’s commitment of inclusion and equity for students, faculty and staff. The Initiative seeks to take on new ways to support and sustain diversity on all three campuses, in our region, state, and beyond.

In order to support and sustain diversity and equity at the UW, as well as in the local, regional and global communities we serve, we know we must directly confront bias and racism at the individual, institutional and systemic levels. These are three key focus areas:

Focus #1: Confront individual bias and racism

Our objective is to provide opportunities for students, faculty, and staff to build a shared and inclusive understanding around issues of equity, race, and justice. By creating spaces for sharing our perspective – and what we know and don’t know, we provide entry points into difficult conversations; ownership for moving this work forward; and teaching strategies that will foster more inclusive classrooms and learning spaces. The Race & Equity Initiative is fostering the kind of difficult conversations and personal learning experiences that are necessary to recognize our individual contributions and to move our collective action forward.

Focus #2: Transform institutional policies and practices

This is core to our work. We are examining policies and practices that are embedded in the institution and may serve as barriers to equity and excellence. Many deeply rooted institutional policies and practices ignore the social issues of the present. Often these are vestiges of less progressive times and they must be acknowledged, uncovered and addressed. The Race & Equity Initiative is working to change exclusionary or biased policies and institutional practices that lead to and maintain racial and other forms of inequity and deny people opportunities.
Focus #3: Accelerate systemic change

We are at a unique point in history with focus and momentum around issues of race, equity, and social justice. The Initiative will build on upon the work that has been done (internally and externally) in the past and collaborate with partners who are currently engaged in work on race and equity. Our University must be critical and thoughtful about its influence in this larger context. Our identity as an institution of higher learning has an impact well beyond the borders of our campuses — an impact that we can shape.

It is important to acknowledge that the City of Seattle and King County also have Race, Equity, and Social Justice Initiatives at this time. This presents us all with a unique opportunity to deepen our existing partnerships and amplify our impact.

The first year of this Initiative has called us to engage with our campus community. From large and small group dialogues to individual meetings with Deans and other senior leaders, we have gained valuable data and insight that allowed us to formulate a plan of action. Throughout spring the tri-campus UW community will see R&EI culminate the year with integrating assessments of campus climate, strengthening critical communications infrastructure, and building leadership capacity.

R&EI steering committee members:

Ed Taylor, Chair, Vice Provost and Dean of Undergraduate Academic Affairs
Chadwick Allen, Associate Vice Provost for faculty advancement
Zoe Barsness, Associate Professor, Milgard School of Business, UW Tacoma
Diana Betancourt, Senior, Political Science
Dario Bosiljic, Senior, UW Bothell
David L. Eaton, Dean of the Graduate School
Gabriel Gallardo, Interim Vice President and Vice Provost, Office of Minority Affairs & Diversity
Mary Gresch, Chief Marketing and Communications Officer
Gonzalo Guzmán, Doctoral Candidate, College of Education
Beth Kalikoff, Director, Center for Teaching and Learning
Marisa Nickle, Director of Strategy and Academic Initiatives, Office of the Provost
Kate O’Neill, Professor of Law
Sharon Parker, Assistant Chancellor for Equity and Diversity, UW Tacoma
Terryl Ross, Director of Diversity, UW Bothell
Paul Rucker, Associate Vice President for Alumni Relations
STANDING COMMITTEES

Academic and Student Affairs Committee

Race and Equity Initiative Update (continued p. 3)

Denzil Suite, Vice President for Student Life
Mariama Suwaneh, Junior, Political Science
William Towney, Graduate Student, UW Tacoma

Attachments
1. Race and Equity Initiative Progress Report
2. Summary of Race and Equity Initiative + Dean Meetings
3. Race & Equity Initiative Action Plan, April 2016 – June 2017
4. UW Diversity Infrastructure
To: Board of Regents

From: Ed Taylor, Chair of the Race and Equity Steering Committee

Subject: Race and Equity Initiative Progress Report

Date: May 25, 2016

This is the second report to the Board of Regents on the progress we are making in the Race and Equity Initiative (R&EI).

These progress reports will include the following sections:
- Accomplishments (January – May)
- Summary report of meetings with Deans
- Spring Action Plan
- Diversity Infrastructure Document

Accomplishments to date:
- Met with each Dean on UW Seattle campus regarding college-level actions/activities that are currently taking place and on strategic diversity planning.
- Hosted Affinity-based conversations regarding UWPD policing practices.
- Hosted UW access mini-summit to engage students, faculty, and staff in conversation regarding undergraduate pipeline and faculty pipeline challenges and opportunities.
- Continued engagement with City of Seattle and King County.
- Finalized and posted R&EI spring action plan.
- Expanded website to include resources and accountability sections.
- Completed Diversity Infrastructure document to assist in making campus resources more transparent and accessible.
- Completed initial draft of tri-campus inventory of Diversity centers, programs, and events.
- Launched workshop/training pilot program across all three campuses. The pilot will reach approximately 450 staff/faculty (23 sessions). Topics include: cross-cultural communications and micro-aggressions; cognitive dissonance and unconscious bias; and cultural competence.
- Conducted student climate assessment through the Student Experience in the Research University.
- Offered Graduate School Course, “Engaging Oppression: Living Just Relationships” (quarterly).
- Form Faculty Advisory Committee to steward curriculum related to diversity requirement and overall quality of teaching and learning related to diversity – (fall quarter, 2016).
- Pilot Brotherhood Initiative for men of color (collaboration between OMAD, UAA, College of Education, and Student Life) – (fall quarter, 2016).
**Summary of Race and Equity Initiative + Dean Meetings**

**Overview**
The Race and Equity Initiative Steering Committee Chair and staff team, consisting of Dean Ed Taylor (Chair), Jeanette James (R&EI Project Manager), and Leilani Lewis (Assistant Director of Communications) visited the deans of every school and college on the UW Seattle campus during the winter 2015/spring 2016 quarters. The purpose of these visits was to share information about the Race & Equity Initiative and glean a deeper understanding about how schools and colleges are working in diversity, equity, and inclusion spaces. We sought insights into their current challenges, their points of pride, and how they are working to meet the needs of their students. While each school provided a unique lens into their diversity and equity work, several common themes emerged from the meetings.

**Infrastructure**
- Most schools and colleges reported following the Diversity Blueprint and had committees, worked in collaboration (ex. Center for Equity Diversity and Inclusion in Health Sciences) dedicated staff, or staff time allocated for diversity and equity efforts within their school.
- Many schools and colleges have established pipeline and diversity programs that include partnerships with community, public schools, and corporate entities. They are actively collecting evaluative data on their various programs.
- Many schools and colleges are assessing and adjusting their strategies for collecting climate-related data.

**Supporting Students**
- Many undergraduate, graduate, and professional students have a sophisticated understanding of racial equity. These students are calling for more faculty who are equipped to center or include racial equity within their pedagogy.
- Most schools and colleges report a need for effective protocols when a student reports a racial incident, especially microaggressions, while completing degrees on campus, in the field, or within partner organizations.
- There is a need to make students aware of unconscious bias and microaggressions in order to prevent their frequency. Students who are new to conversations of race and equity need to be brought into the discussion by faculty and staff.

**Training**
- For some schools and colleges, and their departments, faculty and staff are active in race and equity spaces. Equity is reflected in their curricula, organizational culture, and strategic planning.
- For most schools and colleges, there are faculty and staff who need additional training on the current topics and ideas based in the movement for racial equity. Schools and colleges who are in need of training requested that R&EI workshops and training programs be made available to their staff and faculty.
Diversity among Students and Faculty

- Schools and colleges see the value in increasing diversity among faculty. The process for hiring faculty, from recruitment to making an offer, takes a dedicated team and resources and often takes place over the course of one or two hiring cycles (summer-spring). Most schools would like to increase their numbers of diverse faculty and are using the Diversity Blueprint to build this goal into their strategies.
- Many schools reported challenges with attracting a diverse student body. Most would like to increase scholarships and other financial incentives to attract students. Many schools and colleges recognize that diverse faculty would also increase the likelihood of bringing in diverse students.
- Many schools also recognize that faculty of color are often called upon to support diversity and inclusion work that is outside that falls outside of the scope of work required for tenure; therefore, supporting faculty of color is becoming a priority.

R&EI Support

- All participants in these conversation reported a desire to exchange information with schools and colleges throughout campus.
- Schools and colleges would like support for creating an inclusive climate for students, faculty, and staff through race and equity trainings.
- These schools and colleges would like to be able to effectively measure their success with diversity and inclusion efforts with more comprehensive climate surveys.
- Schools and colleges are looking to support students and faculty who are learning and teaching in off-campus settings.
- Schools and colleges would like to increased financial resources to support diversity and inclusion efforts on all fronts.
Race & Equity Initiative Action Plan
April 2016 – June 2017

The development of an action plan for the Race & Equity Initiative is ongoing. The following are near-term action items underway Spring quarter as well as projects for the next academic year.

Spring 2016

The following projects are underway and scheduled for completion by July 2016:

1. Integrate Assessments of Campus Climate

Throughout the past several years, significant efforts have been made to assess climate at the Bothell, Tacoma, and Seattle campuses, respectively. These assessments varied in focus on students, faculty, and/or staff. The R&EI will advance this work in the following ways:

- Assessment efforts across our three campuses will be documented and analyzed for the purposes of identifying overlap and gaps
- Dashboards based on select survey and institutional data will be constructed to inform and advance ongoing conversations related to campus climate
- Recommendations for UW campus climate improvement and alignment with the 2016-2020 Diversity Blueprint will be presented to the Race & Equity Steering Committee and the Diversity Council

2. Promote Effective and Transparent Communications

Multiple outlets exist for campus stakeholders to report incidents of bias or violations of UW policies for non-discrimination. To make bias and incident reporting more effective and easy to navigate, the R&EI will launch two web-based tools to be ready for piloting by the end of the academic year:

- A system for reporting incidents of bias that can, when requested, provide assistance from a coordinated, campus-wide team
- A system for calling attention to institutional policies and practices that may hinder or advance equity and social justice
- An online inventory for schools and colleges to provide ongoing updates on local action plans and progress in areas of equity and diversity
3. Build Leadership Capacity

Even for those who are deeply committed to leading for equity and social justice, it is necessary to take time to reflect upon one’s own leadership knowledge, skills, and abilities. The R&EI will pilot two leadership development projects by the end of July 2016 with a goal of implementing a wider leadership development program during the 2016-2017 academic year:

- A range of half-day leadership development sessions (with varying emphases, including but not limited to unconscious and implicit bias, micro-aggression, macro-aggression, and cultural competence), conducted across all three campuses, for approximately 350 staff and faculty.
- A set of full-day training sessions for approximately 60 professional staff who will be called on to serve as facilitators in the next academic year’s R&EI-sponsored forums, dialogues, and other structured conversations.

2016-2017 Academic Year

As the R&EI enters its second year, the following project will focus on sustainable action and accountability:

1. Expansion of Leadership Development for Students, Faculty, and Staff

There is no one best way to address institutional bias and racism, but a deliberative approach to consciousness-raising and cultivation of critically oriented knowledge, skills, and abilities throughout our community of teachers and learners holds promise. The following measures will be enacted during the 2016-2017 academic year:

- Based on an evaluation and assessment of the leadership development sessions piloted in Spring 2016, opportunities for critical leadership development for University staff at all levels will be implemented.
- The Center for Teaching and Learning will generate additional opportunities for faculty and instructional staff who would like to deepen their knowledge in translating equity, cultural competence, and anti-bias work in the context of their teaching practice.
- The Office of Faculty Advancement’s will expand the Faculty Recruitment Initiative and develop a Faculty Retention Initiative to assist colleges, schools, and campuses in their efforts to recruit and retain outstanding faculty leadership.
- Student appointees to the R&EI Steering Committee will guide the creation of the R&EI Student Advisory Committee, through which new ideas for teaching, learning, and talking about race, equity, and social justice will be created.
2. Evaluation, Assessment, and Improvement of Ongoing Activities

Continuous improvement of policy and practice supported by rigorous evaluation and assessment is a standard component of University operations. We anticipate the following with regard to advancing more coordinated approaches to evaluation and assessment pertinent to the R&EI:

- The upcoming review of climate assessments at each of the UW’s three campuses will provide the R&EI Steering Committee and Diversity Council with an informed vantage point for consistency and continuity across the UW. Assessment outcomes will be reviewed, as will methodological approaches, so that we can develop an agenda for action and work to ensure that it is properly resourced.
- Evaluations and assessments of the R&EI itself will continue, particularly with regard to its facilitation of campus dialogues, forums, and related events. We recognize that continuing to provide opportunities for this discourse is important, yet we also recognize that the discourse should be generative, not repetitive, so that the R&EI can be as responsive as possible.
- A comprehensive analysis of the demographic data on UWPD citations will be collected and analyzed with an eye to whether there is evidence of differential targeting of students/staff/faculty of color.

3. Implementation of Accountability Actions and Measures

Pursuing real change requires real accountability, and real accountability is the responsibility of senior leaders whose work is transparent and held to high standards. The following are examples of accountability actions and measures underway and on the horizon:

- A follow-up to the 2010-2014 Diversity Blueprint, the 2016-2020 Diversity Blueprint will focus on advancing faculty initiatives, staff initiatives, campus climate, tri-campus diversity efforts, the dissemination of best practices, and accountability, all of which are consonant with the R&EI. All R&EI activities will be oriented to the goals and success metrics adopted in the 2016-2020 Diversity Blueprint.
- The Board of Regents is currently reviewing its own structure to evaluate how it can best support and elevate progress in the area of diversity, equity and inclusion. A sub-committee of the board will propose possible governance changes for board approval in May 2016.
- Center for Teaching and Learning will continue to review the Diversity Requirement implementation and effectiveness of teaching practices associated with it.
- Members of the R&EI Steering Committee will continue conversations with leaders from the City of Seattle’s Race & Social Justice Initiative and the King County Executive’s Equity and Social Justice team to ensure that the goals, strategies, and objectives for advancing equity and social justice of each are mutually reinforcing.
UW Diversity Infrastructure

**University-wide Diversity Efforts**
- University Diversity Council
- Office of Minority Affairs & Diversity (OMA&D)
  - College Access Programs
  - Student Success Programs
  - Staff Diversity Programs
- Tribal Relations
- Graduate Opportunities & Minority Achievement Program (GO-MAP)
- Office for Faculty Advancement
- Office of Equity & Diversity, UW Tacoma
- Office of Diversity, UW Bothell

**Faculty-Focused Diversity Efforts**
- Faculty Council on Multicultural Affairs
- Faculty Council on Women in Academe
- Faculty and Staff Affinity Groups
- UW ADVANCE
- Disability Services Office

**Major Initiatives and Key Centers that Support University-wide Diversity Efforts**
- The President’s Race & Equity Initiative
- Center for Teaching and Learning (CTL)
- Professional & Organizational Development (POD)
- Office of the Ombud
- Center for Multicultural Education (CME)
- Center for Health Equity, Diversity & Inclusion (CEDI)
- Indigenous Wellness Research Institute (IWRI)
- Washington Institute for the Study of Inequality and Race (WISIR)
- Center for Communication, Difference, and Equity (CCDE)

**Diversity-Focused Spaces**
- Samuel E. Kelly Ethnic Cultural Center (ECC)
- Samuel E. Kelly Ethnic Cultural Theater (ECT)
- Instructional Center (IC)
- waʔabʔaltxʷ – Intellectual House
- Health Sciences Center – Minority Students Program (HSC-MSP)
- Q Center
- D Center
- UW Women’s Center

**Student-Focused Diversity Efforts**
- Student Veteran Life
- Disability Resources for Students
- Disabilities, Opportunities, Internetworking, and Technology (DO-IT)
- Foundation for International Understanding Through Students (FIUTS)
- The Brotherhood Initiative

**Student-Driven Diversity Efforts**
- Kelly ECC Student Groups
- Diversity-Related Registered Student Organizations (RSOs)
- Associated Students of the University of Washington (ASUW)
- Graduate and Professional Student Senate Diversity Committee (GPSS)
- HUB Meditation Room

This document is not exhaustive of the many ways that diversity and inclusion is manifest at the UW. It is intended to show units/centers/programs where diversity, equity and inclusion are central to the mission and function.
STANDING COMMITTEES

Finance and Asset Management Committee

UW One Capital Plan

INFORMATION ITEM

This item is being presented for information only.

BACKGROUND

This is a standing agenda item.

Attachments
1. One Capital Plan Process
2. Major Capital Assets Summary Scorecard (As of April 30, 2016)
3. Monthly Debt Report
The Prioritized One Capital Plan captures three bienniums of planned projects with overall targets established for each fund source. The Plan will be re-evaluated on a two-year cycle corresponding with the State Capital Budget Request and modified depending on the State’s actions and newly emerging priorities.

Planning targets are set by examining historical funding trends for both total value and the intended use to ensure the feasibility of each planning target. The Capital Plan can be adjusted based on these targets. Note funding shown below is based on the approval date by the Regents.

Funding Targets by Source

Planning Cycle

Calls for Project Proposals
January (even years)

Requests are prepared working with CFO, utilizing planning metrics

6 Year Prioritized Plan
June (odd years)

Legislative consideration and approval modifies approach to capital plan

State Capital Budget Request
September (even years)

Budget request vetted with Senior Administration and Board of Regents
One Capital Plan Process

Campus Planning Assumptions

- Student enrollment in Seattle (46,000 FTE) will remain flat for the next few years, then grow 1.5% annually - 49,000 FTE by 2023
- Faculty and staff growth in Seattle (21,500 FTE) will follow a similar trend - 23,000 FTE by 2023
- Research expenditures to remain flat for the next few years, then grow at 2% annually
- Student enrollment at Bothell (4,900 FTE) is expected to grow to 6,000 FTE by 2023
- Student enrollment at Tacoma (4,600 FTE) is expected to grow to 6,000 FTE by 2023

Campus Planning Targets

- Total square footage in Seattle should grow by roughly 1.6 million GSF by 2023
- Total square footage in Bothell (currently 700,000 GSF) should grow by roughly 200,000 GSF by 2023
- Total square footage in Tacoma (currently 735,000 GSF) should grow by roughly 165,000 GSF by 2023
- Capital reinvestment in existing facilities should be between 1.5-2.5% of the CRV or $100-160M per year in Seattle
- Deferred maintenance backlog should be reduced in part by removing poorly utilized buildings - target 150-200,000 GSF

Overall Capital Plan Goals

In addition to helping achieve the planning targets listed above, individual projects can be linked to larger Strategic Initiatives with corresponding Goals and Implementation Strategies, which create a framework for the individual projects. This ensures alignment with the Campus Master Plan, Academic Facilities Planning, and the Capital Campaign.

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<tr>
<th>Strategic Initiatives</th>
<th>Capital Plan Goals</th>
<th>Implementation Strategy</th>
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<td>1. Student Experience</td>
<td>- Improve learning environments</td>
<td>- Focus local/minor capital on classroom improvements</td>
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<td></td>
<td>- Accommodate areas of growth</td>
<td>- Create new flexible spaces, considered as shell/fit out</td>
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<td></td>
<td>- Provide quality student housing</td>
<td>- Recapture underutilized space</td>
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<td>2. Innovation Mindset</td>
<td>- Innovation District in West Campus</td>
<td>- Proforma driven projects with increasing equity</td>
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<td>3. Public as a Philosophy</td>
<td>- Improve public realm</td>
<td>- Combine University investments with private development to attract research partners</td>
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<td>4. Transforming Administration</td>
<td>- Consolidate non-core functions in U District to decant other sectors</td>
<td>- Attach development of open spaces to major projects and private development</td>
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<td>- Address infrastructure &amp; renewal</td>
<td>- Develop tower above Sound Transit for office and other uses - flexible space designed for churn</td>
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<td>- Leverage new and existing funding sources</td>
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</tbody>
</table>
Based on a total replacement value of $6.4 billion for the campus buildings and grounds, the University should reinvest $100-160 million per year (1.5-2.5% CRV) in its existing facilities - including capital projects, minor modifications and preventative maintenance. The chart to the left illustrates the amount of spending projected in the draft One Capital Plan relative to these targets. Any annual shortfall results in increased levels of deferred maintenance in the future. The chart on the right illustrates the source and uses of funds for minor capital projects.

Deferred Maintenance Needs

Strategic Alignment

The draft One Capital Plan (see following page) can be checked against initial planning targets by aligning projects with Strategic Initiatives and funding targets. Diagrams below show the current draft plan with heavy investments in the student experience. The bar chart shows the current draft One Capital Plan compared to established funding targets.
### Major Capital Assets Summary Scorecard (As of April 30, 2016)

<table>
<thead>
<tr>
<th>Project</th>
<th>Target Cost Est. ($M)</th>
<th>Phase</th>
<th>Bidg. Type</th>
<th>Gross Square Footage</th>
<th>Cost ($M)</th>
<th>Scheduled Use Date</th>
<th>Selections</th>
<th>Business Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>BoR Approved</td>
<td>Current Forecast</td>
<td>Cost to Date</td>
<td>A/E Contractor</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>*1</td>
<td>*2</td>
<td></td>
</tr>
<tr>
<td>Animal Research and Care Facility</td>
<td>$123.5</td>
<td>Const</td>
<td>Research</td>
<td>83,000</td>
<td>$123.5</td>
<td>$134.3</td>
<td>68.4</td>
<td>4/17</td>
</tr>
<tr>
<td>Burke-Gilman Trail Phase 1 &amp; Phase 2 Design</td>
<td>6.1</td>
<td>Const</td>
<td>Infrastructure</td>
<td>n/a</td>
<td>6.1</td>
<td>6.2</td>
<td>2.2</td>
<td>3/16</td>
</tr>
<tr>
<td>Computer Science and Engineering Exp.</td>
<td>104.6</td>
<td>Planning</td>
<td>Research</td>
<td>130,000</td>
<td>9.0</td>
<td>104.6</td>
<td>2.5</td>
<td>11/18</td>
</tr>
<tr>
<td>Denny Hall Renovation</td>
<td>56.9</td>
<td>Const</td>
<td>Classroom</td>
<td>86,400</td>
<td>52.9</td>
<td>49.8</td>
<td>28.5</td>
<td>3/16</td>
</tr>
<tr>
<td>Fluke Hall Renovation</td>
<td>28.5</td>
<td>Design</td>
<td>Research</td>
<td>n/a</td>
<td>37.0</td>
<td>36.6</td>
<td>7.0</td>
<td>12/16</td>
</tr>
<tr>
<td>GIX Tenant Improvements</td>
<td>19.6</td>
<td>Design</td>
<td>Classroom</td>
<td>99,900</td>
<td>19.6</td>
<td>23.4</td>
<td>1.0</td>
<td>9/17</td>
</tr>
<tr>
<td>Life Sciences Building</td>
<td>164.8</td>
<td>Design</td>
<td>Classroom</td>
<td>180,000</td>
<td>164.8</td>
<td>164.3</td>
<td>8.8</td>
<td>7/18</td>
</tr>
<tr>
<td>NanoEngineering and Sciences Building</td>
<td>58.9</td>
<td>Const</td>
<td>Research</td>
<td>78,000</td>
<td>87.8</td>
<td>84.9</td>
<td>30.5</td>
<td>7/16</td>
</tr>
<tr>
<td>New Burke Museum</td>
<td>79.0</td>
<td>Design</td>
<td>Other</td>
<td>110,000</td>
<td>79.0</td>
<td>79.0</td>
<td>6.6</td>
<td>8/17</td>
</tr>
<tr>
<td>North Campus Housing Replacement</td>
<td>240.0</td>
<td>Design</td>
<td>Housing</td>
<td>n/a</td>
<td>240.0</td>
<td>240.0</td>
<td>10.2</td>
<td>6/18</td>
</tr>
<tr>
<td>Police Department Facility</td>
<td>19.5</td>
<td>Const</td>
<td>Other</td>
<td>29,000</td>
<td>19.5</td>
<td>19.5</td>
<td>17.1</td>
<td>6/16</td>
</tr>
<tr>
<td>UW Medicine South Lake Union 3.2</td>
<td>143.0</td>
<td>Design</td>
<td>Research</td>
<td>180,886</td>
<td>143.0</td>
<td>150.4</td>
<td>8.0</td>
<td>9/17</td>
</tr>
<tr>
<td>Tacoma Urban Solutions Center</td>
<td>28.0</td>
<td>Bidding</td>
<td>Student</td>
<td>43,600</td>
<td>28.0</td>
<td>27.5</td>
<td>5.2</td>
<td>9/17</td>
</tr>
<tr>
<td>UWMC Expansion Phase II *</td>
<td>186.3</td>
<td>Const</td>
<td>Medical</td>
<td>244,000</td>
<td>186.3</td>
<td>196.6</td>
<td>106.6</td>
<td>4/17</td>
</tr>
<tr>
<td>West Campus Utility Plant *</td>
<td>30.5</td>
<td>Const</td>
<td>Infrastructure</td>
<td>17,000</td>
<td>44.2</td>
<td>44.2</td>
<td>15.0</td>
<td>1/17</td>
</tr>
<tr>
<td>Other Capital Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR Payroll Modernization*</td>
<td>$75.9</td>
<td>IT</td>
<td>n/a</td>
<td>n/a</td>
<td>$75.9</td>
<td>$75.9</td>
<td>39.9</td>
<td>2/14</td>
</tr>
<tr>
<td>Totals</td>
<td>$1,365</td>
<td></td>
<td></td>
<td></td>
<td>$1,290,786</td>
<td>$1,317</td>
<td>$1,437</td>
<td>$358</td>
</tr>
</tbody>
</table>

**Legend**

1. Forecast to Budget Variance: On Budget = Green; 1-10% Over Budget = Yellow; >10% Over Budget = Red
2. Schedule Variance: On Schedule = Green; Within One Month = Yellow; > One Month = Red

*X = Selection of the design firm for this project was made prior to Capital Planning & Development's expanded definition of and enhanced focus upon business equity. There is no business equity utilization reported on this project to date.

* forecasts that have changed since previous meeting
Recent Events

- Long-term tax-exempt interest rates remain low, with the current 30-year fixed borrowing cost estimated to be 3.54%
- Short term interest rates continue to rise. The University re-priced commercial paper on May 4th with a 2-month term at 0.45% (up from 0.21%)

Estimated Project Capacity

<table>
<thead>
<tr>
<th>FY 2016-2020 (in millions)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Debt Capacity</td>
<td>$755</td>
<td></td>
</tr>
<tr>
<td>Plus: Remaining CAP(^{(1)})</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>855</td>
<td></td>
</tr>
<tr>
<td>Less: Authorized Projects(^{(2)})</td>
<td>(430)</td>
<td></td>
</tr>
<tr>
<td>Less: Court 17 Apartments(^{(3)})</td>
<td>(19)</td>
<td></td>
</tr>
<tr>
<td>Remaining Project Capacity</td>
<td>$406</td>
<td></td>
</tr>
</tbody>
</table>

\(^{(1)}\) 10% of the Invested Funds (IF), less previously allocated Capital Assets Pool (CAP) dollars
\(^{(2)}\) Includes South Lake Union 3.2, Life Sciences, Housing Phase 4a and other authorized projects. Some of this debt has already been issued, leaving approximately $430 million of debt to be issued for authorized projects after the September 2015 General Revenue Bonds issue
\(^{(3)}\) Court 17 was approved by the Board in May 2016
\(^{(4)}\) Excludes principal payments on Commercial Paper
\(^{(5)}\) Excludes Valley Limited Tax General Obligation Bonds

External Debt Portfolio - $2,349 Million

- The external portfolio as of 3/31/2016 was $2,356 million. This is $7.1 million lower than the previous report, which is a result of $7.1 million in principal payments
- Weighted average cost of capital: 3.56%
- Portfolio Composition: 98% fixed rate; 2% variable rate
- $123 million in internal funding provided by the CAP is excluded from the external debt portfolio

Annual Debt Service

- A project capacity update was presented at the May Regents meeting based on 2015 audited financial statements and projections.
- Figures represent how much additional debt the University can issue over the next five years while aligning with peer minimum ratios
- $406 million of debt funded project capacity is available
### Outstanding External Debt

*(in millions)*

<table>
<thead>
<tr>
<th>Project</th>
<th>Purpose</th>
<th>Balance(1)</th>
<th>Final Maturity</th>
<th>% by Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Molecular Engineering Building</td>
<td>Instruction and Research</td>
<td>70.8</td>
<td>2043</td>
<td></td>
</tr>
<tr>
<td>Dempsey Hall</td>
<td>Instruction and Research</td>
<td>39.6</td>
<td>2041</td>
<td></td>
</tr>
<tr>
<td>Foege Building</td>
<td>Instruction and Research</td>
<td>31.6</td>
<td>2031</td>
<td></td>
</tr>
<tr>
<td>UW Bothell Phase 3</td>
<td>Instruction and Research</td>
<td>25.5</td>
<td>2043</td>
<td></td>
</tr>
<tr>
<td>William H. Gates Law School</td>
<td>Instruction and Research</td>
<td>23.8</td>
<td>2028</td>
<td></td>
</tr>
<tr>
<td>AAALAC</td>
<td>Instruction and Research</td>
<td>23.1</td>
<td>2035</td>
<td></td>
</tr>
<tr>
<td>Ben Hall</td>
<td>Instruction and Research</td>
<td>19.3</td>
<td>2037</td>
<td></td>
</tr>
<tr>
<td>Animal Research and Care Facilities</td>
<td>Instruction and Research</td>
<td>16.7</td>
<td>2047</td>
<td></td>
</tr>
<tr>
<td>Denny Hall</td>
<td>Instruction and Research</td>
<td>15.0</td>
<td>2046</td>
<td></td>
</tr>
<tr>
<td>Ocean Sciences</td>
<td>Instruction and Research</td>
<td>13.2</td>
<td>2024</td>
<td></td>
</tr>
<tr>
<td>Physics-Astronomy</td>
<td>Instruction and Research</td>
<td>8.1</td>
<td>2023</td>
<td></td>
</tr>
<tr>
<td>Other Instruction and Research</td>
<td>Instruction and Research</td>
<td>28.5</td>
<td>various</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Instruction and Research</strong></td>
<td></td>
<td><strong>315.4</strong></td>
<td></td>
<td>Instruction and Research, 13%</td>
</tr>
<tr>
<td>South Lake Union (Ph I, II, 3.1, &amp; 3.2)</td>
<td>UW Medicine</td>
<td>408.2</td>
<td>2048</td>
<td></td>
</tr>
<tr>
<td>UWMC Expansion</td>
<td>UW Medicine</td>
<td>188.8</td>
<td>2046</td>
<td></td>
</tr>
<tr>
<td>Valley Medical Center</td>
<td>UW Medicine</td>
<td>79.0</td>
<td>2040</td>
<td></td>
</tr>
<tr>
<td>NW Hospital</td>
<td>UW Medicine</td>
<td>78.6</td>
<td>2033</td>
<td></td>
</tr>
<tr>
<td>UWMC Surgery Pavilion</td>
<td>UW Medicine</td>
<td>46.5</td>
<td>2028</td>
<td></td>
</tr>
<tr>
<td>Other UW Medicine</td>
<td>UW Medicine</td>
<td>29.9</td>
<td>various</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal UW Medicine</strong></td>
<td></td>
<td><strong>831.1</strong></td>
<td></td>
<td>UW Medicine, 35%</td>
</tr>
<tr>
<td>Housing Expansion</td>
<td>Student Life</td>
<td>382.7</td>
<td>2045</td>
<td></td>
</tr>
<tr>
<td>Husky Union Building</td>
<td>Student Life</td>
<td>106.3</td>
<td>2043</td>
<td></td>
</tr>
<tr>
<td>IMA Building</td>
<td>Student Life</td>
<td>32.9</td>
<td>2030</td>
<td></td>
</tr>
<tr>
<td>Radford Court Apartments</td>
<td>Student Life</td>
<td>32.7</td>
<td>2032</td>
<td></td>
</tr>
<tr>
<td>Nordheim Court</td>
<td>Student Life</td>
<td>21.5</td>
<td>2033</td>
<td></td>
</tr>
<tr>
<td>Bothell Student Center</td>
<td>Student Life</td>
<td>17.8</td>
<td>2046</td>
<td></td>
</tr>
<tr>
<td>Ethnic Cultural Center</td>
<td>Student Life</td>
<td>13.2</td>
<td>2043</td>
<td></td>
</tr>
<tr>
<td>UW Tacoma YMCA</td>
<td>Student Life</td>
<td>12.1</td>
<td>2046</td>
<td></td>
</tr>
<tr>
<td>Other Student Life</td>
<td>Student Life</td>
<td>29.9</td>
<td>various</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Student Life</strong></td>
<td></td>
<td><strong>649.2</strong></td>
<td></td>
<td>Student Life, 28%</td>
</tr>
<tr>
<td>UW Tower</td>
<td>Academic Support</td>
<td>109.4</td>
<td>2037</td>
<td></td>
</tr>
<tr>
<td>Cobb Building</td>
<td>Academic Support</td>
<td>32.9</td>
<td>2045</td>
<td></td>
</tr>
<tr>
<td>HR Payroll Modernization</td>
<td>Academic Support</td>
<td>25.0</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>4225 Roosevelt</td>
<td>Academic Support</td>
<td>17.1</td>
<td>2029</td>
<td></td>
</tr>
<tr>
<td>4545 Building</td>
<td>Academic Support</td>
<td>15.7</td>
<td>2024</td>
<td></td>
</tr>
<tr>
<td>Other Academic Support</td>
<td>Academic Support</td>
<td>38.3</td>
<td>various</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Academic Support</strong></td>
<td></td>
<td><strong>238.4</strong></td>
<td></td>
<td>Academic Support, 10%</td>
</tr>
<tr>
<td>Husky Stadium</td>
<td>Athletics</td>
<td>230.7</td>
<td>2045</td>
<td></td>
</tr>
<tr>
<td>Husky Ballpark</td>
<td>Athletics</td>
<td>11.8</td>
<td>2045</td>
<td></td>
</tr>
<tr>
<td>Other Athletics</td>
<td>Athletics</td>
<td>7.4</td>
<td>various</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Athletics</strong></td>
<td></td>
<td><strong>249.9</strong></td>
<td></td>
<td>Athletics, 11%</td>
</tr>
<tr>
<td>Available Proceeds</td>
<td>Unallocated</td>
<td>65.2</td>
<td></td>
<td>Unallocated, 3%</td>
</tr>
<tr>
<td><strong>Total University Outstanding Debt</strong></td>
<td></td>
<td><strong>$2,349</strong></td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

(1) Will not exactly match ILP balances due to bond premiums and use of the CAP.

---

**Long Term Credit Rating:** Aaa/AA+

**Internal Lending Rate:** 4.75%

**Weighted Average Cost of Capital:** 3.56%
STANDING COMMITTEES

Finance and Asset Management Committee

2018 Campus Master Plan Update

INFORMATION ITEM

This item is for information only.

BACKGROUND

Each of the thirteen major institutions within the City of Seattle are required to have an approved master plan that discloses their long term development plans. The University’s current master plan was approved in 2003 and identified 68 potential development sites adding up to 8.3 million square feet and an approved growth allowance of 3 million square feet. By 2018, we anticipate all but 211,000 square feet will have been constructed or in various stages of the development process.

The 2018 Seattle Campus Master Plan identifies 85 potential development sites across campus that add up to 12.7 million net new square feet. Based on the need for new growth, the University will be requesting a growth allowance of 6 million square feet over the life of the plan. While a 10-year planning frame was used to identify the square footage needed to respond to the changes in student enrollment and research demands, the plan will remain in effect until the 6 million is developed or a new plan is adopted.

Planning & Management launched this four-year planning effort in January of 2015 by appointing two internal committees, an Advisory Committee and a Working Group, to advise the Senior Vice President in the formulation of the plan. An Overview of the master plan was presented to the Regents in June 2015. We are returning now with an informational briefing on the preliminary concepts that will be included in the Preliminary Draft Plan that will be submitted for review by City of Seattle staff in mid-June. The Draft Plan will be published in late September 2016 followed by a 45-day comment period.

Attachment

2018 Campus Master Plan Slides
CURRENT SCHEDULE FOR 2018 CAMPUS MASTER PLAN

- Kick off of Campus Master Plan and Environmental Impact Statement Scoping
  October 14 & 15, 2015
- Preliminary Plan Concepts Developed – Winter and Spring 2016
- Draft Plan and Draft Environmental Impact Statement published – Fall 2016
- Final Plan and Final Environmental Impact Statement published – Winter 2017
- Hearing Examiner and City Council – Summer 2017
- City Council and Board of Regents approval – Late 2017 or early 2018
UNIVERSITY OF WASHINGTON CAMPUS MASTER PLAN UPDATE

CITY/UNIVERSITY AGREEMENT (CUA) REQUIREMENTS

The City/University Agreement (CUA) establishes the official requirements of the campus master planning process. The draft and final master plans will address each of these areas.

- Major Institution Overlay (MIO) Boundary
- General Use and Location of Proposed Development
- Future Energy and Utility Needs
- Non-Institutional Zones
- Institutional Zone and Development Standards
- Alternative Proposals for Physical Development
- Height and Location of Existing Facilities
- Existing and Proposed Circulation Network
- Proposed Development Phases and Timetable
- Existing and Proposed Open Space
- Transportation Management Plan (TDM)
- Proposed Street and Alley Vacations

W UNIVERSITY of WASHINGTON
2018 CAMPUS MASTER PLAN DEVELOPMENT CAPACITY

This plan identifies almost **12.7 million** gross square feet of development. During the life of this plan, only **6 million** will be developed within the four sectors of campus based on the square footage in the fourth column.

<table>
<thead>
<tr>
<th>Campus Area</th>
<th>Net New Development Introduced (GSF)</th>
<th>Maximum Development Limit (%)</th>
<th>Maximum Development Limit (GSF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central</td>
<td>2,010,551</td>
<td>15%</td>
<td>900,000</td>
</tr>
<tr>
<td>West</td>
<td>3,198,685</td>
<td>50%</td>
<td>3,000,000</td>
</tr>
<tr>
<td>South</td>
<td>2,892,735</td>
<td>25%</td>
<td>1,500,000</td>
</tr>
<tr>
<td>East</td>
<td>4,633,571</td>
<td>10%</td>
<td>600,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,735,542</strong></td>
<td><strong>100%</strong></td>
<td><strong>6,000,000</strong></td>
</tr>
</tbody>
</table>
2018 CAMPUS MASTER POTENTIAL*
DEVELOPMENT SITE HEIGHTS

- Potential Development Sites
- Existing Buildings

*not all potential development sites will be developed
South Campus – Big Moves
East Campus – Big Moves
CURRENT SCHEDULE FOR
2018 CAMPUS MASTER PLAN

- Kick off of Campus Master Plan and Environmental Impact Statement Scoping
  October 14 & 15, 2015
- **Preliminary Plan Concepts Developed – Winter and Spring 2016**
- Draft Plan and Draft Environmental Impact Statement published – Fall 2016
- Final Plan and Final Environmental Impact Statement published – Winter 2017
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- City Council and Board of Regents approval – Late 2017 or early 2018
STANDING COMMITTEES

Finance and Asset Management Committee

Approve Intercollegiate Athletics Financial Stability Plan

RECOMMENDED ACTIONS

It is the recommendation of the administration and the Finance and Asset Management Committee that the Board of Regents:

1) Approve the Intercollegiate Athletics Financial Stability Plan (FSP); and

2) Temporarily modify Internal Lending Program (ILP) loan covenants through FY 2019:
   a. Suspend the Debt Service Coverage covenant
   b. Reduce the minimum unrestricted fund balance to $10 million

BACKGROUND

The University of Washington Department of Intercollegiate Athletics (ICA) has a long and proud history of financial stability. The Huskies have served as a source of campus pride for many students, faculty and alumni, competing among the nation’s elite athletically and academically while remaining fiscally responsible. Additionally, ICA has historically operated without any state subsidy and a campus investment that is modest in comparison with peer institutions. Presently, ICA faces a budget deficit for the eighth time in the last 25 years, due to unexpected increases in industry operating expense and limited revenue growth. ICA financial reserves are able to cover the current shortfall, but financial pressures within a changing national intercollegiate athletics landscape remain.

In accordance with BOR policy and in collaboration with the Offices of Planning and Budgeting and Treasury, ICA has developed a FSP that reduces the deficit associated with ICA’s operations beginning in FY 2017. ICA is exploring additional revenue options before making further cuts that would negatively impact competiveness, equity, or student-athlete welfare. ICA has updated its three year proforma to reflect the new financial stability plan.

FINANCING PLAN

ICA will use reserves to address the projected FY 2016 deficit and has taken actions to immediately reduce operating expenses. ICA will continue to explore
STANDING COMMITTEES

Finance and Asset Management Committee

Approve Intercollegiate Athletics Financial Stability Plan (continued p. 2)

options to achieve financial solvency by FY 2019. This will be accomplished through revenue enhancements, expense reductions, and debt restructuring.

Intercollegiate Athletics will report on the progress of this plan semi-annually beginning in October 2016.

ADMINISTRATIVE REVIEWS AND APPROVALS

The Financial Stability Plan has been reviewed and approved by the Athletic Director, Senior Vice President for Planning and Management, Interim Vice President for Finance and Facilities and Associate Vice President for Treasury.

Attachment
Intercollegiate Athletics FY16 Budget Report and Financial Stability Plan
Intercollegiate Athletics
FY16 Budget Report and Financial Stability Plan
Board of Regents Presentation

June 9, 2016
Student-Athlete Success in FY16

> Academic Success
  – 17 teams recorded a GPA higher than 3.0, an all-time department high
  – Husky Football recorded highest Team GPA in program history
  – 67% of student-athletes received a 3.0 or higher in winter quarter, including 151 on Dean’s List
  – Two student-athletes were selected to the inaugural prestigious Husky 100 class

> Department Achievements
  – Washington is currently ranked 13th nationally in the Director’s Cup (through Winter 2016)
  – Husky Football went to a bowl game for sixth consecutive season
  – Women’s Golf won the 2016 National Championship!
  – Women’s Basketball advanced to the NCAA Final Four; Women’s Volleyball won the Pac-12 Championship and reached the NCAA Elite Eight
  – More Spring success: Softball to Sweet Sixteen, Women’s Crew 5th at NCAAs, Men’s Crew competing for national title, Baseball in NCAA’s for second time in three years
ICA implemented multiple cost-saving measures in FY16 but is still projecting a deficit and will not meet its UW internal loan requirements (see Page 11)
- The FY16 deficit will be fully covered by ICA reserves; however, this is not a one-year challenge
- ICA has run a deficit eight times in the past 25 years

ICA, in collaboration with the Offices of Planning and Budgeting and Treasury, has drafted a three-year Financial Stability Plan (FSP) for Board of Regents’ approval at the June meeting
- This three-year period will allow the Athletic Director and new ICA CFO time to strategically address the financial situation
- The FSP assumes continuation of campus support for university funded gender equity tuition waivers (see Page 12)

Since FY14, evolving national factors within college athletics have contributed to ICA’s current financial state and future projections

ICA will reduce expenses by $2 million in FY17 and will explore additional future revenue opportunities before making cuts that would negatively impact student-athlete welfare, competiveness, and equity
Recommended Actions

> Reset ICA proforma
  – Reflects three-year plan (FY17-FY19)

> Temporarily modify ILP loan covenants through FY19
  – Suspend debt service coverage covenant
  – $10 million minimum unrestricted fund balance
  – Revisit covenants in FY19

> Ongoing Reporting
  – Present periodic briefings to BOR Chair, FAM Committee Chair and ASA Committee Chair as appropriate
  – The Semi-Annual Borrower Report (SABRe) in October will show final FY16 results
  – Athletic Director and CFO will be responsible for continued communication and plan development in partnership with Treasury
Major Factors Impacting ICA Financials

> Increased Investments in Student-Athlete Welfare
  - Husky Athletics supports a broad-based, equitable, diverse and competitive athletic program
  - Initial investments associated with NCAA reform have grown overall expense from FY13 to FY16 by over $2.7 million annually
  - Investments in critical areas include mental health, nutrition, strength and conditioning, medical, cost of attendance, and degree completion

> Increased Expenses in FY14 Set New Baseline
  - Significant expense increase in FY14 due to new facilities (maintenance and day of game) for Husky Stadium, Husky Ballpark and Husky Track
  - Salary increases due to first cost-of-living adjustment since 2008, as well as new football coaching staff change
  - Tuition increases

> Debt Service
  - ICA’s financial picture changed considerably after debt service payments for Husky Stadium took effect
  - In FY15, debt service payments increased from $14.6 million to $17.5 million as Husky Stadium and Husky Ballpark loans began to amortize

> Limited Revenue Growth
  - National trends in game attendance in football and men’s basketball have impacted Washington as well
  - TV game times, unpredictable scheduling and “competition with the living room” all act as contributing factors
  - Gate revenues (with associated contributions) have declined significantly since FY14

> ICA’s Financial Challenges Were Significant in FY15
  - In FY15, a one-time multimedia rights payment of $7.3 million from the Pac-12 helped cover a significant gap for ICA (see Page 13)
  - Without this payment and university funded tuition waiver support of $1.94 million, ICA would have run a significant deficit
ICA receives the least financial support (campus investment plus student fees) of any Pac-12 public school

<table>
<thead>
<tr>
<th>University</th>
<th>Revenue</th>
<th>Expense</th>
<th>Total Campus Investment</th>
<th>Total Campus Investment (% of Revenue)</th>
<th>Student Fees</th>
<th>Student Fees (% of Revenue)</th>
<th>Combined (Campus Investment + Student Fees)</th>
<th>Combined (% of Revenue)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utah</td>
<td>$56</td>
<td>51</td>
<td>9.9</td>
<td>17.46%</td>
<td>6.1</td>
<td>10.77%</td>
<td>16</td>
<td>28.57%</td>
</tr>
<tr>
<td>Oregon State</td>
<td>63</td>
<td>73</td>
<td>12.3</td>
<td>19.41%</td>
<td>2.5</td>
<td>3.95%</td>
<td>14.8</td>
<td>23.49%</td>
</tr>
<tr>
<td>Colorado</td>
<td>64</td>
<td>64</td>
<td>12.2</td>
<td>19.01%</td>
<td>1.5</td>
<td>2.37%</td>
<td>13.7</td>
<td>21.41%</td>
</tr>
<tr>
<td>Washington State</td>
<td>54</td>
<td>68</td>
<td>10.1</td>
<td>18.57%</td>
<td>1</td>
<td>1.82%</td>
<td>11.1</td>
<td>20.56%</td>
</tr>
<tr>
<td>Arizona State</td>
<td>75</td>
<td>75</td>
<td>10.1</td>
<td>13.48%</td>
<td>0</td>
<td>0.00%</td>
<td>10.1</td>
<td>13.47%</td>
</tr>
<tr>
<td>Arizona</td>
<td>100</td>
<td>96</td>
<td>7.9</td>
<td>7.91%</td>
<td>0</td>
<td>0.00%</td>
<td>7.9</td>
<td>7.9%</td>
</tr>
<tr>
<td>California</td>
<td>90</td>
<td>90</td>
<td>5</td>
<td>5.52%</td>
<td>1.4</td>
<td>1.60%</td>
<td>6.4</td>
<td>7.11%</td>
</tr>
<tr>
<td>UCLA</td>
<td>86</td>
<td>86</td>
<td>2.7</td>
<td>3.14%</td>
<td>2.7</td>
<td>3.07%</td>
<td>5.4</td>
<td>6.28%</td>
</tr>
<tr>
<td>Oregon</td>
<td>196</td>
<td>110</td>
<td>2.2</td>
<td>1.10%</td>
<td>1.7</td>
<td>0.87%</td>
<td>3.9</td>
<td>1.99%</td>
</tr>
<tr>
<td>Washington</td>
<td>100</td>
<td>86</td>
<td>3.5</td>
<td>3.54%</td>
<td>0</td>
<td>0.00%</td>
<td>3.5*</td>
<td>3.50%</td>
</tr>
</tbody>
</table>

Debt service not included in expenses
Table excludes private Pac-12 universities (Stanford and USC)
Dollars in millions | Source: http://sports.usatoday.com/ncaa/finances/

* Current FY16 campus investment for Washington ICA is $1.94 million for university funded gender equity tuition waivers. This $1.94 million covers 50% of the total gender equity tuition amount.
Revenue enhancements included in proforma:
- Launch of new ICA fundraising campaign (estimated $1.7 million annually)
- Don James Center renewals will positively impact revenues for FY17 and FY18
- Football gate revenues currently assumes modest growth: 3% annual ticket price increase through FY17; one-time 5% ticket price increase in FY18; 3% ticket price increase thereafter
- Men’s basketball gate revenues currently assumes modest growth
- Continuation of campus support for university funded gender equity tuition waivers

Expense reductions included in proforma:
- Annual $2 million reduction beginning in FY17
- Restructured ILP loan and assumed 4.5% interest rate

Other notes:
- ICA will fall under $10 million reserves for ending balance FY19 if additional revenue opportunities are not realized
### Revenue Notes
- Total revenues met or exceeded proforma in FY14 and FY15
- Lagging gate revenue was offset by NCAA conference distributions
- The one-time multimedia rights payment in FY15 created a positive variance to proforma revenues
- Total revenues in FY16 were $4.4 million below proforma due to continued decrease in gate revenue and contributions.

### Expense Notes
- Salaries and Benefits were higher than proforma due to new coaching staff, cost-of-living adjustments and additional staffing necessary to manage new athletic facilities
- Sports Operational and Other Expenses were higher than proforma due to significantly higher cost of operating and maintaining new facilities, including video board operations
- Student-athlete welfare costs higher than projected
- Initial proforma expense projections were set using erroneously low base

---

### Proforma Comparison

#### Proforma vs Actuals

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15 - Variance</th>
<th>FY16</th>
<th>FY16 - Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gate Revenue</td>
<td>29,225</td>
<td>28,830</td>
<td>(395)</td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>21,517</td>
<td>24,031</td>
<td>2,514</td>
<td>(116)</td>
</tr>
<tr>
<td>Naming Rights</td>
<td>1,250</td>
<td>400</td>
<td>(850)</td>
<td></td>
</tr>
<tr>
<td>NCAA/Conference Distributions</td>
<td>22,900</td>
<td>24,935</td>
<td>2,035</td>
<td>(2,349)</td>
</tr>
<tr>
<td>Multimedia Rights Signing Bonus</td>
<td>21,355</td>
<td>22,079</td>
<td>726</td>
<td>(2,409)</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>96,247</td>
<td>100,276</td>
<td>4,029</td>
<td>105,890</td>
</tr>
</tbody>
</table>

|                      |      |                 |      |                |
| **Salaries and Benefits** | 25,576 | 26,786   | 1,210 | 27,108         |
| **Benefits**          | 7,092  | 7,155        | 63   | 7,284          |
| **Athletics Student Aid** | 11,885 | 11,806   | (79) | 13,388         |
| **Sport Operational Expense** | 16,545 | 23,349   | 6,804 | 17,578 |
| **Other Expenses**    | 13,522 | 17,001   | 3,479 | 14,151         |
| **Total Expenses**    | 74,620 | 86,097   | 11,477 | 79,508        |

|                      |      |                 |      |                |
| **Lessor Capital Expenditures** | 2,500  | 7,952        | 5,452 | 4,000          |
| **Lessor Debt Service** | 14,938 | 14,583   | (355) | 19,416         |
| **+/ Adjustment - Cash vs Accrual, Gain/Loss on Investment** | 5,677  | (1,099)     |       |                |
| **Projected Cash Flow** | 4,189  | (2,680)    | (6,868) | (2,731) |

*These numbers show 2012 Board-approved proforma but do not reflect recent financial presentations to the Board.
Potential Future Revenue and Risks

> Potential Revenue Enhancements
  – Renegotiation of athletic apparel contract
  – New ICA fundraising campaign could exceed expectations
  – Football gate revenues could exceed expectations
  – Men's basketball gate revenues could exceed expectations
  – Future benefit of Pac-12 Network distributions

> Potential Risks
  – Impacts of future litigation
  – Challenges to amateurism...pay to play
  – Lifting limits on scholarship amounts and other NCAA legislated items
  – Revenue sports underperform expectations, contributing to lower gate and contribution revenue

> ICA will need a period of time to explore these opportunities and risks before implementing reductions that will negatively impact our student-athletes
Next Steps

> Periodic briefings to BOR Chair, FAM Committee Chair, and ASA Committee Chair as appropriate

> Semi-Annual Borrower Report (SABRe) in October will show final FY16 results

> Athletic Director and CFO leadership will be responsible for continued communication and plan development in partnership with Treasury
ICA Financial Covenants Related to ILP Loan

> Financial Performance
  – Minimum 1.1 debt service coverage. Debt Service Coverage is measured at the end of each fiscal year.

> Other Requirement
  – ICA unrestricted reserves will be no less than one year of debt service beginning the fiscal year ended 6/30/2014. Additional reserves must be held if debt service coverage is less than 1.25 times. These additional reserves are calculated as the amount of net operating income necessary to bring debt service coverage to 1.25 times.

> Continuing Disclosure
  – Annual ICA Audit for every year the loan is outstanding and Proforma vs. Actual report for the first ten football seasons in the new stadium including the calculation of debt service coverage. Continuing disclosure is due to the Treasury Office by January 15th of each year.
The University of Washington has granted ICA gender equity tuition waivers annually since new state legislature began in 1991.

The full use of these gender equity waivers continues to be an essential part of ICA's ability to maintain compliance with both federal and state gender equity laws.

Washington's commitment to women's programs has resulted in remarkable results, including seven national championships across five women's programs since 1991:

- Additionally, three new women's sports programs have been formed since 1991: Soccer, Softball, and Beach Volleyball

In FY14, it was determined that ICA's financial projections could afford them the responsibility to cover 50% of these costs for the first time ever, impacting the FY16 budget by approximately $1.94 million and contributing to the overall deficit being projected for the year.

The agreement to adjust central support for tuition waivers was done with the intention of not unnecessarily compromising ICA's long-term financial profile.
Washington, Stanford, and Arizona State were the first schools to enter into an agreement with the conference to manage media rights when current agreements expire. As “early adopters”, these schools have the ability to shape the relationship in the years ahead.

Washington is the only school thus far to accept a signing bonus ($7.3 million) for joining the Pac-12.

Under the current structure, this bonus (plus any accrued interest) will be credited against future distributions beginning in 2025.

The Pac-12 Conference is amenable to accepting repayment of the signing bonus at any time and letting Washington void the current agreement.

Washington’s agreement with IMG expires in 2025.
STANDING COMMITTEES

Finance and Asset Management Committee

Audit Advisory Committee Update

INFORMATION

For information only.

BACKGROUND

The University of Washington Audit Advisory Committee was established in January 2014 as an advisory committee to the Board of Regents, its appropriate standing committees, and the University President, or his or her designee, on matters relating to the University’s financial practices and standards of conduct. The committee is responsible for reviewing and advising on any external and internal financial audits and internal controls. The committee may, through its Chair or a majority vote of its members, ask management to address specific issues within the responsibilities of the committee.

As noted in the Board of Regents Governance, Standing Orders, Chapter 4, Section 2, the Audit Advisory Committee will consist of no more than eight members to be appointed by the Board. The Audit Advisory Committee is comprised of both Regent and non-Regent members. Members will be asked to make a minimum commitment of three consecutive years, and will serve at the pleasure of the Board.

As approved by the Board at its February 11, 2016 meeting, the Audit Advisory Committee members are:

- Regent Kristianne Blake (Chair) 9/1/14 to 8/31/17
- Regent Vanessa Kritzer 9/10/15 to 6/30/16
- Robert L. (Bob) Gerth 9/1/14 to 8/31/17
- Richard D. Greaves 9/1/14 to 8/31/17
- Brandon S. Pedersen 9/1/14 to 8/31/17
Safety Update

This report is for information only.

BACKGROUND

In March 2016, the Board of Regents established the Safety Update as a standing agenda item to highlight leading safety indicators at the University of Washington. The Safety Update item will focus primarily on the areas of employee, student and patient safety.

Due to the timing of monthly data availability, this report will be distributed at the meeting.
SAFETY STATISTICS

Report to the Board of Regents

June 9, 2016

<table>
<thead>
<tr>
<th>Type</th>
<th>April 2016</th>
<th>May 2016</th>
<th>% Change from Prior Month Increase/(decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reports of student behavior involving harm or threat of harm to another</td>
<td>2</td>
<td>7</td>
<td>250%</td>
</tr>
<tr>
<td>Students seeking advocacy services for the first time</td>
<td>25</td>
<td>28</td>
<td>12%</td>
</tr>
<tr>
<td>Safe Campus Reports(^1)</td>
<td>50</td>
<td>46</td>
<td>(8%)</td>
</tr>
<tr>
<td>Accident reports received(^2)</td>
<td>353</td>
<td>320</td>
<td>(9%)</td>
</tr>
<tr>
<td>Workers’ Compensation time loss claims received</td>
<td>11</td>
<td>17</td>
<td>55%</td>
</tr>
<tr>
<td>Central line infections in patients</td>
<td>3</td>
<td>2*</td>
<td>(33%)</td>
</tr>
</tbody>
</table>

\(^*\) The central line infection rate from January – April 2016 is 0.39 per 1000 catheter-days, which is a 41% reduction from the rate in CY15.

\(^1\) SafeCampus acts as the central point of communication and the coordinating unit for violence mitigation activities across the UW. The Violence Prevention and Response Program is a partnership of key players in campus safety and violence prevention, including Student Life, Human Resources, the Bothell and Tacoma campuses, UW and Harborview Medical centers, the UW Police Department, Academic Human Resources, and the Graduate School. Detailed information is included in the attached report.

\(^2\) An on-the job accident is a reported event sent to Environmental Health and Safety through an online accident reporting system from all employees at all campuses and from the clinic-based systems at the medical centers.

ATTACHMENT 1
May 2016 Report

SafeCampus Incidents and Assessments/VPATs

**Incidents**: This count is new incidents that were reported during the month. This count does not include ongoing case management on reports that were received in previous months.

**Assessments/Violence Prevention Assessment Team Meeting (VPAT)**: A formal meeting organized by SafeCampus that involves campus partners and appropriate UW departments to create a coordinated response plan to a reported incident.

**May 2016 Incident Response Level**

- **Level 1 Immediate Notification**: (1)
  - Pertinent campus partners and departments are alerted immediately, VPAT is immediately convened when appropriate, and an action plan is produced.

- **Level 2 Standard Notification**: (0)
  - Pertinent campus partners and departments are alerted within 1 business day, VPAT in scheduled within 2 business days when appropriate, and an action plan is created.

- **Level 3 Primary Responsibility of SafeCampus or Partner**: (45)
  - The level of concern is sufficiently low that a VPAT is not needed; situation is responded to by SafeCampus and/or partner departments.

- **Level 4 Information or Material Provided**: (0)

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ATTACHMENT 2
Behaviors of Concern Breakout
Total 30 Incidents

Behaviors of concern is used to categorize a range of behaviors that, while not violent, are disruptive to the workplace or campus community.

This graph shows the detailed behaviors within this category.

- Workplace Conduct: 4 incidents
- Unwanted Contact (Non-Relationship): 4 incidents
- Suspicious Activity: 2 incidents
- Stalking Behavior: 5 incidents
- Stress in Personal/Academic Life: 5 incidents
- Personal Relationship: 1 incident
- Percieving Disgrace or Loss of Options: 1 incident
- Overreaction to Situations: 0 incidents
- Decline in Performance/Attendance: 1 incident
- Interpersonal Conflict (Non-Relationship): 1 incident
- Cognition or Reality Perception Concerns: 2 incidents
- Blaming Others: 1 incident
- Belligerence, Intimidation, Conflicts: 2 incidents
- Academic Conduct: 1 incident

Incidents involving Violence-Actual:
- (1) Personal Relationship
- (2) Unwanted Contact (Non-Relationship)
- (1) Repeated Assaults, Belligerence, Intimidation, Conflicts
SafeCampus Incidents - Suicide Reports

In 2015 SafeCampus became the UW’s designated central reporting point for concerns about suicide-related behavior.

SafeCampus Incidents – UW Affiliation

<table>
<thead>
<tr>
<th>UW Affiliation of SafeCampus Incidents</th>
<th>Reporting Individual or Department</th>
<th>FOCUS: Person Experiencing</th>
<th>PIQ: Person Causing Concern</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unknown Identity</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Public</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Public (patient)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Public (Personal Relationship)</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Public (Previous UW Affiliation)</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>UW Faculty - Non Supervisor</td>
<td>2</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>UW Faculty - Supervisor</td>
<td>8</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>UW Graduate Student</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>UW Graduate Student Employee</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>UW Staff - Non Supervisor</td>
<td>13</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>UW Staff - Supervisor</td>
<td>11</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>UW Undergraduate Student</td>
<td>3</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>UW Undergraduate Student Employee</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>VPRP Partner</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
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<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>
Approve FY 2017 Operating Budget and 2016-17 Tuition Rates

RECOMMENDED ACTION

It is the recommendation of the administration that the Board of Regents, pursuant to its authority under RCW 28B.20.130, the Bylaws of the Board of Regents, and the Board of Regents Standing Order No. 1, approve the Fiscal Year 2017 operating budget and tuition rates for the University of Washington that are presented in the following text and tables. In this action item, the Board of Regents, in its sole and independent discretion:

1. Approves the FY 2017 Operating Budget;
2. Authorizes tuition rates for all tuition categories for the 2016-17 academic year and financial aid allocations;
3. Affirms selected fees for FY 2017;
4. Specifies that academic fee increases that are implemented under authority that the Board of Regents has delegated to the President and Provost that are consistent with the limitations the Board has specified are reasonable and necessary;
5. Confirms changes to the tuition and fees in the context of a revised Cost of Attendance attachment; and,
6. Identifies an initial slate of state operating budget requests for submission to the Office of Financial Management as part of the 2017-19 state budget development cycle.

BACKGROUND

The University’s operating budget for the period July 1, 2016 through June 30, 2017 is presented in this action item. The FY 2017 operating budget, including tuition rates, is presented in one comprehensive draft following an executive summary highlighting budget policies and previous Board actions that influence the budget item. Note that changes made to the preliminary item, as presented in May, are highlighted in yellow.

- The first attachment, entitled “Budget Policies and Assumptions,” includes an introduction to the budget document, a description of the administration’s oversight of expenditures, explanations of the distribution policies underlying each major revenue category, a primer on fee and tuition setting policies, and a summary of Regents’ actions assumed in the budget document generally.
FY 2017 Operating Budget and 2016-17 Tuition Rates (continued p. 2)

- The second attachment, “FY 2017 Operating Budget and 2016-17 Tuition Rates,” includes two main sections.
  - The first section contains information about the primary drivers of the FY 2017 operating budget, including a summary of all projected revenues and expenditures for the upcoming fiscal year. It details the administration’s proposed use of General Operating Funds and Designated Operating Funds, known together as “University Operating Resources.” The first section also includes projections of revenue for all major University enterprises, including auxiliary, self-sustaining, health system entities, and restricted funds.
  - The second section, “Tuition Rates and Financial Aid,” provides a detailed summary of tuition rates, peer tuition comparisons, and financial aid funding.

- The third attachment provides the Board of Regents with an updated slate of tuition and fee rates for first-year undergraduate students, within the larger framework of Cost of Attendance.

- The fourth attachment summarizes the current preliminary slate of operating budget requests to be submitted to the Governor’s Office of Financial Management in September 2016 for the 2017-19 (FY 2018 & FY 2019) state operating budget.

Attachments
1. Budget Policies and Assumptions (NEW)
2. FY 2017 Operating Budget and 2016-17 Tuition Rates (UPDATED)
3. Cost of Attendance for First-Year UW Undergraduates (UPDATED)
4. Preliminary 2017-19 State Operating Budget Requests Summary (NEW)
Budget Policies and Assumptions

In an effort to provide as much supplementary budget information as possible, UW administration submits the following budget policies and assumptions briefing document. This document is intended to give a high-level introduction to the budget; articulate the administration’s oversight of expenditures; highlight budget policies that guide our distribution of incremental University Operating Resources and other budget decisions; describe fee-setting authority exercised by the Board of Regents, the President, the Provost, deans, and others; and review Regents’ actions from the recent past.

General Introduction to the Budget Item

The FY17 operating budget contemplates changes in state funding and revenue projections, including tuition and fees, research enterprise, restricted funds, UW Medicine, and auxiliary/self-sustaining activities. The operating budget item provides Regents and the public with a sense of scale for total revenue projections, but focuses on the sources and uses of University Operating Resources, known as General Operating Funds (GOF) and Designated Operating Funds (DOF).

Distribution of incremental revenues to units in budget groupings GOF and DOF is determined by Activity Based Budgeting (ABB)\(^1\), which is a method of budgeting designed to provide greater transparency. Under ABB, central resources, such as tuition revenue and indirect cost recovery (ICR) from research, are allocated directly to the unit responsible for the activity. First, however, a tax is taken to fund central administrative operations, strategic investments in student and faculty experience, and critical compliance efforts – shared expenses that would otherwise have no direct source of funds. These activities are taxed at a rate outlined by ABB (see pages 2-3). The tax is part of the funds the administration uses to address the President’s and Provost’s priorities for the University and deployment of these funds is the result of a lengthy and highly consultative budget development cycle.

Last fall, Interim Provost Baldasty initiated the Provost Budget Development cycle, which evolved into a rigorous budget review and consultation process involving students, faculty, staff, and executive leadership. Interim Provost Baldasty’s priorities for the coming fiscal year were shared by many and identified as follows:

1. Provide competitive compensation
2. Transform administration
3. Fund areas of critical compliance
4. Invest in the student experience

This year, the bulk of tax funds resulting from the ABB model are being spent on compensation-related expense (wages, salaries, and benefits). These expenditures are detailed in Attachment 2, Table 4.

\(^1\) http://opb.washington.edu/activity-based-budgeting
Administrative Oversight of Costs

As part of the annual budget development cycle, the Provost and President review base budgets, allocations, and any deficits by college, school, campus, and administrative unit. During the annual budget development cycle, each of these units submits a proposed fiscal year budget. Unit budgets are posted here: http://opb.washington.edu/fy17-unit-budget-submissions. In addition, as part of the planning for the beginning of the next biennium, the Provost asks for base budgets (salaries, benefits, and operations) by department. For the FY18 budget development cycle, we will be asking for base budgets by fund for every school, college, campus, and administrative unit.

During the FY17 budget development cycle, the Provost reviewed an interactive model created by the Office of Planning & Budgeting (OPB) to project compensation and other expense increases, by unit, against projections of net, new revenue. The Provost used this model to inform decisions regarding merit levels, allocations of central permanent and temporary funding, and the distribution of state funding for compensation and to backfill the resident undergraduate tuition reduction.

In addition, as we seek to streamline central administrative units, improve efficiency, and redeploy funds to support our academic work, the Transforming Administration Project reinforces the notion of continuous improvement and cost containment/resource deployment.

In FY16, $4.5 million of administrative unit funding was captured and reinvested in building a new child care center at Portage Bay and in providing sick elder and child care backup support. In FY17, over $2 million of administrative funds will be redeployed for compensation. Each central administrative unit is being asked to fund 10 percent of its merit pool through attrition and cost savings.

Since the implementation of ABB in FY12, Seattle academic units have experienced more budget growth than Seattle administrative units, both in terms of real dollars ($138 million versus $41 million) and in terms of proportionate growth. In FY16, academic units received $624 million of permanent University Operating Resources, compared to administrative unit allocations of $338 million. Administrative units include the Libraries, Graduate School, Undergraduate Academic Affairs, Student Life, and central administrative units that focus on compliance, operating and capital planning, finance and human resource functions, to name a few. This clear prioritization is not an artifact of one year’s budget process, but rather, sustained investments in the academic mission of the UW. Data suggests that this trend will continue with the adoption of the proposed FY17 budget. For more information, see OPB’s ABB trends brief: http://opb.washington.edu/sites/default/files/opb/Budget/ABB_Trends_Brief.pdf

Budget Policies and ABB Distribution

University Operating Resources (pg. 10):

State Appropriations: The 2015-17 biennial operating budget appropriated just over $100 million in additional biennial funding to the UW, $44 million of which was to backfill resident undergraduate tuition rate reductions as a result of SB 5954. The 2016 supplemental budget provided an additional
$3.5 million. The original budget included $23 million in additional biennial funds to support medical residencies, increase computer science enrollments, and continue operations of the Washington, Wyoming, Alaska, Montana, and Idaho (WWAMI) medical education program. Approximately $27 million was appropriated over the biennium for general wage increases and collective bargaining agreements. Each of these allocations are represented in Table 4, University Operating Expenses as incremental figures.

State appropriations are distributed to schools, colleges and campuses according to legislative intent and state law. For example, $17 million of the wages, salaries and benefits funding mentioned above was provided for FY17, and will be distributed to campuses, schools, colleges and administrative units according to each respective units’ share of total GOF budgeted positions. Distribution under ABB: funds with no legislative directive, though extremely rare, are available to support the strategic priorities of the University and are distributed by the Provost, in consultation with academic and administrative leadership.

**Tuition Operating Fee Revenue:** The University allocates new, net tuition revenue to the unit(s) that conduct the activity generating the new revenue. Net tuition revenue is the total of all operating fees charged to students after subtracting waivers, grants, and certain fees (see Attachment 2, Financial Aid section, page 19). By statute, a specific percentage of tuition fees are credited to the UW Building Account (building fees) and are to be used exclusively for constructing, altering, and maintaining buildings; these funds are appropriated by the legislature. Distribution under ABB: 70 percent of net tuition operating fee revenue is distributed to schools and colleges, and 30 percent is retained by the Provost for basic university functions and strategic investments.

**Indirect Cost Recovery:** Several negotiated rates of allowable facilities and administrative overhead fees govern the receipt of ICR collected on federal grants and contracts. Distribution under ABB: Units receive 35 percent of ICR they generate. In this case, a large portion of the funds retained by the central administration are used for debt service, building operations and maintenance, and utilities costs.

**Institutional Overhead:** A percentage of self-sustaining units’ revenue from the sale of goods and services, charged to recover costs for building use, physical plant operations and maintenance, and institutional support. The institutional overhead rate is applied to revenues associated with these activities. The UW has two institutional overhead rate categories: on-campus and off-campus, determined by the location of the preponderance of effort by each entity. FY17 rates are 15.60 percent for on-campus and 6.85 percent for off-campus activities. Distribution under ABB: Institutional overhead charges are received as revenue to the DOF fund group and distributed back to units as part of the budget process.

**Remaining DOF:** Includes investment income, summer quarter tuition, the Provost Internal Lending Program (ILP) risk fund, and administrative overhead charges to UW Bothell and UW Tacoma. Administrative overhead charges reflect a share of centralized administrative services provided by UW Seattle to UW Bothell and UW Tacoma, and are calculated as 10 percent of GOF revenue funding for each campus, excluding funds for salary increases and funds for operations and maintenance. Distribution: Remaining DOF revenues are distributed back to units as part of the budget process.
Restricted Funds (pg. 14):

*Gift Income and Endowment Distribution:* The Policy approved by the Board of Regents allows 5 percent, or 500 basis points, of the endowment’s average quarter market value\(^{(1)}\) to be distributed. Of this payout, 400 basis points are allocated to individual endowment shareholders. The remaining 100 basis points are allocated to offset endowment related expenses, with 80 basis points going to Advancement and 20 basis points going to Treasury. Endowment funds and gift income can only be used for the purposes specified by the granting agency or donors, and are distributed accordingly.

*State Restricted Funds:* Certain state funds can only be used for the purposes specified by the Washington state legislature, and are distributed accordingly.

Self-Sustaining/Auxiliary Funds (pg. 15):

Revenues and expenses are managed by each auxiliary unit or unit with self-sustaining activities. The University’s large, self-sustaining auxiliary business enterprises include UW Educational Outreach, Housing and Food Services, Intercollegiate Athletics, and Parking and Transportation Services. In addition, UW Medicine health system is an auxiliary, but is identified in a separate category given its size.

In consultation with leadership in these entities, UW administration included revenue targets for each of these auxiliary enterprises. It is important to note that although total revenues may show modest growth, some units carry structural deficits when expenses are taken into account. For units that have not met debt covenants, a Financial Stability Plan is required and must be shared with the Board of Regents in accordance with policy. Units that carry a deficit, but no debt covenants, are under the jurisdiction of the Provost. These deficits are identified, monitored, and mitigated by the Office of Planning & Budgeting on behalf of the Provost. In addition, each of the University’s primary auxiliary units are audited annually.

Some of these auxiliary units, such as UW Educational Outreach and Housing and Food Services, charge fees. Where Regents have reserved fee-setting authority, rate approvals and/or fee change requests are brought to Regents for action.

Setting Fees and Rates

State law gives the Board of Regents broad authority to set fees necessary to run the University, but also requires that fee impositions and increases are approved by the legislature. Legislative approval is achieved through disclosures of possible and known fee increases. Overall, fees paid by all students (and represented in the “cost of attendance”) are approved by the Board. These include the New Student Enrollment & Orientation Fee, Student Tech Fee, Services and Activities Fee, and dedicated fees for transportation and bond payments on student-funded capital projects and sports facilities. Housing and dining fees, though not universal, are also approved by the Board.

\(^{(1)}\) The average quarter market value is based on a trailing 20-quarter, or 5-year, average.
Student fees under delegated approval from Regents to the President and Provost include international student fees, application fees, transcript fees, course fees, and study abroad fees. Generally, course fees are approved by Deans if under $50 and by the Provost if over $50. In FY15, the average course fee was $178, but course fees were associated with only 5 percent of classes at the UW.

An example of a large auxiliary unit that charges fees for programs is UW Educational Outreach, which offers a wide variety of fee-based instructional programs. The approval of fee-based program rates has been delegated from the Regents to the Provost, who sets rates after consulting with campus advisory bodies such as the Faculty Senate Committee on Planning & Budgeting and the Provost Advisory Committee for Students.

Finally, Regents retain tuition-setting authority on all categories except resident undergraduate tuition. Every June, the administration brings tuition rate recommendations for all categories – with the exception of undergraduate resident tuition – to the Board for approval. These recommendations are the result of staff, faculty, student and academic leadership collaboration.

Fee setting delegation is guided by Administrative Policy Statement 33.1, User Fee Approval Policy, available at the following location: http://www.washington.edu/admin/rules/policies/APS/33.01.html.

Recent Regents’ Actions

The following recent actions by the Board of Regents were factored into the development of the FY17 budget:

- February 2016:
  - New Student Enrollment & Orientation Fee Increases for Seattle and UW Bothell:
    - Bothell rate increased from $250 to $300.
    - Seattle rate increased from $300 to $310.
- March 2016:
  - Housing rental and dining plan rate increases:
    - Bothell: housing rental rate increase of 3.6 percent.
    - Seattle: housing rental rate increase of 1.0 to 4.1 percent and dining plan rate increases of 5.0 percent.
    - Tacoma: housing rental rate increase of 2.0 percent.
- May 2016
  - Approved reduction in ILP Interest Rate from 4.75 percent to 4.5 percent, and the creation of the Provost ILP risk fund effective July 1, 2016.
  - Revised the timeline and budget for HR/Payroll Modernization Program (additional $7.82 million over the original approved budget, from temporary central resources)
UNIVERSITY OF WASHINGTON

FY 2017 OPERATING BUDGET

Prepared by the Office of Planning & Budgeting
Board of Regents
William S. Ayer
Joel Benoliel
Kristianne Blake
Joanne R. Harrell
Jeremy Jaech, Board Vice Chair
Vanessa Kritzer, Student Regent
Constance W. Rice
Rogelio Riojas
Patrick M. Shanahan, Board Chair
Herb Simon

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Gerald J. Baldasty, Interim Provost and Executive Vice President
Ana Mari Cauce, President
Jennifer Cohen, Athletic Director
Elizabeth Cherry, Interim Vice President, Finance and Facilities/Treasurer
Mary Gresch, Chief Marketing & Communications Officer
Randy Hodgins, Vice President, External Affairs
Paul Jenny, Senior Vice President, Planning & Management
Rolf Johnson, Chief of Staff
Paul Ramsey, CEO/Dean, UW Medicine
Margaret Shepherd, Director of Strategic Initiatives

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Gerald J. Baldasty, Interim Provost and Executive Vice President
Philip Ballinger, Associate Vice Provost, Enrollment and Undergraduate Admissions
Norm Beauchamp, Chair, Faculty Senate
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Rolf Johnson, Chief of Staff, Office of the President
Ruth Johnston, Associate Vice President & Chief of Staff, Planning & Management
Mindy Kornberg, Vice President, Human Resources
Connie Kravas, Vice President, UW Advancement
Mary Lidstrom, Vice Provost, Research
Karin Nyrop, Division Chief, Attorney General’s Office, UW Division
Mark Pagano, Chancellor, UW Tacoma
Paul Ramsey, CEO/Dean, UW Medicine
Margaret Shepherd, Director of Strategic Initiatives, Office of the President
Bob Stacey, Dean, College of Arts and Sciences
Denzil Suite, Vice President, Student Life
Ed Taylor, Dean and Vice Provost, Undergraduate Academic Affairs
Kelli Trosvig, Vice President and CIO, UW Information Technology
Wolf Yeigh, Chancellor, UW Bothell
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Wolf Yeigh, Chancellor, UW Bothell
Mark A. Pagano, Chancellor, UW Tacoma

**Senate Committee on Planning and Budgeting**
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Norm Beauchamp, Faculty Senate Chair
Zoe Barsness, Faculty Senate Vice Chair
JoAnn Taricani, Faculty Legislative Representative
Marcia Killien, Secretary of the Faculty
Mark Haselkorn, Faculty at Large
Paul Hopkins, Faculty at Large
Kurt Johnson, Faculty at Large
Marjorie Olmstead, Faculty at Large
Roy Taylor, ASUW/GPSS Joint Student Representative
Tyler Wu, ASUW president
Alex Bolton, GPSS President
Gerald Baldasty, Interim Provost and Executive Vice President
Paul E. Jenny, Senior Vice President, Planning & Management
Sandra Archibald, Board of Deans and Chancellors Representative

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Austin Wright-Pettibone, Vice Chair
Tyler Wu, ASUW president
Alex Bolton, GPSS President
Dominick Juarez, ASUW Bothell President
Sophie Nop, ASUW Tacoma President
Brian Tracey
Elizabeth Pring
Elloise Kim
Jack Blaising
Josh MacKintosh
Kaitlyn Zhou
Kevin Celustka
Roy Taylor
Ryan Brill
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UW Mission & Sustainable Academic Business Plan

The primary mission of the University of Washington is the preservation, advancement, and dissemination of knowledge. The University preserves knowledge through its libraries and collections, its courses, and the scholarship of its faculty. It advances new knowledge through many forms of research, inquiry, and discussion, and disseminates knowledge through the classroom and the laboratory, scholarly exchanges, creative practice, international education, and public service. As one of the nation’s outstanding teaching and research institutions, the University is committed to maintaining an environment for objectivity and imaginative inquiry and for the original scholarship and research that ensure the production of new knowledge in the free exchange of facts, theories, and ideas.

UW Brand: Together undaunted for a world of good.

The UW must...

Sustain
- Preserve academic excellence and mission
- Maintain financial stability

Compete
- Attract the best students, faculty, and staff
- Increase and diversify funding

Transform
- Embrace technology and interdisciplinary collaboration to meet the needs of a diverse and dispersed student body
- Invest in people and infrastructure to meet 21st century challenges

By...
- Increasing revenue
- Decreasing costs
- Investing in people
- Investing in infrastructure
- Increasing access
ENROLLMENT AND DEGREES

- **Tuition revenue comprises 68 percent of the UW’s general operating fund** resources (state funds plus tuition revenue), up from 34 percent in 2004, primarily because the UW lost half of its state funding between FY09 and FY12.

- Across all campuses, 74 percent of UW undergraduate students are residents of Washington.

**2016 Key Facts**

**Profile**
- The University of Washington has three campuses that offer over 530 degree options across 294 programs.
- The UW’s fiscal year 2016 (FY16) budget totals $6.9 billion.

**FALL 2015 TOTAL ENROLLMENT**

<table>
<thead>
<tr>
<th></th>
<th>SEATTLE</th>
<th>BOTHELL</th>
<th>TACOMA</th>
<th>ALL UW</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNDERGRAD</td>
<td>31,525</td>
<td>4,698</td>
<td>3,940</td>
<td>40,163</td>
</tr>
<tr>
<td>GRAD/PROF</td>
<td>14,345</td>
<td>581</td>
<td>678</td>
<td>15,604</td>
</tr>
<tr>
<td>TOTAL</td>
<td>45,870</td>
<td>5,279</td>
<td>4,618</td>
<td>55,767</td>
</tr>
</tbody>
</table>

**UW Educational Outreach educates more than 50,000 students annually through a variety of programs, including 200 credit and non-credit certificate programs, 90 graduate degrees, UW summer quarter courses, UW in the High School and UW International & English Language Programs.**

**The UW has become increasingly competitive since the beginning of the recession (2007-08):**
- Seattle freshman applications increased by 122 percent.
- The Seattle freshman admission rate declined from 64 percent to 53 percent, the UW’s lowest admit rate ever.
- The average GPA of the Seattle entering class increased from 3.69 to 3.78.
- The average SAT composite score for the Seattle entering class increased from 1782 to 1855 (out of 2400).

The UW’s **average time to degree is 4.0 years**, and 83 percent of entering freshmen graduate from the UW within six years, the highest percentage of any public university in the state.

**DEGREES AWARDED 2014–2015**

<table>
<thead>
<tr>
<th></th>
<th>SEATTLE</th>
<th>BOTHELL</th>
<th>TACOMA</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>BACHELOR’S</td>
<td>7,491</td>
<td>1,376</td>
<td>1,294</td>
<td>10,161</td>
</tr>
<tr>
<td>MASTER’S</td>
<td>3,606</td>
<td>225</td>
<td>287</td>
<td>4,118</td>
</tr>
<tr>
<td>DOCTORAL</td>
<td>841</td>
<td>N/A</td>
<td>N/A</td>
<td>841</td>
</tr>
<tr>
<td>PROFESSIONAL</td>
<td>568</td>
<td>N/A</td>
<td>N/A</td>
<td>568</td>
</tr>
<tr>
<td>TOTAL</td>
<td>12,506</td>
<td>1,601</td>
<td>1,581</td>
<td>15,688</td>
</tr>
</tbody>
</table>

In fall 2015, 38.2 percent of UW students were pursuing at least one science, technology, engineering & mathematics (STEM) major and in 2014–15, the UW awarded 5,290 STEM degrees.
AFFORDABILITY AND ACCESS

- Since before the recession, the number and proportion of underrepresented minority students at the UW has increased, comprising 18.1 percent of the 2015 incoming freshman class, compared to 10.5 percent in 2006

- The UW’s 2015-16 resident undergraduate tuition and fee rate is $11,839, which is below the Global Challenge State peer mean and median

- In 2015-16, 29 percent of undergraduates are eligible for Pell Grant funding, and 31 percent of all freshmen will be the first in their families to attend college

- The UW has more Pell Grant recipients than all Ivy League schools combined

- In 2015-16, 30 percent (or about 9,500) of UW undergraduate residents were eligible for Husky Promise¹, which provides free tuition to students with financial need

- In 2015-16, about 54 percent of UW undergraduates are receiving some form of financial aid, totaling over $414 million

- Half of all UW undergraduates graduate with no known debt, and those who borrow graduate with less debt than the national average

- In 2015-16, 2,650 UW students are recipients of the College Bound Scholarship Program and 7,400 UW students are projected to receive the Washington state Need Grant

- In 2015-16, the UW is giving $105 million in institutional grants and scholarships to Washington residents

AWARDS AND HONORS

- The UW is one of the best universities in the world, ranked No. 11 globally by U.S. News & World Report, No. 15 globally by the Academic Ranking of World Universities and No. 7 nationally by Washington Monthly

- Kiplinger’s ranks the UW as the No. 9 best value in the nation for in-state students, and Washington Monthly ranks the UW campus in Seattle No. 1, UW Bothell No. 13, and UW Tacoma No. 22 in its “Best Bang for the Buck” rankings

- The UW is home to six Nobel Prize winners, 15 MacArthur Fellows, over 240 members of the Institute of Medicine of the National Academies and 167 fellows in the American Association for the Advancement of Science

RESEARCH AND SERVICE

- The UW receives more federal research dollars than any other public university in the nation — in FY15, the UW received $1.3 billion in total research awards

- The UW is one of the top five largest employers in Washington, supporting 79,331 jobs across the state

- In FY15, CoMotion launched 15 new startups and the UW was rated the No. 1 most innovative public university in the world by Reuters, which examined patent applications and impact

- Over the last 10 years, the UW has produced more Peace Corps volunteers than any other U.S. university

- The UW’s annual economic impact on the state of Washington is now $12.5 billion — up from $9.1 billion in 2009

¹ Through a combination of state, federal and UW local funds
Components of the FY17 Proposed Budget

In the sections below, each major component of the FY17 operating budget is defined, and changes to the budgeted amounts for the coming fiscal year are explained. As a reminder, the primary sections of the Regents’ budget are as follows:

**University Operating Resources**
- General Operating Funds: state support and tuition operating fee revenue (net of financial aid)
- Designated Operating Funds

**Research Enterprise**

**Restricted Funds**
- Gift income and endowment distributions
- Restricted appropriations from the state of Washington

**UW Medicine Health System**

**Auxiliary/Self-Sustaining Activities**
- Auxiliary unit budget projections
- UW Tacoma and UW Bothell self-sustaining revenue projections
- Academic and academic support unit self-sustaining revenue projections

Figure 1, below, shows each major component of the UW’s FY17 budget and the share of the total budget represented by each. Table 1, on the next page, shows the total projected revenues and expenditures for FY17, even though the University operates on an incremental budget process.
Table 1. FY 2017 Proposed Budget - Revenues and Expenditures by Fund and Category

<table>
<thead>
<tr>
<th>Revenue and Expenditure by Fund</th>
<th>FY17 Proposed</th>
<th>FY16 Adopted</th>
<th>Change FY16 to FY17</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>University Operating Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>General Operating Fund:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Appropriations</td>
<td>332,343,000</td>
<td>291,886,000</td>
<td>40,457,000</td>
<td></td>
</tr>
<tr>
<td>Tuition Operating Fee Revenue</td>
<td>608,140,000</td>
<td>625,503,000</td>
<td>(17,363,000)</td>
<td></td>
</tr>
<tr>
<td><strong>Designated Operating Fund:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect Cost Recovery</td>
<td>247,000,000</td>
<td>238,000,000</td>
<td>9,000,000</td>
<td></td>
</tr>
<tr>
<td>Institutional Overhead</td>
<td>26,000,000</td>
<td>24,000,000</td>
<td>2,000,000</td>
<td></td>
</tr>
<tr>
<td>Remaining DOF</td>
<td>87,643,000</td>
<td>83,379,000</td>
<td>4,264,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td>1,301,125,000</td>
<td>1,262,768,000</td>
<td>38,357,000</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total Operating Expenditures</strong></td>
<td>1,301,125,000</td>
<td>1,262,768,000</td>
<td>38,357,000</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Research Enterprise</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Research Enterprise</strong></td>
<td>1,137,196,000</td>
<td>1,114,898,000</td>
<td>22,298,000</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total Research Enterprise</strong></td>
<td>1,137,196,000</td>
<td>1,114,898,000</td>
<td>22,298,000</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Restricted Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gift Income &amp; Endowment Distributions</td>
<td>280,000,000</td>
<td>259,700,000</td>
<td>20,300,000</td>
<td></td>
</tr>
<tr>
<td><strong>State Restricted Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biotoxin Acct (Shellfish Monitoring)</td>
<td>297,000</td>
<td>195,000</td>
<td>102,000</td>
<td></td>
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<tr>
<td>Aquatic Lands Enhancement Account</td>
<td>775,000</td>
<td>775,000</td>
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<tr>
<td>Economic Development Strategic Reserve Acct</td>
<td>1,507,000</td>
<td>1,504,000</td>
<td>3,000</td>
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<tr>
<td>Dedicated Marijuana Acct-State</td>
<td>227,000</td>
<td>227,000</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Accident Account</td>
<td>3,649,000</td>
<td>3,480,000</td>
<td>169,000</td>
<td></td>
</tr>
<tr>
<td>Medical Aid Account</td>
<td>3,421,000</td>
<td>3,328,000</td>
<td>93,000</td>
<td></td>
</tr>
<tr>
<td><strong>State Restricted Funds Total</strong></td>
<td>9,876,000</td>
<td>9,509,000</td>
<td>367,000</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total Restricted Fund Revenue</strong></td>
<td>289,876,000</td>
<td>269,209,000</td>
<td>20,667,000</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Total Restricted Fund Expenditures</strong></td>
<td>289,876,000</td>
<td>269,209,000</td>
<td>20,667,000</td>
<td>8%</td>
</tr>
<tr>
<td><strong>UW Medicine Health System (Preliminary)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UW Medical Center</td>
<td>1,160,000,000</td>
<td>1,118,088,000</td>
<td>41,912,000</td>
<td></td>
</tr>
<tr>
<td>Harborview Medical Center*</td>
<td>950,000,000</td>
<td>920,350,000</td>
<td>29,650,000</td>
<td></td>
</tr>
<tr>
<td>Valley Medical Center</td>
<td>568,000,000</td>
<td>546,172,000</td>
<td>21,828,000</td>
<td></td>
</tr>
<tr>
<td>NW Hospital</td>
<td>392,000,000</td>
<td>375,377,000</td>
<td>16,623,000</td>
<td></td>
</tr>
<tr>
<td>UW Physicians</td>
<td>304,000,000</td>
<td>311,690,000</td>
<td>(7,690,000)</td>
<td></td>
</tr>
<tr>
<td>Airlift NW</td>
<td>48,000,000</td>
<td>48,891,000</td>
<td>(891,000)</td>
<td></td>
</tr>
<tr>
<td>UW Neighborhood Clinics</td>
<td>49,000,000</td>
<td>42,647,000</td>
<td>6,353,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total UW Medicine Health System Revenue</strong></td>
<td>3,471,000,000</td>
<td>3,363,215,000</td>
<td>107,785,000</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total UW Medicine Health System Expenditures</strong></td>
<td>3,471,000,000</td>
<td>3,363,215,000</td>
<td>107,785,000</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Auxiliary/ Self-Sustaining Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing and Dining (Seattle campus)</td>
<td>120,993,000</td>
<td>112,795,000</td>
<td>8,198,000</td>
<td></td>
</tr>
<tr>
<td>Intercollegiate Athletics</td>
<td>108,944,000</td>
<td>109,510,000</td>
<td>(566,000)</td>
<td></td>
</tr>
<tr>
<td>Educational Outreach</td>
<td>111,098,000</td>
<td>107,209,000</td>
<td>3,889,000</td>
<td></td>
</tr>
<tr>
<td>Parking</td>
<td>40,418,000</td>
<td>39,782,000</td>
<td>636,000</td>
<td></td>
</tr>
<tr>
<td>UW Bothell &amp; UW Tacoma</td>
<td>21,799,000</td>
<td>22,600,000</td>
<td>(801,000)</td>
<td></td>
</tr>
<tr>
<td>Additional academic self-sustaining activities</td>
<td>329,416,000</td>
<td>326,250,000</td>
<td>3,166,000</td>
<td></td>
</tr>
<tr>
<td>Additional academic support self-sustaining activities</td>
<td>135,648,000</td>
<td>151,808,000</td>
<td>(16,160,000)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Auxiliary/Self-Sustaining Revenue</strong></td>
<td>868,316,000</td>
<td>869,954,000</td>
<td>(1,638,000)</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Auxiliary/Self-Sustaining Expenditures</strong></td>
<td>868,316,000</td>
<td>869,954,000</td>
<td>(1,638,000)</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total University Revenue</strong></td>
<td>7,067,513,000</td>
<td>6,880,043,000</td>
<td>187,469,000</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total University Expenditures</strong></td>
<td>7,067,513,000</td>
<td>6,880,043,000</td>
<td>187,469,000</td>
<td>3%</td>
</tr>
</tbody>
</table>

*HMC is managed by UWMC, but appears on King County’s financial statement.
University Operating Resources

As a reminder, University Operating Resources are derived from state appropriations, net tuition revenue, indirect cost recovery from grants and contracts, institutional overhead charged to self-sustaining budgets and auxiliary units of the University, administrative overhead charged to Bothell and Tacoma, and summer quarter tuition revenue. These revenues are combined into two major budget categories: General Operating Funds and Designated Operating Funds. These budget categories fund the UW’s campuses, Seattle schools and colleges, and Seattle academic support units. Each of these primary revenue drivers is described below.

General Operating Fund (GOF)

GOF is made up of state appropriations and tuition operating fee revenue (net of financial aid).

State Subsidy

The 2015-17 biennial operating budget, which was enacted in the 2015 legislative session, appropriated incremental funds to support medical residencies, increase computer science enrollments, and continue operations of the UW’s WWAMI program in Spokane. The budget also provided limited funds for general wage increases and collective bargaining agreements for state-funded personnel. The 2016 supplemental operating budget made minor changes to the enacted biennial budget. The supplemental budget provided additional funds to “true-up” previous appropriations to backfill resident undergraduate tuition rate reductions, and it adjusted appropriations due to changes in workers’ compensation rates and employer contributions to employee health insurance. Table 2 provides an overview of supplemental changes to the University’s “Near General Fund-State”¹ biennial appropriation.

Table 2: UW State Funding in the Final 2016 Supplemental Budget
Near General Fund-State, detail by fiscal year (in $1,000s)

<table>
<thead>
<tr>
<th>Compromise Supplemental Operating Budget</th>
<th>FY 16</th>
<th>FY 17</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-17 Biennial Budget Total Funding</td>
<td>291,886</td>
<td>327,686</td>
<td>619,572</td>
</tr>
<tr>
<td>Supplemental Funding Changes</td>
<td>1,047</td>
<td>4,657</td>
<td>5,704</td>
</tr>
<tr>
<td>Supplemental Maintenance Changes</td>
<td>(29)</td>
<td>(45)</td>
<td>(74)</td>
</tr>
<tr>
<td>Tuition Backfill</td>
<td>411</td>
<td>3,102</td>
<td>3,513</td>
</tr>
<tr>
<td>OFM Central Service Charges*</td>
<td>622</td>
<td>622</td>
<td>1,244</td>
</tr>
<tr>
<td>Moore v. HCA settlement costs*</td>
<td>90</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>Mental Health Task Force</td>
<td>25</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>Telemedicine</td>
<td>18</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td>Workers’ Compensation Changes</td>
<td>979</td>
<td>979</td>
<td>979</td>
</tr>
<tr>
<td>PEBB Funding Rate Reduction</td>
<td>(134)</td>
<td>(134)</td>
<td>(134)</td>
</tr>
<tr>
<td>Total 2015-17 Funding</td>
<td>292,933</td>
<td>332,343</td>
<td>625,276</td>
</tr>
</tbody>
</table>

¹ These amounts will be swept back by the state to cover their intended uses.

¹ “Near General Fund-State” is the official fund title used by the state to describe the combination of appropriations from the general fund and the Education Legacy Trust Account.
Tuition Revenue

Recall that the enacted biennial budget assumed the provisions of the Second Engrossed Substitute SB 5954, which **reduced the operating fee portion of resident undergraduate tuition at all public institutions**. In 2015-16, resident undergraduate operating fees were decreased to 5 percent below the 2014-15 rates. In 2016-17, resident undergraduate operating fees at the state universities (the UW and WSU) will be decreased to 15 percent below the 2014-15 rates. The incremental change between 2015-16 and 2016-17 is an effective decrease of 10.5 percent.

Tuition rates for nonresident undergraduates and all graduate and professional students remain firmly under the authority of the UW Board of Regents. Proposals for 2016-17 tuition rates are presented for review and consideration in Table 6, on page 16.

Projected tuition revenue—net of building fee, required financial aid set-aside, and, of course, waivers—is shown in Tables 1 and 3 as “Tuition Operating Fee” revenue. Year over year, tuition revenue is decreasing. This decrease is largely driven by the reduction in resident undergraduate tuition rates. However, flattening enrollment growth and, in some cases, rate reductions in other tuition categories, factor into this change.

Designated Operating Fund (DOF)

Other, local sources of revenue that support operations for all University units are referred to collectively as the Designated Operating Fund (DOF). The largest of these local sources is the UW’s receipt of indirect cost recovery (ICR) from grants and contracts. ICR provides reimbursement for prior institutional expenses associated with the UW’s research activity and contributes significantly to central funds. In the coming year, UW administration will budget $9 million in additional ICR over the FY16 value of $238 million. Through most of FY16, total awards remained relatively flat, though ICR generation increased. In line with the method employed by the administration to allocate 35 percent of ICR to units generating the research activity, we are budgeting the actual collections (ICR received) from the 12-month period ending March 31, 2016. In other words, UW administration is budgeting more ICR revenue to reflect the prior actuals in line with our distribution of these funds. The year-over-year increase displayed is not an indication of significant growth, but rather, of a more accurate budgeting protocol.

Table 3: FY 2017 University Operating Budget Revenue (Activity Based Budgeting rules apply)

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>FY17 Proposed Budget</th>
<th>FY16 Adopted Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operating Fund</td>
<td>940,483,000</td>
<td>917,389,000</td>
</tr>
<tr>
<td>State General Fund</td>
<td>332,343,000</td>
<td>291,886,000</td>
</tr>
<tr>
<td>Tuition Operating Fee</td>
<td>608,140,000</td>
<td>625,503,000</td>
</tr>
<tr>
<td>Designated Operating Fund</td>
<td>360,643,000</td>
<td>345,379,000</td>
</tr>
<tr>
<td>Indirect Cost Recovery</td>
<td>247,000,000</td>
<td>238,000,000</td>
</tr>
<tr>
<td>Institutional Overhead</td>
<td>26,000,000</td>
<td>24,000,000</td>
</tr>
<tr>
<td>Administrative Overhead</td>
<td>8,619,000</td>
<td>8,104,000</td>
</tr>
<tr>
<td>Summer Quarter Tuition</td>
<td>55,136,000</td>
<td>53,200,000</td>
</tr>
<tr>
<td>Investment Income</td>
<td>12,961,000</td>
<td>13,650,000</td>
</tr>
<tr>
<td>Provost ILP Risk Fund</td>
<td>2,500,000</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Fees</td>
<td>8,226,000</td>
<td>8,226,000</td>
</tr>
<tr>
<td>Other DOF</td>
<td>200,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Total GOF/DOF Sources</td>
<td>1,301,125,000</td>
<td>1,262,768,000</td>
</tr>
</tbody>
</table>
Proposed Uses of GOF and DOF

Last fall, Interim Provost Baldasty initiated the Provost Budget Development cycle, which evolved into a rigorous budget review and consultation process involving students, faculty, staff, and executive leadership. Interim Provost Baldasty’s priorities for the coming fiscal year were shared by many, and identified as follows:

1. Provide competitive compensation
2. Transform administration
3. Fund areas of critical compliance
4. Invest in the student experience

Table 3, above, highlights the sources of two primary funds, General Operating Funds and Designated Operating Funds. Our proposed uses for these funds are displayed in Table 4, on the next page. Pending action from the Regents, final Provost Reinvestment Fund decisions will be made and released to campus for information and local budget planning efforts.

Compensation

As a reminder, the enacted 2015-17 state budget assumed that all employee salaries will increase by 1.8 percent in FY17 and allowed the University to increase compensation beyond levels specified in the budget. In total, state support of $27 million was provided over the biennium for higher education general wage increases. The amount provided in FY17 alone ($17.2 million) is insufficient to fund a 1.8 percent salary increase across all state-funded personnel categories. Importantly, we budget and distribute only the increment between the FY16 and FY17 allocations for compensation. The increment is being spread to all campuses, schools, colleges and administrative units on the basis of proportionate share of state and tuition-funded paid FTE.

The 2015-17 state budget deemed collective bargaining agreements (CBAs) with the Washington Federation of State Employees (WFSE) and Service Employees International Union 925 (SEIU 925) financially feasible and partially funded a 2 percent increase in FY17. The budget also provided language to implement normally-recurring salary and merit increases with local funds.

The proposed FY17 operating budget provides for a four percent merit-based salary increase and associated benefits. State funds and Provost Reinvestment Funds will be distributed to campuses, schools, and colleges to cover the cost for the first 2 percent of these increases. Funding for associated benefits will be provided to units. For central administrative units, the Provost will cover 90 percent of the cost required to implement an average 4 percent salary increase. This approach will require that administrative units reduce expenses.

Employee Benefits

The 2016 state supplemental budget funded FY17 Public Employee Benefits Board (PEBB) healthcare benefits at $888 per employee per month—a slight decrease from the 2015-17 enacted budget assumption of $894 per employee per month for FY17. The monthly employer funding rates will maintain PEBB healthcare benefits at their current cost-sharing split, with the employer covering 85 percent and the employee covering 15 percent.

The UW’s benefit load rates for faculty, classified staff, and professional staff will be adjusted to reflect these new employer health benefits contribution levels. The UW implemented significant increases in benefit load rates in FY16, which reflected an increase in the health care portion of total benefit expenses. As a result of the significant increase in FY16, the incremental change to benefit expenses for all personnel in FY17 is far less impactful. As a reminder, the Provost funds employee benefits for positions in central administrative units. Seattle schools and colleges, UW Bothell, UW Tacoma, and all other University auxiliary units will locally fund incremental benefits costs after receiving a proportionate share of the benefits funding provided by the state.
Table 4, below, shows new *incremental*, permanent uses of GOF and DOF revenue in FY17. The “FY16 Adopted Budget” column provides context for the FY17 expenses. The FY16 column shows each of the incremental permanent expenses that were added to the expenditure base in FY16 and are, therefore, included in the new FY17 expenditure base. Thus, a blank row in FY17 means there was no change to the amount budgeted in FY16.

Table 4: FY 2017 University Operating Budget Permanent Expenses

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>FY17 Proposed Budget</th>
<th>FY16 Adopted Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>*<em>Permanent Adjusted Expenditure Base</em></td>
<td>1,270,836,000</td>
<td>1,199,563,000</td>
</tr>
<tr>
<td>*Includes carryforward of $8,068,000 of benefit reimbursement from the state.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incremental Distributions to Units</td>
<td>22,390,000</td>
<td>41,313,000</td>
</tr>
<tr>
<td>Incremental Tuition Allocation to Schools/Colleges</td>
<td>(13,557,000)</td>
<td>12,170,000</td>
</tr>
<tr>
<td>Tuition Reduction Backfill</td>
<td>20,764,000</td>
<td>10,018,000</td>
</tr>
<tr>
<td>Provost Reinvestment Pool</td>
<td>5,413,000</td>
<td>8,587,000</td>
</tr>
<tr>
<td>Compensation Adjustments from State</td>
<td>7,712,000</td>
<td>10,496,000</td>
</tr>
<tr>
<td>Benefit Adjustments from State</td>
<td>2,058,000</td>
<td>42,000</td>
</tr>
<tr>
<td>Legislative Directives (Near General Fund State Only)</td>
<td>4,508,000</td>
<td>11,370,000</td>
</tr>
<tr>
<td>Maintenance level central service changes</td>
<td>21,000</td>
<td>127,000</td>
</tr>
<tr>
<td>Policy level central service changes</td>
<td>622,000</td>
<td>112,000</td>
</tr>
<tr>
<td>Computer Science</td>
<td>2,000,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>WWAMI Medical Education</td>
<td>1,800,000</td>
<td>3,600,000</td>
</tr>
<tr>
<td>Revolving Funds</td>
<td>(68,000)</td>
<td></td>
</tr>
<tr>
<td>Moore vs HCA Settlement</td>
<td>90,000</td>
<td></td>
</tr>
<tr>
<td>Telemedicine</td>
<td>18,000</td>
<td></td>
</tr>
<tr>
<td>Mental Health Task Force</td>
<td>25,000</td>
<td></td>
</tr>
<tr>
<td>O&amp;M for UW Bothell’s Discovery Hall</td>
<td>881,000</td>
<td></td>
</tr>
<tr>
<td>Medicine Residency Network</td>
<td>4,000,000</td>
<td></td>
</tr>
<tr>
<td>Latino Health Center</td>
<td>250,000</td>
<td></td>
</tr>
<tr>
<td>Climate Impact Group</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td>Labor Archives</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td>Other Adjustments</td>
<td>3,391,000</td>
<td>10,522,000</td>
</tr>
<tr>
<td>Increase in Summer Qtr Costs (UWB/UWT and Seattle)</td>
<td>753,000</td>
<td>4,935,000</td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td><strong>859,000</strong></td>
<td><strong>1,100,000</strong></td>
</tr>
<tr>
<td>Incremental ICR ABB Allocations</td>
<td><strong>1,725,000</strong></td>
<td>582,000</td>
</tr>
<tr>
<td>Transportation Subsidy</td>
<td>(109,000)</td>
<td>240,000</td>
</tr>
<tr>
<td>Sick Elder &amp; Child Services/Priority Access</td>
<td>225,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Operations &amp; Maintenance - Portage Bay Childcare</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>Energy Services Company - Central Savings</td>
<td>(94,000)</td>
<td></td>
</tr>
<tr>
<td><strong>Retiree &amp; Reserve Parking - Central Savings</strong></td>
<td><strong>(68,000)</strong></td>
<td></td>
</tr>
<tr>
<td>Institutional Support for Title VI - Foreign Languages &amp; Cultures</td>
<td>550,000</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Fee Distributions (UG application Fee)</td>
<td>281,000</td>
<td></td>
</tr>
<tr>
<td>Husky Card Operations</td>
<td>185,000</td>
<td></td>
</tr>
<tr>
<td>Library Collections</td>
<td>750,000</td>
<td></td>
</tr>
<tr>
<td>Additional Operations Support for Disabled Students/Employees</td>
<td>700,000</td>
<td></td>
</tr>
<tr>
<td>Set aside for 4545 Debt Service starting FY2017</td>
<td>1,000,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Projected GOF/DOF Uses</strong></td>
<td><strong>1,301,125,000</strong></td>
<td><strong>1,262,768,000</strong></td>
</tr>
</tbody>
</table>

Regent’s approved use of fund balance for HRP project | 7,800,000 |
Research Enterprise

Though awards in FY16 continue to trend better than expectations, subject matter experts in the UW administration believe that direct expenditures on grants and contracts in FY17 will remain relatively flat. This expectation is based on the fact that the federal budget environment remains tenuous this election year.

Restricted Funds

Expenditures for state restricted funds and nearly all gifts can only be used for the purposes specified by the Washington state legislature or the granting agency or donor.

The FY17 operating budget does not provide a comprehensive view of endowment support in future years, as FY17 revenue only represents one year of endowment distribution activity. The policy approved by the Board of Regents allows 5 percent, or 500 basis points, of the endowment’s average quarter market value\(^2\) to be distributed. Of this payout, 400 basis points are allocated to individual endowment shareholders. The remaining 100 basis points are allocated to offset endowment related expenses, with 80 basis points going to Advancement and 20 basis points going to Treasury. Advancement projects a total endowment distribution of $110 million for FY17.

Gift income represents anticipated expenditures against “current use” gifts. Advancement projects that the UW will receive $170 million in gift income in FY17.

The majority of the “state restricted funds” line item is composed of just over $7 million in Accident and Medical Aid account revenue, which will continue to benefit the School of Public Health for specific activities performed by the Department of Environmental Health in FY17. An appropriation of $1.5 million from the Economic Development Strategic Reserve account supports the Joint Center for Aerospace Innovation Technology. This category also includes $297,000 for shellfish biotoxin monitoring, $775,000 for ocean acidification work, and $227,000 of Dedicated Marijuana account funds for research and education on the effects of marijuana use, in accordance with the language of voter-approved Initiative 502.

UW Medicine Health System

The UW Medicine health system is composed of several partner entities, hospitals, and other, related, medical operations. Although these entities have different financial relationships with the UW, the sum of the proposed budgets for each of these entities is displayed for information purposes.

The production of this budget item requires that UW Medicine provide early projections of revenue, by entity, for the Board of Regents to adopt with all other University revenues. After the annual budget item is adopted, leadership from UW Medicine typically provides a separate annual report to Regents on the financial health of UW Medicine. This year, we provided data from the adopted FY16 budget as well as the subsequently reported revenue by entity for FY16 to provide Regents with additional detail about the evolution of revenue projections by entity. These data are displayed in Table 5, below.

\(^2\) The average quarter market value is based on a trailing 20-quarter, or 5-year, average.
<table>
<thead>
<tr>
<th>UW Medicine Health System (Preliminary)</th>
<th>FY17 Proposed</th>
<th>FY16 Adopted Subsequently</th>
<th>FY16 UW Regents Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>UW Medical Center</td>
<td>1,160,000,000</td>
<td>1,118,000,000</td>
<td>1,118,088,000</td>
</tr>
<tr>
<td>Harborview Medical Center</td>
<td>950,000,000</td>
<td>920,000,000</td>
<td>920,350,000</td>
</tr>
<tr>
<td>Valley Medical Center</td>
<td>568,000,000</td>
<td>546,000,000</td>
<td>546,172,000</td>
</tr>
<tr>
<td>Northwest Hospital</td>
<td>392,000,000</td>
<td>375,000,000</td>
<td>375,377,000</td>
</tr>
<tr>
<td>UW Physicians</td>
<td>304,000,000</td>
<td>282,000,000</td>
<td>311,690,000</td>
</tr>
<tr>
<td>Airlift NW</td>
<td>48,000,000</td>
<td>48,000,000</td>
<td>48,891,000</td>
</tr>
<tr>
<td>UW Neighborhood Clinics</td>
<td>49,000,000</td>
<td>43,000,000</td>
<td>42,647,000</td>
</tr>
<tr>
<td>UW Medicine System Total</td>
<td>3,471,000,000</td>
<td>3,332,000,000</td>
<td>3,363,215,000</td>
</tr>
</tbody>
</table>

### Auxiliaries / Self-Sustaining Activities

The University’s large, self-sustaining auxiliary business enterprises include Educational Outreach, Housing and Food Services, Intercollegiate Athletics, and Parking and Transportation Services. In addition, UW Medicine health system is an auxiliary, but is identified in a separate category given its size.

In consultation with leadership in these entities, UW administration included revenue targets for each of these auxiliary enterprises. It is important to note that although total revenues may show modest growth, some units carry structural deficits when expenses are taken into account. For units that have not met debt covenants, a Financial Stability Plan is required and will be shared with the Board of Regents in accordance with policy. Units that carry a deficit, but no debt covenants, are under the jurisdiction of the Provost. These deficits are identified, monitored, and mitigated by the Office of Planning & Budgeting on behalf of the Provost. In addition, each of the University’s primary auxiliary units are audited annually.

Auxiliary/self-sustaining units are charged a tax, known in policy as institutional overhead, to recover the cost of central services.

In addition to the University’s auxiliary units, self-sustaining activities are operated by certain schools, colleges, and academic support units. Self-sustaining budgets, which are broadly defined as those funded by the sale of goods and services or by other revenue-generating activities, are charged overhead (in most cases) and are monitored monthly for deficits.

Over 380 departments operate self-sustaining activities. Educational Outreach is represented as only one department in this count, though it actually operates over 290 self-sustaining certificate and graduate degree programs.
Tuition Rates and Financial Aid

Tuition Recommendations

As noted previously, tuition rates for nonresident undergraduates and all graduate and professional students are under the authority of the Board of Regents. The recommendations in Table 6, below, result from many months of collaboration between deans, faculty, students, and staff along with executive and academic leadership.

Table 6. Proposed 2016-17 Tuition Rates (operating fee + building fee)

<table>
<thead>
<tr>
<th>Unit</th>
<th>Tuition Category</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Resident</td>
<td>Non-Res</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Undergraduate</td>
<td>$10,768</td>
<td>$33,072</td>
<td>-9.97%</td>
</tr>
<tr>
<td></td>
<td>Non-Res</td>
<td>$33,072</td>
<td>$33,732</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Graduate Tier I</td>
<td>$15,207</td>
<td>$27,255</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Resident</td>
<td>$15,207</td>
<td>$27,255</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Non-Res</td>
<td>$27,255</td>
<td>$27,837</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Graduate Tiers II</td>
<td>$15,594</td>
<td>$27,837</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Resident</td>
<td>$15,594</td>
<td>$27,837</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Non-Res</td>
<td>$27,837</td>
<td>$27,837</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Graduate Tiers III</td>
<td>$16,425</td>
<td>$29,274</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td>Resident</td>
<td>$16,425</td>
<td>$29,274</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td>Non-Res</td>
<td>$29,274</td>
<td>$30,153</td>
<td>3.0%</td>
</tr>
<tr>
<td>Built Environments, College of</td>
<td>Masters - Construction Mgmt. Landscape Architecture, Urban Design &amp; Planning</td>
<td>$15,954</td>
<td>$28,413</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Resident</td>
<td>$15,954</td>
<td>$28,413</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Non-Res</td>
<td>$28,413</td>
<td>$28,413</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>College of Built Environments Masters - March and MSRE (Real Estate)</td>
<td>$16,875</td>
<td>$35,535</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Resident</td>
<td>$16,875</td>
<td>$35,535</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Non-Res</td>
<td>$35,535</td>
<td>$35,535</td>
<td>0.0%</td>
</tr>
<tr>
<td>Dentistry, School of</td>
<td>Dental Professional (DDS) Year 1</td>
<td>$42,423</td>
<td>$45,816</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td>Resident</td>
<td>$42,423</td>
<td>$45,816</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td>Non-Res</td>
<td>$65,412</td>
<td>$70,644</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td>Dental Professional (DDS) Year 2</td>
<td>$42,423</td>
<td>$45,816</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td>Resident</td>
<td>$42,423</td>
<td>$45,816</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td>Non-Res</td>
<td>$65,412</td>
<td>$70,644</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td>Dental Professional (DDS) Year 3</td>
<td>$42,417</td>
<td>$45,810</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td>Resident</td>
<td>$42,417</td>
<td>$45,810</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td>Non-Res</td>
<td>$65,412</td>
<td>$70,644</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td>Dental Professional (DDS) Year 4</td>
<td>$39,210</td>
<td>$42,348</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td>Resident</td>
<td>$39,210</td>
<td>$42,348</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td>Non-Res</td>
<td>$65,412</td>
<td>$70,644</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td>Graduate Dental - Oral Biology</td>
<td>$14,745</td>
<td>$15,336</td>
<td>4.0%</td>
</tr>
<tr>
<td></td>
<td>Resident</td>
<td>$14,745</td>
<td>$15,336</td>
<td>4.0%</td>
</tr>
<tr>
<td></td>
<td>Non-Res</td>
<td>$28,427</td>
<td>$29,616</td>
<td>4.0%</td>
</tr>
<tr>
<td></td>
<td>Graduate Dental - Oral Medicine, Pediatric Dentistry, Periodontics, and Prosthodontics</td>
<td>$16,377</td>
<td>$17,031</td>
<td>4.0%</td>
</tr>
<tr>
<td></td>
<td>Resident</td>
<td>$16,377</td>
<td>$17,031</td>
<td>4.0%</td>
</tr>
<tr>
<td></td>
<td>Non-Res</td>
<td>$29,886</td>
<td>$32,277</td>
<td>4.0%</td>
</tr>
<tr>
<td></td>
<td>Graduate Dental - Endodontics</td>
<td>$18,012</td>
<td>$18,732</td>
<td>4.0%</td>
</tr>
<tr>
<td></td>
<td>Resident</td>
<td>$18,012</td>
<td>$18,732</td>
<td>4.0%</td>
</tr>
<tr>
<td></td>
<td>Non-Res</td>
<td>$29,886</td>
<td>$32,277</td>
<td>4.0%</td>
</tr>
<tr>
<td></td>
<td>Graduate Dental - Orthodontics</td>
<td>$22,935</td>
<td>$23,853</td>
<td>4.0%</td>
</tr>
<tr>
<td></td>
<td>Resident</td>
<td>$22,935</td>
<td>$23,853</td>
<td>4.0%</td>
</tr>
<tr>
<td></td>
<td>Non-Res</td>
<td>$29,886</td>
<td>$32,277</td>
<td>4.0%</td>
</tr>
<tr>
<td>Education, College of</td>
<td>Master of Education and Master in Teaching</td>
<td>$15,465</td>
<td>$15,930</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td>Resident</td>
<td>$15,465</td>
<td>$15,930</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td>Non-Res</td>
<td>$28,671</td>
<td>$29,532</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td>Doctor of Education and Education PhD</td>
<td>$15,465</td>
<td>$15,930</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td>Resident</td>
<td>$15,465</td>
<td>$15,930</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td>Non-Res</td>
<td>$28,671</td>
<td>$29,532</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

1 This represents the combined effect of a 10.5% incremental operating fee reduction, plus no change to the building fee.

4 The DDS program has a cohort tuition structure. This means, for example, that a current Year-3 DDS resident student will not experience an 8% increase in FY17. Instead, the student’s tuition will decrease in FY17, as it will go from $42,417/year to $42,348/year.
<table>
<thead>
<tr>
<th>Unit</th>
<th>Tuition Category</th>
<th>FY 2016</th>
<th>Increase</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering, College of</td>
<td>Master of Chemical Engineering</td>
<td>Resident</td>
<td>$20,520</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$32,352</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td>Masters of Industrial and Systems Engineering</td>
<td>Resident</td>
<td>$20,520</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$32,352</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td>Master of Material Science and Engineering</td>
<td>Resident</td>
<td>$20,520</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$32,352</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td>Master of Applied Bioengineering</td>
<td>Resident</td>
<td>$20,520</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$32,352</td>
<td>3.0%</td>
</tr>
<tr>
<td>Environment, College of the</td>
<td>College of the Environment Graduate Programs</td>
<td>Resident</td>
<td>$15,594</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$27,837</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>MS in Earth and Space Sciences: Applied Geosciences</td>
<td>Resident</td>
<td>$16,764</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$29,925</td>
<td>0.0%</td>
</tr>
<tr>
<td>Evans School</td>
<td>Master of Public Administration (MPA)</td>
<td>Resident</td>
<td>$19,815</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$35,565</td>
<td>3.0%</td>
</tr>
<tr>
<td>Foster School</td>
<td>MBA Incoming&lt;sup&gt;5&lt;/sup&gt;</td>
<td>Resident</td>
<td>$30,129</td>
<td>4.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$44,379</td>
<td>4.0%</td>
</tr>
<tr>
<td></td>
<td>MBA Continuing&lt;sup&gt;2&lt;/sup&gt;</td>
<td>Resident</td>
<td>$29,250</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$43,086</td>
<td>3.0%</td>
</tr>
<tr>
<td>Law, School of</td>
<td>Law (JD) – 1L (&lt;em&gt;new split out of JD rate&lt;/em&gt;)</td>
<td>Resident</td>
<td>$30,891</td>
<td>2.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$43,053</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Law (JD) – 2L, 3L (&lt;em&gt;new split out of JD rate&lt;/em&gt;)</td>
<td>Resident</td>
<td>$30,891</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$43,053</td>
<td>-2.0%</td>
</tr>
<tr>
<td></td>
<td>Master of Laws (LLM)</td>
<td>Resident</td>
<td>$19,677</td>
<td>10.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$35,883</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td>Law PhD</td>
<td>Resident</td>
<td>$18,426</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$35,883</td>
<td>3.0%</td>
</tr>
<tr>
<td>Medicine, School of</td>
<td>Medical Professional (MD)</td>
<td>Resident</td>
<td>$32,688</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$63,123</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nursing, School of</td>
<td>Nursing Master and Doctor of Nursing Practice</td>
<td>Resident</td>
<td>$25,461</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$45,804</td>
<td>-15.0%</td>
</tr>
<tr>
<td>Pharmacy, School of</td>
<td>Doctor of Pharmacy</td>
<td>Resident</td>
<td>$27,291</td>
<td>4.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$49,215</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Doctor of Pharmacy/ MBA with UW Bothell</td>
<td>Resident</td>
<td>$25,461</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$45,804</td>
<td>-15.0%</td>
</tr>
<tr>
<td>Public Health, School of</td>
<td>Master of Public Health - 1st Year</td>
<td>Resident</td>
<td>$17,943</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$33,738</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td>Master of Public Health - Continuing</td>
<td>Resident</td>
<td>$17,445</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$33,738</td>
<td>8.0%</td>
</tr>
<tr>
<td></td>
<td>Public Health PhD Programs</td>
<td>Resident</td>
<td>$16,746</td>
<td>5.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$29,274</td>
<td>3.0%</td>
</tr>
<tr>
<td></td>
<td>Public Health MS and other graduate programs</td>
<td>Resident</td>
<td>$16,746</td>
<td>5.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Res</td>
<td>$29,274</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

<sup>5</sup> The MBA programs have a cohort tuition structure. This means, for example, that a Seattle MBA resident who entered in Fall 2015 will not experience a 3% increase in FY17. Instead, the student’s tuition will stay steady at $30,129 per year in FY17.
<table>
<thead>
<tr>
<th>Unit</th>
<th>Tuition Category</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>Increase</th>
<th>Tuition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Resident</td>
<td>Non-Res</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Work, School of</td>
<td>Master of Social Work</td>
<td>$17,130</td>
<td>$29,427</td>
<td>3.0%</td>
<td>$17,643</td>
</tr>
<tr>
<td>Bothell</td>
<td>Bothell – Nursing</td>
<td>$15,594</td>
<td>$27,837</td>
<td>0.0%</td>
<td>$15,594</td>
</tr>
<tr>
<td>Bothell - MBA Incoming^4</td>
<td>Resident</td>
<td>$22,596</td>
<td>$28,329</td>
<td>0.0%</td>
<td>$22,596</td>
</tr>
<tr>
<td>Bothell - MBA Continuing^4</td>
<td>Resident</td>
<td>$22,371</td>
<td>$28,329</td>
<td>0.0%</td>
<td>$22,371</td>
</tr>
<tr>
<td>UW Bothell</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tacoma - Master of Nursing</td>
<td>Resident</td>
<td>$15,594</td>
<td>$27,837</td>
<td>0.0%</td>
<td>$15,594</td>
</tr>
<tr>
<td>Tacoma - MBA Incoming^4</td>
<td>Resident</td>
<td>$20,325</td>
<td>$33,828</td>
<td>0.0%</td>
<td>$20,325</td>
</tr>
<tr>
<td>Tacoma - MBA Continuing^4</td>
<td>Resident</td>
<td>$20,124</td>
<td>$33,492</td>
<td>1.0%</td>
<td>$20,124</td>
</tr>
<tr>
<td>UW Tacoma</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

^4 These MBA programs also have a cohort tuition structure.

These requests have been considered by many constituencies and have been evaluated by schools and colleges in terms of how they compare to peer programs at other universities and the revenue base they would support for normal, increasing expenses. During budget meetings with the Interim Provost, each dean or chancellor who proposed an increase was required to explain the need for the increase, put the increase in context with peer programs, and describe how incremental funds generated by the increase would be used.

**Tuition and Fees Comparison**

As Table 7 elucidates, the UW’s 2015-16 resident undergraduate tuition and fee rate is well below the peer mean. Since the 2015-17 state operating budget decreased the UW’s resident undergraduate operating fee by 5 percent in 2015-16, and by another 10.5 percent in 2016-17, the UW’s resident undergraduate operating fee rate will decrease further in 2016-17, from $10,203 to $9,129.

**Table 7: Resident Undergraduate Tuition & Fees Peer Comparison**

<table>
<thead>
<tr>
<th>Global Challenge State (GCS) Peer Universities</th>
<th>2014-15</th>
<th>2015-16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Virginia</td>
<td>$13,208</td>
<td>$14,678</td>
<td>11.13%</td>
</tr>
<tr>
<td>University of Massachusetts Amherst</td>
<td>$13,258</td>
<td>$14,171</td>
<td>6.89%</td>
</tr>
<tr>
<td>Rutgers, State University of New Jersey</td>
<td>$13,813</td>
<td>$14,131</td>
<td>2.30%</td>
</tr>
<tr>
<td>University of California Davis</td>
<td>$13,896</td>
<td>$13,951</td>
<td>0.40%</td>
</tr>
<tr>
<td>University of California San Diego</td>
<td>$13,421</td>
<td>$13,530</td>
<td>0.81%</td>
</tr>
<tr>
<td>University of Connecticut</td>
<td>$12,700</td>
<td>$13,366</td>
<td>5.24%</td>
</tr>
<tr>
<td>University of California Irvine</td>
<td>$13,179</td>
<td>$13,253</td>
<td>0.56%</td>
</tr>
<tr>
<td>University of California Los Angeles</td>
<td>$12,701</td>
<td>$12,763</td>
<td>0.49%</td>
</tr>
<tr>
<td><strong>University of Washington Seattle</strong></td>
<td><strong>$12,394</strong></td>
<td><strong>$11,839</strong></td>
<td><strong>-4.48%</strong></td>
</tr>
<tr>
<td>University of Colorado Boulder and Denver</td>
<td>$10,789</td>
<td>$11,091</td>
<td>2.80%</td>
</tr>
<tr>
<td>University of Maryland College Park and Baltimore</td>
<td>$9,428</td>
<td>$9,996</td>
<td>6.02%</td>
</tr>
<tr>
<td><strong>GCS Group Average</strong></td>
<td><strong>$12,639</strong></td>
<td><strong>$13,093</strong></td>
<td><strong>3.66%</strong></td>
</tr>
</tbody>
</table>

Note: The GCS group average does not include the UW’s rate.
Though the UW’s resident undergraduate tuition rate is currently below the average of its peers, Table 8 shows that the UW’s graduate Tier I tuition rate is higher than the peer average. We expect this status to evolve with a second year of static tuition rates.

Table 8: Tier 1 Resident Graduate Tuition & Fees Peer Comparison

<table>
<thead>
<tr>
<th>Global Challenge State (GCS) Peer Universities</th>
<th>2014-15</th>
<th>2015-16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rutgers, State University of New Jersey</td>
<td>$17,922</td>
<td>$18,346</td>
<td>2.37%</td>
</tr>
<tr>
<td>University of Virginia</td>
<td>$16,678</td>
<td>$17,094</td>
<td>2.49%</td>
</tr>
<tr>
<td>University of Maryland College Park and Baltimore</td>
<td>$15,938</td>
<td>$16,688</td>
<td>4.71%</td>
</tr>
<tr>
<td><strong>University of Washington Seattle</strong></td>
<td>$16,296</td>
<td>$16,278</td>
<td>-0.11%</td>
</tr>
<tr>
<td>University of Connecticut</td>
<td>$14,472</td>
<td>$15,296</td>
<td>5.69%</td>
</tr>
<tr>
<td>University of Massachusetts Amherst</td>
<td>$13,391</td>
<td>$14,094</td>
<td>5.25%</td>
</tr>
<tr>
<td>University of California Davis</td>
<td>$13,109</td>
<td>$13,164</td>
<td>0.42%</td>
</tr>
<tr>
<td>University of California San Diego</td>
<td>$12,929</td>
<td>$13,021</td>
<td>0.71%</td>
</tr>
<tr>
<td>University of California Irvine</td>
<td>$12,962</td>
<td>$13,010</td>
<td>0.37%</td>
</tr>
<tr>
<td>University of California Los Angeles</td>
<td>$12,571</td>
<td>$12,629</td>
<td>0.46%</td>
</tr>
<tr>
<td>University of Colorado Boulder and Denver</td>
<td>$11,974</td>
<td>$12,320</td>
<td>2.89%</td>
</tr>
<tr>
<td><strong>GCS Group Average</strong></td>
<td>$14,195</td>
<td>$14,566</td>
<td>2.54%</td>
</tr>
</tbody>
</table>

Note: The GCS group average does not include the UW’s rate.

**Financial Aid**

There are a number of ways in which tuition policy is intertwined with financial aid policy. In the past, tuition increases were accompanied by increases in financial aid in order to support the University’s mission of providing student access. Given the decrease in tuition for resident undergraduates and the associated loss of tuition revenue, the amount of revenue used for aid may need to be recalibrated.

In response to previous Regental actions, there are three pools of tuition revenue that are used to provide student aid. The state of Washington requires that the UW put an amount equal to four percent of total collected tuition revenue toward financial aid. In addition to this state obligation, UW policy requires that an amount equal to four percent of the total resident portion of tuition charged to all students be used for tuition waivers. Three-fourths of these waivers are awarded on the basis of need and one-fourth on the basis of merit. Both of these aid pools decrease as tuition decreases.

When the University experienced four consecutive years of double-digit tuition increases, a portion of the incremental revenue generated was put into an “additional aid pool” to help ensure student access. This proposed budget recognizes that the loss of tuition revenue associated with state policy provides less net revenue to redistribute to aid. UW administration recommends that the additional aid pool not decrease by the full 10.5 percent of the tuition decrease, but that the cut to the pool be limited so that the decrease in University aid for undergraduate residents does not decrease at a faster rate than the decrease in the total student budget. This recommendation is reflected in the budget presented here and will be instituted should Regents take action on this budget proposal. Importantly, depending on the conditions imposed by the next state biennial operating budget, the UW may not be able to afford to continue this policy.

Moreover, a small percentage of the incremental revenue generated by recent tuition increases for domestic nonresidents has been used for a pilot program offering scholarships to domestic nonresidents. The decision to start this scholarship program was motivated by a desire to maintain the UW’s current level of nonresident enrollments given that this population, in effect, subsidizes the financial aid and basic educational costs for resident students.
In addition, waivers that represent foregone tuition revenue help many students pay for tuition. The largest group of these waivers is automatically awarded to students with graduate student service appointments. Intercollegiate Athletics (ICA) will continue to fund half of the value of Title IX Gender Equity Waivers in FY17 FY16, but will not be doing so in FY17. This entails a subsidy of $3.9 million of tuition revenue to ICA gender equity waivers, lowering the net operating fee revenue projection by the same amount.\(^6\)

Given these policies, the decrease in undergraduate resident tuition, and the increases for all other categories, we expect the tuition revenue and financial aid allocations summarized in Table 9.

### Table 9: 2016-17 Gross Tuition, Tuition-Based Aid, and Net Operating Fee Revenue

<table>
<thead>
<tr>
<th></th>
<th>Undergraduate</th>
<th></th>
<th>Graduate/Professional</th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Resident</td>
<td>Nonresident</td>
<td>Total</td>
<td>Resident</td>
<td>Nonresident</td>
</tr>
<tr>
<td>FTE</td>
<td>26,453</td>
<td>8,934</td>
<td>35,387</td>
<td>5,954</td>
<td>6,154</td>
</tr>
<tr>
<td>Less Building Fee</td>
<td>15,335,900</td>
<td>13,324,890</td>
<td>28,660,790</td>
<td>3,634,840</td>
<td>5,450,050</td>
</tr>
<tr>
<td>Gross Operating Fee Revenue</td>
<td>248,494,740</td>
<td>284,028,380</td>
<td>532,523,120</td>
<td>95,400,740</td>
<td>154,812,160</td>
</tr>
<tr>
<td>State-Mandated Return to Aid</td>
<td>9,462,500</td>
<td>11,166,770</td>
<td>20,629,270</td>
<td>3,307,860</td>
<td>3,212,330</td>
</tr>
<tr>
<td>University of Washington Aid</td>
<td>31,678,100</td>
<td>15,011,360</td>
<td>46,689,460</td>
<td>4,643,000</td>
<td>4,332,370</td>
</tr>
<tr>
<td>Waivers - Foregone Revenue(^1)</td>
<td>4,137,020</td>
<td>1,639,430</td>
<td>5,776,450</td>
<td>8,888,160</td>
<td>70,974,730</td>
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<tr>
<td>Risk Pool(^2)</td>
<td>2,032,170</td>
<td>2,562,110</td>
<td>4,594,280</td>
<td>785,620</td>
<td>762,930</td>
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<tr>
<td>Net Operating Fee Revenue</td>
<td>201,184,950</td>
<td>253,648,710</td>
<td>454,833,660</td>
<td>77,776,100</td>
<td>75,529,800</td>
</tr>
<tr>
<td>Total Aid from Group</td>
<td>45,277,620</td>
<td>27,817,560</td>
<td>73,095,180</td>
<td>16,839,020</td>
<td>78,519,430</td>
</tr>
<tr>
<td>Aid from Group as % of Gross Op</td>
<td>18%</td>
<td>10%</td>
<td>14%</td>
<td>18%</td>
<td>51%</td>
</tr>
<tr>
<td>Total Aid to Group</td>
<td>60,402,060</td>
<td>10,639,430</td>
<td>71,041,490</td>
<td>24,292,730</td>
<td>70,974,730</td>
</tr>
<tr>
<td>Aid to Group as % of Gross Op</td>
<td>24%</td>
<td>4%</td>
<td>13%</td>
<td>25%</td>
<td>46%</td>
</tr>
</tbody>
</table>

\(^1\) More than 75% of waivers representing foregone revenue are provided to graduate TAs and RAs as a function of their appointment.

\(^2\) To be conservative, a 1% risk pool is subtracted from projected gross operating fee revenue.

Nonresident undergraduates continue to contribute considerably more to financial aid than is awarded to them; they generate $27.8 million in financial aid funds, but are awarded only $10.6 million. Overall, nonresident undergraduates have become an increasingly important source of revenue. Figure 2 shows the change in net revenue by student level and residency over the past several years.

### Figure 2: Net Tuition Revenue by Student Level and Residency

In Table 9, the addition revenue used for ICA Gender Equity waivers has been subtracted from the resident undergraduate revenue pool, but these waivers may be awarded to both resident and nonresident students at any level.
**Cost of Attendance for First-Year UW Undergraduates**

**PRELIMINARY 2016-17 INFORMATION**

*Budget items identified with a ‡ symbol are subject to (or impacted by) approval by the Board of Regents.*

PLEASE NOTE: After accounting for grant and scholarship aid, UW students (particularly resident undergraduates) often pay far less than the total expenses shown here. In 2014-15 (the most recent year for which net price data is available), the published price for resident undergraduates at Seattle was $27,112, whereas the net price for first-time, resident undergraduates at Seattle was $9,744.

### Annual Student Budget Items

<table>
<thead>
<tr>
<th>Item</th>
<th>Bothell</th>
<th>Seattle</th>
<th>Tacoma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room and Board* (traditional undergraduates)</td>
<td>$10,833</td>
<td>$11,691</td>
<td>$10,230</td>
</tr>
<tr>
<td>Books, Personal, Transportation*</td>
<td>$4,614</td>
<td>$3,504</td>
<td>$4,614</td>
</tr>
<tr>
<td><strong>Annual Student Fees – Total</strong></td>
<td><strong>$1,296</strong></td>
<td><strong>$1,369</strong></td>
<td><strong>$1,237</strong></td>
</tr>
<tr>
<td>New Student Enrollment &amp; Orientation Fee (NSEOF) – one time fee</td>
<td>$300</td>
<td>$310</td>
<td>$100</td>
</tr>
<tr>
<td>Student Tech Fee</td>
<td>$126</td>
<td>$114‡</td>
<td>$120</td>
</tr>
<tr>
<td>Services and Activities Fee</td>
<td>$273‡</td>
<td>$387‡</td>
<td>$477</td>
</tr>
<tr>
<td>Activities &amp; Recreation Center 1</td>
<td>$441</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities &amp; Recreation Center 2</td>
<td></td>
<td>$66</td>
<td></td>
</tr>
<tr>
<td>Sports Field</td>
<td></td>
<td>$90</td>
<td></td>
</tr>
<tr>
<td>Facilities Renovation Fee</td>
<td></td>
<td></td>
<td>$210‡</td>
</tr>
<tr>
<td>Intramural Activities Building (IMA)</td>
<td></td>
<td></td>
<td>$96</td>
</tr>
<tr>
<td>U Pass</td>
<td></td>
<td></td>
<td>$252</td>
</tr>
<tr>
<td>YMCA</td>
<td></td>
<td></td>
<td>$540</td>
</tr>
<tr>
<td><strong>Resident Annual Tuition</strong></td>
<td><strong>$9,694</strong></td>
<td><strong>$9,694</strong></td>
<td><strong>$9,694</strong></td>
</tr>
<tr>
<td><strong>Resident Annual Total</strong></td>
<td><strong>$26,437‡</strong></td>
<td><strong>$26,258‡</strong></td>
<td><strong>$25,775‡</strong></td>
</tr>
<tr>
<td><strong>Non-Resident Annual Tuition</strong></td>
<td><strong>$33,732‡</strong></td>
<td><strong>$33,732‡</strong></td>
<td><strong>$33,732‡</strong></td>
</tr>
<tr>
<td><strong>Non-Resident Annual Total</strong></td>
<td><strong>$50,475‡</strong></td>
<td><strong>$50,296‡</strong></td>
<td><strong>$49,813‡</strong></td>
</tr>
</tbody>
</table>

* The Office of Student Financial Aid calculates annual student budgets based on the federal "cost of attendance" definition, which is used to determine financial aid eligibility. [https://www.washington.edu/financialaid/getting-started/student-budgets/](https://www.washington.edu/financialaid/getting-started/student-budgets/)

** Student-led committees approved all fees under this header, except the NSEOF (see below), and are responsible for recommending fee changes to the Board of Regents for approval. Student representatives provide support recommendations for the NSEOF and the administration recommends fee changes to the Board of Regents for approval. Please note that many students pay fees beyond the ones presented here, such as course fees (the cost of which varies by discipline), fees for student insurance, international program fees and fees for WashPIRG and WSA.

*** The Student Tech Fee Committee is also requesting that this fee be charged in summer quarter.
### COST OF ATTENDANCE TREND DATA BY CAMPUS

#### BOTHELL

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Room and Board * (traditional undergrads)</td>
<td>$9,969</td>
<td>$10,752</td>
<td>$10,833</td>
<td>$10,833</td>
<td>$10,833</td>
<td>$864</td>
</tr>
<tr>
<td>Books, Personal, Transportation *</td>
<td>$4,824</td>
<td>$4,995</td>
<td>$4,995</td>
<td>$4,995</td>
<td>$4,614</td>
<td>$-210</td>
</tr>
<tr>
<td>Annual Student Fees - Total **</td>
<td>$856</td>
<td>$856</td>
<td>$856</td>
<td>$1,240</td>
<td>$1,296</td>
<td>$440</td>
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<tr>
<td>NSEO - onetime fee</td>
<td>$250</td>
<td>$250</td>
<td>$250</td>
<td>$250</td>
<td>$300</td>
<td>$50</td>
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<tr>
<td>Student Tech Fee</td>
<td>$126</td>
<td>$126</td>
<td>$126</td>
<td>$126</td>
<td>$126</td>
<td>$0</td>
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<td>Services and Activities Fee</td>
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<tr>
<td>Activities &amp; Recreation Center 1</td>
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<td>$0</td>
<td>$0</td>
<td>$441</td>
<td>$441</td>
<td>$0</td>
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<tr>
<td>Activities &amp; Recreation Center 2</td>
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<td>$0</td>
<td>$66</td>
<td>$66</td>
<td>$66</td>
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<tr>
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<td>$90</td>
<td>$90</td>
<td>$90</td>
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<tr>
<td>Resident Annual Tuition</td>
<td>$11,305</td>
<td>$11,305</td>
<td>$11,305</td>
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<td>Non-Resident Annual Tuition</td>
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<td>$30,879</td>
<td>$32,424</td>
<td>$33,072</td>
<td>$33,732</td>
<td>$4,872</td>
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<tr>
<td>Non-Resident Annual Total</td>
<td>$44,509</td>
<td>$47,482</td>
<td>$49,108</td>
<td>$50,140</td>
<td>$50,475</td>
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#### SEATTLE

<table>
<thead>
<tr>
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<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Room and Board * (traditional undergrads)</td>
<td>$9,969</td>
<td>$10,752</td>
<td>$10,833</td>
<td>$11,310</td>
<td>$11,691</td>
<td>$1,722</td>
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<td>Books, Personal, Transportation *</td>
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<td>$3,885</td>
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<td>$1,364</td>
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<td>$1,369</td>
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<tr>
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<td>$24</td>
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<td>Non-Resident Annual Tuition</td>
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<td>$4,872</td>
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<td>Non-Resident Annual Total</td>
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#### TACOMA

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Room and Board * (traditional undergrads)</td>
<td>$9,969</td>
<td>$10,752</td>
<td>$10,833</td>
<td>$10,833</td>
<td>$10,230</td>
<td>$-611</td>
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<tr>
<td>Books, Personal, Transportation *</td>
<td>$4,824</td>
<td>$4,995</td>
<td>$4,995</td>
<td>$4,995</td>
<td>$4,614</td>
<td>$-210</td>
</tr>
<tr>
<td>Annual Student Fees - Total **</td>
<td>$697</td>
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<td>NSEO - onetime fee</td>
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<td>$100</td>
<td>$100</td>
<td>$100</td>
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</tr>
<tr>
<td>Student Tech Fee</td>
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<td>YMCA (began in winter of 2015)</td>
<td>$0</td>
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<td>$360</td>
<td>$540</td>
<td>$540</td>
<td>$0</td>
</tr>
<tr>
<td>Resident Annual Tuition</td>
<td>$11,305</td>
<td>$11,305</td>
<td>$11,305</td>
<td>$10,768</td>
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</tr>
<tr>
<td>Resident Annual Total</td>
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<td>$28,190</td>
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<tr>
<td>Non-Resident Annual Tuition</td>
<td>$28,860</td>
<td>$30,879</td>
<td>$32,424</td>
<td>$33,072</td>
<td>$33,732</td>
<td>$4,872</td>
</tr>
<tr>
<td>Non-Resident Annual Total</td>
<td>$44,350</td>
<td>$47,323</td>
<td>$49,309</td>
<td>$50,137</td>
<td>$49,813</td>
<td>$5,463</td>
</tr>
</tbody>
</table>
### Preliminary 2017-19
### State Operating Budget Requests

<table>
<thead>
<tr>
<th>Proposed Request</th>
<th>Unit/Building</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sustainable Operations and Finances</strong></td>
<td></td>
</tr>
<tr>
<td>Compensation Support</td>
<td>UW (all three campuses)</td>
</tr>
<tr>
<td>Operations &amp; Maintenance Support</td>
<td>Life Science Building</td>
</tr>
<tr>
<td>Operations &amp; Maintenance Support</td>
<td>Burke Museum</td>
</tr>
<tr>
<td>Operations &amp; Maintenance Support</td>
<td>Nano-engineering Sciences</td>
</tr>
<tr>
<td>Operations &amp; Maintenance Support</td>
<td>Intellectual House</td>
</tr>
<tr>
<td><strong>Student Access and Services</strong></td>
<td></td>
</tr>
<tr>
<td>RIDE Expansion - Seattle and Spokane</td>
<td>UW School of Dentistry</td>
</tr>
<tr>
<td>WWAMI Expansion - Spokane</td>
<td>UW School of Medicine</td>
</tr>
<tr>
<td>Tri-Campus Student Services and Success Initiative</td>
<td>UW (all three campuses)</td>
</tr>
<tr>
<td>Occupational Health Internship Management¹</td>
<td>Department of Environmental and Occupational Health Sciences</td>
</tr>
<tr>
<td><strong>Research</strong></td>
<td></td>
</tr>
<tr>
<td>Marijuana Research Support²</td>
<td>To Be Determined</td>
</tr>
</tbody>
</table>

Note that additional operating funding requests may be submitted to the Office of Financial Management at the behest of UW administration, depending on opportunities presented throughout fall and winter of the coming academic year; these may include proposals regarding STEM enrollment and/or interdisciplinary research.

---

¹ Request is for funding from the state’s Medical Aid Account and Accident Account

² Request is for funding from the state’s Dedicated Marijuana Account
Draft 6-year Prioritized Capital Plan and State Capital Budget Request

INFORMATION ITEM

This item is being presented for information and discussion in June, with a request for approval in July.

BACKGROUND

Capital budgets are presented annually to the UW Board of Regents.

Attachments
1. Prioritized 6-year Capital Plan (2017-2023)
2. 2017-2019 State Capital Budget Request and 10 Year Capital Plan
### Prioritized 6-Year Capital Plan (2017-2023)

<table>
<thead>
<tr>
<th>Funding in $ Millions</th>
<th>Project Information</th>
<th>Project Funding</th>
<th>Previous Fund Split</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total GSF</td>
<td>New GSF</td>
<td>New O&amp;M</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### STUDENT EXPERIENCE

1. Classroom Improvements (multi-year plan) $30,000
   - 60,000
   - 30
   - 0

2. Population Health Education (T-Wing addition/renovation) $94,000
   - 120,000
   - 60
   - 23
   - 182
   - 0

3. College of Engineering - Interdisciplinary Education and Research $150,000
   - 200,000
   - 50
   - 50
   - 13
   - 0

4. UW Library Storage / Repurpose on-campus space $35,000
   - 130,000
   - 10
   - 5
   - 10
   - 0

5. Evans School - Parrington Hall Remodel $59,000
   - 10
   - 10
   - 10
   - 0

6. Foster School of Business - MacKenzie Hall Replacement $90,000
   - 25,000
   - 60
   - 0

7. Schmitz Improvements $42,000
   - 15
   - 0

8. Student Housing - North Campus - Phase 4b $355,000
   - 150,000
   - 65
   - 75
   - 0

9. UW Bothell - Phase 4 - Academic STEM Building $105,000
   - 105,000
   - 54
   - 0

10. UW Bothell - Campus Development - add'l. academic space $50,000
    - 50,000
    - 30
    - 0

11. UW Bothell - Student Housing & Dining Phase 2 $125,000
    - 125,000
    - 40
    - 10

12. UW Tacoma - Academic Building $60,000
    - 30
    - 0

13. UW Tacoma - Campus Development - add'l. academic space $54,000
    - 54,000
    - 10
    - 10

14. UW Tacoma - Student Housing - Court 17 Acquisition $107,000
    - 65,000
    - 19
    - 5

15. UW Tacoma Housing - private development $n/a
    - 35

**Lewis Hall Renovation** $16

**College of the Environment - Anderson Hall Renovation** $23

**School of Dentistry Building** $156

**subtotals:** $798 $766

#### INNOVATION MINDSET

16. Computer Science & Engineering Building 2 $105,000
    - 130,000
    - 63

17. Population Health Sciences - Research Building $230,000
    - 300,000
    - 210

18. Center for Advanced Materials and Clean Energy Technologies $175,000
    - 172,000
    - 95

19. Industry Partnership Lab Development $300,000
    - 300

20. College of Arts & Sciences - Kincaid Hall Backfill $85,000
    - 15

21. UW Medicine - Harborview Hall Lease $50,000
    - 38

22. School of Medicine - Core Research Facilities $11,000
    - 12

23. School of Medicine - South Lake Union Rosen Remodel $60,000
    - 6

24. School of Medicine - South Lake Union Phase 3.3 $262,000
    - 100

**subtotals:** $1,078 $434
## Prioritized 6-Year Capital Plan (2017-2023)

<table>
<thead>
<tr>
<th>Project Information</th>
<th>Project Funding</th>
<th>Previous Fund Split</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project</td>
<td>Total GSF</td>
<td>New GSF</td>
</tr>
<tr>
<td>25 Burke Museum</td>
<td>$ 83</td>
<td>102,000</td>
</tr>
<tr>
<td>26 Intellectual House Phase 2</td>
<td>$ 8</td>
<td>8,200</td>
</tr>
<tr>
<td>27 West Campus Park</td>
<td>$ 25</td>
<td>-</td>
</tr>
<tr>
<td>28 Waterfront Improvements in South Campus &amp; the Cut</td>
<td>$ 10</td>
<td>-</td>
</tr>
<tr>
<td>29 Burke Gilman Trail Improvements - Phase 3</td>
<td>$ 16</td>
<td>-</td>
</tr>
<tr>
<td>30 University District Development at Transit - non-core functions</td>
<td>$ 150</td>
<td>200,000</td>
</tr>
<tr>
<td>31 UW Tacoma - Soil Remediation</td>
<td>$ 7</td>
<td>6</td>
</tr>
</tbody>
</table>

**Northwest Hospital Expansion**

| Project | Total GSF | New GSF | New O&M | State | Debt | Donor | Local | Other | (State|Debt|Donor|Local |
|---------|----------|--------|--------|-------|------|-------|-------|-------|-------|-------|-------|
| 32 UW Medicine IT Core Applications and Infrastructure | $ 74 | 74 | - | - | - | - | - | - | 74 | - | - | 0|0|0|74 |
| 33 Enterprise Information Systems (Financial System) | $ 100 | 100 | - | - | - | - | - | - | 50 | 50 | - | 0|50|0|50 |
| 34 Seismic Improvements (6-year plan) | $ 75 | - | - | - | - | - | - | 75 | - | - | - | - |
| 35 Minor Capital Repair | $ 165 | 207 | - | - | - | - | - | - | 165 | - | - | 0|0|207|0 |
| 36 UW Seattle - Parking garage(s) - add'l. 500 spaces | $ 30 | - | - | - | tbd | - | - | 24 | - | 6 | - | - |
| 37 UW Seattle - Parking lot improvements | $ 14 | - | - | - | - | - | - | 11 | - | 3 | - | - |
| 38 UW Bothell - Parking garage | $ 26 | - | - | - | tbd | - | - | - | - | - | - | 26 | - |
| 39 Fuel Switching / Power Plant Upgrade | $ 150 | - | - | - | - | - | - | - | - | - | - | 150 | - |
| 40 Strategic Opportunities / Matching Funds | $ 75 | - | - | - | - | - | - | 75 | - | - | - | - |

**Capital Repair - Preservation**

<table>
<thead>
<tr>
<th>Project</th>
<th>Total GSF</th>
<th>New GSF</th>
<th>New O&amp;M</th>
<th>State</th>
<th>Debt</th>
<th>Donor</th>
<th>Local</th>
<th>Other</th>
<th>(State</th>
<th>Debt</th>
<th>Donor</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>41 Strategic Opportunities / Matching Funds</td>
<td>$ 75</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>75</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Subtotals:**

- **Public as a Philosophy:**
  - Subtotal: $299, $274

- **Transforming Administration:**
  - Subtotal: $709, $471

**Totals:**

- $2,884, $1,945

- $3,192,575, $2,235,200

- $20

- $112, $350, $637, $512, $625, $647

- $2,437, $1,850

- $2,000,000

- $250, $425, $450, $600, $600

- 6/9/16
### 2017-2019 State Capital Budget Request and 10 Year Capital Plan

#### Proposed Projects

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Type</th>
<th>Phase*</th>
<th>2017-2019 State Funds</th>
<th>2019-2021 State Funds</th>
<th>2021-2023 State Funds</th>
<th>2023-2025 State Funds</th>
<th>2025-2027 State Funds</th>
<th>TOTAL State Appropriated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minor Capital Repair (incl. preventative maintenance)</td>
<td>Repair</td>
<td>D/C</td>
<td>$69,000</td>
<td>$69,000</td>
<td>$69,000</td>
<td>$69,000</td>
<td>$69,000</td>
<td>$345,000</td>
</tr>
<tr>
<td>Burke Museum (under construction)</td>
<td>Museum</td>
<td>C</td>
<td>$24,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$24,000</td>
</tr>
<tr>
<td>Seismic Improvements (6 year plan - collapse prevention)</td>
<td>Infrastructure</td>
<td>D/C</td>
<td>$25,000</td>
<td></td>
<td>$25,000</td>
<td></td>
<td></td>
<td>$75,000</td>
</tr>
<tr>
<td>Population Health Sciences - Research Building</td>
<td>Research</td>
<td>D/C</td>
<td>$20,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$20,000</td>
</tr>
<tr>
<td>Population Health - Education Building (T-Wing addition/renovation)</td>
<td>Teaching</td>
<td>D/C</td>
<td>$10,000</td>
<td>$50,000</td>
<td></td>
<td></td>
<td></td>
<td>$60,000</td>
</tr>
<tr>
<td>College of Engineering - Interdisciplinary Education and Research</td>
<td>Teaching/Research</td>
<td>PD/D/C</td>
<td>$1,000</td>
<td>$14,000</td>
<td>$35,000</td>
<td></td>
<td></td>
<td>$50,000</td>
</tr>
<tr>
<td>UW Bothell - Phase 4 - Academic STEM Building</td>
<td>Teaching</td>
<td>D/C</td>
<td>$3,000</td>
<td>$51,000</td>
<td></td>
<td></td>
<td></td>
<td>$54,000</td>
</tr>
<tr>
<td>UW Tacoma - Academic Building</td>
<td>Teaching</td>
<td>PD/D/C</td>
<td>$500</td>
<td>$3,000</td>
<td>$26,500</td>
<td></td>
<td></td>
<td>$30,000</td>
</tr>
<tr>
<td>Center for Advanced Materials and Clean Energy Technologies</td>
<td>Research</td>
<td>D/C</td>
<td>$10,000</td>
<td>$10,000</td>
<td></td>
<td></td>
<td></td>
<td>$20,000</td>
</tr>
<tr>
<td>UW Tacoma - Soil Remediation</td>
<td>Infrastructure</td>
<td>Acq</td>
<td>$2,500</td>
<td>$2,000</td>
<td>$2,000</td>
<td>$2,000</td>
<td>$1,500</td>
<td>$10,000</td>
</tr>
<tr>
<td>Evans School - Parrington Hall Remodel</td>
<td>Teaching</td>
<td>D/C</td>
<td>$10,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$10,000</td>
</tr>
<tr>
<td>College of Education - Miller Hall Renovation</td>
<td>Teaching</td>
<td>PD/D/C</td>
<td></td>
<td>$400</td>
<td>$5,000</td>
<td>$48,600</td>
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<td>$54,000</td>
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<tr>
<td>College of the Environment - Anderson Hall Renovation</td>
<td>Teaching</td>
<td>PD/D/C</td>
<td></td>
<td></td>
<td>$400</td>
<td>$2,000</td>
<td>$22,600</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

*Totals: 106,000 69,000 155,400 69,000 93,900 69,000 52,600 69,000 24,100 69,000 777,000

6 year total: 350,000

* Acq = Acquisition, PD = Pre-development, D = Development, C = Construction
Socially Responsible Investing at University of Washington and Peer Institutions

INFORMATION

This is an item for information only.

BACKGROUND

In response to accelerated calls for socially responsible investment action by the University of Washington Board of Regents (UW BOR) and several movements nationally, the UW BOR requested the following information:

1. The history of socially responsible investment by the University of Washington (UW), including specific actions and estimated financial impacts
2. An overview of current UW policies and procedures related to socially responsible investing
3. An overview of peer institution policies and strategies related to socially responsible investing
4. Additional information on shareholder engagement as an advocacy strategy

The purpose of this presentation is to provide the Board with information that may impact future board action on an expanded policy regarding socially responsible investing or specific investment action.

Detailed information is included in the attachment. In addition, Simon Billenness, President of CSR Strategy Group, will join the Board to discuss shareholder advocacy as an investment strategy. Mr. Billenness has over 20 years of experience helping investors, non-profits, universities, communities, and unions develop successful shareholder advocacy strategies.

Attachments

1. Socially Responsible Investing at University of Washington and Peer Institutions
2. History of Social Investing at the University of Washington
4. Board of Regents Resolution: August 22, 1986, South Africa
5. Board of Regents Resolution: March 17, 1995, Burma
6. Board of Regents Meeting Minutes, January 21, 2000, Excerpt Amendment to Investment Policies, Item F–3, Tobacco
Socially Responsible Investing at University of Washington and Peer Institutions
(continued p. 2)

7. Board of Regents Action Item F–4, June 9, 2005, Amendment to Investment Policy, Sudan
8. Board of Regents Action Item F–5, June 8, 2006, Amendment to Investment Policy, Sudan (Amended)
9. Board of Regents Information Item F–7: October 10, 2013, Global Climate Change Initiatives
10. Board of Regents Resolution, Item B–5, May 14, 2015, Fossil Fuel Companies
11. Board of Regents Action Item F–9, May 14, 2015, Amendment to Investment Policy, Coal
12. Biography, Simon Billenness
Socially Responsible Investing at University of Washington and Peer Institutions

Ann Sarna
Associate Treasurer, Operations & Investor Relations

Scott Davies
Chief Operating Officer, Investments

June 9, 2016
HOW IS SOCIALLY RESPONSIBLE INVESTING ADDRESSED?

- **BOARD INVOLVEMENT**: Each decision to engage in shareholder activism and/or to divest involves extensive due diligence by the Board of Regents. The Board-approved investment policy is amended accordingly.

- **INVESTMENT POLICY**: A broad statement in the UW investment policy considers socially responsible concerns but provides no guidance in its interpretation:

  "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."

  - Statement of Investment Objectives and Policy for the Consolidated Endowment Fund, Paragraph D1

- **ISSUE IDENTIFICATION**: Social issues and concerns as well as proposed remedies such as divestment may be initiated by students, faculty, community members, alumni and organizations outside of the UW.

- **UW EXPERIENCE**: Social investing has a long history at the UW with the Board of Regents electing to divest on four issues over the past thirty years. Social activism is on the rise with such issues as fossil fuels, Israel, and private prisons all arising in the past five years.

- **CURRENT ENVIRONMENT**: The increase in divestment requests from campus constituents is influenced by national movements which use the internet and social media to link university communities and promote activism.

- **STAFF ROLE**: The Treasury Office takes the lead in meeting with individuals and groups and in facilitating communication with the administration and the Board of Regents.
# HOW HAS THE BOARD RESPONDED?

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>YEAR APPROVED BY BOARD OF REGENTS</th>
<th>ACTION BY BOARD OF REGENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thermal Coal</td>
<td>2015</td>
<td>Divestment</td>
</tr>
<tr>
<td>Climate Change</td>
<td>2013</td>
<td>Shareholder Engagement</td>
</tr>
<tr>
<td>Sudan</td>
<td>2006</td>
<td>Divestment</td>
</tr>
<tr>
<td>Sudan</td>
<td>2005</td>
<td>Shareholder Engagement</td>
</tr>
<tr>
<td>Burma</td>
<td>1995</td>
<td>Shareholder Engagement</td>
</tr>
<tr>
<td>Tobacco</td>
<td>2000</td>
<td>Divestment</td>
</tr>
<tr>
<td>South Africa</td>
<td>1986 Restriction lifted 1993</td>
<td>Divestment</td>
</tr>
</tbody>
</table>
# WHAT IS THE HISTORICAL COST OF DIVESTMENT?

<table>
<thead>
<tr>
<th>SOCIAL ISSUE</th>
<th>THERMAL COAL (Climate Change)</th>
<th>SUDAN</th>
<th>TOBACCO</th>
<th>SOUTH AFRICA</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPACT PER ANNUM ON CEF PERFORMANCE *</td>
<td>- 1 BP</td>
<td>+ 2 BP</td>
<td>- 10 BP</td>
<td>- 150 BP</td>
</tr>
<tr>
<td>AVG CEF MARKET VALUE SINCE IMPLEMENTATION</td>
<td>$2.9 Billion</td>
<td>$2.2 Billion</td>
<td>$1.8 Billion</td>
<td>$215 Million</td>
</tr>
<tr>
<td>ESTIMATED PORTFOLIO COST</td>
<td>n/a</td>
<td>+$5 Million over 10 years</td>
<td>($30 Million) over 15 years</td>
<td>($23 Million) over 7 years</td>
</tr>
</tbody>
</table>

* Impact is measured through comparisons of market indices with and without the restricted assets. Impact is measured in basis points (BP). A basis point is equal to one hundredth of a percentage point or 0.01%.

Impact analysis only measures the cost/benefit from **passive** (index) investing. It excludes value added by **active** management.

UNIVERSITY of WASHINGTON
WHAT OTHER CONSIDERATIONS GO INTO THE DECISION TO DIVEST?

- BOARD OF REGENTS – FIDUCIARY RESPONSIBILITY. The Board of Regents carefully and systematically considers its options before a divestment decision is made. Consideration is given to balancing the University's mission and institutional values with the financial impact on current and future generations. Historically it has taken several years to complete the review process on issues resulting in divestment.

- STAKEHOLDER CONSENSUS. Board decisions on divestment reflect the consensus of a broad range of constituents including students, faculty, donors, and administration.

- IMPACT ON BENEFICIARIES. Even a small reduction in return has a meaningful impact on program beneficiaries over time.

<table>
<thead>
<tr>
<th>PERIOD/IMPACT</th>
<th>- 1 BP</th>
<th>- 5 BP</th>
<th>- 10 BP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Year</td>
<td>($0.3 Million)</td>
<td>($1.5 Million)</td>
<td>($3 Million)</td>
</tr>
<tr>
<td>20 Years</td>
<td>($22 Million)</td>
<td>($108 Million)</td>
<td>($215 Million)</td>
</tr>
</tbody>
</table>

*Compounding calculated using a 7% average annual total return*
WHAT IS THE CURRENT PROCESS FOR ADDRESSING DIVESTMENT REQUESTS?

**ISSUE IDENTIFICATION MEETING WITH TREASURY OFFICE AND INTEREST GROUP**

**EXPLORATION:**
- Meet with student advocates.
- What is their position?
- How long have they worked together as a group?
- What have they done to enlist campus support for the issue?
- Why is the issue important to them as individuals?

**ASSESSMENT:**
- Explain the fiduciary role of the Board of Regents in managing the University's investment portfolios
- What facts and research support the position presented?
- What is the source of information?
- Does the group network with other universities and organizations on the issue?
- How will the divestment impact the specific social issue?
- Has the group considered shareholder activism as another way to address the issue? If not, why not?

**PROCESS FROM ISSUE IDENTIFICATION TO BOARD RECOMMENDATION**

This will occur through several meetings and could take months or year(s) as leadership and focus shift within interest group.

**TREASURY STAFF:**
- Encourages understanding of various options
- Involves the students in research where feasible
- Analyzes the economic impact of divestment
- Facilitates communication with the administration and Board Office to move issue forward
- Maintains ongoing communication with students and other interested groups
- Creates learning experience for students

**INTEREST GROUP:**
- Develops argument and rationale for position
- Solicits broad support within the university community*
- Maintains an ongoing dialogue with the Treasury Office
- Presents recommendation to Board of Regents
- Ensures that leadership around and support for the issue will continue once senior leaders graduate

*Lack of consensus within the University community will prevent the issue from moving forward.
## WHAT ENGAGEMENT TAKES PLACE AT THE NATIONAL LEVEL?

<table>
<thead>
<tr>
<th>Organization</th>
<th>Description</th>
</tr>
</thead>
</table>
| **College and University Consortium on Investor Responsibility**              | Group of university and colleges organized by Harvard University to share information on issues and process regarding socially responsible investing (e.g., campus issues, proxy voting, policies).  
- UW attends annual meeting  
- 25+ members including Brown, Columbia, Georgetown, Harvard, MIT, Pomona, Seattle University, Stanford, Swarthmore, University of Pennsylvania and Yale. |
| **US SIF**                                                                   | US Forum for Sustainable Investments (SIF) brings together asset managers, non-profit associations, research firms and investment managers interested in sustainable, responsible and impact investing.  
- UW attends annual meeting and is part of a listserv group that addresses issues related to sustainable investing.  
- Members receive access to research papers and materials on sustainable investing. |
| **CERE’s Investor Network on Climate Risk (INCR)**                           | A network of more than 110 investors and financial institutions that promotes better understanding of financial risks and investment opportunities posed by climate change.  
- UW attends annual meeting and has monthly conference calls with a proxy voting working group.  
- Members include Amherst, Brown, Stanford, Swarthmore, University of California, and the Washington State Investment Board. |
| **CDP (formally Carbon Disclosure Project)**                                | CDP holds the largest collection of self-reported climate change, water and forest risk data.  
- UW is a signatory on letters requesting companies to complete surveys on climate change, water and deforestation.  
- Other signatories include Harvard, Unity College, University of California, and University of Massachusetts. |
WHAT CAN BE LEARNED FROM PEER UNIVERSITIES?

- No consensus among peers on best management approach to divestment demands
- Approaches taken include:
  - Adoption of formal divestment guidelines:
    - Criteria for divestment defined by the Board
    - Sample criteria include broad campus consensus; a one sided issue; divestment seen as more viable than shareholder engagement; belief that divestment will meaningfully impact industry behavior.
    - Examples: Cornell University, University of Pennsylvania, Columbia University (in process)
  - Issuance of public statements opposed to fossil fuel divestment:
    - Shareholder engagement viewed as a better strategy
    - Focus on Board’s fiduciary responsibility to optimize returns for beneficiaries
    - Divestment seen as ineffective in influencing industry behavior and harmful to portfolio returns
    - Examples: Amherst, Duke, Harvard, Middlebury, Pomona, Seattle University
  - Creation of advisory committees (private universities) to address ethical concerns:
    - Comprised of faculty, students and staff with recommendations passed onto the Board
    - Challenging to attract and retain committee members
    - Without formal guidelines, all issues considered
    - Access by interest groups limited by frequency of advisory committee meetings
    - Examples: Brown, Columbia, Dartmouth, Princeton, Stanford
<table>
<thead>
<tr>
<th>ISSUE</th>
<th>DATE APPROVED BY BOARD OF REGENTS</th>
<th>ACTION BY BOARD OF REGENTS</th>
<th>IMPLEMENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thermal Coal</td>
<td>May 2015</td>
<td>Resolution to divest direct thermal coal holdings and prohibit future direct investment in thermal coal companies.</td>
<td>UW restriction applies to companies whose principal business is the mining of coal for energy generation.</td>
</tr>
</tbody>
</table>
| Climate Change| November 2013                       | Investment Policy amended to allow action as appropriate in support of shareholder resolutions and initiating letters of engagement related to climate change. | With Board Approval for shareholder engagement, the Treasury begins implementation of the Global Climate Change Initiatives:  
1. Create new research assistant position to focus on alternative energy and “ESG” (environment, social and governance) investment opportunities.  
2. Increase alternative energy investments by committing up to an additional $25 million.  
3. Incorporate ESG factors into the investment analysis and decision making process.  
4. Explore opportunities for shareholder advocacy on climate change (e.g. voting shareholder proxies, co-sponsoring shareholder resolutions, letter writing and joining national organizations). |
| Sudan        | June 2006                          | Resolution to divest direct holdings in companies doing business in Sudan and prohibit future direct investment. | UW provides investment managers with quarterly lists of prohibited companies from MSCI’s Sudan Targeted List.* The list is targeted on companies whose business activities support the Sudanese government in its continuing sponsorship of genocidal actions and human rights violations in Darfur. |
| Sudan        | June 2005                          | Investment policy amended to allow action as appropriate in support of shareholder resolutions and initiating letters of engagement related to human rights in Sudan. | UW hires student from campus divestment campaign for assistance with research and letters of engagement.                                           |
| Tobacco      | January 2000                        | Resolution to divest direct tobacco holdings and prohibit future direct investments in tobacco companies. | UW restriction applies to companies which manufacture consumer tobacco products and/or involved in the leaf tobacco industry. Definition and tobacco company research initially provided by the IRRC and is today provided by another third party provider, MSCI. Restriction limited to companies whose tobacco revenues represent a simple majority of total firm revenues. The University provides investment managers with quarterly lists of prohibited tobacco stocks. |
| Burma        | March 1995                          | Investment policy amended to allow action as appropriate in support of shareholder resolutions related to human rights in Burma. | UW notifies investment managers to vote proxies in favor of shareholder resolutions supporting attention to human rights violations in Burma. The University co-sponsors shareholder resolutions, where appropriate related to human rights violations in Burma. No UW activity in this area since the late 1990s. |
| South Africa | Approved 1986, Restriction lifted October 1993 | Resolution to divest and prohibit future investment in companies operating in South Africa. | UW provided investment managers with lists of prohibited companies researched by the Investor Responsibility Resource Center (IRRC), a third party provider of information on corporate governance and social responsibility issues. |
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; May 19, 2005; June 9, 2005; June 8, 2006; May 15, 2008; March 19, 2009; September 17, 2009; May 13, 2010; October 21, 2010; May 9, 2013; November 14, 2013; May 14, 2015; and September 10, 2015; and May 12, 2016

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 of Regents.

The Board has delegated to its Finance and Asset Management Committee (FAM) the responsibility for overseeing the investment program within the general principles enumerated herein. In 2001, the Board approved the establishment of an advisory committee, the University of Washington Investment Committee (UWINCO), consisting of both Board of Regents’ 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. In 2015, the Board of Regents approved the establishment of the University of Washington Investment Management Company (“UWINCO”), an internal investment management company. The former investment management advisory committee was replaced with an investment management advisory board, known as the University of Washington Investment Management Company Board (“UWINCO Board”).

A. FINANCIAL OBJECTIVES

1. To provide permanent funding for endowed programs. This objective addresses the need to ensure intergenerational equity by providing the same level of program support in the future as it provides today.

2. To maintain the purchasing power of the CEF after spending and inflation. The objective of preserving purchasing power emphasizes the need to take a long-term perspective in formulating spending and investment policies.

3. To provide a predictable and stable source of income for endowed programs. This objective is achieved through the spending policy.

4. To provide a maximum level of return consistent with prudent risk levels. This objective assumes
the construction of a global, equity-oriented, diversified portfolio coupled with active risk management.

B. SPENDING POLICY

1. **Program Distributions:** Distributions to endowed programs will be 4% of the average market value of the CEF for the previous five 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.

2. **Administrative Fee:** Spending includes an additional 1% administrative fee bringing the long term spending requirement to 5% per annum.

C. INVESTMENT OBJECTIVES

1. **Spending Requirement:** Based upon the long-term spending policy, the CEF must attain an average annual real total return of 5.0% over the long term. The 5.0% target provides for a 4.0% distribution to endowed programs and a 1.0% administrative fee. Real total return is adjusted for inflation by the Consumer Price Index. Using the historical average inflation rate of 3.0% implies a nominal total return hurdle of 8.0% in order to meet the spending requirement.

2. **Policy Benchmark:** The investment performance of the CEF will also be evaluated, on a risk-adjusted basis, against an investable blend of market indices. Over the long term the CEF’s diversification is expected to generate risk-adjusted returns that meet or exceed those of blended market indices. This comparison is useful in evaluating how successfully the underlying strategies have been implemented and the effectiveness of tactical departures from the strategic asset allocation.

3. The investment performance of the CEF will also be evaluated against a secondary policy benchmark consisting of a 70% equity and 30% bond blend of market indices. This comparison is useful in evaluating the effectiveness of an active management program versus a passive management approach.

4. It is recognized that the investment objectives stated above may be difficult to attain over every five-year period, but should be attainable over a series of five and ten year periods.

D. ETHICAL CONSIDERATIONS

1. 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.

2. Direct investment in companies doing business in Sudan whose business activities support the Sudanese government in its continuing sponsorship of genocidal actions and human rights violations in Darfur is prohibited.

3. Direct investment in tobacco companies is prohibited.

4. Direct investment in coal companies whose principal business is the mining of coal for energy is prohibited.
E. INVESTMENT PHILOSOPHY

The investment of the CEF is based on a set of beliefs and practices:

1. Invest for the long term
   a. Preserve capital for use by future generations
   b. Focus on asset allocation as the primary determinant of return
   c. Avoid short-term speculative activity
   d. Accept illiquidity if justified by higher alpha

2. Build a well-diversified portfolio
   a. Limit risk by combining uncorrelated strategies
   b. Maintain meaningful exposure to major capital markets
   c. Build concentrated positions where conviction is high
   d. Tilt towards value strategies
   e. Employ fundamental research-driven and bottom-up strategies

3. Take advantage of global market inefficiencies
   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

F. INVESTMENT MANAGEMENT STRUCTURE

1. The CEF is invested primarily by external investment managers. External investment management firms are selected on the basis of factors including, but not limited to the following:
   a. Experience of key personnel and succession plan where appropriate
   b. Consistency in investment approach
   c. Effectiveness of decision making process
   d. Assets under management and plans for managing future capacity
   e. Organizational structure including administration, back office support, risk management and reporting
   f. Performance record
   g. Fees
h. Firm’s ethical and financial viability
i. Structural fit within the CEF

2. The CEF may also be invested internally in public equities and bonds through cash market securities or derivative instruments.

3. Equities, (including public and private global equity) real assets, absolute return 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.

G. PORTFOLIO COMPOSITION AND ASSET ALLOCATION

1. To achieve its investment objective, the CEF will be divided into two distinct Funds: a “Capital Appreciation Fund” and a “Capital Preservation Fund.” Sub-categories of these Funds each with its own target are also specified. The purpose of dividing the Portfolio in this manner is to ensure that the overall asset allocation among and within the two Funds remains under the regular scrutiny of the Finance and Asset Management Committee and the UWINCO Board. Over the long run, the allocation between and within the Funds may be the single most important determinant of the CEF’s investment performance.

2. **Role - Capital Appreciation Fund:** The purpose of the Capital Appreciation Fund is to provide the capital growth that will enable the CEF to meet its spending requirements, while at the same time preserving the purchasing power of the CEF for future generations. The Fund itself is an integrated blend of global developed and emerging markets equity, real assets and opportunistic investments such as credit. It is recognized that the Capital Appreciation Fund entails the assumption of greater market variability and risk.

3. **Role - Capital Preservation Fund:** The purpose of the Capital Preservation Fund is to provide liquidity in support of spending and capital commitments; a deflation hedge; and to reduce the overall volatility of the CEF. Two broad strategies are employed in the Capital Preservation Fund – absolute return and fixed income investments.

4. 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.

**STRATEGIC ASSET ALLOCATION**
<table>
<thead>
<tr>
<th>Investment Strategy</th>
<th>Long-term Target</th>
<th>Policy Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emerging Markets Equity</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Developed Markets Equity</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Private Equity</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Real Assets</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Opportunistic</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td><strong>CAPITAL APPRECIATION FUND</strong></td>
<td><strong>70%</strong></td>
<td><strong>55% - 85%</strong></td>
</tr>
<tr>
<td>Absolute Return</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td><strong>CAPITAL PRESERVATION FUND</strong></td>
<td><strong>30%</strong></td>
<td><strong>15% - 45%</strong></td>
</tr>
</tbody>
</table>

H. RISK MANAGEMENT

1. Risk is managed primarily through diversification. The CEF will be diversified both by asset class (e.g., developed and emerging markets equities, real assets, opportunistic investments, absolute return, bonds and cash equivalents) and within asset classes (e.g., within equities by country, economic sector, industry, quality, and size). The purpose of diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the CEF.

2. Derivatives may be used to adjust exposures within or across the portfolio in order to improve the risk / return profile of the CEF.

3. 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.

I. RISK GUIDELINES
1. The CEF will be monitored quarterly for adherence to the following risk guidelines. A breach in a guideline triggers a written notification from the Chief Investment Officer to the Chair of the UWINCO Board. It is recognized that market conditions and/or illiquidity of the underlying securities may preclude an immediate rebalancing of the portfolio. Risk control exception reporting will be provided to the Board of Regents as part of its quarterly investment performance report which specifies the actions, if any, needed to bring the CEF into compliance.

2. **Concentration:** Maximum portfolio weights:
   a. 15% in single manager (excluding fixed income)
   b. 25% in individual countries outside the U.S.
   c. 30% in one market sector

3. **Liquidity:**
   a. One quarter (25%) of the CEF convertible to cash in one month or less
   b. Unfunded capital commitments plus current exposure to private investments limited to one half (50%) of the CEF

J. **GUIDELINES FOR THE CAPITAL APPRECIATION FUND**

1. The Capital Appreciation Fund includes the growth-oriented strategies within the portfolio which are managed in an integrated manner in order to meet the long-term spending objectives of the CEF and sustain the portfolio in perpetuity.

2. The objective for the Capital Appreciation 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 Capital Appreciation Fund. In addition, performance on each sub-category of the Capital Appreciation Fund will be monitored against the average return of a universe of active managers and/or fund of funds. Performance will be monitored on a regular basis and evaluated over running five and ten year periods.

3. In recognition of the increasing correlation among asset classes, the Capital Appreciation Fund represents a market oriented mix of global developed and emerging markets equity, real estate, commodities, venture capital, private equity and opportunistic investments such as credit securities.

4. The Capital Appreciation 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 Capital Appreciation 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.

5. The real estate portion of the Capital Appreciation 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.

6. 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.

7. If allowed under their individual investment guidelines, managers may at their discretion hold investment reserves of either cash equivalents or bonds. Derivatives may be used to manage certain exposures such as currency or market risk if so specified under individual investment manager guidelines.

K. GUIDELINES FOR THE CAPITAL PRESERVATION FUND

1. The Capital Preservation Fund includes portfolio strategies which provide liquidity to meet current spending needs and stability to protect capital in down markets.

2. The objective for the Capital Preservation Fund is to outperform, net of commissions and fees, a blend of market indices which reflect the strategic asset allocation of the Fund. Performance will be monitored on a regular basis and evaluated over running five and ten-year periods.

3. The absolute return strategy will favor investments with a low correlation to broad equity markets. Implementation will be made through direct investments, limited partnerships, or fund-of-funds.

4. The fixed income strategy may contain money market instruments, domestic and foreign government bonds and other high quality investment vehicles with risk / return characteristics consistent with the investment objectives of the Capital Preservation Fund. Derivatives may be used to manage certain exposures if so specified under individual investment manager guidelines.

5. Fixed income managers are expected to employ active management techniques, including maturity, sector and quality considerations. Implementation may also be achieved through passive indices, commingled funds, limited partnerships and fund-of-funds.

L. 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. Commissions may be designated for payment of services rendered to the University in connection with investment management.

M. MONITORING OF OBJECTIVES AND RESULTS

1. All objectives and policies are in effect until modified. The Finance and Asset Management Committee with advice from the Treasurer of the Board of Regents, Chief Investment Officer and the UWINCO Board 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 and Asset Management Committee and with the UWINCO Board on a quarterly basis. Results will be evaluated over longer time frames including the inception period, running five- and ten-year periods, and complete market cycles.

3. The Chief Investment Officer 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 UWINCO Board and the Chair of the Finance and Asset Management 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.

N. 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, spending and delegations.
   b. Approve appointment and reappointment of Regent and non-Regent UWINCO board members.
   c. Approve the Board of Regents Governance, Standing Orders, Chapter 10 which addresses the advisory and administrative functioning of the UWINCO Board.
   d. Approve appointment of the Chief Investment Officer.
   e. Approve appointment of the Treasurer of the Board of Regents.
   f. 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 and Asset Management Committee of the Board of Regents. Endowments governed by an agreement that allows withdrawals under specific terms and conditions are exempt from this requirement.

2. Chair of the Board of Regents:
a. Recommend members of the UWINCO Board for formal approval by the Board of Regents. Recommendations will be made in consultation with the Chair of the UWINCO Board and the President of the University (and/or his designee).

b. Designate the Chair of the UWINCO Board.

c. Approve investment manager appointments and direct investments in situations when the Chief Investment Officer is unavailable or unable to do so.

3. Finance and Asset Management Committee of the Board of Regents:

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 of Regents for approval. It is anticipated that such changes will be infrequent.

d. Review the asset allocation and strategy recommendations of the Chief Investment Officer and the UWINCO Board. Recommend policy changes as appropriate to the Board of Regents.

4. University of Washington Investment Management Company (UWINCO) Board, an internal advisory board:

a. Advise the Finance and Asset Management Committee 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, due diligence.

b. Advise the President of the University on the compensation of senior professional investment staff and other administrative matters.

c. Adhere to the Board of Regents Governance, Standing Orders, Chapter 10 pertaining to the UWINCO Board.

5. President of the University:

a. Provide broad administrative oversight of the investment program with advice provided by the UWINCO Board and the University’s investment consultant. This includes but is not limited to the following:
i. Approve the compensation of senior professional investment staff.

ii. Administer internal fees for management and administrative activities related to the endowment.

iii. Approve use of professional staff bonus pool.

b. Assume supervisory responsibility for the Chief Investment Officer position. Appoint interim Chief Investment Officer when the position is vacant.

6. Treasurer of the Board of Regents:

a. Approve investment custodian appointment(s).

b. Execute securities transactions in conjunction with the day-to-day management of the investment program.

c. 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.

7. Chief Investment Officer:

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 the UWINCO Board and the University’s investment consultant(s).

c. Seek the advice of the University’s investment consultant(s) and members of the UWINCO Board 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, follow-on investments with existing managers and approve direct investments. Approved investments shall fall within the policy guidelines adopted by the Board of Regents.

e. 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.

f. Approve individual investment manager guidelines.

g. Monitor individual investment managers on a regular basis to ensure that performance and compliance expectation are met.
h. Monitor aggregate portfolio risk regularly to insure that the long-term purchasing power of the CEF is preserved.

i. 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.

j. Approve appropriate usage and timing of leveraged strategies within the CEF.

k. Terminate investment managers, including the authority to liquidate limited partnership interests or to reduce strategy exposures through other means. This authority is typically exercised due to performance concerns, organizational changes, or structural considerations within the UW investment portfolio.

l. Take action as appropriate in support of shareholder resolutions related to human rights violations in Burma.

m. Engage in shareholder activism as appropriate on issues related to global climate change.
"Background

The situation in South Africa is tragic and appears to be getting worse.

For several years the Board of Regents has been watching developments in South Africa for trends that have a bearing on the propriety and prudence of investments in the Consolidated Endowment Fund.

Investment in companies operating in South Africa has been reduced in recent months to a point where we hold securities of just five such companies. All companies are major American manufacturing corporations which abide by the Sullivan principles, and those companies achieve less than one percent of their total world-wide sales in South Africa. Our total investment in those five companies is $2.5 million or about 4% of the total endowment fund of $65 million.

South Africa related investment actions by the University are largely symbolic. But there is wide divergence of opinion as to the meaning of the symbols. One view, supported by ASUW, GPSS, the Faculty Senate and other groups, is that any investment in companies doing business in South Africa symbolizes support or acceptance of apartheid. A second view, held by many in the university community and the broader society, is that some continuing investment in "Sullivan principle companies" symbolizes support for those and only those companies which are obligated to do everything they can, on the spot within South Africa, to promote social justice and bring about the abolition of apartheid.

A majority of the Board of Regents has confirmed several times in the past that the second view best reflects their judgment of proper University policy so long as (1) it appears to have a reasonable chance of contributing to the peaceful abolition of the apartheid system and (2) it is consistent with their fiduciary obligations for investment policy.

At this time, positions seem to be hardening on all sides of the South African struggle, thus reducing the possibility that well motivated American companies can help effect a peaceful abolition of apartheid and also increasing the risk to assets in that country.

Many students and faculty, and especially the ASUW and GPSS, have addressed the elements of our policy with intelligence and concern. We believe that policy redirection is called for.
Action

IT IS RESOLVED: That all securities in the Consolidated Endowment Fund of companies operating in South Africa be promptly sold when securities market conditions indicate that it is prudent to do so, but, in any event, no later than December 31, 1987. No securities of any company operating in South Africa shall be purchased unless and until the Board of Regents has agreed to recommence such purchases."
VII. STANDING COMMITTEES

B. Finance Committee

Delegation of Authority - Shareholder Resolutions
(Committee Action Only)

RECOMMENDED ACTION:

It is the recommendation of the administration that the Finance Committee delegate authority to the Treasurer of the Board of Regents to act on behalf of the Board of Regents with regard to shareholder resolutions related to human rights violations in Burma. This delegation will remain in effect up to five years from the date of approval.

BACKGROUND:

For the past several months, the administration has been working with a group of students concerned about human rights violations in Burma, to identify the ways in which the University could publicly voice its concern. Unlike the South Africa movement, the actions which have been identified revolve not on divestment which has a direct portfolio impact, but on actions around shareholder resolutions. These actions include: (1) voting on shareholder resolutions; (2) communicating the position of the Board of Regents to a corporation; and (3) participating in the sponsorship of shareholder resolutions.

By policy, actions related to shareholder resolutions are delegated to the University's outside investment managers. At its discretion, the Finance Committee may make proxy determinations and/or request the action of the entire Board on proxy matters.

To identify companies with operations in Burma and to track the progress of shareholder resolutions, the University will rely upon research provided by the Investor Responsibility Research Center (IRRC). The IRRC is an independent, nonprofit corporation located in Washington, D.C., which provides a variety of tracking and monitoring services around issues of social policy. Based on the preliminary research, there are only a handful of publicly traded companies in the U.S. with confirmed ties to Burma.

The Burma movement has attracted attention on campus with numerous articles appearing in THE DAILY in recent months. The ASUW Student Senate recently passed a resolution urging the University of Washington to support shareholder resolutions regarding proposed reports on and proposed cessations of corporate operations in Burma. A petition urging the Board of Regents to recognize the human rights violations in Burma was signed by over 200 students, faculty and staff in February.
VII. STANDING COMMITTEES

B. Finance Committee

Delegation of Authority - Shareholder Resolutions (continued - 2)

The Burma movement has spread to other University campuses as well. Harvard University and Williams College voted in support of a shareholder resolution involving UNOCAL last year. In addition, other public agencies, e.g., TIAA/CREF and the State of Connecticut, have taken actions in support of the movement.

The recommended action, if approved, will have no impact on the performance of the University's investment portfolios.

ENCLOSURE: IRRC Preliminary List: US Companies With Ties To Burma
The Board of Regents held its regular meeting on Friday, January 21, 2000, beginning at 10:00 a.m. in the Walker-Ames Room, Kane Hall. The notice of the January 21 meeting had been given to the press, television, and public as appears in the affidavit in the files of the Secretary.

CALL TO ORDER

ROLL CALL

The Assistant Secretary called the roll: Present were Regents Gates (presiding), Brotman, Clack, Evans, Grinstein, Knaus, Proctor, Yapp; Dr. McCormick, Dr. Huntsman, Mr. Ihrig, Dr. Ramsey, Dr. Thorud, Mr. Johnson, Ms. Hogan, Ms. Hughes, Mr. Baker, Dr. Morris, Ms. Smith, Ms. Penfold; ex officio representatives: Mr. Biava, Mr. Heyman, Prof. Philipsen, Mr. Vernon.

Absent: Regents Chin, Zehnder; Treasurer Ms. Warren

FINANCE AND AUDIT COMMITTEE: Regent Yapp, Chairman

Amendment to Investment Policies (Agenda no. F-3)

Regent Yapp reviewed the background of this item, noting that staff and investment advisors have followed tobacco investments for several years. The Regents have struggled with the issue of at what point public policy comes to play a different balance, but the Board's responsibility is fiduciary, to maximize gifts and returns for the purpose of supporting education. Regent Knaus said he believed the University should be at the forefront of social issues globally, before they hit the pocketbook, and the GPSS and ASUW presidents concurred. Regent Evans stated that we should hold out for issues of global importance. Regent Yapp concluded that there are many ways to express views on social issues, but she feels very strongly that the Board should be conservative on this and should follow public policy.

Regent Proctor suggested that the last line of the first paragraph of the recommended action, which stated “the recommendation is based upon the continuing financial risks involved in tobacco investments,” be removed, and Regent Yapp agreed.

MOTION: Upon the recommendation of the Finance and Audit Committee and the motion made by Regent Yapp, seconded by Regent Proctor, the Board by unanimous vote approved the orderly elimination of direct tobacco holdings and prohibited future direct investments in tobacco companies. This approval will result in the amendment of the investment policies and objectives of the Consolidated Endowment Fund, the Invested Funds and the Self-Insurance Revolving Fund.

ADJOURNMENT

The regular meeting reconvened and was adjourned at 3:15 p.m.

Jennefer Penfold
Secretary of the Board of Regents
VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Amendment to Investment Policy: Human Rights in Sudan

RECOMMENDED ACTION:

It is the recommendation of the Finance, Audit and Facilities Committee (FAF) that the Board of Regents amend the “Statement of Objectives and Policy for the Consolidated Endowment Fund” to enable the Chief Investment Officer to act on behalf of the Board concerning human rights violations in the Sudan, including initiation of letters of engagement and shareholder resolutions.

BACKGROUND:

Sudan is emerging as an investment issue, both nationally and locally. Several groups approached the University in the last two months requesting information on the Consolidated Endowment Fund, specifically whether certain companies providing economic support to the current Sudanese regime were held by the UW. The Treasury Office staff has been working with several UW student activists, knowledgeable of the situation in the Sudan, to identify ways in which the University could publicly voice its concern.

Shareholder Activism:
Shareholder activism typically involves one or more of the following: (1) voting on shareholder resolutions (2) engaging the company in a dialogue on its corporate practices (3) sponsoring or co-sponsoring issue-specific shareholder resolutions (4) divestment. The recommended action enables a continuing dialogue with targeted companies. Given its potential to negatively impact portfolio performance, divestment is not recommended at this time. The effectiveness of this policy amendment will be reviewed by the FAF over the upcoming fiscal year.

Research:
To better define the list of companies with direct equity ties to the Sudan, the University turned to an external research provider, Conflict Securities Advisory Group (CSAG). CSAG is an independent, nonprofit corporation located in Washington D. C. which provides a variety of tracking and monitoring services around issues of social policy. Based upon CSAG’s research, there are 44 companies worldwide with direct equity ties to Sudan but the situation is fluid and subject to change. The University currently holds 5 companies from the list in its endowment.
VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Amendment to Investment Policy: Human Rights in Sudan (continued p. 2)

Institutional Investor Response:
In response to public pressure, Harvard recently divested its holdings in PetroChina. Stanford University will propose divestment from four foreign oil companies with Sudan ties at its June Board of Trustee meeting. The issue has been raised on other campuses around the country including Brown, Dartmouth, Tufts and Michigan State University. State pension plans have also been affected with actions ranging from sponsorship of shareholder resolution (New York City Employee Pension Fund) to divestment (State of Illinois).

UW Historical Response to Ethical Concerns:
With the exception of South Africa in the late 1980’s, ethical concerns have not led to divestment. Economic rationale drove the decision to divest the UW’s investment portfolios of tobacco stocks in January 2000. Over the years, the UW pursued varying degrees of shareholder activism around human rights violations in Burma and global warming. In these cases there was strong involvement from multiple constituencies including the Board of Regents, faculty, students and staff.

Impact:
The recommended action, if approved, will effectively expand the authority of the Chief Investment Officer under Section K9 “Delegations” of the Statement of Investment Policy and Objectives of the Consolidated Endowment Fund to include the following:

“Take action as appropriate in support of letters of engagement and shareholder resolutions related to human rights violations in the Sudan. This delegation will remain in effect until December 31, 2007.”

ENCLOSURES:
Appendix A: UW Student and Faculty Support for Divest Sudan
Appendix B: Sudan Activity by Other Institutions
Appendix C: SAMPLE – UW Sponsorship of Shareholder Resolution: Burma

F–4/206
6/9/05
APPENDIX A

UW STUDENT AND FACULTY SUPPORT – DIVEST SUDAN

Registered Student Organizations Supporting Divestment Campaign
ASUW
Center for Human Rights and Justice
College Republicans
Earth Club at UW
Episcopal Campus Ministry
French Fry Fuel Fools
Fun Guy Drum Club
International Friends
Inter-Varsity Christian Fellowship
Newman Center
Rally for Change
SEED (Students Expressing Environmental Dedication)
Students for Fair Trade
Sustainable UW Alliance
UW Burma Action
WashPIRG
Young Democrats

Faculty Support
Mary Callahan; Associate Professor and Director, International Studies Program, International Studies
James Felak; Professor, History Department
Sharon B. Garrett; Research Associate, Alcohol and Drug Abuse Institute
Angelina Snodgrass Godoy; Assistant Professor, Jackson School of International Studies; Law, Society and Justice
Nancy Harsock; Professor, Political Science
Ruth L. Honour; HRERN Program Coordinator, Interdisciplinary Arts & Sciences
Linda L. Ilitis; Academic Counselor, International Studies; Lecturer, Comparative Religion and South Asian Studies
Lucy Jarosz; Associate Professor, Geography
Bryan D. Jones; Professor, Political Science
Kelly A. Kajumulo; Research Coordinator, Psychology
Elizabeth Kier; Associate Professor, Political Science
Margaret Levi; Professor, Political Science
Karen T. Litfin; Assistant Professor, Political Science
Jamie Mayerfeld; Associate Professor, Political Science; Seattle Campus Advisor, Human Rights Minor
Jonathan L. Mercer; Associate Professor, Political Science
M. Jan Meyerding; Program Coordinator, International Studies Center, International Studies
Naomi D. Murakawa; Assistant Professor, Political Science
Mark Smith; Associate Professor, Political Science
Summer E Starr; Program Assistant, UW MBA Career Services
Theron Paul Stevenson; International Program Coordinator, Comparative History of Ideas
Susan A. Stoner; Research Associate, Psychology; Research Associate, Alcohol and Drug Abuse Institute
Carol Strong; Research Coordinator, Psychology
Dr. Jennifer Taggart; Lecturer, Math Department
Lynn M. Thomas; Associate Professor, African History; Chair, African Studies
Bob Weinstein; Fiscal Specialist Supervisor, Business and Finance (Computing and Communication)
Peter Weiss; Lecturer, Biology
Beverly L. Winner-Coates; Secretary Senior, Henry M. Jackson School of International Studies
APPENDIX B

SUDAN
ACTIVITY BY OTHER INSTITUTIONS

COLLEGE AND UNIVERSITIES

- **Harvard University** Divested from PetroChina on April 4, 2005
- **Stanford University** – Proposal going to the June meeting of the Board of Trustees to divest from 4 foreign oil companies – ABB Ltd., PetroChina, Sinopec and Tatneft
- **Brown University** – Working with student groups to define the issue
- **Dartmouth University** - Working with student groups to define the issue. “Town Hall” scheduled in May to discuss the issue.
- **Swathmore College** – Working with student groups- Student proposal for divestment did not proceed. Swathmore’s policy does not allow divestment
- **Tufts University** – Questions being raised on campus
- **Michigan State University** – Student group active on campus.

STATE AND CITY ACTIVITY

- **State of Illinois** - Bills passed in Illinois 59-0 to bar their five pension funds investing in companies with Sudan links
- **State of New Jersey** and **State of California** have similar bills going through legislation
- **New York City Employee Pension Fund** – sponsoring shareholder resolutions to pressure companies not to do business in Sudan
December 5, 1997

Brigitte M. Dewez, Corporate Secretary
UNOCAL
2141 Rosecrans Avenue, Suite 4000
El Segundo, CA 90245

Dear Ms. Dewez:

In 1995, the Board of Regents of the University of Washington voted to exercise its shareholder rights in publicly voicing its concerns over human rights violations in Burma. To that end, the University of Washington is adding its name as co-filer on the enclosed shareholder resolution requesting Unocal to appoint a committee of outside directors to issue a report on the actual and potential economic and public relations cost to Unocal of opposition to its business in Burma. The report, omitting confidential information and prepared at reasonable cost, should include the actual and potential benefits of continuing to do business in Burma as well as the costs to Unocal of:

1. the growing boycott of Unocal products by consumers, including cities and states
2. the increasing lobbying by Unocal of federal and local legislatures and governments
3. litigation filed against Unocal

We are therefore submitting the enclosed shareholder resolution for inclusion in Unocal’s proxy statement in accordance with Rule 14-A-8 of the general rules and regulations of the Securities and Exchange Act of 1934. We trust that it will be considered for action by the shareholders at Unocal’s next annual meeting.

The University of Washington is one of the nation’s premier public research universities. The University’s $1.4 billion investment portfolio is managed by outside investment management firms, two of which are current holders of Unocal stock. Confirmation from our investment custodian, The Northern Trust, that the University of Washington is the beneficial owner of its shares in Unocal is attached.

For your reference, we have also attached a copy of the “delegation of authority - shareholder resolutions” which certifies that the Treasurer of the Board of Regents has the authority to act on behalf of the Board in this area. In addition, it provides background on the human rights movement on the University of Washington campus.

Sincerely,

V’Ella Warren
Treasurer of the Board of Regents

cc: Roger C. Beach, Unocal Chairman & Chief Executive Officer
    Arthur Levitt, Securities and Exchange Commission
    Reverend Joseph La Mar, Maryknoll Fathers & Brothers
    David Shilling, Interfaith Center on Corporate Responsibility
    Meg Voorhes, Investors Responsibility Research Center
    Simon Billenness, Franklin Research & Development Corporation
    Steve Berger, Cambridge Associates
    Suzanne Herbst, The Northern Trust
    Finance and Audit Committee of the Board of Regents
SAMPLE – UW SPONSORSHIP OF SHAREHOLDER RESOLUTION:
BURMA

SHAREHOLDER RESOLUTION
REPORT ON FULL COSTS OF DOING BUSINESS IN BURMA: UNOCAL

WHEREAS: Nobel Peace Prize Laureate and Burmese democracy movement leader Aung San Suu Kyi has called for economic sanctions of Burma, stating that corporations that do business in Burma, “do create jobs for some people but what they’re mainly going to do is make an already wealthy elite wealthier, and increase its greed and strong desire to hang on to power… these companies harm the democratic process a great deal.”

Because of the Burmese military junta’s large-scale repression of the democracy movement, on May 20, 1997, President Clinton signed an executive order banning new US investment in Burma;

Several cities, including New York and San Francisco, and the Commonwealth of Massachusetts have enacted laws that effectively prohibit contracts with companies that do business in Burma;

The Oil, Chemical and Atomic Workers Union (OCAW) and the AFL-CIO support economic sanctions on Burma;

Media such as Businessweek, CNN, Economist, Los Angeles Times, New York Times and Washington Post have published articles about the growing pressure on companies that do business in Burma;

Unocal, in partnership with Total of France, the Petroleum Authority of Thailand and the Burmese state-owned oil company, has an equity stake in the largest investment project in Burma: the building of a pipeline from the offshore Yadana gas-field to Thailand;

Human rights organizations based on the Thai/Burmese border have documented not only numerous human rights abuses committed by Burmese troops deployed to secure the pipeline area but also the use of forced labor by the Burmese military on infrastructure related to the pipeline project;

Unocal has allowed no independent human rights investigation of the numerous documented allegations of abuse of human rights in the pipeline area;

On September 3, 1996, the democratically elected government-in-exile of Burma filed a lawsuit in US federal court seeking a court order halting Unocal’s role in the Yadana pipeline and seeking compensatory and punitive damages. On October 3, 1996, a similar additional lawsuit was filed on behalf of victims of human rights abuses in Burma;
BE IT RESOLVED: The shareholders request that the Board of Directors appoint a committee of outside directors to issue a report by October 1998 on the actual and potential economic and public relations cost to Unocal of opposition to its business in Burma. The report, omitting confidential information and prepared at reasonable cost, should include the actual and potential benefits of continuing to do business in Burma as well as the costs of Unocal of:

1. the growing boycott of Unocal products by consumers, including cities and states
2. the increasing lobbying by Unocal of federal and local legislatures and governments
3. litigation filed against Unocal

SUPPORTING STATEMENT

We are concerned by the growing damage to Unocal’s sales and image of its business in Burma. We are also concerned about the mounting cost of lobbying against federal sanctions and local selective purchasing legislation. We wish to learn whether these additional economic and public relations costs outweigh the revenues and benefits that Unocal derives from its business in Burma.
VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Amendment to Investment Policy: Consolidated Endowment Fund

RECOMMENDED ACTION:

It is the recommendation of the Finance, Audit and Facilities Committee (FAF) that the Board of Regents prohibit direct investment in companies doing business in Sudan. The prohibition is directed towards companies whose business activities support the Sudanese government in its continuing sponsorship of genocidal actions and human rights violations in Darfur.

Approval of the recommended action will result in the amendment of the “Statement of Objectives and Policy for the Consolidated Endowment Fund”. Implementation will involve divestment of direct company holdings and ongoing portfolio monitoring to prevent future investment.

BACKGROUND:

A year ago, a group of student leaders and faculty approached the University administration to express their concern over the continuing genocide in the Darfur region of Sudan. From those discussions, a recommendation was made to the Board of Regents in June 2005 to use shareholder activism as a way in which the University could publicly voice its concern. In response, the Board amended its investment policies to enable targeted letter-writing campaigns, proxy voting and sponsorship of shareholder resolutions with companies doing business in Sudan.

This decision resulted in a number of activities over the past year:

1. The University’s investment portfolios were screened monthly for companies doing business in Sudan. Typically two to four companies were identified – some were long term positions, others gone before the next screening. As of the last screening at the end of March 2006, the University held direct positions in two companies with ties to Sudan.

2. Letters of engagement (See Appendix E), signed by the FAF Chair, were sent to seven companies. Responses were received from five of the seven. One company reported that its Sudanese operation was sold in 2003. Two companies provided infrastructure support (healthcare and banking services) to the people of Sudan and further dialogue was not pursued by the University. One company dropped out of our portfolio. And one company received a second letter from the University (see Appendix F) to continue the dialogue
VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Amendment to Investment Policy: Consolidated Endowment Fund (continued p. 2)

on its Sudanese activities. Of the two companies that did not respond, one dropped out of our portfolio and the last company is a recent addition to the portfolio and still within the deadline period for a response.

3. To facilitate communication between the administration and the campus community, a student intern was hired by the Treasury Office whose responsibilities include updates on the situation in Sudan, research on specific companies and dialogue with students at other colleges and universities on their Sudan-related activities. Periodic meetings between student activists and Treasury Office staff further facilitate an ongoing dialogue.

4. A new third-party research provider on Sudan emerged over the past year – Institutional Shareholder Services (ISS). While a long-time provider of corporate governance-related fiduciary services to institutional investors, the Sudan research product was new. The University was instrumental in encouraging the development of a more robust, dynamic research platform.

5. The University’s continuing involvement in the Consortium on Social Responsibility, a group of twenty public and private universities, proved helpful this past year as more institutional investors took formal action to address the situation in Sudan.

Shareholder Activism:
Shareholder activism typically involves one or more of the following: (1) voting on shareholder resolutions (2) engaging the company in a dialogue on its corporate practices (3) sponsoring or co-sponsoring issue-specific shareholder resolutions (4) divestment. Due to its potential to negatively impact portfolio performance, divestment is viewed as a course of last resort. In addition, the loss of shareholder status effectively ends the dialogue with banned corporations. With divestment, the emphasis shifts from an effort to change corporate behavior through shareholder activism to a focus on changing the behavior of the Sudanese government itself.

Sudan Divestment:
There has been a marked increase in Sudan divestment initiatives among institutional investors over the past year with universities and their constituents at the forefront of the Sudan Divestment movement. (See Appendix C) Ten colleges and universities including Harvard, Stanford, Amherst, Yale, Brown, Columbia and the University of California have selectively divested their Sudan holdings. Divestment legislation has likewise been passed in a number of states.

Research and Screening: Due to the lack of a common standard for screening companies in Sudan, institutional investors have pursued a wide variety of approaches
VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

**Amendment to Investment Policy: Consolidated Endowment Fund** (continued p. 3)

in their implementation of a divestment policy. These have ranged from the identification of a handful of names, chiefly those involved in the Sudanese oil industry, to broad mandates which ban investment in any company conducting business in Sudan.

The University of Washington, along with other institutional investors, has worked closely over the past year with Institutional Shareholder Services (ISS) on its emerging Sudan research product. The University’s goal was to find a third-party research provider focused on companies which financially benefit the government of Sudan versus companies which supply infrastructure support to the citizens of Sudan. (See Appendix D)

ISS released its new Sudan product in May 2006 which currently lists 32 companies. The majority of these are involved in oil related business activities. Company lists for portfolio screening are updated monthly and include research and analysis to support informed decision-making.

**UW Historical Response to Ethical Concerns:** With the exception of South Africa in the late 1980’s, ethical concerns have not led to divestment. Economic rationale drove the decision to divest the UW’s investment portfolios of tobacco stocks in January 2000. Over the years, the UW pursued varying degrees of shareholder activism around human rights violations in Burma and global warming. In all cases there was strong involvement from multiple constituencies including the Board of Regents, faculty, students and staff.

**Impact:** The recommended action, if approved, will add a new paragraph to Section B “Ethical Considerations” in the **Statement of Investment Objectives and Policy for the Consolidated Endowment Fund:**

“Direct investment in companies doing business in Sudan whose business activities support the Sudanese government in its continuing sponsorship of genocidal actions and human rights violations in Darfur is prohibited.”

**Attachments:**
APPENDIX A: Sudan Status and Timeline – UW Shareholder Activism over the Past 12 Months
APPENDIX B: Support for Sudan Divestment
APPENDIX C: College and University List – Sudan Divestment
APPENDIX D: Institutional Shareholder Services (ISS) – Sudan Research Criteria
APPENDIX E: SAMPLE Letter of Engagement
APPENDIX F: SAMPLE Follow-up to Letter of Engagement
VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Amendment to Investment Policy: Consolidated Endowment Fund (continued p. 4)

APPENDIX A
SUDAN – STATUS AND TIMELINE

The following is a timeline on Sudan-related shareholder activism at the University of Washington since the issue was presented to the Board of Regents one year ago.

June 2005: Amended Consolidated Endowment Fund policy to allow CIO to initiate letters of engagement and sponsor shareholder resolutions relative to the human rights violations in Sudan.

Summer 2005: Restructured international equity portfolio. While this action was unrelated to the Sudan decision, the combination of manager additions and deletions altered the list of international companies held by the University.

Summer 2005: Continued conversations with colleagues at other institutions on their experience with the Sudan issue – and other socially responsible investment issues. Focused on effective process and communication.

August 2005: Drafted letter of engagement. Treasury Office and student activists decide on next steps and determine a process for ongoing communication between the Treasury staff and the students. Active student involvement encouraged going forward through the establishment of an hourly student research position in Treasury to assist in research on companies active in Sudan, proxy voting practices in foreign countries, and communication with faculty and staff on the issue.

September 2005: Established a process for monthly monitoring the University’s portfolio for companies doing business in Sudan. Determined that only three of the six companies identified in August as doing business in Sudan were held by the UW as of September 30.


November 2005: Treasury staff and students reviewed company responses and determine follow up.

December 2005: Contracted Intuitional Shareholder Services for more comprehensive company research and proxy voting research.

Amendment to Investment Policy: Consolidated Endowment Fund (continued pg. 5)
VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Amendment to Investment Policy: Consolidated Endowment Fund (continued p. 5)

January 2006: Part time student hourly student hired to work with Treasury staff on company research, foreign proxy voting process, and tracking other Sudan related activity by other intuitional investors.

February – May 2006: Continued monitoring of the portfolio and “letter of engagement campaign” shareholder engagement with companies doing business in Sudan for which UW has an investment. Worked with Institutional Shareholder services to identify shareholder resolutions related to Sudan and identify potential co-sponsors.

June 2006: Review progress/process with the Finance, Audit and Facilities Committee. Recommend change in investment policy to include divestment as an option.

Our assumption is that this issue will not be resolved in a matter of months or even years. The process of shareholder activism will require an ongoing collaboration among University constituents – staff, students, faculty, Board.
VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Amendment to Investment Policy: Consolidated Endowment Fund (continued p. 6)

APPENDIX B

Support for Sudan Divestment

UW Student and Faculty Support

Registered Student Organizations Supporting Divestment

- ASUW
- African Student Association
- Alpha Epsilon Delta
- Black Student Union
- Brit Tzedek v’shalom
- Center for Human Rights and Justice
- College Republicans
- Earth Club at UW
- Episcopal Campus Ministry
- French Fry Fuel Fools
- Fun Guy Drum Club
- International Friends
- Inter-Varsity Christian Fellowship
- Muslim Student Association
- Newman Center
- Rally for Change
- SEED (Students Expressing Environmental Dedication)
- Sierra Student Coalition
- Student Labor Action Project
- Students for Fair Trade
- Students for a Free Tibet
- Sustainable UW Alliance
- Tzedek Hillel
- UW Burma Action
- WashPIRG
- VOX: Voices for Planned Parenthood
- Young Democrats

Faculty Support

- Mary Callahan; Associate Professor and Director, International Studies Program, International Studies
- James Felak; Professor, History Department
- Sharon B. Garrett; Research Associate, Alcohol and Drug Abuse Institute
- Angelina Snodgrass Godoy; Assistant Professor, Jackson School of International Studies; Law, Society and Justice
VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Amendment to Investment Policy: Consolidated Endowment Fund (continued p. 7)

- Nancy Harsock; Professor, Political Science
- Ruth L. Honour; HRERN Program Coordinator, Interdisciplinary Arts & Sciences
- Linda L. Iltis; Academic Counselor, International Studies; Lecturer, Comparative Religion and South Asian Studies
- Lucy Jarosz; Associate Professor, Geography
- Bryan D. Jones; Professor, Political Science
- Kelly A. Kajumulo; Research Coordinator, Psychology
- Elizabeth Kier; Associate Professor, Political Science
- Margaret Levi; Professor, Political Science
- Karen T. Litfin; Assistant Professor, Political Science
- Jamie Mayerfeld; Associate Professor, Political Science; Seattle Campus Advisor, Human Rights Minor
- Jonathan L. Mercer; Associate Professor, Political Science
- M. Jan Meyerding; Program Coordinator, International Studies Center, International Studies
- Naomi D. Murakawa; Assistant Professor, Political Science
- Mark Smith; Associate Professor, Political Science
- Summer E Starr; Program Assistant, UW MBA Career Services
- Theron Paul Stevenson; International Program Coordinator, Comparative History of Ideas
- Susan A. Stoner; Research Associate, Psychology; Research Associate, Alcohol and Drug Abuse Institute
- Carol Strong; Research Coordinator, Psychology
- Dr. Jennifer Taggart; Lecturer, Math Department
- Lynn M. Thomas; Associate Professor, African History; Chair, African Studies
- Bob Weinstein; Fiscal Specialist Supervisor, Business and Finance (Computing and Communication)
- Peter Weiss; Lecturer, Biology
- Beverly L. Winner-Coates; Secretary Senior, Henry M. Jackson School of International Studies

Community Support

- Coalition for Global Concern, Seattle University
- The Darfur Action Club, Seattle University
- The Environmental Club, Seattle University
- The National Society of Black Engineers, Seattle University
- Oxfam, Seattle University
- SaveDarfurWashingtonState
- Southern Sudanese Community of Washington
- Students Taking Action Now – Darfur, Seattle Central Community College
- Young Democrats, Seattle University
VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

*Amendment to Investment Policy: Consolidated Endowment Fund* (continued p. 8)

APPENDIX C

COLLEGE AND UNIVERSITY LIST - SUDAN DIVESTMENT

*Harvard*
Divested direct holdings of PetroChina in April of 2005. Under intense student, media, and political pressure, also sold direct holdings of Sinopec in March of 2006.

*Stanford*
Announced divestment from PetroChina, Sinopec, ABB, and Tatneft in June, 2005 following efforts by the STAND student group and Stanford's Advisory Panel on Investor Responsibility.

*Samford (Birmingham, Alabama)*
Voted in the summer of 2005 to sell its direct holdings of Patrician in response to student efforts.

*Dartmouth*
Announced in November 2005 its intention not to invest in ABB, GNPOC, PetroChina, White Nile, Petronas, or Sinopec. Debating whether to purchase the KLD or ISS targeted lists.

*Amherst*
Voted in January of 2006 to divest nearly two-dozen companies, primarily from the oil, gas, energy, and telecom sectors and meeting the criteria of providing the government of Sudan with significant financial support.

*Yale*
Announced in February, 2006 its decision to divest from seven companies involved in the Sudanese oil industry. Companies chosen based on extensive student research report and ISS data.

*University of California*
Voted in March, 2006 to divest from nine companies (in the oil & gas, energy, and telecom sectors) and exercise shareholder voice on 4 others. Decision came after prolonged student research effort.

*Brown*
Voted in March, 2006 to divest from six companies: ABB, Alcatel, PetroChina, Siemens, Sinopec, and Tatneft. Decision based on a recommendation from Advisory Committee on Corporate Responsibility in Investing.
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Brandeis
Voted in April, 2006 to ban investment in “companies that are complicit with Sudan's genocidal policies”. Explicitly excluded telecom industry, will be announcing companies list at a later date.

Columbia
Announced in April, 2006 its decision to divest from 18 companies based on research by the Advisory Committee on Socially Responsible Investing.

Efforts also in progress at: MIT, Bowdoin, Emory, University of Maryland, California State University, Davidson, Northeastern, Wellesley, University of Pennsylvania, Simmons College, Trinity College, University of Southern California, University of Vermont

States where divestment legislation has been passed: Illinois, New Jersey, Oregon, California (CalSTRS only), Maine, Vermont, Ohio (non-binding).

States with divestment bills currently being debated: Massachusetts, Connecticut, Rhode Island, Maryland, New York, Iowa, Indiana.

Cities that have divested: Providence, RI (Task Force targeted model), New Haven, CN (Yale seven)

APPENDIX D

Institutional Shareholder Services (ISS)
SUDAN RESEARCH CRITERIA

I. Criteria

The research will identify publicly-traded domestic and international companies that:

1. Provide revenues to the Sudanese government through business with the government, government-owned companies or government-controlled instrumentalities.

2. Generate revenues from the following oil related business activities:
   - Oil exportation
   - Extraction or production of oil
   - Exploration of oil
   - Construction and maintenance or a pipeline or refinery
   - Old-field infrastructure

3. Offer little substantive benefit to those outside of the Sudanese government or its Affiliated supporters in Khartoum, Northern Sudan and the Nile River Valley.

4. Oil related business activities that have not taken any substantial action related to the government to halt the genocide or have demonstrated complicity in the Darfur genocide. Substantial action shall include, but is not limited to, curtailment of operations or public pressure on the Sudanese government.

5. Supplies military equipment within the borders of Sudan, including weapons, arms or military defense supplies.

6. Provides equipment within the borders of Sudan that may be readily used for military purposes, including radar systems and military grade transport vehicles, unless the company implements safeguards to prevent use of that equipment for military purposes.

7. Provides military equipment, arms, or defense supplies to any domestic party in Sudan, including the Sudanese government and rebels. A strong presumption shall also be made against any company providing any domestic party in Sudan with equipment that may be readily co-opted for military use,
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B. Finance, Audit and Facilities Committee

Amendment to Investment Policy: Consolidated Endowment Fund (continued p. 11)

8. Including radar systems and military-grade transport vehicles, unless that company has implemented safeguards against such co-option.

II. Exceptions
1. Companies which, either directly or through an affiliated instrumentality, provide services clearly dedicated to social development for the whole country shall be excluded from the focus list. Such entities include, but are not limited to, those providing medicine and medical equipment, agricultural supplies and agricultural infrastructure, educational opportunities, journalism-related activities and general consumer goods.

2. Companies undertaking significant humanitarian efforts in the country’s Eastern, Southern, or Western regions, or reasonable evidence that company engagement with the government has improved the situation in Darfur.

3. Evidence where constructive engagement with the company has resulted in compliance, or progress towards compliance at a reasonable pace consistent with the situation in Darfur.

APPENDIX E
VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Amendment to Investment Policy: Consolidated Endowment Fund (continued p. 12)

SAMPLE LETTER OF ENGAGEMENT

January 19, 2006

Jeroen van der Veer
President and Managing Director
Royal Dutch/Shell Group of Companies
Caret van Bylandtlaan 30
2596 HR The Hague
The Netherlands

Dear Mr. van der Veer,

I write on behalf of the University of Washington Board of Regents as the Chair of the Board’s Finance, Audit and Facilities Committee. This Committee is charged by the Board with exercising policy direction regarding the University’s $2 billion investment programs, including its endowment and other invested funds.

Founded in 1861, the University of Washington is one of the oldest state-supported institutions in the Western United States with a current student body in excess of 42,000. The University’s faculty is distinguished by the many honors its members have received from professional societies and independent bodies including four Nobel prizes in physics and medicine and nine fellowships from the MacArthur Foundation. The University has earned an international reputation for its research and graduate programs and is ranked among the twenty top universities in the world by *The Economist*.

Recently, the Board of Regents was approached by a group of student leaders and eminent faculty concerned about the ongoing genocide in the Darfur region of Sudan. These constituents highlighted the extraordinary magnitude of the crimes committed by the Sudanese government in Darfur and genocide’s status as a ‘special case’ human rights situation calling for a unique and powerful response.

National and international concerns have been ongoing since Congress first agreed to economic and trade sanctions in 1997. Despite several signed peace accords, civil war and human rights violations continue and the United Nation Security Council expanded its arms embargo in the states of North, South and West Darfur in March of 2005. In recent months, we’ve seen large, well-reputed
VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Amendment to Investment Policy: Consolidated Endowment Fund (continued p. 13)

institutional investors take action by divesting their holdings of companies doing business in Sudan. Our own constituents are urging us to follow a similar path.

The Board of Regents has, for now, elected to approach each of our portfolio companies operating in Sudan to evaluate their actions in light of the extreme human rights conditions in Darfur. Specifically, we ask that you respond to the following questions:

1. Do you have policies in place which include a code of conduct for doing business in countries with a history of repressive regimes?
2. If so, what does your code of conduct provide and what impact do you believe your business policies and practices have in supporting basic human rights in those countries? Have they been effective in furthering human rights in Sudan? Specifically how?
3. If you do not have such policies, why not?
4. What considerations govern your thoughts when assessing the growing risk to shareholder value through continuing involvement in Sudan?

We would appreciate your reply by February 15, 2006 so that we may report back to the full Board of Regents for further consideration of this issue. We look forward to hearing from you and thank you in advance for your time and cooperation.

Sincerely,

Shelly Yapp, Regent
University of Washington
March 22, 2006

Mr. Harold Hatchett  
Shell Oil Company  
1270 Avenue of the Americas  
Suite 2320  
New York 10020, USA  

Dear Mr. Hatchett,

Thank you for your response to my letter of January 19th regarding Royal Dutch Shell and its subsidiary’s interests in Sudan. I would like to commend your company for its 2001 decision to stop supplying aviation fuel to Sudanese military aircraft due to human rights concerns, and the subsequent sale of the aviation fuel business in Sudan. These decisions demonstrate Shell’s commitment and sensitivity to the effects of their business on the local communities and are consistent with Principle 6 of the Shell’s General Business Principles.

I have reviewed your response, as well as the report on the November 17th meeting between representatives of Royal Dutch Shell and CalPERS regarding Shell’s operations in Sudan¹, and have a few more specific questions I would like to have clarified:

1 – I have encountered several references to Shell’s 2000 purchase of a substantial stake in the Chinese oil firm Sinopec, which is currently active in Sudan. Does Shell still hold this investment in Sinopec? Does Shell directly or through one of its subsidiaries hold investments in any other companies that do business with the Sudanese government? If yes, please provide details on these investments and their activities with the Sudanese government.

2 – Does Shell have any plans to expand its business operations in Sudan? Does Shell have any plans to enter the oil and gas exploration business in Sudan? If yes, please describe the nature of these plans.

¹ This refers to a previous meeting that might have impacted Shell’s operations in Sudan.
VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Amendment to Investment Policy: Consolidated Endowment Fund (continued p. 15)

3 – Has Shell specifically considered the potentially destabilizing impact of the current conflict in the Darfur region of Sudan on its business operations in the country? If yes, please provide copies of your risk assessment and situation analysis.

4 – In the CalPERS memorandum, Sudan is described as statistically insignificant to Shell’s business portfolio. As of November 2005, Shell’s business operations in Sudan are further described as not profitable and there were no there are no growth initiatives in place for Sudan. If these statements are accurate, as an investor in Royal Dutch Shell, the University would like to understand your rationale for a continuing investment in Sudan.

I thank you again for your attention to these matters, and look forward to your reply.

Sincerely,

Fred Kiga, Regent
University of Washington
VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Global Climate Change Initiatives

For information only.

BACKGROUND

The UW Investments Office in conjunction with Divest UW, a student campaign representing over 20 Registered Student Organizations, proposes a series of actions to further the University’s efforts to support sustainability and express its concern over global climate change. These efforts are aligned with the broader University mission and will enhance the University’s position as a leader in sustainability.

Attachments

1. Letter from Students to the Board of Regents
2. University of Washington Global Climate Change Initiatives, October 2013
3. Global Climate Change Activity by Other Institutions as of September 25, 2013
October 3, 2013
Via October 10, 2013 Board of Regents Meeting Materials

Board of Regents
University of Washington
139 Gerberding Hall
Box 351264
Seattle, WA 98195-1264

Dear Regents:

Divest UW, a grassroots student campaign speaking on behalf of over 20 Registered Student Organizations (RSOs), with the support of the ASUW, has joined with the Treasury Office to co-sponsor the five policy points listed in the document which follows. By presenting the following proposals, we are calling for a series of actions to further the University’s efforts to a) remain in accordance with the University’s avowed commitment to sustainability and b) meet mounting scientific and social concerns which regard the relationship between the fossil fuel industry and global climate change. This initiative will allow for the development of sound institutional experience in green investment policy and planning.

As a campaign, we remain deeply concerned about the effects that the fossil fuel industry’s externalities will have on our state, society and our current financial holdings. We look forward to exploring policy procedures concerning alternative, sustainable green investment strategies. We are pleased to be working within a framework that allows for students, staff and/or faculty to engage the Treasury and present information items, such as this one. As a group, we value incentive-based green investment strategies, and have found common ground with the Treasury Office with respect to a strong path forward. We look forward to discussing the Treasury’s Global Climate Change Initiatives at our meeting with the Board in October.

Thank for your consideration.

On behalf of Divest UW,

Robert Marsh
Benjamin Peterson
Sarra Tekola
The UW Investments Office in conjunction with *Divest UW*, a student campaign representing over 20 Registered Student Organizations, proposes a series of actions to further the University’s efforts to support sustainability and express its concern over global climate change. These efforts are aligned with the broader University mission and will enhance the University’s position as a leader in sustainability.

<table>
<thead>
<tr>
<th>INITIATIVE</th>
<th>IMPLEMENTATION AUTHORITY</th>
</tr>
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<tbody>
<tr>
<td><strong>1 Create New Research Assistant (RA) Position.</strong>&lt;br&gt;This new student position will focus on the evaluation of alternative energy and ESG (environmental, social, and corporate governance) investment opportunities. Position will be advertised in Fall 2013.</td>
<td>Chief Investment Officer</td>
</tr>
<tr>
<td><strong>2 Increase alternative energy investments.</strong>&lt;br&gt;Approximately $12 million or 0.5% of the CEF is currently invested in alternative energy through private equity managers. The UW investment team will commit up to an additional $25 million (or 1% of the CEF) to new alternative energy investments.</td>
<td>Chief Investment Officer</td>
</tr>
<tr>
<td><strong>3 Incorporate ESG factors into investment analysis and decision making.</strong>&lt;br&gt;The Treasury Office will dedicate resources to better understand ESG factors (including environmental impact) and their bearing on investment performance. This effort will include, but is not limited to, (a) discussions with peer institutions on their experience, (b) canvassing the growing body of research focused on this area, and (c) increasing awareness through participation in national forums (i.e., The Forum for Sustainable and Responsible Investment; the University Consortium on Investor Responsibility).</td>
<td>Chief Investment Officer</td>
</tr>
<tr>
<td><strong>4 Explore opportunities for shareholder advocacy on climate change.</strong>&lt;br&gt;This may include, but is not limited to:&lt;br&gt;&lt;br&gt;(a) Collaborate with other institutional investors on letter writing campaigns and shareholder proxies targeting fossil fuel companies;</td>
<td>Board of Regents *</td>
</tr>
<tr>
<td>(b) Leverage efforts with national organizations where appropriate (i.e., the Carbon Disclosure Project; Ceres); and</td>
<td>President of the University</td>
</tr>
<tr>
<td>(c) Direct portfolio managers to consider the impact of ESG factors on their Portfolio Investments.</td>
<td>Chief Investment Officer</td>
</tr>
<tr>
<td><strong>5 Establish a framework for future engagement with students.</strong></td>
<td>Treasury Office</td>
</tr>
</tbody>
</table>

*An action item to amend the CEF investment policy—enabling the Chief Investment Officer to engage in shareholder advocacy on climate change on behalf of the Board—will be presented to the Board of Regents in November 2013.*

**ATTACHMENT 2**
Global Climate Change  
Activity by Other Institutions  
As of September 25, 2013

Student-led fossil fuel divestment campaigns are active on more than 380 college campuses. To date, only six schools (with combined endowment assets of less than $130 million), Hampshire College, Sterling, College of the Atlantic, Green Mountain, Unity, and San Francisco State University, have agreed to rid their endowments of fossil fuels. While most colleges and universities are still in the discussion phase on this issue, some larger institutions have announced they will not divest from fossil fuels and offer alternatives to address global climate change.

COLLEGES AND UNIVERSITIES

**Harvard:** The University president states that Harvard “operates with a strong presumption against divestment.” The Vice President of Sustainable Investing hired by Harvard Management Company in July 2013 and a Social Choice Fund, to be invested outside of the endowment, will be established by December 2013.

**Middlebury:** The College rejects divestment. The investment committee will develop stronger ESG (Environment, Social, and Governance) principles to apply to the investment portfolio. The College commits to creating ESG guidelines to monitor their portfolio and operations on campus, and increase the amount of the endowment directed toward ESG investments, including those focused on clean energy, green building projects, and other efforts to reduce greenhouse gas emissions.

**Vassar:** Divestment rejected.

**Swarthmore:** Rejects divestment and will “add more of its muscle and leadership voice—both legislatively and other fronts—to the movement working against climate change.” A sampling of ideas proposed include hosting a national symposium focused on raising awareness of climate change around the world, making one day a week an “energy Sabbath” to reduce use of fossil fuels on campus, and leading a consortium of colleges and universities to press state and federal authorities to do a better job regulating methane leaks and promote solar energy.

**Cornell:** Divestment rejected.

**Pomona:** Divestment rejected.

PENSION FUND ACTIVITY ADDRESSING CLIMATE CHANGE

**California Public Employees’ Retirement System (CalPERS):** The fund has various initiatives including proxy voting and investing in funds devoted to green energy. CalPERS is working to integrate EGS issues throughout its $264 billion fund.

**California State Teachers’ Retirement System (CalSTRS):** The pension fund has a Green Initiative Task Force to address environmental issues and identify, analyze, and propose potential investment opportunities and risk control strategies related to climate change. Their global equity portfolio includes a sustainable manager strategy and staff actively engages managers on ESG considerations. The fixed income portfolio is a lead purchaser of green bonds and the real estate portfolio includes a commitment to clean energy. CalSTRS is a leader in shareholder engagement on the issue of climate change, meeting directly with fossil fuel companies and sponsoring shareholder resolutions.
THE UNIVERSITY OF WASHINGTON
BOARD OF REGENTS
Resolution Regarding Divestment of Fossil Fuel Companies

WHEREAS, Climate change is one of the most serious challenges facing our planet. Scientific consensus points to human activity as the cause of climate change. Efforts to slow and reduce climate change must therefore start with changes in human behavior. The ways in which energy is used to support modern life must be transformed. Our utter dependence upon energy in its many forms presents a daunting challenge to society. Our heavy reliance on fossil fuels is one area in which changes in human behavior can lead to reductions in the harmful carbon emissions which contribute to climate change; and

WHEREAS, Universities can use their leadership to influence the trajectory of climate change in several ways, principally research activities and in their operational management. Specifically, 1) conducting research into the causes of climate change and identifying options for adaptation to and mitigation of climate change; 2) pioneering research into clean energy technology; and 3) modeling behaviors and policies through their operations that reduce carbon emissions; and

WHEREAS, One approach adopted more recently by colleges and universities is to engage in some level of fossil fuel divestment. Some universities have targeted coal companies for divestment while a handful of others have opted for full fossil fuel divestment. The potential cost of divestment on future investment returns, while negligible when limited to coal, is significant when extended to the fossil fuel industry as a whole. This difference is important in an era when we have become increasingly dependent on donor contributions and endowment earnings to further our academic mission;

NOW, THEREFORE, BE IT RESOLVED: Given the importance of the issue of climate change and our opportunity to take a symbolic and visible stance relative to reduction of carbon emissions, we support divestment of coal companies whose principal business is the mining of coal for energy generation. However, further action by this board is neither recommended nor warranted with respect to investments in other fossil fuel companies. As shareholders, we will retain our ability to enter into a dialogue with these companies to influence future behavior.

May 14, 2015

William S. Ayer
Chair, Board of Regents
VII. STANDING COMMITTEES

B. Finance and Asset Management Committee

Approve Amendments to Statements of Investment Objectives and Policy for the Consolidated Endowment Fund and Invested Funds

RECOMMENDED ACTION

It is the recommendation of the administration and the Finance and Asset Management Committee that the Board of Regents prohibit direct investment of endowment funds in publicly traded companies whose principal business is the mining of coal for use in energy generation.

Approval of the recommended action will result in the amendment of the “Statement of Investment Objectives and Policy for the Consolidated Endowment Fund” and “Statement of Investment Objectives and Policy for the Invested Funds.” Implementation will involve divestment of direct company holdings and ongoing portfolio monitoring to prevent future investment.

BACKGROUND

In December 2012, Divest UW, a student campaign representing over 20 Registered Student Organizations, sent a petition to President Young requesting fossil fuel divestment. Students worked with the Treasury Office to develop a plan to address climate change and jointly presented the “Treasury Office Global Climate Change Initiatives” to the Board of Regents in October 2013. The Board approved the recommend five point initiatives in November 2013. Progress to date on the initiatives is shown in Attachment 3.

In March 2015, Divest UW presented an information item to the Board of Regents in support of coal divestment in the Consolidated Endowment Fund.

Shareholder Activism: Shareholder activism typically involves one or more of the following: (1) voting on shareholder resolutions, (2) engaging the company in a dialogue on its corporate practices, (3) sponsoring or co-sponsoring issue-specific shareholder resolutions, or (4) divestment. Due to its potential to negatively impact portfolio performance, divestment is viewed as a course of last resort. In addition, the loss of shareholder status effectively ends the dialogue with banned corporations.

UW Historical Response to Ethical Concerns: With the exception of tobacco in January 2000, Sudan in 2006, and South Africa in the late 1980’s, ethical concerns have not led to divestment. Over the years, the UW pursued varying degrees of shareholder activism around human rights violations in Burma and
VII. STANDING COMMITTEES

B. Finance and Asset Management Committee

Approve Amendments to Statements of Investment Objectives and Policy for the Consolidated Endowment Fund and Invested Funds (continued p. 2)

global warming. In all cases there was strong involvement from multiple constituencies including the Board of Regents, faculty, students and staff.

**Implementation and Timing:** The definition of a coal company will be restricted to parent companies whose principal business is the mining of coal for energy generation. The University will contract with an independent research provider to compile company lists and impartially analyze information on business activities.

Investment managers will have until December 31, 2015, to manage the orderly elimination of direct coal holdings.

**Portfolio Impact:** The long term performance impact of divestment from coal used for energy generation from the CEF is estimated at a loss of 1 basis point per annum or a cumulative $13 million over the next twenty years.

The projected performance impacts are derived from the historical contribution of coal used for energy generation in long term global equity index returns.

**Attachments**
1. University of Washington Statement of Investment Objectives and Policy for the Consolidated Endowment Fund
2. University of Washington Statement of Investment Objectives and Policy for Invested Funds
3. Treasury Office Global Climate Change Initiatives
4. UW Fossil Fuel and Climate Change Timeline December 2012 to April 24, 2015
5. Portfolio Impact Analysis from Divestment of Coal and All Fossil Fuels
6. Endorsement for Divestment at UW as of April 8, 2015
7. Response to Divestment by Other College and University Endowments as of April 16, 2015
UNIVERSITY OF WASHINGTON

STATEMENT OF INVESTMENT OBJECTIVES AND POLICY
FOR THE CONSOLIDATED ENDOWMENT FUND

Approved by Board of Regents April 15, 1988


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 and Asset Management Committee (FAM) 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, the University of Washington Investment 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.

A. FINANCIAL OBJECTIVES

1. To provide permanent funding for endowed programs. This objective addresses the need to ensure intergenerational equity by providing the same level of program support in the future as it provides today.

2. To maintain the purchasing power of the CEF after spending and inflation. The objective of preserving purchasing power emphasizes the need to take a long-term perspective in formulating spending and investment policies.

3. To provide a predictable and stable source of income for endowed programs. This objective is achieved through the spending policy.

4. To provide a maximum level of return consistent with prudent risk levels. This objective assumes the construction of a global, equity-oriented, diversified portfolio coupled with active risk management.
B. SPENDING POLICY

1. **Program Distributions:** Distributions to endowed programs will be 4% of the average market value of the CEF for the previous five 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.

2. **Administrative Fee:** Spending includes an additional 1% administrative fee bringing the long term spending requirement to 5% per annum.

C. INVESTMENT OBJECTIVES

1. **Spending Requirement:** Based upon the long-term spending policy, the CEF must attain an average annual real total return of 5.0% over the long term. The 5.0% target provides for a 4.0% distribution to endowed programs and a 1.0% administrative fee. Real total return is adjusted for inflation by the Consumer Price Index. Using the historical average inflation rate of 3.0% implies a nominal total return hurdle of 8.0% in order to meet the spending requirement.

2. **Policy Benchmark:** The investment performance of the CEF will also be evaluated, on a risk-adjusted basis, against an investable blend of market indices. Over the long term the CEF’s diversification is expected to generate risk-adjusted returns that meet or exceed those of blended market indices. This comparison is useful in evaluating how successfully the underlying strategies have been implemented and the effectiveness of tactical departures from the strategic asset allocation.

3. The investment performance of the CEF will also be evaluated against a secondary policy benchmark consisting of a 70% equity and 30% bond blend of market indices. This comparison is useful in evaluating the effectiveness of an active management program versus a passive management approach.

4. **Peer Comparison:** Over the long term 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. It is recognized that the investment objectives stated above may be difficult to attain over every five-year period, but should be attainable over a series of five and ten year periods.

D. ETHICAL CONSIDERATIONS

1. 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.

2. Direct investment in companies doing business in Sudan whose business activities support the Sudanese government in its continuing sponsorship of genocidal actions and human rights violations in Darfur is prohibited.

3. Direct investment in tobacco companies is prohibited.
4. Direct investment in coal companies whose principal business is the mining of coal for energy is prohibited.

E. INVESTMENT PHILOSOPHY

The investment of the CEF is based on a set of beliefs and practices:

1. Invest for the long term
   a. Preserve capital for use by future generations
   b. Focus on asset allocation as the primary determinant of return
   c. Avoid short-term speculative activity
   d. Accept illiquidity if justified by higher alpha

2. Build a well-diversified portfolio
   a. Limit risk by combining uncorrelated strategies
   b. Maintain meaningful exposure to major capital markets
   c. Build concentrated positions where conviction is high
   d. Tilt towards value strategies
   e. Employ fundamental research-driven and bottom-up strategies

3. Take advantage of global market inefficiencies
   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

F. INVESTMENT MANAGEMENT STRUCTURE

1. The CEF is invested primarily by external investment managers. External investment management firms are selected on the basis of factors including, but not limited to the following:
   a. Experience of key personnel and succession plan where appropriate
   b. Consistency in investment approach
   c. Effectiveness of decision making process
   d. Assets under management and plans for managing future capacity
   e. Organizational structure including administration, back office support, risk management and reporting
f. Performance record  
g. Fees  
h. Firm’s ethical and financial viability  
i. Structural fit within the CEF  

2. The CEF may also be invested internally in public equities and bonds through cash market securities or derivative instruments.  

3. Equities, (including public and private global equity) real assets, absolute return 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.  

G. PORTFOLIO COMPOSITION AND ASSET ALLOCATION  

1. To achieve its investment objective, the CEF will be divided into two distinct Funds: a “Capital Appreciation Fund” and a “Capital Preservation Fund.” Sub-categories of these Funds each with its own target are also specified. The purpose of dividing the Portfolio in this manner is to ensure that the overall asset allocation among and within the two Funds remains under the regular scrutiny of the Finance and Asset Management Committee and UWINCO. Over the long run, the allocation between and within the Funds may be the single most important determinant of the CEF’s investment performance.  

2. Role - Capital Appreciation Fund: The purpose of the Capital Appreciation Fund is to provide the capital growth that will enable the CEF to meet its spending requirements, while at the same time preserving the purchasing power of the CEF for future generations. The Fund itself is an integrated blend of global developed and emerging markets equity, real assets and opportunistic investments such as credit. It is recognized that the Capital Appreciation Fund entails the assumption of greater market variability and risk.  

3. Role - Capital Preservation Fund: The purpose of the Capital Preservation Fund is to provide liquidity in support of spending and capital commitments; a deflation hedge; and to reduce the overall volatility of the CEF. Two broad strategies are employed in the Capital Preservation Fund – absolute return and fixed income investments.  

4. 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.
STRATEGIC ASSET ALLOCATION

<table>
<thead>
<tr>
<th>Investment Strategy</th>
<th>Long-term Target</th>
<th>Policy Range</th>
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<tbody>
<tr>
<td></td>
<td>Public and Private</td>
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</tr>
<tr>
<td>Emerging Markets Equity</td>
<td>17%</td>
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<tr>
<td>Developed Markets Equity</td>
<td>28%</td>
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<tr>
<td>Private Equity</td>
<td>15%</td>
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</tr>
<tr>
<td>Real Assets</td>
<td>7%</td>
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<tr>
<td>Opportunistic</td>
<td>3%</td>
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<tr>
<td>CAPITAL APPRECIATION FUND</td>
<td>70%</td>
<td>55% - 85%</td>
</tr>
<tr>
<td>Absolute Return</td>
<td>19%</td>
<td></td>
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<tr>
<td>Fixed Income</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>CAPITAL PRESERVATION FUND</td>
<td>30%</td>
<td>15% - 45%</td>
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H. RISK MANAGEMENT

1. Risk is managed primarily through diversification. The CEF will be diversified both by asset class (e.g., developed and emerging markets equities, real assets, opportunistic investments, absolute return, bonds and cash equivalents) and within asset classes (e.g., within equities by country, economic sector, industry, quality, and size). The purpose of diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the CEF.

2. Derivatives may be used to adjust exposures within or across the portfolio in order to improve the risk / return profile of the CEF.

3. 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.
I. RISK GUIDELINES

1. The CEF will be monitored quarterly for adherence to the following risk guidelines. A breach in a guideline triggers a written notification from the CIO to the Chair of UWINCO. It is recognized that market conditions and/or illiquidity of the underlying securities may preclude an immediate rebalancing of the portfolio. Risk control exception reporting will be provided to the Board of Regents as part of its quarterly investment performance report which specifies the actions, if any, needed to bring the CEF into compliance.

2. **Concentration:** Maximum portfolio weights:
   a. 15% in single manager (excluding fixed income)
   b. 25% in individual countries outside the U.S.
   c. 30% in one market sector

3. **Liquidity:**
   a. One quarter (25%) of the CEF convertible to cash in one month or less
   b. Unfunded capital commitments plus current exposure to private investments limited to one half (50%) of the CEF

J. GUIDELINES FOR THE CAPITAL APPRECIATION FUND

1. The Capital Appreciation Fund includes the growth-oriented strategies within the portfolio which are managed in an integrated manner in order to meet the long-term spending objectives of the CEF and sustain the portfolio in perpetuity.

2. The objective for the Capital Appreciation 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 Capital Appreciation Fund. In addition, performance on each sub-category of the Capital Appreciation Fund will be monitored against the average return of a universe of active managers and/or fund of funds. Performance will be monitored on a regular basis and evaluated over running five and ten year periods.

3. In recognition of the increasing correlation among asset classes, the Capital Appreciation Fund represents a market oriented mix of global developed and emerging markets equity, real estate, commodities, venture capital, private equity and opportunistic investments such as credit securities.

4. The Capital Appreciation 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 Capital Appreciation 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.

5. The real estate portion of the Capital Appreciation 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.

6. 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.

7. If allowed under their individual investment guidelines, managers may at their discretion hold investment reserves of either cash equivalents or bonds. Derivatives may be used to manage certain exposures such as currency or market risk if so specified under individual investment manager guidelines.

K. GUIDELINES FOR THE CAPITAL PRESERVATION FUND

1. The Capital Preservation Fund includes portfolio strategies which provide liquidity to meet current spending needs and stability to protect capital in down markets.

2. The objective for the Capital Preservation Fund is to outperform, net of commissions and fees, a blend of market indices which reflect the strategic asset allocation of the Fund. Performance will be monitored on a regular basis and evaluated over running five and ten-year periods.

3. The absolute return strategy will favor investments with a low correlation to broad equity markets. Implementation will be made through direct investments, limited partnerships, or fund-of-funds.

4. The fixed income strategy may contain money market instruments, domestic and foreign government bonds and other high quality investment vehicles with risk/return characteristics consistent with the investment objectives of the Capital Preservation Fund. Derivatives may be used to manage certain exposures if so specified under individual investment manager guidelines.

5. Fixed income managers are expected to employ active management techniques, including maturity, sector and quality considerations. Implementation may also be achieved through passive indices, commingled funds, limited partnerships and fund-of-funds.

L. 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. Commissions may be designated for payment of services rendered to the University in connection with investment management.

M. MONITORING OF OBJECTIVES AND RESULTS

1. All objectives and policies are in effect until modified. The Finance and Asset Management Committee with advice from the Treasurer of the Board of Regents, 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 and Asset Management Committee and with UWINCO on a quarterly basis. Results will be evaluated over longer time frames including the inception period, running five- and ten-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 UWINCO and the Chair of the Finance and Asset Management 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.

N. 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, spending and delegations.
   b. Approve appointment and reappointment of Regent and non-Regent UWINCO members.
   c. Approve the UWINCO “Statement of Principles” which addresses the administrative functioning of the Investment Committee.
   d. Approve appointment of the Chief Investment Officer.
   e. Approve appointment of the Treasurer of the Board of Regents.
   f. 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 and Asset Management Committee of the Board of Regents. Endowments governed by an agreement that allows withdrawals under specific terms and conditions are exempt from this requirement.

2. Chair of the Board of Regents:
   a. Recommend members of the UWINCO for formal approval by the Board of Regents. Recommendations will be made in consultation with the Chair of UWINCO and the President of the University (and/or his designee).
   b. Designate the Chair of UWINCO.
   c. Approve investment manager appointments and direct investments in situations where the CIO and the UWINCO Chair are unavailable or unable to do so.
3. Finance and Asset Management 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. 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.

4. Investment Committee (UWINCO):
   a. Advise the Finance and Asset Management Committee, the Senior Vice President for Finance and Facilities 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.
   b. Adhere to the UWINCO “Statement of Principles”.

5. Senior Vice President for Finance and Facilities:
   a. Administer internal fees for management and administrative activities related to the endowment.
   b. Approve use of professional staff bonus pool.
   c. Assume supervisory responsibility for the CIO position.

6. Treasurer of the Board of Regents:
   a. Approve investment custodian appointment(s).
   b. 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 which are extended to the Chair of the Board of Regents.
   c. Execute securities transactions in conjunction with the day-to-day management of the investment program.
   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.

7. Chief Investment Officer:
   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 Senior Vice President for Finance and Facilities.
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, follow-on investments with existing managers and direct investments. Approved investments shall fall within the policy guidelines adopted by the Board of Regents.

e. 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.

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. Monitor aggregate portfolio risk regularly to insure that the long-term purchasing power of the CEF is preserved.

i. 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.

j. Approve appropriate usage and timing of leveraged strategies within the CEF.

k. Terminate investment managers, including the authority to liquidate limited partnership interests or to reduce strategy exposures through other means. This authority is typically exercised due to performance concerns, organizational changes, or structural considerations within the UW investment portfolio.

l. Take action as appropriate in support of shareholder resolutions related to human rights violations in Burma.

m. Engage in shareholder activism as appropriate on issues related to global climate change.
UNIVERSITY OF WASHINGTON

STATEMENT OF INVESTMENT OBJECTIVES AND POLICY
FOR INVESTED FUNDS

Approved by Board of Regents May 20, 1988


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 and Asset Management Committee (FAM) 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.

A. INVESTMENT OBJECTIVES

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.

B. INVESTMENT MANAGEMENT STRUCTURE

1. The IF will be invested primarily by external investment management firms. 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; 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.

3. Funds may be invested in capital projects through the University’s Internal Lending Program, a program managed by University financial personnel.
C. PORTFOLIO COMPOSITION AND POOL ALLOCATION

1. The IF shall be divided into four pools:

   **Pool Allocation**

<table>
<thead>
<tr>
<th>Policy</th>
<th>Target</th>
<th>Range</th>
<th>Global Range</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Pool</strong> (1,3,5,6)</td>
<td>15%</td>
<td>10-40%</td>
<td>0-40%</td>
</tr>
<tr>
<td><strong>Liquidity Pool</strong> (1,3,4,5,6)</td>
<td>40%</td>
<td>25-60%</td>
<td>0-25%</td>
</tr>
<tr>
<td><strong>Diversified Investment Pool (DIP)</strong> (4,7,8)</td>
<td>35%</td>
<td>15-45%</td>
<td></td>
</tr>
<tr>
<td><strong>Capital Assets Pool (CAP)</strong> (8)</td>
<td>10%</td>
<td>0-15%</td>
<td></td>
</tr>
</tbody>
</table>

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. The maximum average duration of the Portfolio will be five years. The Liquidity Pool will have at least twenty-five percent 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.

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.

6. Direct investments in tobacco companies are prohibited.

7. Direct investment in coal companies whose principal business is the mining of coal for energy generation is prohibited.

8. The Diversified Investment Pool (DIP) will invest directly in the Consolidated Endowment Fund (CEF) through the periodic purchase and sale of CEF units. The DIP may also contain direct or indirect investments in targeted strategies designed to improve the risk profile and / or enhance the performance of the IF. Provisions applicable to the investment in CEF units are contained in the “Statement of Investment Objectives and Policy for the Consolidated Endowment Fund.”

9. The Capital Assets Pool may be invested in University capital projects with maturities of up to thirty years. The Capital Assets Pool is capped at 10% of the IF while the range of 0 – 15% allows for market fluctuations.

D. GUIDELINES FOR THE INVESTMENT POOLS

1. The objective of the Cash Pool is to meet the day-to-day obligations of the University.

2. The objective of the Liquidity Pool is to provide a liquid source of funds in the event the Cash Pool is insufficient to meet the University’s cash needs.
3. The objective of the Diversified Investment Pool is 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 DIP 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.

4. The objective of the Capital Assets Pool is to provide a source of funds for University capital projects.

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. Commissions may be designated for payment of services rendered to the University in connection with investment management.

F. MONITORING OF OBJECTIVES AND RESULTS

1. All objectives and policies are in effect until modified. The Finance and Asset Management Committee with advice from the Treasurer of the Board of Regents, the Senior Vice President for Finance and Facilities, the Chief Investment Officer and UWINCO will review these periodically for their continued appropriateness.

2. The IF 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 and Asset Management 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 reported on a regular basis to UWINCO and the Chair of the Finance and Asset Management 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.

G. 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 portfolio composition and pool allocation, investment objectives, pool guidelines, performance goals and delegations.
   b. Approve all interfund loans to the CEF.
   c. Approve appointment and reappointment of Regent and non-Regent UWINCO members.
   d. Approve the UWINCO “Statement of Principles” which addresses the administrative functioning of the Investment Committee.
   e. Approve appointment of the Chief Investment Officer.
   f. Approve appointment of the Treasurer of the Board of Regents.
2. Chair of the Board of Regents:
   a. Recommend members of the UWINCO for formal approval by the Board of Regents. Recommendations will be made in consultation with the Chair of UWINCO and the President of the University (and/or his designee).
   b. Designate the Chair of UWINCO.
   c. Approve investment manager appointments and direct investments when the CIO is unavailable or unable to do so.

3. Finance and Asset Management 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 CIO and UWINCO. Recommend policy changes as appropriate to the Board of Regents.

4. Investment Committee (UWINCO):
   a. Advise the Finance and Asset Management Committee, the Senior Vice President for Finance and Facilities 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.
   b. Adhere to the UWINCO “Statement of Principles.”

5. Senior Vice President for Finance and Facilities:
   a. Oversee Capital Assets Pool usage within the broad parameters established under this policy statement.
   b. Administer internal fees for management and administrative activities related to the IF.
   c. Approve use of professional staff bonus pool.
   d. Assume supervisory responsibility for the CIO position.

6. Treasurer of the Board of Regents:
   a. Approve investment custodian appointment(s).
   b. 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 which are extended to the Chair of the Board of Regents.
   c. Execute securities transactions in conjunction with the day-to-day management of the investment program.
   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.

7. Chief Investment Officer:
   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 follow-on limited partnership investments and approve direct investments. Approved investments shall fall within the policy guidelines adopted by the Board of Regents.

d. 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.

e. Approve individual investment manager guidelines.

f. Monitor individual investment managers on a regular basis to ensure that performance and compliance expectations are met.

g. Monitor aggregate portfolio risk.

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, liquidate limited partnership interests and/or reduce strategy exposures through other means. 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 in Burma.

l. Engage in shareholder activism as appropriate on issues related to global climate change.
<table>
<thead>
<tr>
<th>Initiative</th>
<th>Status as of May 14, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td>Create a research assistant position focusing on alternative energy and “ESG” (environmental, social, and governmental) investment opportunities.</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td>Increase alternative energy investments. At 6/30/2013, approximately $12 million of the CEF was invested in alternative energy related investments. The UW will commit up to an additional $25 million in alternative energy related investments.</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td>Incorporate ESG factors into the investment analysis and decision making process.</td>
</tr>
<tr>
<td><strong>4</strong></td>
<td>Explore opportunities for shareholder advocacy on climate change (e.g. voting shareholder proxies, co-sponsoring shareholder resolutions, letter writing and joining national organizations).</td>
</tr>
<tr>
<td><strong>5</strong></td>
<td>Establish a framework for future engagement with students.</td>
</tr>
</tbody>
</table>
Fossil Fuel and Climate Change Timeline – December 2012 to April 24, 2015

- December 2012: Students send petition to President Young requesting divestment from fossil fuels.

- February 2013: Treasury Office begins a series of meetings with Divest UW students.

- June / July 2013: Students ask the Regents to divest from fossil fuels and request an open dialogue on the issue during the Public Comment Period at the June and July Board of Regents’ meetings.

- October 2013: Investments Office, in conjunction with students from Divest UW, present the Global Climate Change Initiatives as an information item to the Board of Regents.

- November 2013: Board of Regents adopts proposed climate change initiatives and approves an amendment to the investment policies to permit shareholder advocacy on climate change issues by the CIO.

- May 2014: Energized by Stanford’s announcement to divest from coal companies, Divest UW students request opportunity to present divestment recommendation targeted at oil sands and coal assets to the Board of Regents.

- June 2014: The students amend their proposal to be the same as Stanford University: “The University will not make direct investments of endowment funds in publicly traded companies whose principal business is the mining of coal for use in energy generation.”

- November 13, 2014: Students present during public comment period at the November 13 Board of Regents’ meeting and stage a rally before the meeting.

- January 8, 2015: Students present during public comment period at the January Board of Regents’ meeting.

- January 13, 2015: ASUW voted 59-9 in favor of divestment from coal companies – resolution uses Stanford’s coal company definition. “…cease all new investments and remove any remaining investments of endowment funds in publicly traded companies whose principal business is the mining of coal for use in energy generation.”

- January 26, 2015: Regent Harrell, Regent Smith and Regent Brown meet with students.

- March 12, 2015: Students present Information Item on coal divestment at the Board of Regents’ Finance and Asset Management Meeting

- April 24, 2015: Regent Harrell, Regent Smith and Regent Brown meet with students.
Portfolio Impact Analysis from Divestment of Coal and All Fossil Fuels

**SUMMARY:** This memo summarizes the potential impact to the University CEF of divestment from direct investments in all fossil fuels and in coal exposure alone.

We estimate fossil fuel divestment would cost the CEF approximately $250 million over 20 years. Fossil fuels play a critical diversification role that protects the CEF during periods of inflation.

Coal’s projected impact to CEF portfolio performance would be $39 million. A more narrow definition based on thermal coal would result in an impact of $13 million, as detailed below.

<table>
<thead>
<tr>
<th>Estimated impact to CEF from divestment based on prior performance*</th>
<th>Projected impairment due to fossil fuel divestment</th>
<th>Projected impairment due to full coal divestment</th>
<th>Projected impairment due to thermal coal divestment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Cost Impact on Rolling CEF returns from divestment</td>
<td>-20 bps</td>
<td>-3 bps</td>
<td>-1 bp</td>
</tr>
<tr>
<td>Cumulative Cost Impact on CEF Market Value over 20 years</td>
<td>($250,000,000)</td>
<td>($39,000,000)</td>
<td>(13,000,000)</td>
</tr>
<tr>
<td>Cumulative Cost Impact on CEF Distributions over 20 years</td>
<td>($58,000,000)</td>
<td>($9,000,000)</td>
<td>(3,000,000)</td>
</tr>
</tbody>
</table>

*Estimates based on analysis of historical monthly returns of market indices and applied to UW CEF policy portfolio. Source data provided by MSCI, a global provider of stock market indices.
ENDORSEMENT FOR DIVESTMENT AT UW  
As of April 8, 2015

Associated Students of the University of Washington (ASUW) Senate

May 28, 2013: ASUW Senate votes 52-20 to support the Global Climate Change Initiatives and encourage the UW to freeze any new direct investment in fossil fuel companies and urges the President and the Board to “find options for investing the endowment in a way that further maximizes the positive impact of the fund by seeking out investments in opportunities to limit the effects of burning fossil fuels or help to mitigate its effects including, but not limited to, clean technology, renewable energy, sustainable companies or projects and sustainable communities.”

January 13, 2015: ASUW Senate votes 59-9 in support of Resolution 4 calling for “the Board of Regents of the University of Washington immediately instruct the UW Treasury to cease all new investments and remove any remaining investments of endowment funds in publicly traded companies whose principal business is the mining of coal for use in energy generation.”

Graduate and Professional Student Senate (GPSS)

June 4, 2014: GPSS votes unanimously in favor of a resolution that “requests that the Board of Regents of the University of Washington immediately instruct the UW Treasury to divest the endowment from direct holdings in oil sands, tar sands, and coal assets.”

The following groups have signed an on-line petition in favor of fossil fuel divestment at the University of Washington:

350 Seattle  
African Student Association  
Associated Students of the University of Washington  
    Student Senate (ASUW)  
Black Student Union  
Climate Solutions  
Climbing Team at University of Washington  
EcoReps  
Evans Student Organization, Evans School of Public Affairs  
HIV Awareness and Research Exposed  
International Socialist Organization  
Polynesian Student Alliance  
Residence Hall Student Association (RHSA)  
SEED  
Socialist Alternative  
Society for Ecological Restoration  
Somali Student Association  
Student Association for Green Environments  
Student Food Cooperative  
Sustainability Organization  
UAW 4121  
United Students Against Sweatshops  
UW Black Lives Matter  
UW Forest Club  
UW Real Food Challenge  
UW Student Farm  
Washington Public Interest Research Group  
(WashPIRG)  
The Wildlife Society  
Yogis at UW  
Young Democrats

Approximately 700 Students have signed onto a petition in favor of fossil fuel divestment at the University of Washington
### Decline to Divest from Fossil Fuel:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Private/Public</th>
<th>State Province</th>
<th>2014 Endowment ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harvard University</td>
<td>Private</td>
<td>MA</td>
<td>35,883,691</td>
</tr>
<tr>
<td>Yale University</td>
<td>Private</td>
<td>CT</td>
<td>23,900,000</td>
</tr>
<tr>
<td>Duke University</td>
<td>Private</td>
<td>NC</td>
<td>7,036,776</td>
</tr>
<tr>
<td>Cornell University</td>
<td>Private</td>
<td>NY</td>
<td>5,889,948</td>
</tr>
<tr>
<td>University of Colorado</td>
<td>Public</td>
<td>CO</td>
<td>2,700,000</td>
</tr>
<tr>
<td>Pomona College</td>
<td>Private</td>
<td>CA</td>
<td>2,101,461</td>
</tr>
<tr>
<td>Swarthmore College</td>
<td>Private</td>
<td>PA</td>
<td>1,876,669</td>
</tr>
<tr>
<td>Georgetown University</td>
<td>Private</td>
<td>DC</td>
<td>1,461,276</td>
</tr>
<tr>
<td>Middlebury College</td>
<td>Private</td>
<td>VT</td>
<td>1,081,894</td>
</tr>
<tr>
<td>Vassar College</td>
<td>Private</td>
<td>NY</td>
<td>974,180</td>
</tr>
<tr>
<td>American University</td>
<td>Private</td>
<td>DC</td>
<td>535,390</td>
</tr>
<tr>
<td>Haverford College</td>
<td>Private</td>
<td>PA</td>
<td>494,570</td>
</tr>
<tr>
<td>University of Oregon Foundation</td>
<td>Public</td>
<td>OR</td>
<td>627,004</td>
</tr>
<tr>
<td>Dalhousie University</td>
<td>Private</td>
<td>NS</td>
<td>459,475</td>
</tr>
<tr>
<td>Seattle University</td>
<td>Private</td>
<td>WA</td>
<td>210,600</td>
</tr>
<tr>
<td>Bryant University</td>
<td>Private</td>
<td>RI</td>
<td>172,809</td>
</tr>
<tr>
<td>University of Rhode Island</td>
<td>Public</td>
<td>RI</td>
<td>110,000</td>
</tr>
<tr>
<td>Western Washington University Foundation</td>
<td>Public</td>
<td>WA</td>
<td>47,233</td>
</tr>
</tbody>
</table>

### Decline to Divest from Coal

| Brown University                         | Private        | RI             | 2,999,749              |

### Divest from Coal

| Stanford University                      | Private        | CA             | 21,446,006             |
| University of Maine Foundation           | Public         | ME             | 189,151                |

### Divest 25% of Fossil Fuels

| California Institute of the Arts         | Private        | CA             | 137,535                |

### Divest from Fossil Fuels

| Syracuse University                      | Private        | NY             | 1,200,000              |
| University of Dayton                     | Private        | OH             | 510,107                |
| Peralta Community College                | Private        | CA             | 186,758                |
| Pitzer College                           | Private        | CA             | 134,289                |
| San Francisco State University Foundation| Public         | CA             | 65,385                 |
| The University Foundation, Cal. State U., Chico | Public   | CA             | 52,563                 |
| College of the Atlantic                  | Private        | ME             | 46,500                 |
| Hampshire College                        | Private        | MA             | 37,567                 |
| Foothill-De Anza Community College       | Public         | CA             | 33,000                 |
| Humboldt State University Advancement Foundation | Public  | CA             | 27,724                 |
| Unity College                            | Private        | ME             | 15,000                 |
| Sterling College                         | Private        | KS             | 5,600                  |
| Naropa University                        | Private        | CO             | 5,000                  |
| Prescott College                         | Private        | AZ             | 4,600                  |
| Green Mountain College                   | Private        | VT             | 2,296                  |
GOING GREEN FOR THE GREATER GOOD

From the football field to the UW Farm, Huskies are determined to make a difference for the global environment by leading change, big and small.

> Husky Stadium diverted nearly 70 percent of its waste from landfills during the 2013 football season.
> 100 percent of campus electricity sources are carbon neutral.
> More than 50 percent of students living on campus in Seattle reside in LEED-certified housing, which includes four LEED-certified residence halls.
> There are more than 40 sustainability-focused student groups active on campus.
> In 2014, the student-led organization UW Solar led efforts to install 128 solar panels on the roof of Mercer Court’s A Building.

DEVELOPING FUTURE ENVIRONMENTAL LEADERS

Huskies know that change starts here. And it starts now. That’s why students, faculty and staff across campus actively seek solutions to the most pressing environmental issues facing our communities today.

> Encouraging students to develop, create and implement ideas, the Campus Sustainability Fund (CSF) has awarded more than $1.1 million to sustainability projects since 2010.
> Promoting sustainable research, the Green Seed Fund has awarded more than $500,000 to sustainability projects since 2013.
INVESTING IN THE PLANET’S FUTURE THROUGH WORLD-CLASS RESEARCH

Across campus, researchers are working toward a sustainable future. How? Here are just a few examples:

> The **UW Clean Energy Institute** is accelerating the creation of a clean energy future by advancing next-generation solar energy and electrical energy storage materials, devices and systems as well as researching energy storage and grid integration.

> The **Future of Ice Initiative** is facilitating cross-disciplinary partnerships across the University to expand and strengthen polar research, develop educational resources to build future leaders in science and policy, and implement outreach activities.

> The **UW Applied Physics Laboratory** is tackling a range of challenges involving ocean research and engineering, environmental and information systems, and more.

A GREENER FUTURE

The UW is a signatory of the Washington Business Climate Declaration (sponsored by Ceres) and a charter signatory of the American College & University Presidents’ Climate Commitment. Both agreements underscore the UW’s dedication to making a difference.

PURPLE, GOLD AND GREEN

Learn more at green.uw.edu
Spread the word #sustainableUW

STANDING UP FOR SUSTAINABILITY: AWARDS AND RECOGNITION HIGHLIGHTS

> Named to the Princeton Review’s 2014 Green Honor Roll for the fourth straight year

> Winner of the 2014 International Sustainability Campus Network (ISCN) Excellence in Integration Award for embedding sustainability management in campus operations, research and teaching

> Ranked Gold on sustainability performance according to the Sustainability Tracking, Assessment & Rating System (STARS)

> Earned ENERGY STAR Certification from the U.S. Environmental Protection Agency for the UW Tower Data Center — one of only 22 U.S. data centers to qualify

> Recipient of a Top 25 Environmental Excellence Award from Practice GreenHealth for UW and Harborview Medical Centers
Biography

Simon Billenness

Described by the New York Times “a super-specialist” in human rights advocacy, I have over 20 years of experience helping investors, non-profits, universities, communities, and unions use their power to hold corporations accountable.

At the socially responsible investment firm Trillium Asset Management, I pioneered the use of shareholder pressure on oil, gas, and mining companies operating in countries racked by conflict and burdened by repressive regimes in Burma, China, East Timor, and Nigeria. I also worked with Greenpeace and U.S. PIRG to file the first shareholder resolutions at BP on climate change.

As part of the Free Burma movement, I also championed the use of state and local Burma selective purchasing and investment laws. I co-authored the Massachusetts Burma Law with state rep. Byron Rushing and led the campaign to first enact and then defend the law from challenge at the World Trade Organization and in the U.S. Supreme Court.

At Oxfam America, I helped communities around the world affected by Newmont – and other mining companies – organize support from shareholders and campaign to protect their lands and livelihoods. I also created a coalition of social investors that successfully pressed Procter & Gamble to start offering Fair Trade Certified coffee through its Millstone brand.

As Co-chair of the Business and Human Rights Group of Amnesty International USA, I have built the capacity of staff and members to put effective pressure on companies to respect human rights. In this role, I often advise students, administrators, and faculty on how to influence university endowment investment policies.

I served on the Board of Directors and as Executive Director of the U.S. Campaign for Burma. I also served on the Committee on Socially Responsible Investment of the Unitarian Universalist Association. I especially love my role as an advisory board member of both SumOfUs and the Harry Potter Alliance.
Executive Summary

1. What is the Right Moral Choice?
   a. Ethical Investment vs. Socially Responsible Investment

2. What is the Impact?
   a. Divestment vs. Shareholder Activism

3. What Are the Steps of Shareholder Activism?
   a. Power of Shareholder Activism
1. **What is the Right Moral Choice? Ethical Investment vs. Socially Responsible Investment**

Many investors decide to incorporate moral criteria in their investments. These investors may be values-based, such as religious institutions. Other investors may be mission-based, such as a university. In such cases, it is important to distinguish and choose between the two ways in which investors can choose to express their values: **ethical investment** and **socially responsible investment**.

**Ethical investment** is the approach whereby investors first define their moral values or mission. Then the investor evaluates the industry sectors and companies in its portfolio against those values. An example would be a healthcare foundation with a mission that is counter to investing in tobacco companies.

Ethical investment is an approach that is **inward-focused**. It is implemented primarily through **divestment** of companies that fail to meet certain moral criteria.

**Socially responsible investment** is the approach in which investors evaluate the impact that its portfolio companies have on society and the environment. Socially responsible investors seek to use their power as shareholders to bring them in line with their values.

Socially responsible investment is an approach that is more **outward-focused**. It is implemented primarily through **shareholder activism** that may include direct dialogue with portfolio companies and the filing of resolutions at annual shareholder meetings.

Mission-based investors, such as universities, need to consider how they wish to express their values through a combination of ethical investment (exclusion and divestment) and socially responsible investment (shareholder activism).

That decision should be informed by an understanding of the relative impact of stock divestment versus shareholder activism.

2. **What is the Impact? Divestment vs. Shareholder Activism**

**Divestment (or exclusion) of stock by an investor is primarily a symbolic action.** It involves an investor divesting itself of stocks by selling them to another investor. It has no direct impact on the company or its bottom line. In most cases, the company will not be aware of the divestment unless it is sufficiently large or made public.

**The symbolism of divestment can be significant politically.** In politics symbolism is powerful and can be used to effect political change. Divestment of stock - particularly by universities, cities, and state governments, of companies doing business in apartheid South Africa was an effective organizing tool in putting grassroots pressure on Congress to enact sanctions on South Africa in the 1980s. Today, divestment of stock in fossil fuel companies is similarly helping to organize a similar grassroots movement to force governments to counter climate change.

**Divestment may have impact on an investor’s financial returns.** Divestment can be ill-timed in terms of stock market prices and/or expensive in terms of transaction costs. By limiting the scope of investable stocks, divestment may reduce future portfolio returns.
Shareholder activism involves investors using their power as shareholders to put pressure on companies to change their behavior. Shareholder activism can range from private conversations with company officials to publicly filing shareholder resolutions and using the publicity around a company’s annual shareholder meeting to press for specific changes in a company’s policy and practices.

**Shareholder activism has demonstrated track record of changing company behavior.** This can be seen across a broad range of environmental, social, and governance issues. Through organizations – such as the Interfaith Center on Corporate Responsibility, Ceres/Investor Network on Climate Risk, and Council of Institutional Investors – religious institutions, public pension funds, socially responsible investment firms, trade unions, and university endowments have worked together to produce a significant record of achievement in changing the behavior of companies and entire industries.

Shareholder activism works in changing company behavior. But it is not effective in forcing companies to abandon their core business. In the case of companies with a harmful core business, such as the tobacco companies, investors have generally preferred to divest their stocks rather than engage in shareholder activism.

Shareholder activism has no impact on overall portfolio returns. This approach does not alter an investor’s portfolio. It simply ensures that the investor uses its power as a shareholder with the stocks that it owns.

### 3. What Are the Steps of Shareholder Activism?

Shareholder activism works in changing company behavior. But it is not effective in forcing companies to abandon their core business.

Typically, investors will experiment with increasingly stronger forms of shareholder pressure to discover which, if any, result in the desired changes in corporate behavior. Steps in shareholder activism include:

- Private dialogue with company executives or board members
- Public letter to company followed by further dialogue
- Private and/or public dialogue with company in collaboration with other shareholders, likely through ICCR, CERES, CII, or other shareholder organization
- Filing a shareholder resolution
- Soliciting the support of other shareholders for a resolution either directly or through proxy advisory services
- Supporting alternative, independent director(s) for election to the board of directors

Investors can make many asks of companies short of exiting their core business.

In the case of fossil fuel companies, shareholders can address climate change by pressing companies to:

- End fugitive emissions of methane gas in a company’s extraction and transportation of natural gas
- Fully respecting communities right to free, prior, and informed consent to any corporate operations in their community
- Disclose or end lobbying of elected officials in opposition to government regulations and curbs on emissions of carbon dioxide and other global warming gases
- Shift investment away from exploration and development of new carbon-based fuels and instead direct the funds to investments in renewable energy or returning the cash to investors as dividends

In the case of private prison companies, shareholders can press companies to:

- End abusive practices on prisoners, such as use of stun belts
- Improve overall prison conditions
- Shift from punitive to rehabilitative treatment of prisoners
- End lobbying for laws that increase demand for incarceration, such as new restrictions and crackdowns on undocumented immigrants and mandatory sentencing of non-violent drug offenders
Shareholder Activism and Divestment:
Key Considerations and Decision Points

Simon Billenness
President
CSR Strategy Group

simon.billenness@csrstrategygroup.com
(617) 596-6158 (cell)
Executive Summary

What is the Right Moral Choice?
- Ethical Investment vs. Socially Responsible Investment

What is the Impact?
- Divestment vs. Shareholder Activism

What Are the Steps of Shareholder Activism?
- Power of Shareholder Activism
What is the Right Moral Choice?

- Ethical Investment vs. Socially Responsible Investment

- Ethical Investment: inward-focused and uses divestment

- Socially Responsible Investment: outward-focused and uses shareholder activism

Understand how you wish to express your values
What is the Impact?

- Divestment is primarily symbolic
  - But symbolism can be politically significant
- Divestment can affect portfolio returns
- Shareholder activism has success record in changing corporate behavior
- Shareholder activism does not change the portfolio or have any affect on portfolio returns
What are the steps of shareholder activism?

Shareholder activism includes:

– Private dialogue with top executives and board directors
– Public letters and public dialogue
– Private and/or public dialogue in collaboration with other shareholders through ICCR, Ceres, CII, etc.
– Filing shareholder resolutions
– Soliciting support for resolutions from other shareholders
– Supporting alternative, independent candidates for board
Transforming Administration Program (TAP) Update

This item is being presented for information only.

BACKGROUND

In 2014-15, the Board of Regents established a standing agenda item to highlight administrative efficiency efforts at the University of Washington. This standing item is now being presented within the context of the Transforming Administration Program (TAP).

The Transforming Administration Program is a key initiative in the Office of the President and Office of the Provost. The overarching mission of TAP is to transform UW administration into an enhanced culture of service. TAP encompasses all central administrative units (those led by Vice Presidents and Vice Provosts).

Attachment
Transforming Administration Program
TRANSFORMING ADMINISTRATION PROGRAM

Board of Regents, June 9, 2016
https://tap.uw.edu
What is TAP?

- The Transforming Administration Program launched nearly one year ago by President Cauce and Provost Baldasty with a goal of **enhancing the culture of service in UW’s central administrative units**.
- A 2015 campus survey, along with feedback from UW leadership, administrative teams and academic units, was used to guide TAP projects.
- Since initial launch, 35 projects have been initiated in four areas: Improving Service Delivery, Improving Data for Decision Making, Restructuring for Efficiency, and Building Capacity for New Strategies.
- In April, TAP focus shifted to “Big 3” areas of strategic focus in the next year. Remaining TAP projects will continue to be tracked by Organizational Excellence (OE)
What does success look like?

• Value-based decision making
• Clear and consistent policy development and implementation
• Collaborative, solutions-oriented customer service
• Easily accessed and consistent data for decision support
• Engaged, empowered and collaborative leadership working together
• Continuous process improvement and innovation
The “Big 3”

- **Systems**
  - HR/Payroll
  - Finance modernization (to be added in July)

- **Structure**
  - Central administration
  - Executive office

- **Accountability**
  - Organizational assessment and service delivery
### Systems: HR/Payroll Modernization

<table>
<thead>
<tr>
<th>Goal</th>
<th>Timeline</th>
<th>Key progress to date</th>
<th>Status</th>
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</thead>
</table>
| Successfully launch HR/P on-time and on-budget according to May BOR “re-set.” | • Summer 2017 | • Received BOR approval for revised timeline and budget  
• Re-org from technical implementation to business transformation complete.  
• First cycle of payroll testing complete  
• Orientation to key concepts to 130 program staff, business owners and stakeholders  
• Design validation in progress | YELLOW |
| Successfully launch and stabilize a new, Integrated Services Center (ISC). | • Design (July 2016)  
• Build (January 2017)  
• Deploy (April 2017) | • Initial, detailed design is complete  
• Initial staffing plan has been drafted and is being reviewed by key stakeholders  
• Initial case management design has been established and is being configured in UWConnect | GREEN |

UNIVERSITY of WASHINGTON
# Structure: Central Administration

<table>
<thead>
<tr>
<th>Goal</th>
<th>Timeline</th>
<th>Key progress to date</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
<td>Assess current leadership structure</td>
<td>June 2016</td>
<td>• TAP and outside consultant review of UW structure compared to peers</td>
<td>GREEN</td>
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<tr>
<td></td>
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<td>• Annual evals for all senior leadership</td>
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<td></td>
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<td>• 360 evaluations and performance expectations set as appropriate</td>
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<tr>
<td>Fill key senior leadership positions</td>
<td>June 2016</td>
<td>• Provost</td>
<td>GREEN</td>
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<tr>
<td></td>
<td></td>
<td>• VP of OMAD</td>
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<tr>
<td></td>
<td></td>
<td>• Athletic Director</td>
<td></td>
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<tr>
<td>Revise senior leadership structure</td>
<td>Fall 2016</td>
<td>• Active recruitment for Executive Vice President</td>
<td>YELLOW</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Interim plan in place for Planning and Management</td>
<td></td>
</tr>
<tr>
<td>Align central administrative structure to support strategic decision-making</td>
<td>Winter 2016</td>
<td>• Compliance Office report to Provost</td>
<td>YELLOW</td>
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<td></td>
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<td>• Investment Office report to OOP</td>
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<td>• Plan for audit direct report to BOR</td>
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</table>
## Structure: Executive Office

<table>
<thead>
<tr>
<th>Goal</th>
<th>Timeline</th>
<th>Key progress to date</th>
<th>Status</th>
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</table>
| Assess status of Provost and President Office  | COMPLETE  | • Engaged Organizational Excellence to perform assessment  
• Assigned OE lead to manage project  
• Conducted interviews with all staff | GREEN   |
| Revise senior leadership structure            | June 2016  | • New job descriptions, titles and performance expectations set  
• Formal transition plan target of end of fiscal year | GREEN   |
| Revise and consolidate support staff structure| July 2016  | • In-depth interviews and job description audits complete  
• Consultations with HR regarding re-org in progress | YELLOW |
| Formalize new structure, policies, procedures to support shared operations | Oct 2016   | • Consultation with President, Provost and HR in process | YELLOW |
# Accountability: Central Admin Service Delivery and Assessment

<table>
<thead>
<tr>
<th>Goal</th>
<th>Timeline</th>
<th>Key progress to date</th>
<th>Status</th>
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</table>
| Assess status of standards across central admin | COMPLETE | • TAP/OE leadership groups assembled, completed assessment, submitted report  
• Final recommendations shared with senior leadership for input | GREEN |
| Identification of “step function” improvements | Summer 2016 | • TAP surveys complete  
• Feedback from senior leadership (BODC, Cabinet)  
• Unit leads identified | GREEN |
| Formalize new policies, procedures to support recommendations | Fall 2016 | • TAP/OE review with Provost in process  
• Service Delivery assessments begun | YELLOW |
| Integrate into senior leadership performance evaluations | 2017 annual review cycle | | GREEN |
## EXAMPLE: Service Improvement Project Implementation Timeline

<table>
<thead>
<tr>
<th>Activity</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Ongoing</th>
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<tbody>
<tr>
<td><strong>Planning</strong></td>
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</table>
| ➢ Operationalize Service Standards Document  
  • Standards, Service Commitments, Guidelines, Best Practices, etc.  
  • Integrate feedback  
  • Develop standard definitions, models for key terms and concepts |     |     |     |     |     |     |     |     |         |
| **Training & Development** |     |     |     |     |     |     |     |     |         |
| ➢ Hire training expertise  
  ➢ Develop training strategy and plan  
  ➢ Develop training materials – self-help guides, training curriculum and other formats  
  ➢ Integrate appropriate process and operational improvement tools and templates, e.g., online  
  ➢ Select/create training scheduling tool(s)  
  ➢ Launch formal training |     |     |     |     |     |     |     |     |         |
| **Communication & Roll-out** |     |     |     |     |     |     |     |     |         |
| ➢ Develop communication and roll-out plan  
  • Campus/Central Admin Leadership  
  • Unit Leadership  
  • Individual unit staff  
  ➢ Identify Service Standard Unit Partners  
  ➢ Create roll-out/intro communication material – why, what, how  
  ➢ Format and plan for status and progress communication – content and audience |     |     |     |     |     |     |     |     |         |
| **Dept./Unit** |     |     |     |     |     |     |     |     |         |
| ➢ Leadership onboarding – ensure understanding and commitment  
  ➢ Work with Unit Partners to determine individual unit plans and resource requirements (self sustaining, moderate or in-depth help)  
  ➢ Determine type of launch - soft launch, big bang or combination  
  ➢ Regular status and check-in sessions  
  ➢ Adjust plan and intervene as appropriate |     |     |     |     |     |     |     |     |         |
| **Evaluation** |     |     |     |     |     |     |     |     |         |
| ➢ Baseline Customer Satisfaction Survey  
  • Launch Admin Unit Customer Survey (TAP) to assess service standards  
  • Integration plan with any existing POS or other survey/feedback methods  
  • Determine survey schedule |     |     |     |     |     |     |     |     |         |
Questions and Discussion
WHEREAS, in accordance with Washington state law, Governor Jay Inslee appointed business and public policy graduate student Vanessa Kritzer to serve the prescribed one-year term, from July 1, 2015 to June 30, 2016, as the student member of the University of Washington Board of Regents; and

WHEREAS, after earning a Bachelor of Arts degree in Latin American and Latino/a Studies and Political Science from Vassar College, she returned to her home state of Washington to pursue masters degrees from the Evans School of Public Policy and Governance and the Foster School of Business, bringing to her Regental responsibilities a deep appreciation of and affection for higher education and the UW; and

WHEREAS, through her active involvement in student life, as a senator in the UW’s Graduate and Professional Student Senate, as chair of the GPSS State Legislative Steering Committee, as a member of the GPSS Diversity Committee, and as an officer with the Evans School student organization, she has amply demonstrated her commitment to students and to the quality of student life at the University; and

WHEREAS, she has served the Board with distinction, ably representing the students of the University and bringing to her work on the Board the perspective of an experienced, intelligent, well-informed and well-prepared student, committed to the University’s highest values, especially access, opportunity, and the pursuit of excellence; and

WHEREAS, her interest in student centered issues, including diversity and the role of students in decision-making at the University, and her fundamental commitment to students on all three campuses have contributed greatly to her success as a Regent; and

WHEREAS, her skills as an Evans School student in budgeting, management, and evaluation provided her with an outstanding background to serve on the Academic and Student Affairs Committee and made her an ideal member of the Board’s Audit Advisory Committee; and

WHEREAS, her interest in legislative affairs, dedication to public service, and commitment to student engagement as a delegate to Student Advocates for Graduate Education in Washington, D.C., and trips to Olympia have helped further the University’s public mission; and

WHEREAS, her enthusiasm for the University of Washington has contributed to the work of the Board and made her an exemplary Regent, an equal among equals and a true colleague and partner;
NOW, THEREFORE, BE IT RESOLVED: That the members of the Board of Regents express to Vanessa Kritzer their gratitude on behalf of the entire University community, especially the student body, and their own personal thanks for her outstanding service, dedication, and hard work, that we wish her continued success in her studies and happiness in all her future endeavors, and that this resolution be spread upon the minutes of the Board as a permanent record of the Board’s sincere appreciation.