October 6, 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

WEDNESDAY, OCTOBER 12, 2016
3:00 to 5:00 p.m. 142 Gerberding Hall
GOVERNANCE COMMITTEE: Regents Shanahan (Chair), Ayer, Blake, Jaech, Rice

THURSDAY, OCTOBER 13, 2016

The Board meets at UW Tacoma

8:30 to 9:35 a.m. Jane Russell Commons
William W. Philip Hall
University of Washington, Tacoma
FINANCE AND ASSET MANAGEMENT COMMITTEE: Regents Jaech (Chair), Ayer, Benoliel, Blake, Harrell

*9:50 to 11:45 a.m. Jane Russell Commons
William W. Philip Hall
University of Washington, Tacoma
ACADEMIC AND STUDENT AFFAIRS COMMITTEE: Regents Rice (Chair), Riojas, Simon, Wright-Pettibone

11:45 a.m. to 1:00 p.m. Milgard Assembly Room
William W. Philip Hall
University of Washington, Tacoma
LUNCH
For Regents and Invited Guests

1:00 p.m. Jane Russell Commons
William W. Philip Hall
University of Washington, Tacoma
REGULAR MEETING OF BOARD OF REGENTS: Regents Shanahan (Chair), Ayer, Benoliel, Blake, Harrell, Jaech, Rice, Riojas, Simon, Wright-Pettibone

*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

Governance Committee
Regents Shanahan (Chair), Ayer, Blake, Jaech, Rice

Wednesday, October 12, 2016
3:00 to 5:00 p.m.
142 Gerberding Hall

Approval of Minutes of Special Committee Meeting on September 8, 2016

COMMITTEE ACTION

1. UWINCO Board Reappointment
   Keith Ferguson, Chief Investment Officer, UWINCO
   ACTION G–1

2. Appoint Members to the Diversity, Equity, and Inclusion Advisory Committee
   Constance Rice, Regent
   ACTION G–2

3. Board Assessment Survey - Review Survey Results
   Pat Shanahan, Board Chair
   INFORMATION G–3

4. 2017 Meeting Format, Annual Calendars, and Alignment with Presidential Goals
   Pat Shanahan, Board Chair
   Ana Mari Cauce, University President
   INFORMATION G–4

5. Other Business
Approval of Minutes of Committee Meeting on September 8, 2016

1. UW Advancement Report of Contributions
   Connie Kravas, Vice President for University Advancement

2. Capital and Debt Report
   Chris Malins, Associate Vice President, Treasury
   Mike McCormick, Associate Vice President, Capital Planning and Development

3. Asset Liability Management Semi-Annual Borrower Reports
   Chris Malins, Associate Vice President, Treasury
   Jennifer Cohen, Director of Athletics, Intercollegiate Athletics

4. UW Medicine Board Report
   Kristi Blake, Regent
   Rogelio Riojas, Regent

5. Discussion of Proposed Divestment Guideline
   Pat Shanahan, Board Chair
   Ana Mari Cauce, President
   Ann Sarna, Associate Treasurer, Treasury Office

6. Community Stakeholder Presentation on Prison Divestment
   Luke Thomas-Canfield, UW Student
   Dr. Rachel Chapman, Associate Professor, Anthropology, Global Health
   Komalpreet Saur Sahota, UW Student
   Portney Shibale, UW Alumna

7. Student Presentation on Fossil Fuel Divestment
   Alex Lenferna, Student
   Reilly Richards, Student
   Anna Boyar, Student
   Yasmin Ahmed, Student

8. Other Business
Approval of Minutes of Committee Meeting on September 8, 2016

1. Faculty Hiring Plans: Process and Strategy
   Gerald J. Baldasty, Provost and Executive Vice President
   Chadwick Allen, Associate Vice Provost for Faculty Advancement, Office of the Provost and Office of Minority Affairs and Diversity
   Melissa Lavitt, Executive Vice Chancellor, Academic Affairs, UW Tacoma
   Mike Bragg, Dean, College of Engineering

2. Academic and Administrative Appointments
   Gerald J. Baldasty, Provost and Executive Vice President

3. Charting Our Course: UW Tacoma Strategic Plan 2016-2021
   Mark Pagano, Chancellor, UW Tacoma
   Bonnie Becker, Professor, School of Interdisciplinary Arts and Sciences
   Karl Smith, Associate Vice Chancellor and Chief Admissions Officer
   Amanda Figueroa, Director, Student Transitions Programs, UW Tacoma

4. Analytics for Students’ Success
   Philip Reid, Vice Provost for Academic and Student Affairs, Deputy CIO, UW-IT, Professor of Chemistry
   Melissa Lavitt, Executive Vice Chancellor, Academic Affairs, UW Tacoma

5. Other Business
AGENDA
BOARD OF REGENTS
University of Washington

Thursday, October 13, 2016
1:00 p.m.
Jane Russell Commons, William W. Philip Hall
University of Washington, Tacoma

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)  B–1
    Ana Mari Cauce, University President

HR/Payroll Modernization Program Update (Information only)  B–2
    Gerald J. Baldasty, Provost and Executive Vice President
    Aaron Powell, Associate Vice President for Information Management, UW-IT
    Aubrey Fulmer, Executive Program Director, HR/P Modernization Program
    Dave Anderson, Executive Director, Health Sciences Administration

Diversity, Equity, and Inclusion Advisory Committee Update (Information only)  B–3
    Joanne Harrell, Regent, Chair Diversity, Equity, and Inclusion Advisory Committee

Campaign Briefing (Information only)  B–4
    Connie Kravas, Vice President for UW Advancement
    Jodi Green, Chair of the UW Foundation Board and Campaign General Co-Chair
    Mike Halperin, Campaign General Co-Chair

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 September 8, 2016

UWINCO Board Reappointment  G–1

Appoint Members to the Diversity, Equity, and Inclusion Advisory Committee  G–2

IX.  STANDING COMMITTEES

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

Faculty Hiring Plans: Process and Strategy (Information only)  A–1

Academic and Administrative Appointments (Action)  A–2

Charting Our Course: UW Tacoma Strategic Plan 2016-2021 (Information only)  A–3

Analytics for Students’ Success (Information only)  A–4

B. Finance and Asset Management Committee: Regent Jaech – Chair

UW Advancement Report of Contributions (Information only)  F–1

Capital and Debt Report (Information only)  F–2

Asset Liability Management Semi-Annual Borrower Reports (Information only)  F–3

UW Medicine Board Report (Information only)  F–4

Discussion of Proposed Divestment Guideline (Information only)  F–5

Community Stakeholder Presentation on Prison Divestment (Information only)  F–6

Student Presentation on Fossil Fuel Divestment (Information only)  F–7

C. Governance Committee: Regent Shanahan – Chair

Board Assessment Survey - Review Survey Results (Information only)  G–3

2017 Meeting Format, Annual Calendars, and Alignment with Presidential Goals (Information only)  G–4
X. REPORTS TO THE BOARD

Faculty Senate Chair – Professor Zoe Barsness

Student Leaders:
- ASUW President – Ms. Daniele Menez
- GPSS President – Ms. Soh Yeun (Elloise) Kim
- ASUW Tacoma President – Mr. Berkan Koroglu
- ASUW Bothell President – Ms. Tanya Kumar

Alumni Association President – Mr. Clyde Walker

XI. DATE FOR NEXT REGULAR MEETING: Thursday, November 10, 2016

XII. EXECUTIVE SESSION

(to review the performance of public employees.)

XIII. ADJOURN
The Board of Regents held its regular meeting on Thursday, October 13, 2016, beginning at 1:00 p.m. Jane Russell Commons, William W. Philip Hall, at the University of Washington, Tacoma. The notice of the meeting was appropriately provided to the public and the media.

CALL TO ORDER

Regent Shanahan called the meeting to order at 1:00 p.m. and thanked the UW Tacoma for hosting the meeting.

ROLL CALL

Assistant Secretary Tennant called the roll. Present were Regents Shanahan (chairing), Ayer, Benoliel, Blake, Harrell, Jaech, Rice, Riojas, Simon, and Wright-Pettibone; President Cauce, Provost Baldasty, Ms. Goldblatt; designated representatives: Professor Barsness, Ms. Kim, Ms. Menez, and Mr. Walker.

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. 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 a community member who spoke in favor of expanding membership of the City/University Community Advisory Committee (CUCAC) to a more geographically diverse group. CUCAC evaluates, among other things, the University’s campus master plan. He proposed committee membership include additional neighborhoods and UW campuses, to include Tacoma, Bothell, and Spokane. He encouraged amending the University’s agreement with the City of Seattle to incorporate these proposed changes.

Regent Shanahan thanked the speaker for expressing his views and for attending the meeting.
BOARD ITEMS

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

President Cauce provided an update about legionella at the UW Medical Center. No new cases have been detected since the last report. All cultures in the Cascade Tower have tested negative for legionella, following hyper-chlorination completed on September 20. Filters have been added and an additional level of precaution taken on sinks, showers, and ice machines. Cultures continue to be taken and checked for the presence of legionella. The UW Medical Center is creating a water management plan to reflect recently-released CDC guidelines. The plan will be used at other UW Medicine entities. UW Medical Center leadership continues to work closely with the Public Health Departments for Seattle and King County and the Centers for Disease Control and Prevention on its legionella response. She commended UW Medicine for its transparency and immediate reaction to the situation.

Regent Shanahan asked if President Cauce felt confident the right mitigation actions are in place. She replied she believes the UW is doing more than is required. The situation is difficult because there is still not full clarity on the source of the legionella.

See Attachment B–1.

**HR/Payroll Modernization Program Update** (Agenda no. B–2) (Information only)

Provost Baldasty introduced Aaron Powell, Associate Vice President for Information Management, UW-IT, who introduced Aubrey Fulmer, Executive Program Director, HR/P Modernization Program, and Dave Anderson, Executive Director, Health Sciences Administration. Mr. Powell will serve as interim Vice President of UW-IT, as Kelli Trosvig is leaving the University.

Dr. Anderson gave an update on the HR/Payroll Modernization Program, which is part of the Transforming Administration Program (TAP). Since the last report in May, the program is on time and on budget. In addition they are “on program” which means they are accomplishing the needed milestones to go-live in summer of 2017. They are focused on developing a central core about culture change and business processes. They are working with campus stakeholders to develop the program and make sure there are business process efficiencies and a change in understanding of how the UW will work. These changes are based on benchmarking against peer institutions. He expects people will be more important than the technology. Most of the build is complete and the focus now shifts to testing, during which they expect to learn if the system works as designed and to begin the process of immersing staff in the new environment. As the process moves forward the UW will achieve a culture change in the way it conducts business.

Ms. Fulmer described the technology, people, and process in the program. Stakeholders were engaged in the process resulting in the creation of a new design to meet their needs. The team leveraged lessons learned at other institutions and vetted design ideas with campus stakeholders. Designs were shared with key stakeholders across campus for their
signoff on key business processes. She reported the technical aspects of the project are on track in a standardized and simplified design. They reached key technical milestones, including migration from legacy systems into new systems. Parallel testing of payroll is underway to compare pay for accuracy. There is a robust change management approach focused on people readiness.

Mr. Powell described the Integrated Service Center (ISC) which will change the way services are delivered. The ISC is designed based on best practices from other institutions who have implemented Workday. Workday is the new software-as-a-service tool that is replacing the University’s 34-year-old legacy payroll system. Workday will be changed and enhanced every six months and not be static, as is the current system. Flexible support and a different approach are needed as Workday changes. The ISC is designed to help stabilize and standardize the University’s business practices and data. They are currently on schedule to train staff in time to go-live in the summer of 2017.

Dr. Anderson reviewed the risk management aspect of the program. There is a strong system in place to identify, assess, mitigate, and manage risks.

Regent Shanahan thanked the team and asked if any of the original functionality has been changed or reduced. Ms. Fulmer replied additional scope has been added but that no functionality has been reduced.

Regent Ayer asked if there was a good sense of the UW’s various schools’ and units’ states of readiness and acceptance, and if there is a one-on-one focus on those who might be lagging. Ms. Fulmer said the readiness approach is customized to each unit. The readiness team addresses communications, training, and readiness with change managers assigned to each unit who meet with the units on a regular basis. Dr. Anderson added the struggling units are managed as a risk.

Regent Jaech asked if the ISC will manage functions formerly distributed. Functionality will be moving and staff will be offered first opportunity for positions in the ISC.

Regent Shanahan commented on how important this work is and said Regents support this work.

See Attachment B–2.

**Diversity, Equity, and Inclusion Advisory Committee Update** (Agenda no. B–3)  
(Information only)

Joanne Harrell, Regent, Chair of the Diversity, Equity, and Inclusion Advisory Committee, reported the Committee held a lively, productive, and engaging meeting on Friday, October 7. Regent members Jeremy Jaech, Constance Rice, and Rogelio Riojas were join by recent additions to the Committee: School of Law Professor William Covington and UW Bothell student Aretha Basu.

Following welcome and introductions, Committee members reviewed a draft vision statement:
“At the University of Washington, diversity is integral to excellence. We value and honor diverse experiences and perspectives, strive to create welcoming and respectful learning environments, and promote access, equity, opportunity, and justice for all.

The Diversity, Equity, and Inclusion Advisory Committee strives to achieve a truly inclusive and equitable environment for learning, research, service, and procurement/contracting opportunities.

The Advisory Committee will work towards this goal through the following actions:

- Alignment of Board action with university-wide goals and objectives
- Amplifying support for presidential and university-wide initiatives supporting diversity, equity, and inclusion for students, faculty, staff, and procurement/contracting
- Accelerating university action through shared accountability and governance

During the first few Committee meetings, Committee members will learn about University activities in the areas of diversity, equity, and inclusion for faculty, staff, students, and in procurement and contracting.

At the meeting, the Committee heard an update on the Race and Equity Initiative from President Cauce, Rickey Hall, Ed Taylor, Jeanette James, and Leilani Lewis.

Rickey Hall and Chad Allen presented the status of the Diversity Blueprint, which was initially created in 2010, and is undergoing an update.

Angela Battle, Jim Evans, Ann Anderson, and Claudia Christiansen gave the Committee members some background on the Business Diversity Program. At next month’s meeting of the Board, Regent Riojas will introduce the Business Equity Scorecard. A small group of Regents and administrators has been working on this with Ms. Battle’s team. Regent Harrell said she appreciates the support of the Regents and the administration for their efforts.

See Attachment B–3.

**Campaign Briefing** (Agenda no. B–4) (Information only)

Regent Shanahan welcomed Campaign General Co-Chairs Jodi Green and Mike Halperin, and said he looks forward to the Campaign kick-off, *Together*, on Friday, October 21, in the Alaska Airlines Arena. This promises to be one of the more significant events for the University of Washington for the years to come.

Connie Kravas, Vice President for UW Advancement, told the Regents fiscal year 2016 was a great one for the University, as $542 million was raised in support for the University. This amount is “cash in” and does not include pledges. This is highest amount ever raised by the UW and the highest amount ever raised by any public institution of higher education. The upcoming campaign is part of how the University is “advanced.”
At its core, advancement is about facilitating broad-based engagement, advocacy, and philanthropy. Using an analogy from the book “The Boys in the Boat,” Dr. Kravas described a “Power 10.” Encouraging community engagement, advocacy for governmental support of the institution, pride, and philanthropy are just “rowing.” The “Power 10” comes at the time when giving it one’s all for ten more powerful strokes will make everything else happen better. That’s what the campaign is. “Power 10” is not sustainable. UW is always rowing with the support of volunteers. During the campaign, volunteers are involved to a greater extent and row together in the same boat like at no other time.

Ms. Green said she and her husband, Dr. Halperin, are honored to represent the University as campaign general co-chairs and to represent the tremendous number of volunteers working on behalf of the University of Washington. They described what the campaign is, why the UW is doing it, and how the campaign is structured.

What it is:
The campaign began in July 2010 and is planned to last ten years, through 2020. Every school, campus, college, and program has a campaign goal, campaign priorities, and campaign volunteers. Every unit is part of the campaign. It is an inclusive campaign – all gifts to the UW during the time count toward the campaign. It is a comprehensive campaign – any gift of any size for any purpose to any part of the UW made during the campaign counts. It is a campaign of campaigns, united by shared priorities. Every unit has established priorities in support of its own vision and strategic plan. There are common threads informed by the University’s priorities: student experience, public mission, research and global impact, and innovation. Every unit has a carefully considered, and aspirational, campaign dollar goal. The UW’s total goal is the sum of all of the units’ goals.

Why the UW is doing it:
1) Campaigns catalyze sustained growth in private support.
2) Campaigns create a forcing function for transformational, long-range strategic planning by academic leaders. This has been an inter-unit, collaborative process.
3) Campaigns elevate the visibility and reputation of the institution.

How the campaign is structured:
The campaign is university-wide, and led by four co-chair couples, Mike Halperin and Jodi Green, Jeff and Susan Brotman, Bob and Micki Flowers, and Orin and Janet Smith. Bill Gates Sr. and Mimi Gates are honorary co-chairs. Volunteer support is broad and deep. Although complex, there is a clear and ordered structure. Every school, college, and campus has volunteers and its own campaign leadership suited to its needs. These are supported by committees underneath them. To unify campaign leadership, a volunteer leader from each unit serves on the UW Foundation Board. The Foundation Board functions as the convening body of the campaign in partnership with an excellent advancement team. Ms. Green highly praised the functioning of the UW’s Advancement office, citing their integrity, respect, and operating efficiency.

The Together campaign launch event on October 21 is intended to engage the larger community. Faculty, students, alumni, community members, business leaders, and Husky
fans will gather at Alaska Airlines Arena for a multi-media show celebrating the UW’s partnership with, and impact on, the community. The event will kick-off a campaign launch year.

Ms. Green said they are grateful to corporate sponsors Boeing, Starbucks, Microsoft, the Seattle Times, AT&T, Banner Bank, and BECU, for covering all the expenses of the launch year.

Dr. Halperin shared his personal experiences with the UW and his and Ms. Green’s philanthropy and volunteer efforts on behalf of the University. He believes a gift to the University of Washington is a gift through the University as a leveraged investment to make the world a more interesting and viable place.

Regent Wright-Pettibone asked about how students might be engaged in the campaign, specifically the Student Philanthropic Education Program and the Senior Class Gift Council. Ms. Green replied donors and business leaders would be coming onto campus during the campaign, and she would appreciate student involvement in these visits. She and Dr. Halperin said they would be grateful for Regent Wright-Pettibone’s support in making connections with students. President Cauce offered faculty involvement and connections.

Regent Shanahan said these efforts come at a critical time for higher education in the state and it does change the state – this is an inflection point.

See Attachment B–4.

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

Regent Shanahan announced one year ago the Board selected Ana Mari Cauce as University President!

As Board Chair, Regent Shanahan completed an annual evaluation of President Cauce’s performance. The process began with a self-appraisal from the President who expressed her vision for the University of Washington to be the best public university in the world as measured by impact. Regent Shanahan utilized the same performance review process the President used to conduct reviews for her direct reports.

Regent Shanahan said he met with President Cauce to review her performance and told the Regents his feedback in four areas:

**Areas of strength and noteworthy achievements**
- Successful transition to Presidency;
- Re-invigorated the UW’s presence and image in the external community;
- Re-invigorated UW’s relationships at the local, state, federal and international level and with other institutions of higher education;
- Successfully completed three key leadership searches;
• Launched a new medical education partnership with Gonzaga University in Spokane.

Areas for improvement
• Strengthen the University’s financial planning and due-diligence function;
• Devote more time to strategies that address sustainability, growth and UW Medicine.

Areas to focus on in the coming year:
• Lead (Innovations on Race & Equity, Innovation, and Population Health);
• Champion educational access and excellence ;
• Advance the reputation, relationships, and economic resources;
• UW Medicine;
• Administration;
• Leadership Development.

Other general notes:
Regent Shanahan concluded President Cauce exceeded expectations for her first year. He believes the second year will bring greater challenges. Building out her leadership team will be a top priority, but simultaneously maintaining alignment of all stakeholders is fundamental to affect change at the scale required to be the best public University in the world.

Based on this evaluation, Regent Shanahan recommended the Regents approve a 3% increase to President Cauce’s base salary, effective on October 13, 2016. At Regent Shanahan’s invitation, Regents commented on President Cauce’s performance during her first year.

Regent Simon praised President Cauce’s external efforts and said the “face” of the University is the President. Legislators rallied around the decision to select President Cauce.

Regent Rice praised President Cauce in the area of community colleges and the entrepreneurial way she has knitted the UW to the community college sector.

Regent Ayer said when Regents deliberated on President Cauce’s qualifications her external capabilities (legislative, business) were unknown. Her internal relationships and the level of trust in her were well-demonstrated over her many years at the University. He said she has “blown us away,” spending time outside of the university accurately identifying opportunities. Looking forward, aligning all the stakeholders around key ideas will be critical.

Regent Benoliel said his perspective is unique, as he was appointed to the Board in January, so he was not part of the presidential selection. He noted her first year has been superlative and intentionally fast-paced. He encouraged her to maintain a work-life balance.
Regent Harrell applauded and acknowledged the way President Cauce demonstrated two characteristics: foresight and courage. President Cauce was way ahead on the issue of campus civility with the Race and Equity Initiative. She showed great leadership and authenticity in her actions.

Regent Blake said she appreciated President Cauce’s communication style and transparency. She also thanked others in the room who served on the Presidential Search Advisory Committee for their commitment and hard work.

Regent Jaech said President Cauce has been terrific to work with, and this reflects her amazing character.

Regent Wright-Pettibone said the President is also the face of the University to the University community and President Cauce brings authenticity and leadership to her interactions with students. Although he must abstain on personnel matters, he said he is proud of his Regental colleagues for recommending a salary increase.

Regent Riojas personally thanked President Cauce for her great work in a very complex organization.

Mr. Walker said as a member of the Search Committee, and as an HR Professional, one always wants to say, a year after a hire, that the individual was “as advertised.” He confirmed President Cauce was “as advertised” and exceeded expectations. On behalf of the Alumni Association, he has seen firsthand the strength of the relationship with the President’s office.

Following the discussion, Regent Shanahan requested a motion to approve a base salary increase for President Cauce. This is Board item B–5.

**President Ana Mari Cauce: Annual Evaluation and Salary Review** (Agenda no. B–5)

**MOTION:** Upon the recommendation of the Chair of the Board and the motion made by Regent Jaech, seconded by Regent Blake, the Board voted to approve an annual base salary increase of 3% for University President Ana Mari Cauce, effective on October 13, 2016. Regent Wright-Pettibone abstained from the vote.

**REPORT OF THE UNIVERSITY PRESIDENT:** President Cauce

President Cauce thanked the Regents and said the University of Washington has been transformative for her, and the past year has been incredible for her.

She offered highlights of the University’s recent rankings.

- U.S. News & World Report ranked the UW as the eleventh best global university;
- Reuters rated the UW as the fifth most innovative University in the world;
• For the twenty-fifth year in a row, the UW Medical School has been rated number one in family and rural medicine, and number one in primary care for twenty-three out of twenty-five years.
• Professor Emeritus David J. Thouless was awarded a Nobel Prize. President Cauce plans to travel to Stockholm for the ceremony.
• Last year Money Magazine and Time Magazine together created a list of the forty most affordable colleges for low income students. All three of UW’s campuses were included on their list.
• The New York Times included the UW Seattle as thirteenth in the country on its list of universities that do the most for low income students, considering also graduation rates.
• The U.S. Department of Education created a College Scoreboard recommending thirty schools based on high graduation rates and low cost. UW is on that list.

These are markers of how the UW successfully combines access and excellence.

President Cauce invited Chancellor Pagano to make a few remarks. The Chancellor said he agrees with the Regents on their expressed opinions of President Cauce and said she is a “fantastic boss.” He said the UW Tacoma was ranked as one of the top fifty most diverse campuses in the U.S. The City of Tacoma was ranked one of the top fifty “college going” towns in the U.S. The UW Tacoma was ranked number two in the nation for economic viability, which describes moving students financially from where they are when they begin their higher education to where their salaries are after they graduate and begin work.

He again welcomed the group to the campus and said he hoped they enjoyed their meeting there.

CONSENT AGENDA

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

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

Minutes for the meeting on September 8, 2016

UWINCO Board Reappointment (Agenda no. G–1)

See Attachment G–1.

Appoint Members to the Diversity, Equity, and Inclusion Advisory Committee (Agenda no. G–2)

See Attachment G–2.
STANDING COMMITTEES

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

**Faculty Hiring Plans: Process and Strategy** (Agenda no. A–1) (Information only)

See Attachment A–1.

**Academic and Administrative Appointments** (Agenda no. A–2)

**MOTION:** Upon the recommendation of the administration and the motion made by Regent Rice, the Board voted to approve the academic and administrative appointments. Regent Wright-Pettibone abstained from the vote.

See Attachment A–2.

**Charting Our Course: UW Tacoma Strategic Plan 2016-2021** (Agenda no. A–3) (Information only)

See Attachment A–3.

**Analytics for Students’ Success** (Agenda no. A–4) (Information only)

See Attachment A–4.

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

**UW Advancement Report of Contributions** (Agenda no. F–1) (Information only)

See Attachment F–1.

**Capital and Debt Report** (Agenda no. F–2) (Information only)

See Attachment F–2.

**Asset Liability Management Semi-Annual Borrower Reports** (Agenda no. F–3) (Information only)

See Attachment F–3.

**UW Medicine Board Report** (Agenda no. F–4) (Information only)

See Attachment F–4.

**Discussion of Proposed Divestment Guideline** (Agenda no. F–5) (Information only)

See Attachment F–5.
Community Stakeholder Presentation on Prison Divestment (Agenda no. F–6) (Information only)

See Attachment F–6.

Student Presentation on Fossil Fuel Divestment (Agenda no. F–7) (Information only)

See Attachment F–7.

GOVERNANCE COMMITTEE: Regent Shanahan, Chair

Board Assessment Survey - Review Survey Results (Agenda no. G–3) (Information only)

See Attachment G–3.

2017 Meeting Format, Annual Calendars, and Alignment with Presidential Goals (Agenda no. G–4) (Information only)

See Attachment G–4.

REPORTS TO THE BOARD OF REGENTS

Regent Shanahan invited ASUW Bothell President Tanya Kumar and ASUW Tacoma President Berkan Koroglu to join the Regents at the table, and asked Professor Barsness to provide a report from the Faculty Senate.

Faculty Senate Chair: Professor Zoe Barsness

Professor Barsness said she came to her role as Faculty Senate Chair partly for the opportunity to work with President Cauce and Provost Baldasty and her expectations have been exceeded.

This is a busy and exciting time of year. Faculty members are looking forward to the Together event and exploring ways the faculty can work with Advancement to raise awareness of the campaign and its purpose, and to engage faculty in being more proactive and better communicators of the University’s mission.

Senate leaders are directing their efforts in two primary areas.

1) Meeting with council chairs to explore issues, areas of engagement, and emerging priorities. Last month Professor Barsness outlined the larger themes of a faculty salary policy; lecturers; diversity, equity, and inclusion; and tri-campus relationships.

2) Beginning work, in collaboration with President Cauce, Provost Baldasty, and the Board of Deans and Chancellors, on the faculty salary policy and process.
ASUW Tacoma President: Mr. Berkan Koroglu

Mr. Koroglu said it was fun to host the Regents meeting at UW Tacoma. He said the campus was glad to have a new student housing for 280 diverse students. Convocation was a success and Mr. Koroglu thanked Regent Simon for participating. The students have been discussing concerns about commencement as the number of tickets was limited. They formed a student focus group to review options for the ceremony.

ASUW Tacoma hosted a “Hot Dogs with the Top Dawgs” event. Chancellor Pagano and other administrators grilled hot dogs for students to enjoy.

Fee-setting committees are meeting to align their efforts with a timeline based on deadlines.

A “Rock the Vote” event is planned for October 19.

Mr. Koroglu described a new initiative. Student leaders plan to return to their community colleges and high schools and invite their student governments to visit the UW Tacoma to see the campus and learn how UW Tacoma’s student government operates.

He recognized Austin Wright-Pettibone, Elloise Kim, Tanya Kumar, and Daniele Menez for working together as a tri-campus unit.

ASUW President: Ms. Daniele Menez

Ms. Menez thanked UW Tacoma for hosting the meeting. She said this past month has been a busy time for ASUW as they welcomed over 6,000 new students to campus. Major welcome events included Freshman Convocation, Orientation, and Dawg Days. She noted President Cauce has been present at nearly every event.

Ms. Menez listed her four priorities for ASUW in the next year:
1) Academics – competitive majors;
2) Affordability – launching a student stories campaign with plans to share the stories with legislators in Olympia;
3) Race and Equity – working with President Cauce on the initiative to increase student involvement;
4) Health and wellness – especially mental health and student safety.

ASUW is working with UW Advancement to better engage students in the upcoming Together event taking place during Homecoming weekend.

GPSS President: Ms. Soh Yeun (Elloise) Kim

Ms. Kim said she was delighted to be on the UW Tacoma campus for the first time. She reported on the third GPSS Husky Sunrise, held on September 26. It was well-attended with over 600 students and many Deans and UW leaders. This event has started a great tradition to welcome graduate and professional students to campus. A campus resource fair, featuring 24 campus units, was part of the event.
GPSS hosted the SAGE (Student Advocates for Graduate Education) Fall Summit in early October. Graduate students from nine member institutions attended and shared best practices and planned the agenda for the Day on the Hill in D.C. in the spring. Priority agenda topics included student debt, research funding, and campus wellness. Under campus wellness, GPSS priorities include sexual violence prevention and health services, especially mental health. Ms. Kim was proud of the support GPSS receives compared to its peers, and especially the level of student inclusion in decision-making at the UW. She thanked the Regents for their respectful and inclusive leadership.

GPSS recently held the first GPSS Senate meeting of the academic year. Ms. Kim described this year’s team as purposeful in its planning, and said it is striving to improve diversity in GPSS leadership.

ASUW Bothell President: Ms. Tanya Kumar

Ms. Kumar said her team held a month-long training session in September and created a smooth and universal consensus on the mission and value statement for ASUW Bothell.

The team decided on four main areas of focus:
1) College affordability, including reasonably priced food options on campus.
2) Diversity, including the establishment of a diversity center.
3) Involvement. Branding ASUW Bothell properly so students know what it can provide for them.
4) Spaces on campus. UW Bothell held a successful convocation, with the largest class of freshmen ever. With the growth of campus, they are exploring options and alternatives for commencement ceremony locations.

Ms. Kumar said she looks forward to the upcoming Tri-Campus group meeting, saying the group is beginning to work together as a team.

UW Bothell student Aretha Basu was excited to be appointed as the student member on the Diversity, Equity, and Inclusion Advisory Committee of the Board of Regents. She hopes to highlight efforts on the Tacoma and Bothell campuses.

Alumni Association President: Mr. Clyde Walker

Mr. Walker thanked Chancellor Pagano and his team for their hospitality. He introduced UWAA Tacoma trustee Joe Davis. Mr. Davis is a recent graduate from UW Tacoma in Interdisciplinary Arts and Science, a U.S. veteran, and a police officer in the South Sound.

UWAA launched an innovative alumni and student engagement program, “Interrupting Privilege.” This is a one-credit course filled to its capacity of 25 students and 25 alumni. Students and alumni explore issues of race and equity around the theme of privilege through facilitated discussions. There is a series of three Equity and Difference lectures. The first was by Antonio Vargas, who spoke about being an undocumented immigrant. The second lecture featured UW Professor Megan Ming Francis who spoke on race and
violence in American politics. The third lecture in the series will feature Robin DiAngelo, Director of Equity at Sound Generation of Seattle/King county speaking on white fragility. All lectures sold out and had wait lists.

Mr. Walker said he was thrilled to be involved with Convocation and said it was a great event. He praised First Year Programs for their work at an event welcoming transfer students.

The UWAA will be one of the co-sponsors of the Boundless Thanks volunteer reception at Conibear ahead of the Together campaign launch. Homecoming is coming up and will include reunions, the Multicultural Alumni Partnership Bridging the Gap Breakfast, and the Dawg Dash to raise funds for student scholarships.

Veterans Appreciation Week will be November 7 through 12, with a number of events to honor veterans. The 2016 Distinguished Alumni Veteran will be awarded to Retired U.S. Army General Peter Chiarelli.

DATE FOR NEXT MEETING

The next regular meeting of the Board of Regents will be held on Thursday, November 10, 2016, on the Seattle campus.

EXECUTIVE SESSION

Regent Shanahan announced the Board would hold an executive session to review the performance of public employees. Following the executive session the meeting would be adjourned and no action would be taken.

ADJOURNMENT

The regular meeting was adjourned at 4:00 p.m.

______________________________
Joan Goldblatt
Secretary of the Board of Regents

Approved at the meeting of the Board on November 10, 2016.
STANDING COMMITTEES

Governance Committee

UWINCO Board Reappointment

RECOMMENDED ACTIONS

It is the recommendation of the administration and the Governance Committee that the Board of Regents make the following appointment to the University of Washington Investment Management Company (“UWINCO”) Board:

Reappointment
Regent Bill Ayer October 1, 2016 to September 30, 2019

Regent Ayer was appointed to the Board of Regents for a term ending on September 30, 2016. His appointment to UWINCO Board as a Regent is subject to term reappointment by the Governor.

It is further recommended that Regent Ayer be appointed as UWINCO Board Vice Chair for the period October 1, 2016 through September 30, 2019.

BACKGROUND

The Board of Regents approved the establishment of an advisory committee, the University of Washington Investment Committee, in May 2001 to help oversee the University’s investment programs. In September 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 (“UWINCO”) Board.

Board of Regents Governance, Standing Orders, Chapter 10 was adopted to address the administrative functioning of the UWINCO Board. The UWINCO Board is comprised of both Regent and non-Regent members. Non-Regent members are investment and business professionals whose global expertise brings added perspective to the investment process at the University. The President of the University serves as an ex officio member.
STANDING COMMITTEES

Governance Committee

UWINCO Board Reappointment (continued p. 2)

UWINCO BOARD APPOINTMENT DATES

<table>
<thead>
<tr>
<th>Regent</th>
<th>Term of Appointment</th>
</tr>
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<tr>
<td>Regent Bill Ayer</td>
<td>10/1/2016 to 9/30/2019</td>
</tr>
<tr>
<td>David Bonderman</td>
<td>10/1/2015 to 9/30/2018</td>
</tr>
<tr>
<td>Jeff Brotman, UWINCO Board Chair</td>
<td>10/1/2014 to 9/30/2017</td>
</tr>
<tr>
<td>Michael Larson</td>
<td>10/1/2013 to 9/30/2016</td>
</tr>
<tr>
<td>Mary Pugh</td>
<td>10/1/2014 to 9/30/2017</td>
</tr>
<tr>
<td>Bryan White</td>
<td>11/1/2015 to 10/31/2018</td>
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<tr>
<td>President Ana Mari Cauce</td>
<td>ex officio</td>
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</table>

BIOGRAPHY FOR REGENT BILL AYER

Bill Ayer is the retired chairman and chief executive officer of Alaska Air Group, the parent company of Alaska Airlines and its sister carrier, Horizon Air. Ayer, 62, served as chief executive officer of Alaska Air Group and its subsidiaries through 2012, and as chairman through 2013.

A veteran of more than three decades in aviation, Ayer began his career with Piper Aircraft Company, and was the founder of Air Olympia, a small commuter airline in Washington State. He joined Horizon Air in 1982 where he held a variety of marketing and operations positions. He joined Alaska Airlines in 1995 as vice president of marketing and planning, and subsequently held the posts of senior vice president; chief operating officer; and president. In 2002, he became the carrier's chief executive officer, and, in 2003, he was appointed chairman.

Ayer has served on the University of Washington Board of Regents since 2012. He serves on the Honeywell Board of Directors, and is former chair of the Board of Trustees at the Museum of Flight. Ayer is a member of the FAA’s Management Advisory Council, is the immediate past chairman of FAA’s NextGen Advisory Committee, serves on the National Business Association Aviation Board, and is chair of the AOPA Board of Visitors. A graduate of Stanford University with a bachelor's degree in economics, he earned a master's degree in business administration from the University of Washington.

REVIEW AND APPROVALS

The recommended action has been reviewed and approved by the UWINCO Board Chair, the President of the University, and the Chief Investment Officer.

Attachment

Board of Regents Governance, Standing Orders, Chapter 10, University of Washington Internal Investment Management Company

G–1/210-16
10/13/16
1. Introduction

The University of Washington Board of Regents is vested with the responsibility for the management of the properties of the University, including its investment programs. Statements of Investment Objectives and Policy are approved by the Board of Regents to guide the management of the University's investment programs.

- Statement of Investment Objectives and Policy for the Consolidated Endowment Fund
- Statement of Investment Objectives and Policy for Invested Funds
- Statement of Investment Objectives and Policy for Deferred and Other Gift Assets

The Board of Regents delegates to its Finance and Asset Management Committee (FAM) the responsibility for overseeing the investment program within the general principles enumerated in the above policy statements. In 2001, the Board of Regents established an advisory committee, the University of Washington Investment Committee, consisting of both Board of Regent members and external investment professionals. In 2004, the Board of Regents appointed the University's first Chief Investment Officer 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").

2. Powers and Duties

The UWINCO Board shall:

A. Advise the Board of Regents (and/or its appropriate committee), the President of the University and the Chief Investment Officer on matters relating to the
management of the University’s investment programs. This includes but is not limited to the following: overall asset allocation, performance goals, new investment strategies, strategy implementation, manager identification, due diligence, and valuation policy.

B. Advise the President of the University on the selection and compensation of the Chief Investment Officer and other matters related to the administration of the University's investment programs.

C. Advise the Chief Investment Officer on the compensation of professional investment staff and other matters related to the administration of the University’s investment programs.

3. Accountability

The UWINCO Board shall be accountable to the Board of Regents.

4. Membership and Terms

A. Membership

The UWINCO Board shall consist of no more than ten members appointed by the Board of Regents, plus the President of the University who shall serve as ex officio. Appointments shall be based upon recommendations submitted by the Governance Committee of the Board of Regents and approved by the Board of Regents after consultation with the Chair of the Board of Regents, the Chair of the UWINCO Board, and the President of the University.

One or two UWINCO Board members shall be selected from the Board of Regents. The remaining UWINCO Board members shall be experienced investment and/or business professionals of varying backgrounds with close ties to the University. Criteria for non-regent membership on the UWINCO Board shall include investment and/or business expertise in such areas as private equity, hedge funds, international markets, real estate, and institutional investing; access to desirable portfolio managers; strategic focus; and commitment to the University of Washington.

B. Chair and Vice Chair

The Chair and Vice Chair of the UWINCO Board shall be recommended by the Governance Committee of the Board of Regents and approved by the Board of Regents. The Vice Chair of the UWINCO Board shall have the authority and shall perform the duties of the Chair of the UWINCO Board in the event of the Chair's absence or incapacity.
C. Term

Both regent and non-regent members shall make a minimum commitment of three consecutive years, renewable by the Board of Regents.

D. Administrative Support

The Chief Investment Officer shall ensure that the UWINCO Board has appropriate administrative support services, including secretarial assistance and record keeping.

5. Meetings of the UWINCO Board

A. Meetings

Regular meetings of the UWINCO Board shall be held quarterly. Special meetings may be called by the Chair of the Board of Regents, the Chair of the UWINCO Board, or the President of the University at any time.

B. Notice and Agenda

Notice of time and place of the UWINCO Board meetings together with the agenda and all available material, shall be delivered to each member of the UWINCO Board, by regular mail, electronic mail, or otherwise, before any regularly scheduled meeting.

As the UWINCO Board is advisory, its meetings remain exempt from the requirements of the open public meetings act, state of Washington Chapter 42.30 RCW.

6. Committees of the UWINCO Board

The standing committees set forth below are established to facilitate the business of the UWINCO Board and the University.

A. Compensation and Leadership Committee

1) Purpose

The primary purpose of the Committee is to advise the President of the University on the compensation of senior professional investment staff, the leadership effectiveness of the investment program, and the investment program budget.

2) Composition
The Committee shall be comprised of at least three members of the UWINCO Board. The Chair of the UWINCO Board (or his/her designee) shall be the Chair of the Committee.

3) Meetings

The Committee shall hold regular annual meetings. Special meetings may be called upon the request of the UWINCO Board Chair, the Compensation and Leadership Committee Chair, or the President of the University.

B. Risk and Compliance Committee

1) Purpose

The primary purpose of the Committee is to monitor investment program risk management and compliance, risk management procedures, compliance with the co-investment guidelines, and the liquidity of the Consolidated Endowment Fund. Issues or concerns shall be communicated as appropriate to the Board of Regents and the President of the University.

2) Composition

The Committee shall be comprised of at least three members of the UWINCO Board. The Chair of the UWINCO Board (or his/her designee) shall be the Chair of the Committee.

3) Meetings

The Committee shall hold regular annual meetings. Special meetings may be called upon the request of the UWINCO Board Chair, the Risk and Compliance Committee Chair, or the President of the University.

7. Reports to the Board of Regents

On behalf of the UWINCO Board, the Chief Investment Officer shall report to the Board of Regents (and/or its designated committee) providing:

A. Quarterly UWINCO Board Discussion Summary—A verbal briefing on UWINCO Board meetings.


C.
**Annual Investment Program Review**—A review of the investment policies, investment performance, market conditions, strategic portfolio positioning and risk, and an overview of investment management practices among peer institutions.

8. **Indemnification and Compensation**

The University shall indemnify UWINCO Board members to the fullest extent permitted by law, the Standing Orders of the Board of Regents, and Regent Policies of the Board. UWINCO Board members shall not be paid for service as Board members.

9. **Conflict of Interest**

Regent members of the UWINCO Board are governed by conflict of interest rules applicable to regents. Non-regent members shall comply with the following conflict of interest provisions:

A. When a UWINCO Board member knows that the University is considering a transaction in which he or she has a beneficial interest, the member shall (1) alert the Chief Investment Officer of his or her potential beneficial interest, and (2) not participate in the formulation or rendering of advice with respect to the transaction.

B. UWINCO Board members shall not participate in the formulation or rendering of UWINCO advice where their participation could be influenced by financial or other considerations that would conflict or could reasonably appear to conflict with their UWINCO Board obligations to only consider the best interest of the University. Where a member is uncertain about the application of this rule to particular circumstances, he or she should consult the Chair of the UWINCO Board and the Chief Investment Officer who may seek the advice of the Attorney General's Office as appropriate.

C. UWINCO Board members may engage in investment transactions with the University if the Chair of the UWINCO Board and the Chief Investment Officer (who may consult with the Attorney General’s Office as he or she deems appropriate) determine that the UWINCO Board member has not participated in the formulation or rendering of UWINCO advice to the University regarding the transaction.

10. **Amendments**

The Board of Regents Governance, Standing Orders, Chapter 10, University of Washington Internal Investment Management Company, shall be reviewed annually and updated as needed. Amendments, additions, deletions, or replacements, may be recommended by the UWINCO Board. Such changes shall be subject to the approval of the Board of Regents.
Appoint Members to the Diversity, Equity, and Inclusion Advisory Committee

RECOMMENDED ACTION

It is the recommendation of the Governance Committee that the Board of Regents approves member appointments to the Diversity, Equity, and Inclusion Advisory Committee of the Board of Regents, effective on October 1, 2016.

Appointment                                      Term
Aretha Basu, UW Bothell student                   10/1/2016 to 9/30/2017
William Covington, UW School of Law Faculty      10/1/2016 to 9/30/2019

BACKGROUND

In May 2016, the Board of Regents established the Diversity, Equity, and Inclusion Advisory Committee. According to Board of Regents Governance, Standing Orders, Chapter 4, Advisory Committees of the Board of Regents, the function of this committee is to advise the Board or its appropriate standing committee and the University President, or his or her designee, on matters relating to diversity, equity, and inclusion for faculty, students, staff, and in procurement and contracting.

The Diversity, Equity, and Inclusion Advisory Committee shall consist of no more than ten members to be appointed by the Board. The Chair, Vice Chair, and members shall be recommended by the Governance Committee and approved by the Board after consultation with the President of the University and his or her designee(s).

Up to four of the appointed members shall be selected from the Board of Regents. The President of the University shall be a member ex officio. One member shall be a member of the University of Washington faculty, selected in consultation with the Faculty Senate leadership. One member shall be a UW student, selected in consultation with ASUW and GPSS leadership. One member shall be on or closely associated with the Foundation Board, selected in consultation with the executive committee of the Foundation Board. The remaining appointed members shall be community members with relevant backgrounds.

There shall be a three-year term limitation for faculty, Foundation Board, and community members, renewable by the Board. Members will be asked to make a minimum commitment of three consecutive years, and shall serve at the pleasure of the Board. The student and regent members shall serve one-year terms, renewable by the Board.

At its meeting in May 2016, the Governance Committee and the Board of Regents approved appointment of the Regent members of the Diversity, Equity, and Inclusion Advisory Committee for terms from 5/12/2016 to 9/30/2016:
Appoint Members to the Diversity, Equity, and Inclusion Advisory Committee (continued p. 2)

Joanne Harrell, Committee Chair
Rogelio Riojas, Committee Vice Chair
Jeremy Jaech
Constance Rice

Appointments were made for partial terms to coincide with Board officer elections and appointments in September. At its meeting in September 2016, the Governance Committee and the Board approved reappointment of the four Regents for one-year terms October 1, 2016 through September 30, 2017.

Also at its meeting in September 2016, the Governance Committee and Board approved the appointment of community members and Foundation Board member for three-year terms from 10/1/2016 to 9/30/2019.

Mari Clack, community member
Colleen Fukui-Sketchley, Foundation Board member
Norma Zavala, community member
William Covington joined the UW Law faculty in 2003 as an Assistant Professor and Director of the Technology Law and Public Policy Clinic (“Tech-Law Clinic). Prior to his selection as clinic director, Professor Covington worked extensively with state and local governments as a principal with the North Star Consulting Group crafting policies on land use, infrastructure development and taxation especially as applicable to high tech businesses. Ten years of service with McCaw Cellular Communications (now AT&T Wireless Services) and previous work as regulatory counsel for Group W Cable (now AT&T Broadband) provided Professor Covington with a wealth of in-depth experience in the fields of telecommunications law, regulation of high tech industries and public policy development.

While at McCaw Cellular Communications, Professor Covington led private-public sector efforts reforming tax policy, accelerating infrastructure deployment and updating land use policies. Professor Covington has taken leadership positions in creating and articulating policy positions on behalf of the cable television and cellular telephony industries before city councils, state legislatures, public service commissions and the Federal Communications Commission.

Prior to teaching at UW Law, Professor Covington served as an instructor at the undergraduate and graduate level where he developed and taught courses for business majors, public administration students and foreign M.B.A. candidates interested in United States policies stimulating and promoting the creation of high tech industries and services. The Tech-Law Clinic, under Professor Covington’s leadership has successfully developed legislation on topics such as autonomous vehicles, distributed generation, drones and privacy rights.

Professor Covington recently co-chaired UW Law’s Diversity Committee and currently serves as Chair of the Faculty Senate’s Council on Multicultural Affairs.

Education:
B.A. 1972, New York University
J.D. 1977, University of Michigan
Board Assessment Survey – Review Survey Results

INFORMATION

This item is for information only. The Board Chair will present a summary of results from the Board Assessment Survey and lead a discussion about next steps.

BACKGROUND

The Board conducted an Assessment Survey administered on-line through UW’s Catalyst tool. As in the survey conducted in 2014, there were 38 questions about the performance and operations of the Board. The survey offered opportunities to include open-ended comments. Participants had the option to reply to questions by choosing strongly agree, agree, disagree, strongly disagree, and don’t know.

Survey questions were organized under the following subject areas:

A. Board Structure and Composition
B. Board Meeting Preparation
C. Board Meeting Operations
D. Critical Responsibilities
E. Committee Performance
F. Other Comments or Concerns

Regents, President, and Provost were invited to participate, along with a group of student and academic leaders and other administrators who work closely with the Board. Survey results are anonymous but respondents were asked for their names to track responses and to indicate their role at the University for a finer analysis.

Attachment
2016 Board of Regents Assessment Survey
2016 Board of Regents Assessment Survey

Thank you for participating in the Board of Regents Assessment Survey. The purpose of the survey is to evaluate the Board's performance during the past year with an emphasis on ways performance can be improved. You are offered an opportunity to provide comments after each category of questions. The survey results will be reported anonymously, but your name is requested for tracking purposes. Regents and administrative, student, and academic leaders who interact with the Board will be invited to complete the survey. The survey should take about fifteen minutes to complete.

A. Board Structure and Composition

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<th>Required</th>
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<th>Disagree</th>
<th>Strongly Disagree</th>
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<td>Is the size of the Board optimal?</td>
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<td>Is the standing and advisory committee structure appropriate for dealing with the Board's responsibilities?</td>
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<td>Does the Board have the appropriate set of skills to perform its functions? In what areas could the Board improve its skills?</td>
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<td>Are you satisfied with the level of diversity represented on the Board?</td>
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Comments on Board Structure and Composition

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### B. Board Meeting Preparation

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<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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<td>Do Board members contribute sufficiently to the identification and selection of agenda items?</td>
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<td>Do agenda items address the most important strategic, operational, and constituent issues?</td>
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<td>Has the Board satisfactorily communicated its information requirements?</td>
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<td>Is the information you receive prior to Board meetings clear, concise and delivered in a timely manner?</td>
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<td>Is the information sufficient for you to make the decisions that are required of you?</td>
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<td>Do the Board members receive timely information on emerging issues between meetings?</td>
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**Comments on Board Meeting Preparation**

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### C. Board Meeting Operations

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<td>Question</td>
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<td>Does the Board hold the right number of Board meetings?</td>
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<td>Is the time allotted to the Board’s most important responsibilities appropriate?</td>
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<tr>
<td>Are the right staff people in attendance at Board meetings to adequately address Regent questions?</td>
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<tr>
<td>Are staff members in attendance using their time wisely by attending meetings?</td>
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<tr>
<td>Are Board meetings conducted in a manner that ensures open communications, meaningful participation, and timely resolution of issues?</td>
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<td>Are executive sessions candid and constructive, and conducted in a manner that encourages civil disagreement and questioning?</td>
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<td>Are deliberations robust with all relevant perspectives and information considered before a decision is made?</td>
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<td>Are you satisfied the relationship among Regents is constructive?</td>
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</table>
Are you satisfied with the quality of the relationships between the Board and our management?

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don't Know</th>
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Is the substance and volume of work expected of Regents appropriate?

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<thead>
<tr>
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<th>Disagree</th>
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**Comments on Board Meeting Operations**

**D. Critical Responsibilities**

<table>
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<th>Disagree</th>
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<th>Don't Know</th>
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</thead>
<tbody>
<tr>
<td>Does the Board effectively discharge its statutory responsibilities?</td>
<td></td>
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<tr>
<td>Does the Board have a clear set of goals for the year and beyond?</td>
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<tr>
<td>Are the Board’s goals, expectations, and concerns openly communicated to the President and senior executives?</td>
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<tr>
<td>Does the Board know and understand the institution’s values, mission, goals, and strategic business plans?</td>
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<tr>
<td>Does the Board review strategic, operational, and capital plans and regularly monitor progress and evaluate performance throughout the year?</td>
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</tbody>
</table>
Does the Board have sufficient metrics and other information to evaluate progress and performance?

Does the Board understand the major risks to the institution and exercise effective oversight of management’s plans for prevention and remediation at the Board or committee level?

Is the Board adequately communicating on a regular basis with the President and other senior administrators?

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don't Know</th>
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</table>

Is the Board effectively evaluating the President in a constructive manner?

Does the Board engage with important constituents sufficiently to understand their concerns?

Is the orientation program for new Regents effective in communicating the Board’s responsibilities and facilitating effective participation?

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don't Know</th>
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Comments on Critical Responsibilities

E. Committee Performance

Required.

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</tbody>
</table>
Are you satisfied with the leadership and composition of the standing and advisory committees?

Are the committees functioning properly and are you satisfied with the quality of reports given by Board committees?

Are the responsibilities of each committee clearly understood?

Is the division of responsibilities between Board, standing committees, advisory committees, and special committees appropriate?

Comments on Committee Performance

F. Other Comments or Concerns

Required.

Do Regents have a clear understanding of events they are expected to attend?

Please Provide Other Comments or Concerns
Are you a Regent, Administrative, Academic, or Student Leader?

Required.
- Regent
- Administrative Leader
- Academic Leader
- Student Leader

Name:

(For tracking purposes only. Survey results will be presented anonymously)

Required.

Thank you for completing the 2016 Board Assessment Survey.

Submit responses

Questions or Comments?
Contact Joan Goldblatt, Secretary of the Board of Regents at joangold@uw.edu
2017 Meeting Format, Annual Calendars, and Alignment with Presidential Goals

INFORMATION ONLY

With newly-elected Board leadership and results from the Assessment Survey this is intended to be a planning discussion for the 2016-17 academic year.

• **Meeting Format.** Discuss effective Committee and Board meetings, including ways to incorporate feedback from the Board Assessment Survey.

• **Annual Calendars** Review draft calendars for Committee and Board meetings.

• **Alignment with Presidential Goals.** Discussion of how meeting structure, board agenda and board items can align and support the President’s vision and goals.

• **2017 Meeting Schedule and Locations:** the Board approves the 2017 meeting schedule at its meeting in November. The attached draft meeting schedule follows the pattern of meeting on the second Thursday of each month, with August and December meetings cancelled circumstances permitting.

*Attachment*
Draft 2017 meeting schedule and calendar
<table>
<thead>
<tr>
<th>ASA and FAM Committees and Regular Board Meetings on Thursdays</th>
<th>Meeting Location</th>
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<tr>
<td>January 12</td>
<td>Foster School, Dempsey Hall, Anthony's Forum</td>
</tr>
<tr>
<td>February 9</td>
<td>Petersen Room</td>
</tr>
<tr>
<td>March 9</td>
<td>UW Bothell</td>
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<tr>
<td>April 13</td>
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<tr>
<td>May 11</td>
<td>HUB</td>
</tr>
<tr>
<td>June 8</td>
<td>Petersen Room</td>
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<tr>
<td>July 13</td>
<td>Gates Commons, CSE</td>
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<td>August 10*</td>
<td>Petersen Room</td>
</tr>
<tr>
<td>September 14</td>
<td>Petersen Room</td>
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<tr>
<td>October 12</td>
<td>Petersen Room</td>
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<tr>
<td>November 9</td>
<td>UW Tacoma</td>
</tr>
<tr>
<td>December 14*</td>
<td>Petersen Room</td>
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<thead>
<tr>
<th></th>
<th>Governance Committee Meeting</th>
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<td></td>
<td>Wednesdays at 3:00 p.m.</td>
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*August and December meetings canceled, circumstances permitting. 

Regular Board meeting is held monthly on the second Thursday

Commencements: June 9, 10, 11

Comments and Questions for Discussion:

- UW Tacoma – November is preferable to October
- Walker Ames Room in Kane Hall is not available on Thursdays because of Organ Class.
- UW Medicine South Lake Union?
- Continue to meet all day in the Petersen Room?
- Meet in UW Tower Boardroom?

Subject to approval by the Board of Regents at its meeting in November 2016
## DRAFT Meeting Schedule

### 2017

<table>
<thead>
<tr>
<th>January '17</th>
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<td>Su  M  Tu  W  Th  F  Sa</td>
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<th>October '17</th>
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<td>26  27  28  29  30</td>
<td>24  25  26  27  28  29  30</td>
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</tbody>
</table>

**Board Meetings - 2nd Thursday**

August and December meetings canceled circumstances pending

**Commencements**

**University Holidays**

SUBJECT TO APPROVAL BY THE BOARD OF REGENTS AT THE NOVEMBER 2016 MEETING
Academic and Student Affairs Committee

Faculty Hiring Plans: Process and Strategy

INFORMATION ITEM

This item is being presented for information only.

BACKGROUND

During prior academic and administrative appointment approvals, the Board has requested information on the University's strategic approach to hiring and additional detail on how monthly appointments reflect process towards strategic objectives. The board received a full report of faculty demographics in March 2016, and additional information on Health Sciences strategic approach to hiring and the role of the Office of Faculty Advancement at subsequent meetings.

While varied hiring seasons across different academic disciplines skew monthly data, all schools and colleges are required to have hiring plans approved by Academic and Human Resources and the Provost on an annual basis. The development and approval of these plans include in-depth conversations about hiring strategy for the upcoming academic year from both an academic and financial perspective.

Key considerations for hiring plan development at the school/college/department level include:

- Where the field is going
- Building strength in a few areas of focus
- Student demand
- Program growth or retraction

Key considerations for hiring plan approval at the “central” level (Provost, Academic HR) include:

- Articulation of college-wide strategy
- Faculty rank
- Available financial resources and overall financial stability
At the direction of the Chair of Academic and Student Affairs Committee, the Provost and Academic Human Resources prepared a presentation on the hiring plan process and “plan-to-actuals” hiring plan performance for the most recent academic year.

The purpose of the presentation is to provide context for the planning and decision-making process that occurs prior to monthly Board approval of faculty appointments. Representatives from UW Tacoma and the College of Engineering will provide perspective from the school and college level. Chad Allen, Associate Vice Provost for Faculty Advancement, will provide information on how the Office of Faculty Advancement promotes the hiring, retention, and success of a diverse and inclusive faculty in the hiring process.

Attachments

1. How Does a Faculty Member Get Hired? (process flowchart for a departmentalized college)
2. Overview of Faculty Hiring Plans by School/College/Campus for AY 2015-16 and AY 2016-17
3. Faculty Hiring Summary
4. “UW works to boost faculty diversity through recruitment and retention efforts,” UW Today, September 27, 2016
HOW DOES A FACULTY MEMBER GET HIRED?

FOR A DEPARTMENTALIZED COLLEGE:

Department reviews positions needed, in light of:
- where the field is going
- building strength in a few areas of focus
- student demand
- program growth or retraction

School/college reviews departmental proposal; accepts some and rejects others

School/college creates a hiring plan to submit to provost

Provost reviews hiring plans, approves some job requests, refuses others (criteria: rank, whether college has the resources, college strategy)

Finalists visit department, give presentations, meet with dean or divisional/associate dean

Search committee searches nationally; selects 3-5 candidates to bring to campus

Academic HR reviews job ad for compliance with federal and state laws and regulations

Department or school/college creates search committee. Chair and committee meet with Dean and/or AVP for Faculty Advancement to discuss best practices for attracting diverse pool and working against bias.

Search committee makes recommendation on preferred candidate(s)

Department faculty vote to hire

Dean or divisional dean approves hiring

Hiring negotiation. involves the department, school/college, AVP for Faculty Advancement. Candidate accepts position

Regents approve hiring

ATTACHMENT 1
### Overview of faculty hiring plans by school/college/campus for AY 2015-16 and AY 2016-17

<table>
<thead>
<tr>
<th>School/College/Campus</th>
<th>2015-16 # of Approved Faculty Hires</th>
<th>2015-16 # of Completed Faculty Hires</th>
<th>2016-17 # of Approved Faculty Hires</th>
</tr>
</thead>
<tbody>
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<td>30 Associate Professor 22</td>
<td>13 Professor 6 Other 0</td>
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<td>6 Associate Professor 6</td>
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**General Notes**

- All numbers in this report are derived from the school, college, or campus self-reported submission
- A&S 2015-16 hiring plan approval includes 5 unspecified hires at the assistant professor level
- SOM 2015-16 hiring plan approval includes 2 unspecified hires at the assistant professor level
- SOM 2016-17 hiring plan approval includes 5 unspecified hires at the assistant professor level
- Award of tenure review approvals not included in this report
- When approved for an assistant professor hire and completed hire was as an artist in residence, previously appointed lecturer, or an associate professor, it was included in the report
- Rank (e.g. Assistant Professor) is designated without track specification (e.g. Tenure, WOT)
NEWS RELEASES

September 27, 2016

UW works to boost faculty diversity through recruitment and retention efforts

Deborah Bach
News and Information

New UW faculty members attend a training session in early September. Mark Stone

Like post-secondary schools across the country, the University of Washington has struggled to attract and retain a talented, diverse faculty.

But efforts that have been quietly underway for a few years are starting to pay off, attracting top-level candidates to the UW even over schools that are able to offer bigger salaries and more perks. That work involves not simply convincing excellent candidates to come to the UW, but creating a supportive and inclusive environment that prompts them to stay, said Chadwick Allen, the UW's associate vice provost for faculty advancement, who was hired in 2015 to help increase faculty diversity on campus.
“The money helps. We know that,” Allen said. “But after a certain threshold, we still need to compete in other ways. It’s not just about the money.”

Over the last four years, the UW’s Office for Faculty Advancement has helped recruit close to 50 faculty members whose work contributes to campus diversity and inclusion — many of these from historically underrepresented groups — including 18 starting this fall, through a multipronged approach that considers everything from how positions are advertised to helping faculty members balance competing demands for their time.

That starts with appealing to highly skilled candidates. To that end, faculty representatives attend academic conferences to scout for potential candidates, introduce themselves and talk up the university. The university has started jointly advertising positions in multiple departments focused on areas of study involving minority populations to signal to applicants that they would have potential allies on campus.

Faculty from various departments and schools also serve on each other’s search committees and meet with candidates. Last year, for example, the university brought four African-American female candidates to campus to interview for a position in black feminism in the Department of Gender, Women and Sexuality Studies and coordinated their visits with the Department of American Ethnic Studies, which was hiring for a position focused on African-American history.

‘A network of people’

When applicants come for interviews, Allen encourages the hiring unit to arrange for them to meet with faculty members or graduate students from other departments whose work intersects with theirs. It can also be helpful to provide opportunities for candidates to meet other people from underrepresented backgrounds on campus and to let them know about social and cultural aspects of Seattle that might interest them. Knowing they will become part of a larger diverse community can make a critical difference for minority candidates who might otherwise feel isolated, Allen said.

“Everyone wants a community,” he said. “And that doesn’t have to be in the same department, but you want to know there’s a network of people who understand your work, who you can collaborate with, an intellectual community as well as a social community.”

Rickey Hall, the UW’s new vice president for the Office of Minority Affairs & Diversity and chief diversity officer, sees recruiting a diverse faculty as the purview not only of administrators, but also of faculty and staff. He encourages faculty members who meet promising candidates at meetings or other events to let them know about the UW or even ask them to send their CV.
“Diversity and inclusion is everybody’s everyday responsibility,” said Hall, who started his position in August. “The type of faculty we want to have here at the University of Washington — top-notch, top-tier researchers — everybody’s going to be going after those folks. We need to be recruiting all the time.”

For Hall, those efforts start with building a pipeline of minority students who can become the next generation of UW faculty. That means exposing undergraduates to research early with the goal of sparking their interest in academic careers, he said, and informing them about the appeal of life as a faculty member.

“We need to do a better job of talking about that, to undergraduate students and certainly to graduate students,” he said.

‘Everyone comes knocking’

But hiring a diverse and inclusive faculty is only half the challenge. Keeping people long-term is perhaps even more difficult.

The UW’s hiring and retention efforts are bolstered by $1 million in funding this academic year, including a first-time allocation of $500,000 earmarked for retention. The UW has traditionally done a good job of hiring and supporting junior faculty members, Allen said, but as their careers ascend through major grants, book publishing or high-profile research, they are at risk of being hired away by other universities.

“People from underrepresented backgrounds, if they’re at all good — and anyone who’s gotten a job here is good — have many, many options,” Allen said. “We often hire really well at the junior level, we mentor these colleagues well, we nurture their careers, and the minute they get national attention, Johns Hopkins, Stanford, Harvard, everyone comes knocking.”

A cornerstone of the UW’s retention effort is its membership in the National Center for Faculty Development and Diversity, a Detroit-based company that provides workshops and intensive mentoring to help all faculty, but especially women and people from underrepresented backgrounds, move forward in their careers while balancing competing demands. That balance can be particularly challenging for underrepresented faculty members, who are often sought out for committees that would otherwise lack diversity. Additionally, minority graduate and professional students frequently request women and faculty of color as advisers, Allen said.

“If there’s a department with nine white men and one woman of color, who gets asked to be on every committee?” he said. “It’s hard to say no when you get asked.”
Efforts to boost faculty diversity dovetail with the university's Race and Equity Initiative launched in 2015. **Mark Stone**

Last year, the UW paid for 20 faculty members across its three campuses to go through the center's 12-week Faculty Success Program, also known as its “boot camp,” at a cost of $3,250 each. In a follow-up survey, 91 percent of participants said their work-life balance had improved after participating in the program and 100 percent reported increased productivity.

University leaders are also focused on the need to create an inclusive and diverse culture at the departmental level. With approximately 2,200 tenured and tenure-track faculty members across 16 colleges and schools, that's no easy task, said Norma Rodriguez, director of the UW Office for Faculty Advancement.

“These are complex issues, because departments have their own localized culture, and then the college has a culture, and the university has a culture,” she said. “We want departments and units to think about culture at the local level and how they can positively affect that to contribute to retention.”

Efforts to increase faculty diversity at the UW dovetail with the university's Race and Equity Initiative, launched by President Ana Mari Cauce in April 2015 to combat institutional bias by actively encouraging dialogue and engaging the community. Hall said the commitment of Cauce
and other university leaders to make meaningful changes around diversity — along with the UW's “cutting-edge” programs to support academic achievement among underrepresented students — were significant factors in his decision to take the job.

“The University of Washington has a long and storied history in terms of equity, diversity and inclusion. It hasn't always been good, but the leadership is really committed to struggling with some difficult issues,” he said.

“There are people here who are committed to making this a place that is welcoming, inclusive and affirming of all our students, faculty and staff.”

Allen said faculty diversity is both a local and national challenge that requires a multigenerational approach.

“Our success has to be measured in more than one way,” he said. “How fair and effective are our processes for recruitment and retention? How inclusive are we able to make our colleges and schools? How well does our faculty support the needs of our diverse student body and of our diverse communities?

“And, perhaps most important, we need to think about what we are doing to help produce a larger cohort of diverse graduate and professional students who can become the faculty of the future.”

Tag(s): Chadwick Allen • diversity • Norma Rodriguez • Office of Faculty Advancement • Office of Minority Affairs and Diversity • Rickey Hall
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

College of Education
O'Doherty, Ann
Associate Dean, Education, effective 9/1/2016
Continuing Appointment:
  • Senior Lecturer, Full-time, Education
Degrees:
  • Doctor Of Education, 2007, University of Texas (Austin)
  • MED, 1992, University of Texas (Austin)
  • BS, 1981, Illinois State University

School of Nursing
Woods, Nancy Ann Fugate
Interim Associate Dean, Nursing, effective 9/16/2016
Continuing Appointments:
  • Professor, Biobehavioral Nursing and Health Systems
  • Adjunct Professor, Gender, Women, and Sexuality Studies
  • Dean Emeritus, Nursing
Degrees:
  • PhD, 1978, University of North Carolina
  • MN, 1969, University of Washington
  • BSN, 1968, University of Wisconsin

School of Public Health
Kaufman, Joel Daniel
Interim Dean, Public Health, effective 9/24/2016
Continuing Appointments:
  • Professor, Environmental and Occupational Health Sciences
  • Professor, Epidemiology
  • Professor, Medicine
Degrees:
  • MPH, 1990, University of Washington
  • MD, 1986, University of Michigan
  • BA, 1982, University of Michigan
ENDOWED APPOINTMENTS

College of Arts and Sciences
Department of Economics
Geweke, John
Charles R. Nelson Endowed Professor in Economics, effective 9/16/2016
Continuing Appointment:
• Affiliate Professor, Economics
Degrees:
• PhD, 1975, University of Minnesota
• BS, 1970, Michigan State University

Department of Mathematics
Novik, Isabella
Robert & Elaine Phelps Professorship in Mathematics, effective 9/16/2016
Continuing Appointment:
• Professor, Mathematics
Degrees:
• PhD, 1999, Hebrew University (Israel)
• MS, 1996, Hebrew University (Israel)
• BS, 1994, Hebrew University (Israel)

Toro, Tatiana
Craig McKibben and Sarah Merner Endowed Professorship in Mathematics, effective 9/16/2016
Continuing Appointment:
• Professor, Mathematics
Degrees:
• PhD, 1992, Stanford University
• MS, 1989, Stanford University
• BSC, 1986, Universidad Nacional de Columbia

College of Engineering
Department of Chemical Engineering
Pfaendtner, Walter James
Jagjeet and Janice Bindra Endowed Career Development Professorship, effective 9/16/2016
Continuing Appointments:
• Associate Professor, Chemical Engineering
• Adjunct Associate Professor, Chemistry
Degrees:
• PhD, 2007, Northwestern University
• BS, 2001, Georgia Institute of Technology
Pozzo, Lilo D.
Weyerhaeuser Endowed Professorship in Chemical Engineering, effective 9/16/2016
Continuing Appointment:
• Associate Professor, Chemical Engineering
Degrees:
• MS, 2006, Carnegie Mellon University
• PhD, 2006, Carnegie Mellon University
• BS, 2001, University of Puerto Rico

College of the Environment
School of Oceanography
Deming, Jody Wheeler
Karl M. Banse Endowed Professorship, effective 7/1/2016
Continuing Appointment:
• Professor, Oceanography
Degrees:
• PhD, 1981, University of Maryland
• BA, 1974, Smith College

Thompson, Luanne
Walters Endowed Professorship, effective 7/1/2016
Continuing Appointments:
• Professor, Oceanography
• Adjunct Professor, Atmospheric Sciences
• Adjunct Professor, Physics
Degrees:
• PhD, 1990, Woods Hole Oceanographic Institution
• MA, 1986, Harvard University
• BS, 1983, University of California (Davis)

School of Medicine
Department of Neurology
Bird, Thomas Dwight
Arthur Krause Endowed Professorship for Neurogenetics Research, effective 9/1/2016
Continuing Appointments:
• Professor Emeritus, Neurology
• Professor Emeritus, Medicine
Degrees:
• MD, 1968, Cornell University
• BA, 1964, Dartmouth College
School of Pharmacy
Department of Pharmaceutics
Unadkat, Jashvant D.
Milo Gibaldi Endowed Professorship In Pharmaceutics, effective 10/1/2016
Continuing Appointment:
• Professor, Pharmaceutics
Degrees:
• PhD, 1982, University of Manchester (UK)
• Bachelor Of Pharmacy, 1977, University of London (UK)

School of Public Health
Department of Health Services
Hannon, Margaret A.
James W. Mifflin University Professorship, effective 7/1/2016
Continuing Appointment:
• Associate Professor without Tenure, Health Services
Degrees:
• MPH, 2001, University of North Carolina (Chapel Hill)
• PhD, 2001, University of North Carolina (Chapel Hill)
• MA, 1999, University of North Carolina (Chapel Hill)
• BA, 1995, University of Puget Sound

NEW APPOINTMENTS

College of Arts and Sciences
Department of Astronomy
Babul, Arif
Visiting Professor, Astronomy, effective 8/15/2016
Degrees:
• PhD, 1989, Princeton University
• BSC, 1985, University of Toronto (Canada)

Department of Biology
Buchwitz, Brian Joseph
Senior Lecturer, Full-time, Biology, effective 9/1/2016
Prior UW Appointment:
• Lecturer Part-Time, Biology
Degrees:
• PhD, 2004, University of Washington
• BS, 1997, University of Minnesota
Herron, Jon Charles  
Senior Lecturer, Full-time, Biology, effective 9/1/2016  
Degrees:  
- PhD, 1996, University of Washington  
- AB, 1985, Princeton University

Liepkalns, Justine S.  
Lecturer, Full-time, Biology, effective 9/16/2016  
Degrees:  
- PhD, 2012, Emory University  
- MS, 2005, Tufts University  
- BA, 2004, Eckerd College  
- BS, 2004, Eckerd College

Schivell, Amanda Elizabeth  
Senior Lecturer, Full-time, Biology, effective 9/1/2016  
Prior UW Appointment:  
- Senior Lecturer, Part-time, Genome Sciences  
Degrees:  
- PhD, 2000, University of Washington  
- BA, 1992, Stanford University  
- BS, 1992, Stanford University

Self, Casey J  
Lecturer, Full-time, Biology, effective 9/1/2016  
Prior UW Appointment:  
- Teaching Associate, Biology  
Degrees:  
- PhD, 2015, University of Washington  
- MA, 2007, University of Florida  
- BS, 2003, University of California (Davis)

Department of Physics  
Al-Binni, Usama Adnan  
Lecturer, Full-time, Physics, effective 9/16/2016  
Degree:  
- PhD, 2011, The University of Tennessee
Jackson School of International Studies
Kalanges, Kristine Joy
Lecturer, Full-time, International Studies, effective 9/16/2016
Degrees:
- PhD, 2008, Georgetown University
- JD, 2008, Yale University
- MA, 2005, Georgetown University
- BA, 2000, University of Puget Sound

School of Art, Art History, and Design
Milhoan, Jason Todd
Lecturer, Full-time, Art, Art History, and Design, effective 9/16/2016
Degrees:
- MFA, 2009, University of Washington
- BS, 1994, Ohio State University

School of Dentistry
Department of Restorative Dentistry
Ramos, Servando Jr.
Clinical Associate Professor, Dental Pathway, Restorative Dentistry, effective 12/7/2016
Degrees:
- DDS, 1985, The University of Texas Health Science Center at Houston
- BS, 1980, University of Houston

College of Engineering
Department of Industrial and Systems Engineering
Kucukyazuz, Simge
Associate Professor, Industrial and Systems Engineering, effective 9/1/2016
Prior UW Appointment:
- Affiliate Associate Professor, Industrial and Systems Engineering
Degrees:
- PhD, 2004, University of California-Berkeley
- MS, 2000, University of California-Berkeley
- BS, 1998, Middle East Technical University (Turkey)

ROTC
Department of Naval Science
Irgens, Katherine Elizabeth
Assistant Professor without Tenure, Naval Science, effective 10/15/2016
Degree:
- BS, 2011, Purdue University-Main Campus
School of Medicine
Department of Anesthesiology and Pain Medicine

Gentry, Katherine Ruth
Assistant Professor without Tenure, Anesthesiology and Pain Medicine, effective 9/1/2016
Prior UW Appointment:
- Acting Assistant Professor, temporary, Anesthesiology and Pain Medicine
Degrees:
- MA, 2016, University of Washington-Seattle Campus
- MD, 2006, University of Washington
- BA, 2002, Haverford College

Khandelwal, Nita
Assistant Professor without Tenure, Anesthesiology and Pain Medicine, effective 9/1/2016
Prior UW Appointment:
- Acting Assistant Professor, temporary, Anesthesiology and Pain Medicine
Degrees:
- MS, 2013, University of Washington-Seattle Campus
- MD, 2006, Loyola University (Chicago)
- BS, 2002, Georgetown University

Tham, See Wan
Assistant Professor without Tenure, Anesthesiology and Pain Medicine, effective 9/1/2016
Prior UW Appointment:
- Acting Assistant Professor, temporary, Anesthesiology and Pain Medicine
Degree:
- Bachelor of Medicine, Bachelor of Surgery (MB BS), 2001, University of Sydney (Australia)

Department of Bioethics and Humanities

Campelia, Georgina Dyan
Assistant Professor, Bioethics and Humanities, effective 10/1/2016
Degrees:
- PhD, 2016, CUNY Graduate School and University Center
- MPHIL, 2013, CUNY Graduate School and University Center
- BA, 2007, Bowdoin College

Department of Biomedical Informatics and Medical Education

Luo, Gang
Associate Professor without Tenure, Biomedical Informatics and Medical Education, effective 9/19/2016
Degrees:
- PhD, 2004, University of Wisconsin-Madison
- BS, 1998, Shanghai Jiao Tong University
Department of Family Medicine

Crabill, Laura Ann
Lecturer, Full-time, Family Medicine, effective 9/1/2016
Prior UW Appointment:
- Lecturer Part-time, Competitive Recruitment, Family Medicine
Degrees:
- Master of Science in Health Science, 2007, George Washington University
- BS, 2004, University of Illinois (Urbana)

Grimm, Patrick John
Lecturer, Full-time, Family Medicine, effective 10/1/2016
Degrees:
- MPAS (Master of Physician Assistant Studies), 1998, University of Nebraska Medical Center
- BS, 1987, University of Oklahoma Health Sciences Center

Pelto, Henry Francis
Assistant Professor without Tenure, Family Medicine, effective 9/16/2016
Prior UW Appointment:
- Acting Assistant Professor, temporary, Family Medicine
Degrees:
- MD, 2009, St Louis University
- BS, 2002, Gonzaga University

Vader, Kira Susan
Senior Lecturer, Full-time, Family Medicine, effective 9/1/2016
Prior UW Appointment:
- Lecturer Part-time, Competitive Recruitment, Family Medicine
Degrees:
- Master of Health Science, 2002, Duke University
- MA, 1999, Fuller Theological Seminary
- BA, 1995, University of Washington

Department of Global Health

Cromwell, Elizabeth Anne
Acting Assistant Professor, pending Ph.D., Global Health, effective 10/1/2016
Degrees:
- PhD - Expected, 2016, University of North Carolina at Chapel Hill
- MPH, 2008, Emory University
- BA, 2003, DePaul University
Department of Laboratory Medicine
Fink, Susan Leilani
Assistant Professor without Tenure, Laboratory Medicine, effective 9/1/2016
Degrees:
- MD, 2009, University of Washington-Seattle Campus
- PhD, 2007, University of Washington-Seattle Campus
- BS, 1999, University of Hawaii

Department of Medicine
Doulatov, Sergei
Assistant Professor without Tenure, Medicine, effective 9/1/2016
Degrees:
- PhD, 2010, University of Toronto
- BS, 2004, University of California-Los Angeles

Kiefer, Meghan Mullarkey
Assistant Professor without Tenure, Medicine, effective 9/1/2016
Prior UW Appointment:
- Acting Assistant Professor, temporary, Medicine
Degrees:
- MPH, 2014, University of Washington
- MD, 2009, University of Washington
- AB, 2002, Princeton University

O'Hearn, Daniel James
Associate Professor without Tenure, Medicine, effective 8/1/2016
Degrees:
- MD, 1991, SUNY Health Science Center at Syracuse
- BS, 1987, University of Notre Dame

Peterson, Christopher William
Research Assistant Professor, Medicine, effective 9/1/2016
Degrees:
- PhD, 2010, University of Utah
- BS, 2002, University of North Carolina (Chapel Hill)

Phipps, Warren Theodore
Assistant Professor without Tenure, Medicine, effective 9/1/2016
Prior UW Appointment:
- Acting Assistant Professor, temporary, Medicine
Degrees:
- MPH, 2009, University of Washington
- MD, 2002, Harvard University
- BA, 1993, Yale University
Department of Neurology
Morgan, Lindsey Anne
Assistant Professor without Tenure, Neurology, effective 9/1/2016
Degrees:
- MD, 2009, Wayne State University
- BS, 2004, University of Michigan-Ann Arbor

Department of Orthopaedics and Sports Medicine
Sousa, Ted Carr
Assistant Professor without Tenure, Orthopaedics and Sports Medicine, effective 10/1/2016
Degrees:
- MD, 2009, University of Washington
- BA, 2003, University of Southern California

Verma, Kushagra
Assistant Professor without Tenure, Orthopaedics and Sports Medicine, effective 9/26/2016
Degrees:
- MD, 2010, New York University
- MS, 2005, New York University
- BS, 2004, Cornell University

Department of Pediatrics
Coker, Tumaini Rucker
Associate Professor without Tenure, Pediatrics, effective 10/1/2016
Degrees:
- MBA, 2001, University of California-Los Angeles
- MD, 2001, University of California-Los Angeles
- BA, 1995, Stanford University

Tarlock, Katherine G.
Assistant Professor without Tenure, Pediatrics, effective 9/1/2016
Prior UW Appointment:
- Acting Instructor, Pediatrics
Degrees:
- MD, 2008, Rosalind Franklin University of Medicine and Science
- BA, 2002, Stanford University
Department of Psychiatry and Behavioral Sciences
Guttmannova, Katarina
Assistant Professor without Tenure, Psychiatry and Behavioral Sciences, effective 9/1/2016
Degrees:
- PhD, 2004, University of Montana
- MA, 2001, University of Montana
- BA, 1997, Slippery Rock University

Seibert, Jennifer Kreisher
Assistant Professor without Tenure, Psychiatry and Behavioral Sciences, effective 9/1/2016
Degrees:
- MD, 2004, University of Chicago
- BA, 2000, Tulane University
- BS, 2000, Tulane University

Department of Radiology
Shivaram, Giridhar Mysore
Assistant Professor without Tenure, Radiology, effective 9/1/2016
Prior UW Appointment:
- Acting Assistant Professor, temporary, Radiology
Degrees:
- MD, 2007, Stanford University
- AM, 2001, Harvard University
- AB, 2000, Harvard University

Wright, Jason Neal Nixon
Assistant Professor without Tenure, Radiology, effective 9/1/2016
Prior UW Appointment:
- Acting Assistant Professor, temporary, Radiology
Degrees:
- MD, 2006, Chicago Medical School
- BS, 1999, Duke University

Department of Rehabilitation Medicine
Bunnell, Aaron Elijah
Assistant Professor without Tenure, Rehabilitation Medicine, effective 9/1/2016
Prior UW Appointment:
- Acting Assistant Professor, temporary, Rehabilitation Medicine
Degrees:
- MD, 2008, University of California (San Francisco)
- BA, 1998, Stanford University
Matsuda, Patricia A  
**Assistant Professor without Tenure, Rehabilitation Medicine, effective 9/1/2016**  
Prior UW Appointment:  
- Acting Assistant Professor, temporary, Rehabilitation Medicine  
Degrees:  
- PhD, 2010, University of Washington  
- BS, 1982, University of Washington

Rundell, Sean Daniel  
**Assistant Professor without Tenure, Rehabilitation Medicine, effective 9/1/2016**  
Prior UW Appointment:  
- Acting Assistant Professor, temporary, Rehabilitation Medicine  
Degrees:  
- PhD, 2014, University of Washington  
- MS, 2011, University of Washington  
- Doctorate Of Physcial Therapy, 2005, Duke University  
- BS, 2002, University of Wisconsin (Madison)

Department of Surgery  
Kao, Dennis Shun Jen  
**Assistant Professor without Tenure, Surgery, effective 9/1/2016**  
Degrees:  
- MD, 2003, The University of Texas Medical Branch  
- BSC, 1998, University of Washington-Seattle Campus

Sousa, Janelle Dubbins  
**Assistant Professor without Tenure, Surgery, effective 10/1/2016**  
Degrees:  
- MD, 2009, University of Washington  
- BA, 2005, University of Washington

School of Public Health  
Department of Global Health  
Cromwell, Elizabeth Anne  
**Acting Assistant Professor, pending Ph.D., Global Health, effective 10/1/2016**  
Degrees:  
- PhD - Expected, 2016, University of North Carolina at Chapel Hill  
- MPH, 2008, Emory University  
- BA, 2003, DePaul University
University of Washington, Bothell
UW Bothell School of Business
Von Nordenflycht, Andrew
Visiting Associate Professor, School of Business, Bothell, effective 9/16/2016
Degrees:
  • PhD, 2004, Massachusetts Institute of Technology
  • BA, 1991, Stanford University

UW Bothell School of Interdisciplinary Arts and Sciences
Ferreira, Silvia Costa
Lecturer, Full-time, School of Interdisciplinary Arts and Sciences, Bothell, effective 9/1/2016
Degrees:
  • PhD, 2016, University of California-Santa Barbara
  • MA, 2011, University of California-Santa Barbara
  • BA, 2009, Dartmouth College
STANDING COMMITTEES

Academic and Student Affairs Committee

Charting Our Course: UW Tacoma Strategic Plan 2016-2021

INFORMATION

This item is for information only.

BACKGROUND

It began with a question, “What positive role can UW Tacoma play in achieving your aspirations?” This presentation will provide an update on the UW Tacoma strategic planning process, beginning in the summer of 2015 to its completion and subsequent implementation.

As an urban-serving university we expand access to higher education in an environment where every student has the opportunity to succeed. We foster scholarship, research and creativity to address the challenging problems of our time and place. We catalyze the economic and social vitality of the region and we partner and collaborate for common good. We value access, excellence in teaching, diversity, innovation and deep connections with our community.

Through our planning process we identified six impact goals. These goals will drive our future actions. Co-champions will move the plan forward by identifying and highlighting plan-aligned work, prioritizing and supporting unit-level and campus-level new initiatives, realigning existing resources and identifying possible new ones and finally evaluating the plan progress and identifying and filling in gaps.

We bring an asset-based focus to the goal of empowering our diverse student population to achieve their goals and dreams.

Attachments
Charting Our Course Strategic Plan 2016-2021
Presenters’ Biographical Information
CHARTING OUR COURSE
Strategic Plan 2016-2021
New Chancellor’s Vision, Education, Career Experience, Knowledge and Ideas in Higher Ed and USU, Campus Advocacy

WA State, UW BOR, UW Seattle, UW Bothell, President, Provost, UWT Advisory Board, Tacoma & Puget Sound Communities and organizations

Global, National and State Issues in the Disciplines & Service Areas, Faculty Executive Council, ASUWT, UWTSA

Listening Tour, UWT 2007-17 Strategic Plan, Transforming Tacoma, 2016 UWT Campaign, ROADMAP – WA’s 10-Year Plan,

UW TACOMA Shared Vision

Tacoma Historic Warehouse District

Historical Strengths and Foundational Tenets of UWT
STRATEGIC PLANNING PROCESS

- Organized summer 2015 – Kicked off fall 2015
- Planning committee was comprised of staff, faculty, students, and community members and worked together across campus and around the community
- Open, inclusive and transparent
- Refined the vision, mission and values
- Created impact goals, success indicators, and framework for implementation
DRAFT TIMELINE 2015/16

NOV
- Stakeholders answer the Big Question

DEC
- CREATE Vision

JAN
- IDENTIFY Strategic Priorities
- IDENTIFY Wildly Important Goals

FEB
- SELECT Initiatives

MAR
- Targeted Stakeholder Consultation

APR
- DRAFT Strategic Plan

MAY
- Stakeholder Feedback

JUN
- FINALIZE Strategic Plan

SUMMER
- ASSESS Resource Requirements
- CREATE 2016/17 Action Plan
- ESTABLISH Monitoring Team

AUTUMN
- Monday, October 17th 3:30-5:00 pm
  ROLL-OUT
THE BIG QUESTION

As an urban-serving university, what positive role can UW Tacoma play in achieving your aspirations?

- Students
- Faculty
- Staff
- Community members
- Alumni

More than 1,000 responses and 65 facilitated discussions
PLAN FOCUS

- UW Tacoma’s compelling urban-serving mission came into sharper focus
- Our passion for access was added as a central value for UW Tacoma (Compass rose idea was born)
- A commitment to meaningful, measurable results was solidified
VISION

The University of Washington Tacoma fosters a thriving and equitable society by educating diverse learners and expanding knowledge through partnership and collaboration with all our communities.
MISSION

As an urban serving university, we:

- Expand access to higher education in an environment where every student has the opportunity to succeed.
- Foster scholarship, research and creativity to address the challenging problems of our time and place.
- Catalyze the economic and social vitality of the region.
- Partner and collaborate for common good.
CONNECTION TO UW STRATEGIC PLAN

- Shared core values
- Focus on students and collaboration
- Impact goals linked to UW key initiatives in:
  - Community Engagement
  - Husky Experience
  - Race & Equity
  - Teaching & Learning
  - Population Health
IMPACT GOALS

Dr. Bonnie Becker
Co-Chair, Strategic Planning Steering Committee
Associate Professor, School of Interdisciplinary Arts & Sciences
STUDENTS

The UW Tacoma experience empowers students to achieve their dreams.
We champion publicly-engaged scholarship.
COMMUNITIES

Our community partnerships are transformational and synergistic.
EQUITY

We are grounded in social justice and embrace the assets of our diverse communities.
CULTURE

Our campus is respectful, productive and inclusive.
GROWTH

Our innovation drives our growth, energizing us and our region.
THREE CRITICAL FACTORS NECESSARY FOR A STRATEGIC PLAN TO SUCCEED

1. Performance and health of the organization
   IQ (Institutional Quotient)

2. Motivation and the role of the leadership
   MQ (Motivational Quotient)

3. Alignment or “putting it into practice”
   EQ (Executional Quotient)

(Adapted from: Steven Aronowitz, Associate principal, McKinsey Co)
IMPLEMENTATION

- Coordinating Committee led by Kathleen Farrell and Marcie Lazzari
- Co-champions for each of the six impact goals as well as three constituent representatives
- Identify and highlight “plan-aligned” work (Braiding)
- Prioritize and support unit-level and campus-level new initiatives
- Realign existing resources and Identify possible new ones
- Evaluate plan progress and identify and fill in gaps
IMPLEMENTATION

Implementation process needs to be clear, simple, and easily blended into normal work flow

Inform Decisions

Feedback

Initiatives

VCs / Units / Governance / Communities Groups

Execution

(Specific Initiatives and SP - inform daily work)
WHERE OUR STUDENTS COME FROM
AUTUMN 2016 ENROLLMENT BY ETHNICITY

- 48% of students come from minority backgrounds. (29.5% of Pierce County residents come from minority backgrounds)
- 24% of students come from underrepresented minority backgrounds

Autumn 2016 Enrollment by Ethnicity and Race

- Caucasian: 43%
- Asian: 21%
- Hispanic/Latino/a: 13%
- Pacific Islander: 2%
- African American: 10%
- Native American: 2%
- International: 7%
- Not Indicated: 2%
RallyPoint/6 is a partnership between UW Tacoma, Metropolitan Development Council, and 9 other Pierce County colleges to help veterans navigate postsecondary options and employment resources. An education services navigator position is jointly funded.
Pathways to Promise is an outreach and admission partnership between UW Tacoma and the following school districts:

- Bethel School District
- Kent School District and King County Housing Authority
- Federal Way Public Schools
- Franklin Pierce School District
- Puyallup School District
- Tacoma Public Schools
- Tahoma School District

The partnerships features early outreach, college planning, and assured admissions.
Currently Enrolled Transfer Students by Last Institution:
Pierce College and Tacoma Community College Combined

- Pierce College and Tacoma Community College: 34%
- All Other Institutions: 66%
IMPACT GOALS

STUDENTS
The UW Tacoma experience empowers students to achieve their dreams.

EQUITY
We are grounded in social justice and embrace the assets of our diverse communities.
TAKE AN ASSET-BASED APPROACH

How do we help college students who find it hard to get involved, who have doubts about their ability to succeed or who have been invalidated in the past to succeed?
ASSET-BASED APPROACHES AT UW TACOMA

> Faculty Assembly

> Student Leadership Development

> Student Success Task Force
ASSET-BASED APPROACHES IN THE FIRST YEAR

Low-income, first-generation students and ‘traditional’ students experience transitions to college very differently

(Rendón 1994)
VALIDATION THEORY
(Rendón & Muñoz 2011)

> Intentional, proactive affirmation

> Validate personal identities inside and outside the classroom

> Developmental process

> Early experiences most critical
GALLUP STRENGTHSQUEST

> Help students discover, understand, and optimize their strengths

> Identify skills, talents and knowledge (strengths)

> 5 unique talent themes
2016 PILOT: STRENGTHSQUEST FOR FRESHMEN

> Cross-Campus Partners
  – Student Transition Programs
    > New Student & Family Programs
    > Career Development
  – Academic Advising Center
  – Office of Undergraduate Education
Exploring my strengths helped me feel more confident about my potential for success in college (n = 368)
The most helpful thing about exploring my strengths was...

> Learning about myself (63%)
> Learning about my strengths (46%)
> Learning something new about myself (32%)

“Bringing out my strengths as something more obvious. I didn't really see these strengths before and now I do!”

“Knowing what my strengths really are could help me be more interactive with my community”

“I got to learn more about myself and what might help me succeed in college”
ASSET-BASED APPROACHES: WHAT’S NEXT?

> Freshmen Strengths-based events through the school year
> Revisiting Strengths at Freshmen re-orientation in Spring
> Comparing persistence of students who participated in Jump Start to those who did not
> Expanding to all incoming new students
Presenters’ biographical information

Dr. Bonnie Becker, Associate Dean of Curriculum and Academic Initiatives and Associate Professor
Bonnie is an associate professor in marine ecology at UW Tacoma in the School of Interdisciplinary Arts and Sciences since 2006. Her research focuses on marine conservation biology, including invertebrate larval connectivity, remediation and restoration, and habitat monitoring. She teaches courses focused on ecology, zoology, and conservation biology and she is interested in experiential-and service-based learning in undergraduate education. Bonnie served as co-chair of the Strategic Planning Steering Committee 2015-2016. She is now on a well-deserved sabbatical.

Amanda Figueroa, Director of Student Transitions Programs
Amanda Figueroa is the Director of Student Transition Programs at the University of Washington Tacoma, where she leads Pre-College Programs, New Student and Family Programs, and Career Development. Amanda’s professional experience has centered on advocating for equity in education, and creating bridges between universities, K-12, and informal learning environments, with a special emphasis on STEM. Amanda has a BS in Biological Sciences (2003) and a MS in Aquatic and Fisheries Science (2010), both from the University of Washington.

Karl Smith, Associate Vice Chancellor for Student and Enrollment Services and Chief Admissions Officer
Karl Smith earned a Bachelor of Arts degree in mathematics and a Masters in Teaching from the University of Washington. His career started in the UW Office of Minority Affairs & Diversity as an outreach and recruitment coordinator in 2001. Currently Karl Smith is the Co-Interim Associate Vice Chancellor for Student and Enrollment Services/Chief Admissions Officer at the University of Washington Tacoma. In his current role Karl scope of responsibility includes the offices of admissions, registrar, financial aid, and student transition programs at UW Tacoma. Karl has worked at the UW since 2001 and has become a highly-valued member of the University of Washington community.
STANDING COMMITTEES

Academic and Student Affairs Committee

Analytics for Students’ Success

INFORMATION

An update on the development of predictive analytics for promoting students’ success and retention. Our general strategy and a specific application at UW-Tacoma will be presented.

BACKGROUND

Predictive analytics involves the use of data to predict future outcomes. This area of data science has found wide application in a variety of fields from health care to credit ratings. In contrast, applications in higher education are just beginning to emerge. The UW has been developing a predictive analytics platform in collaboration with Civitas, a vendor who is an emerging leader in the area of predictive analytics for student success and retention. This presentation will provide an overall description of our efforts to date.

Employing data from the student database and our learning management system (Canvas), we are now using predictive analytics to learn more about issues that impact student retention. As a specific example, UW-Tacoma has found that the number of days a student enrolls before the start of a term is a strong indicator of persistence, with students registering right before classes start being at higher risk for leaving. Based on this finding, UW-Tacoma is now employing “nudges” through text messaging targeted at students who have not registered and encouraging them to register. As a result, they have seen a substantial increase in enrollment. This represents the first “insights into action” program to emerge from predictive analytics, with many more to follow.

Attachments
Analytics for Students’ Success
Presenter’s Biographical Information
Analytics for Students’ Success

Philip J. Reid
Vice Provost, Academic & Student Affairs
Deputy CIO
Professor of Chemistry
UW-Seattle

Melissa Lavitt
Executive Vice Chancellor, Academic Affairs
UW-Tacoma
Predictive Analytics and Higher Ed.

- Predictive Analytics: “Data mining” to develop predictions of outcomes.
- Applications in higher education are emerging. Employed extensively in other areas (for example, health care, credit ratings, etc.).
- Can we employ predictive analytics to promote student success and retention?
Learning Management Systems (LMS) provide a rich source of data regarding student engagement.
INSIGHT: CHANGE IN GPA IS A STRONG INDICATOR FOR PERSISTENCE

- Seattle Campus full-time undergraduates
- Decrease in quarter GPA of 0.3 to 1.0 relative to cumulative GPA is indicative of increased risk of not persisting.
INSIGHT: CHANGE IN GPA IS A STRONGER INDICATOR FOR “HIGH GPA” STUDENTS

Finding students that you normally wouldn’t!
THE UNIVERSITY OF WASHINGTON TACOMA

• Urban-Serving
• Majority First Generation
• Majority Financially Pell-Eligible
• Majority > 21 years
• Minority Caucasian
UW-TACOMA AND STUDENT ATTRITION

EACH YEAR, UW TACOMA LOSES:

• 25-30% of First Year Students
• 10-15% of Second Year
• 3-5% of Our Near-Completers

80% of these losses are students in good academic standing
Autumn 2015

UW Tacoma Census Day Student Profile

For autumn 2015, the UW Tacoma welcomed 4,629 students to campus. This count reflects all students served, and includes those students having Seattle or Bothell majors, as well as students auditing a UW Tacoma course. However, this report is based on autumn census day tallies of students having a UW Tacoma major and enrolled in credit bearing courses for the 2015 autumn quarter (n=4600).

All Students by Class Standing

<table>
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<tr>
<th></th>
<th>First-Year</th>
<th>Sophomore</th>
<th>Junior</th>
<th>Senior</th>
<th>Post-Baccalaureate</th>
<th>Graduates</th>
<th>Non-Matriculated</th>
<th>Grand Total</th>
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<td></td>
<td>Count</td>
<td>Percent</td>
<td>Count</td>
<td>Percent</td>
<td>Count</td>
<td>Percent</td>
<td>Count</td>
<td>Percent</td>
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<tr>
<td>Female</td>
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<td>50.4%</td>
<td>321</td>
<td>50.9%</td>
<td>103</td>
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<td>220</td>
<td>49.6%</td>
<td>310</td>
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<td>106</td>
<td>48.9%</td>
<td>39</td>
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<td>631</td>
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<td>100.0%</td>
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<td>3.4%</td>
<td>7</td>
<td>3.4%</td>
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<td>American Indian</td>
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<td>Asian American</td>
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<td>18.4%</td>
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<td>245</td>
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<td>46.8%</td>
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<td>Hispanic or Latino</td>
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<td>21.5%</td>
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<td>20 and younger</td>
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<td>207</td>
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<td>356</td>
<td>24.6%</td>
<td>100</td>
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<td>21 to 24</td>
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<td>211</td>
<td>33.4%</td>
<td>968</td>
<td>65.9%</td>
<td>90</td>
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<td>92</td>
<td>6.4%</td>
<td>87</td>
<td>7.1%</td>
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<td>10</td>
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<td>1.9%</td>
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<td>10</td>
<td>0.8%</td>
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<td>0</td>
<td>0.0%</td>
<td>0</td>
<td>0.0%</td>
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</table>

From Reporting...
To Discovery and Dynamic Data: Who, When...
AND Why
Digging Deeper with Paired Predictors: Even our highest GPA students will struggle if they register <4 days before quarter start:
MOVING DYNAMIC DATA INTO ACTION

The Mobile Nudge: Sending all lower division students still not registered cell phone nudges each week Aug 15-Sep 22.

36% came back to register > 1 week before classes started
Presenter’s Biographical Information

Dr. Melissa Lavitt, Executive Vice Chancellor for Academic Affairs

Melissa Lavitt began serving as UW Tacoma’s Executive Vice Chancellor for Academic Affairs in January, 2016. As chief academic officer, she is responsible for leading and overseeing the academic enterprise on campus. She brings over 15 years of leadership experience to this position, primarily from her experiences on urban-serving campuses.

Before coming to UW Tacoma she served as the Senior Associate Vice Chancellor for Academic Affairs at Indiana University Purdue University Indianapolis (IUPUI) and as dean of the College of Social Sciences & Public Affairs at Boise State University.

Dr. Lavitt received her baccalaureate degree with honors from the University of Chicago, and her Master of Social Work and Ph.D. in social work from Tulane University. She began her academic career at Arizona State University, where she earned tenure in Social Work. Her research interests include public scholarship, and civically engaged research and teaching in urban settings.
STANDING COMMITTEES

Finance and Asset Management Committee

UW Advancement Report of Contributions

INFORMATION

This item is being presented for information only.

OVERVIEW

This is a standing report presented to the Board on an annual basis.

Attachment
Report of Contributions, All Areas, June 2016
Report of Contributions
All Areas | June 2016
# ANNUAL PROGRESS BY CONSTITUENCY

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<th>School</th>
<th>Current Month</th>
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<td>Gifts</td>
<td>Private Grants</td>
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<td>UW Medicine</td>
<td>$701,865</td>
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<td>Academic Student Affairs</td>
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<tr>
<td>Broadcast Services</td>
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<td>$0</td>
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<tr>
<td>Built Environments</td>
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<td>Business School</td>
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1 Donors are defined as those entities who have a credit amount of greater than $0.00.

The donor total at the bottom of the chart is not a cumulative total of the rows above. The donor total is the number of unique donors who have been credited with a gift to the UW during the given time period.

## MONTHLY HIGHLIGHTS

The UW received $57.96M in total private voluntary support ($31.40M in gifts and $26.56M in grants) in the current month.

Areas including UW Medicine, Academic Student Affairs, Arts and Sciences, Broadcast Services, Built Environments, Dentistry, Education, Environment, Evans School Of Pub. Policy & Governance, Information School, Libraries, Nursing, Public Health, Social Work and UW Bothell are ahead of last year’s year-to-date totals.
# DEVELOPMENT SUMMARY BY CONSTITUENCY

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<th>School/Unit</th>
<th>Current Month</th>
<th>Year to Date</th>
<th>Prior Year to Date</th>
<th>Prior Year Total</th>
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</table>

1 The donor total at the bottom of the chart is not a cumulative total of the rows above. The donor total is the number of unique donors who have been credited with a gift to the UW during the given time period.
### FISCAL YEAR COMPARISON OF TOTAL CONTRIBUTIONS

#### Complete Fiscal Year

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Gifts</th>
<th>Private Grants</th>
<th>Total</th>
<th>Donors</th>
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<td>$249,447,284</td>
<td>$292,979,644</td>
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<tr>
<td>2014-2015</td>
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<td>$448,719,680</td>
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<tr>
<td>2013-2014</td>
<td>$255,768,878</td>
<td>$226,683,441</td>
<td>$482,452,318</td>
<td>108,696</td>
</tr>
<tr>
<td>2012-2013</td>
<td>$191,414,335</td>
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<tr>
<td>2011-2012</td>
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<td>$151,112,612</td>
<td>$313,101,782</td>
<td>111,145</td>
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<tr>
<td>2010-2011</td>
<td>$170,201,978</td>
<td>$164,435,696</td>
<td>$334,637,675</td>
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<tr>
<td>2009-2010</td>
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<td>$150,852,357</td>
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</tr>
<tr>
<td>2008-2009</td>
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<td>$175,713,667</td>
<td>$324,078,477</td>
<td>109,083</td>
</tr>
<tr>
<td>2007-2008</td>
<td>$180,735,444</td>
<td>$124,224,214</td>
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<tr>
<td>2006-2007</td>
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<td>$302,889,584</td>
<td>105,353</td>
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#### Year-to-Date

<table>
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<th>Gifts</th>
<th>Private Grants</th>
<th>Total</th>
<th>Donors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-2016</td>
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<tr>
<td>2014-2015</td>
<td>$227,023,680</td>
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<td>2013-2014</td>
<td>$255,768,878</td>
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<td>2012-2013</td>
<td>$191,414,335</td>
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<td>2011-2012</td>
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<td>2010-2011</td>
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<td>2009-2010</td>
<td>$135,776,462</td>
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<td>$148,364,809</td>
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<td>2007-2008</td>
<td>$180,735,444</td>
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<td>2006-2007</td>
<td>$176,490,215</td>
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Source: University Advancement, Information Management Report # Baltman_16077
ANNUAL FUNDING THEME PROGRESS

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<td>Program Support for Faculty and Students</td>
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DEVELOPMENT ACTIVITY BY DONOR TYPE

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<thead>
<tr>
<th>Donor Type</th>
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<th>Prior Year to Date</th>
<th>Prior Fiscal Year</th>
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<td>Donors</td>
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DEVELOPMENT ACTIVITY PYRAMID

Donor Count: 143,828
Fiscal Year Total: $542,426,927

(07/01/2015 - 06/30/2016)
Source: University Advancement, Information Management Report # saltman_16077
F-1.1/210-16
10/13/16
# ANNUAL PROGRESS BY GIVING LEVEL

<table>
<thead>
<tr>
<th>Giving Level</th>
<th>Alumni</th>
<th>Non Alumni</th>
<th>Family Fndns.</th>
<th>Corporations</th>
<th>Foundations</th>
<th>Other Orgs.</th>
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<td><strong>$172,434,609</strong></td>
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<td><strong>$542,426,927</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Giving Level</th>
<th>Alumni</th>
<th>Non Alumni</th>
<th>Family Fndns.</th>
<th>Corporations</th>
<th>Foundations</th>
<th>Other Orgs.</th>
<th>Total</th>
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<td><strong>50,960</strong></td>
<td><strong>88,997</strong></td>
<td><strong>226</strong></td>
<td><strong>2,464</strong></td>
<td><strong>483</strong></td>
<td><strong>698</strong></td>
<td><strong>143,828</strong></td>
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### Alumni Participation by Constituency (Current Fiscal Year)

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<th>Area</th>
<th>Solicitable</th>
<th>To UW</th>
<th>To Unit</th>
<th>Year to Date</th>
<th>Year to Date</th>
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<td></td>
<td></td>
<td>Donors</td>
<td>Part Rate</td>
<td>Donors</td>
<td>Part Rate</td>
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<td>5.91%</td>
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### Alumni Participation by Constituency (Previous Fiscal Year)

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<th>Year to Date</th>
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<td>Donors</td>
<td>Donors</td>
<td>Part Rate</td>
<td>Part Rate</td>
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<td>UW Medicine</td>
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<td>3,102</td>
<td>14.74%</td>
<td>2,015</td>
<td>9.57%</td>
</tr>
<tr>
<td>Arts and Sciences</td>
<td>164,530</td>
<td>19,201</td>
<td>11.67%</td>
<td>16,509</td>
<td>10.03%</td>
<td>4,671</td>
<td>2.84%</td>
</tr>
<tr>
<td>Business School</td>
<td>42,011</td>
<td>6,994</td>
<td>16.65%</td>
<td>5,851</td>
<td>13.93%</td>
<td>1,986</td>
<td>4.73%</td>
</tr>
<tr>
<td>Built Environments</td>
<td>9,103</td>
<td>1,306</td>
<td>14.35%</td>
<td>1,145</td>
<td>12.58%</td>
<td>464</td>
<td>5.10%</td>
</tr>
<tr>
<td>Dentistry</td>
<td>4,841</td>
<td>930</td>
<td>19.21%</td>
<td>861</td>
<td>17.79%</td>
<td>449</td>
<td>9.27%</td>
</tr>
<tr>
<td>Education</td>
<td>18,861</td>
<td>3,020</td>
<td>16.01%</td>
<td>2,621</td>
<td>13.90%</td>
<td>406</td>
<td>2.15%</td>
</tr>
<tr>
<td>Engineering</td>
<td>35,889</td>
<td>4,529</td>
<td>12.62%</td>
<td>3,956</td>
<td>11.02%</td>
<td>2,010</td>
<td>5.60%</td>
</tr>
<tr>
<td>Environment</td>
<td>12,559</td>
<td>1,630</td>
<td>12.98%</td>
<td>1,444</td>
<td>11.50%</td>
<td>651</td>
<td>5.18%</td>
</tr>
<tr>
<td>Evans School Of Pub. Policy &amp; Interdisc. Grad. Programs</td>
<td>3,436</td>
<td>712</td>
<td>20.72%</td>
<td>598</td>
<td>17.40%</td>
<td>216</td>
<td>6.29%</td>
</tr>
<tr>
<td>Interschools Undergrad. Programs</td>
<td>2,764</td>
<td>348</td>
<td>12.59%</td>
<td>329</td>
<td>11.90%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Alumni Participation by Constituency (All Areas)

<table>
<thead>
<tr>
<th>Area</th>
<th>Solicitable</th>
<th>To UW</th>
<th>To Unit</th>
<th>Year to Date</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Donors</td>
<td>Part Rate</td>
<td>Donors</td>
<td>Part Rate</td>
</tr>
<tr>
<td>UW Medicine</td>
<td>374,540</td>
<td>56,960</td>
<td>13.61%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: University Advancement, Information Management Report # baltman_16077

(07/01/2015 - 06/30/2016)
The University of Washington Alumni Association is the broad-based engagement vehicle for University Advancement and the University of Washington. Through its strategically designed programs, the UW Alumni Association invites alumni, donors and friends to engage in the life of the UW. Research indicates that engaged alumni and friends are more inclined to support the University and its students. The UW Alumni Association is proud to develop a solid base of support for the University of Washington.

**UWAA Member Giving by Constituency**

<table>
<thead>
<tr>
<th>School</th>
<th>Solicitable Alumni</th>
<th>Members</th>
<th>Member Donors</th>
<th>Alumni Giving</th>
<th>Members</th>
<th>Non Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>UW Medicine</td>
<td>21,457</td>
<td>1,987</td>
<td>1,012</td>
<td>50.93%</td>
<td>33.42%</td>
<td></td>
</tr>
<tr>
<td>Arts and Sciences</td>
<td>169,188</td>
<td>19,318</td>
<td>6,671</td>
<td>34.53%</td>
<td>7.01%</td>
<td></td>
</tr>
<tr>
<td>Business School</td>
<td>42,947</td>
<td>7,351</td>
<td>3,088</td>
<td>42.01%</td>
<td>9.31%</td>
<td></td>
</tr>
<tr>
<td>Built Environments</td>
<td>9,345</td>
<td>1,177</td>
<td>493</td>
<td>41.89%</td>
<td>11.36%</td>
<td></td>
</tr>
<tr>
<td>Dentistry</td>
<td>4,910</td>
<td>904</td>
<td>416</td>
<td>46.02%</td>
<td>8.21%</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>19,768</td>
<td>2,826</td>
<td>1,162</td>
<td>41.12%</td>
<td>10.96%</td>
<td></td>
</tr>
<tr>
<td>Engineering</td>
<td>36,761</td>
<td>4,540</td>
<td>1,639</td>
<td>36.10%</td>
<td>7.84%</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>12,912</td>
<td>1,456</td>
<td>480</td>
<td>32.97%</td>
<td>8.70%</td>
<td></td>
</tr>
<tr>
<td>Evans School Of Pub. Policy &amp; Govern</td>
<td>3,640</td>
<td>367</td>
<td>94</td>
<td>40.00%</td>
<td>10.84%</td>
<td></td>
</tr>
<tr>
<td>Interdisc. Grad. Programs</td>
<td>2,919</td>
<td>235</td>
<td>94</td>
<td>40.00%</td>
<td>10.84%</td>
<td></td>
</tr>
<tr>
<td>Interschool Programs</td>
<td>2,786</td>
<td>498</td>
<td>184</td>
<td>36.55%</td>
<td>7.91%</td>
<td></td>
</tr>
<tr>
<td>Information School</td>
<td>6,140</td>
<td>787</td>
<td>305</td>
<td>38.75%</td>
<td>12.11%</td>
<td></td>
</tr>
<tr>
<td>Law</td>
<td>9,211</td>
<td>1,090</td>
<td>565</td>
<td>51.83%</td>
<td>13.35%</td>
<td></td>
</tr>
<tr>
<td>School of Nursing</td>
<td>9,537</td>
<td>1,293</td>
<td>559</td>
<td>43.23%</td>
<td>12.30%</td>
<td></td>
</tr>
<tr>
<td>Pharmacy</td>
<td>4,096</td>
<td>600</td>
<td>278</td>
<td>46.33%</td>
<td>11.67%</td>
<td></td>
</tr>
<tr>
<td>Public Health</td>
<td>6,099</td>
<td>469</td>
<td>200</td>
<td>42.64%</td>
<td>11.53%</td>
<td></td>
</tr>
<tr>
<td>Social Work</td>
<td>7,471</td>
<td>620</td>
<td>248</td>
<td>40.00%</td>
<td>10.60%</td>
<td></td>
</tr>
<tr>
<td>UW Bothell</td>
<td>13,870</td>
<td>1,003</td>
<td>218</td>
<td>21.73%</td>
<td>4.13%</td>
<td></td>
</tr>
<tr>
<td>UW Tacoma</td>
<td>15,159</td>
<td>919</td>
<td>175</td>
<td>19.04%</td>
<td>3.09%</td>
<td></td>
</tr>
<tr>
<td>Unspecified</td>
<td>8,347</td>
<td>1,540</td>
<td>580</td>
<td>37.66%</td>
<td>7.61%</td>
<td></td>
</tr>
<tr>
<td>Non-Alumni</td>
<td>10,100</td>
<td>1,090</td>
<td>565</td>
<td>51.83%</td>
<td>13.35%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>374,548</strong></td>
<td><strong>56,984</strong></td>
<td><strong>23,738</strong></td>
<td><strong>40.78%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Alumni Activity**

- 1 in 3.5 registrants at 2010 UW events were UWAA members
- 1 in 25 registrants at 2010 UW events were UW donors
- 3 in 4 registrants at 2010 UW events were Solicitable Alumni
- 1 in 25 UWAA members attended a 2010 UW event
- 1 in 3 2009-2010 Football/Basketball season ticket holders were UWAA members
- 1 in 7 UWAA members were 2009-2010 Football/Basketball season ticket holders

**Top 10 Membership by Class Year**

<table>
<thead>
<tr>
<th>Class Year</th>
<th>Part. Rate</th>
<th>Class Year</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>21.41%</td>
<td>1971</td>
<td>1,101</td>
</tr>
<tr>
<td>1954</td>
<td>20.30%</td>
<td>1973</td>
<td>1,065</td>
</tr>
<tr>
<td>1953</td>
<td>20.14%</td>
<td>1974</td>
<td>1,041</td>
</tr>
<tr>
<td>1959</td>
<td>19.99%</td>
<td>1970</td>
<td>1,036</td>
</tr>
<tr>
<td>1956</td>
<td>19.32%</td>
<td>1972</td>
<td>1,025</td>
</tr>
<tr>
<td>1960</td>
<td>19.25%</td>
<td>1976</td>
<td>1,020</td>
</tr>
<tr>
<td>1961</td>
<td>19.21%</td>
<td>1975</td>
<td>991</td>
</tr>
<tr>
<td>1950</td>
<td>18.91%</td>
<td>1977</td>
<td>951</td>
</tr>
<tr>
<td>1946</td>
<td>18.50%</td>
<td>1969</td>
<td>909</td>
</tr>
<tr>
<td>1957</td>
<td>18.86%</td>
<td>1968</td>
<td>897</td>
</tr>
</tbody>
</table>

**Activity Participation - Rolling 3 Year Total**

<table>
<thead>
<tr>
<th>School</th>
<th>Participants</th>
<th>Part. Donors</th>
<th>% Donors</th>
<th>Alum Non-Part.</th>
<th>Alum Non-Par Donor</th>
<th>% Non-Part Donor</th>
</tr>
</thead>
<tbody>
<tr>
<td>UW Medicine</td>
<td>5,624</td>
<td>3,460</td>
<td>61.52%</td>
<td>22,779</td>
<td>2,285</td>
<td>10.04%</td>
</tr>
<tr>
<td>Arts and Sciences</td>
<td>20,361</td>
<td>3,029</td>
<td>14.88%</td>
<td>153,424</td>
<td>4,456</td>
<td>2.90%</td>
</tr>
<tr>
<td>Built Environments</td>
<td>2,087</td>
<td>785</td>
<td>37.61%</td>
<td>8,000</td>
<td>477</td>
<td>5.96%</td>
</tr>
<tr>
<td>Business School</td>
<td>9,482</td>
<td>1,965</td>
<td>20.72%</td>
<td>35,397</td>
<td>1,993</td>
<td>5.63%</td>
</tr>
<tr>
<td>Dentistry</td>
<td>2,071</td>
<td>536</td>
<td>25.88%</td>
<td>3,209</td>
<td>209</td>
<td>6.51%</td>
</tr>
<tr>
<td>Education</td>
<td>2,179</td>
<td>157</td>
<td>7.21%</td>
<td>17,742</td>
<td>497</td>
<td>2.80%</td>
</tr>
<tr>
<td>Engineering</td>
<td>3,987</td>
<td>995</td>
<td>24.96%</td>
<td>34,463</td>
<td>2,203</td>
<td>6.39%</td>
</tr>
<tr>
<td>Environment</td>
<td>1,781</td>
<td>648</td>
<td>36.38%</td>
<td>12,026</td>
<td>738</td>
<td>6.14%</td>
</tr>
<tr>
<td>Evans School Of Pub. Policy &amp; Govern</td>
<td>1,567</td>
<td>598</td>
<td>38.16%</td>
<td>2,641</td>
<td>264</td>
<td>10.00%</td>
</tr>
<tr>
<td>Graduate School</td>
<td>2,735</td>
<td>2,293</td>
<td>83.84%</td>
<td>2,715</td>
<td>28</td>
<td>1.03%</td>
</tr>
<tr>
<td>Information School</td>
<td>969</td>
<td>239</td>
<td>24.66%</td>
<td>5,663</td>
<td>436</td>
<td>7.70%</td>
</tr>
<tr>
<td>Law</td>
<td>2,614</td>
<td>896</td>
<td>34.28%</td>
<td>7,296</td>
<td>704</td>
<td>9.65%</td>
</tr>
<tr>
<td>Libraries</td>
<td>675</td>
<td>661</td>
<td>97.93%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nursing</td>
<td>1,288</td>
<td>427</td>
<td>33.15%</td>
<td>8,688</td>
<td>773</td>
<td>8.90%</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>489</td>
<td>267</td>
<td>54.60%</td>
<td>3,873</td>
<td>658</td>
<td>16.99%</td>
</tr>
<tr>
<td>Public Health</td>
<td>1,003</td>
<td>259</td>
<td>25.82%</td>
<td>5,183</td>
<td>263</td>
<td>5.07%</td>
</tr>
<tr>
<td>Social Work</td>
<td>1,146</td>
<td>470</td>
<td>41.01%</td>
<td>6,978</td>
<td>440</td>
<td>6.31%</td>
</tr>
<tr>
<td>UW Bothell</td>
<td>1,662</td>
<td>383</td>
<td>23.04%</td>
<td>13,709</td>
<td>514</td>
<td>3.75%</td>
</tr>
<tr>
<td>UW Tacoma</td>
<td>2,160</td>
<td>1,101</td>
<td>50.97%</td>
<td>15,321</td>
<td>528</td>
<td>3.45%</td>
</tr>
</tbody>
</table>

1 Members include paid Annual Members, Lifetime Members, and TPC Level Donors
2 3 Years consists of any activity since 7/1/2011
3 Activity is based on a unit affiliated Alumni or Donor being labeled as a positive RSVP, host, speaker, or participant at any tracked UW activity.

Source: University of Washington Alumni Association
## DEVELOPMENT SUMMARY BY REGION

<table>
<thead>
<tr>
<th>Region</th>
<th>Current Month</th>
<th>Year to Date</th>
<th>Prior Year to Date</th>
<th>Prior Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Donors</td>
<td>Total</td>
<td>Donors</td>
</tr>
<tr>
<td>Puget Sound</td>
<td>$36,975,413</td>
<td>18,316</td>
<td>$297,750,926</td>
<td>101,311</td>
</tr>
<tr>
<td>Western Washington</td>
<td>$866,372</td>
<td>2,048</td>
<td>$11,426,298</td>
<td>15,521</td>
</tr>
<tr>
<td>Eastern Washington</td>
<td>$124,887</td>
<td>261</td>
<td>$3,082,943</td>
<td>2,956</td>
</tr>
<tr>
<td>Oregon</td>
<td>$51,316</td>
<td>342</td>
<td>$8,613,736</td>
<td>2,281</td>
</tr>
<tr>
<td>Northern California</td>
<td>$3,106,853</td>
<td>451</td>
<td>$27,379,146</td>
<td>3,242</td>
</tr>
<tr>
<td>Southern California</td>
<td>$1,744,424</td>
<td>341</td>
<td>$9,294,721</td>
<td>2,518</td>
</tr>
<tr>
<td>West</td>
<td>$1,870,982</td>
<td>274</td>
<td>$4,202,436</td>
<td>2,020</td>
</tr>
<tr>
<td>Southwest</td>
<td>$562,546</td>
<td>381</td>
<td>$17,188,952</td>
<td>2,455</td>
</tr>
<tr>
<td>Midwest</td>
<td>$1,865,063</td>
<td>408</td>
<td>$21,938,268</td>
<td>2,489</td>
</tr>
<tr>
<td>Northeast</td>
<td>$5,192,126</td>
<td>982</td>
<td>$107,204,906</td>
<td>8,511</td>
</tr>
<tr>
<td>Southeast</td>
<td>$1,597,926</td>
<td>269</td>
<td>$15,670,322</td>
<td>1,635</td>
</tr>
<tr>
<td>Outside Continental US</td>
<td>$37,522</td>
<td>112</td>
<td>$1,377,286</td>
<td>1,036</td>
</tr>
<tr>
<td>China</td>
<td>$50,154</td>
<td>4</td>
<td>$86,178</td>
<td>25</td>
</tr>
<tr>
<td>Japan</td>
<td>$400</td>
<td>6</td>
<td>$107,534</td>
<td>59</td>
</tr>
<tr>
<td>Korea</td>
<td>$100</td>
<td>2</td>
<td>$42,803</td>
<td>20</td>
</tr>
<tr>
<td>Taiwan</td>
<td>$10,035</td>
<td>5</td>
<td>$73,603</td>
<td>25</td>
</tr>
<tr>
<td>International Other</td>
<td>$375,188</td>
<td>184</td>
<td>$7,430,633</td>
<td>941</td>
</tr>
<tr>
<td>Unknown</td>
<td>$3,551,969</td>
<td>114</td>
<td>$9,556,238</td>
<td>1,000</td>
</tr>
</tbody>
</table>

| Total 1              | $57,963,275   | 24,490       | $542,426,927       | 143,828         | $448,719,680       | 107,376          |

1 The donor total at the bottom of the chart is not a cumulative total of the rows above. The donor total is the number of unique donors who have been credited with a gift to the UW during the given time period.
STANDING COMMITTEES

Finance and Asset Management Committee

Capital and Debt Report

INFORMATION ITEM

This item is being presented for information only.

BACKGROUND

This is a standing agenda item.

There have been a number of forecast adjustments to the Active Capital Project Summary (attachment 2) since the last report, as indicated by asterisks. Changes noted below.

- Forecasts have been adjusted for most of the large projects. In all but one case (North Campus Housing) the forecasts are trending in the wrong direction, so we are working on corrective actions.
- Business equity utilization rates dropped very slightly in most projects, but the awards (in $M) continue to rise for all projects.
- This will be the last report to include the Burke Gilman Trail, Denny Hall, and the Police Department Facility, as all three projects have been substantially completed.

Attachments

1. One Capital Plan (2017-2023), Approved 9/8/16
2. Active Capital Project Summary (as of August 31, 2016)
### One Capital Plan (2017-2023)

<table>
<thead>
<tr>
<th>Funding in $ Millions</th>
<th>Project Budget</th>
<th>Project Information</th>
<th>Previous</th>
<th>Project Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total GSF</td>
<td>New GSF</td>
<td>O&amp;M</td>
</tr>
<tr>
<td><strong>STUDENT EXPERIENCE</strong></td>
<td></td>
<td>$2,425</td>
<td>2,000,000</td>
<td>$100</td>
</tr>
<tr>
<td>Improving the Learning Environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Classroom Improvements (6 year plan)</td>
<td>$30</td>
<td>60,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2 Population Health Education Facility (T-Wing addition)</td>
<td>$94</td>
<td>120,000</td>
<td>120,000</td>
<td>1.5</td>
</tr>
<tr>
<td>3 T-Wing Renovation Phase 2 (pre-design)</td>
<td>$2</td>
<td>150,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4 UW Library Storage / Repurpose on-campus space</td>
<td>$15</td>
<td>35,000</td>
<td>13,000</td>
<td>0.2</td>
</tr>
<tr>
<td>5 Schmitz Hall Improvements</td>
<td>$15</td>
<td>80,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6 Evans School - Parrington Hall Remodel</td>
<td>$20</td>
<td>59,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7 Foster School of Business - MacKenzie Hall Replacement</td>
<td>$65</td>
<td>90,000</td>
<td>25,000</td>
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</tr>
<tr>
<td>8 Miller Hall Renovation (predesign / design)</td>
<td>$4</td>
<td>72,500</td>
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<tr>
<td>9 Anderson Hall Renovation (design)</td>
<td>$3</td>
<td>33,500</td>
<td>-</td>
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</tr>
<tr>
<td><strong>Accommodating growth</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>10 Computer Science &amp; Engineering Building 2</td>
<td>$105</td>
<td>130,000</td>
<td>130,000</td>
<td>1.6</td>
</tr>
<tr>
<td>11 College of Engineering - Interdisciplinary Education and Research</td>
<td>$150</td>
<td>200,000</td>
<td>50,000</td>
<td>0.9</td>
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<tr>
<td>12 UW Bothell Phase 4 - Academic STEM Building</td>
<td>$75</td>
<td>105,000</td>
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<td>1.3</td>
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<td>13 UW Bothell Campus Development - Add'l. Academic Space</td>
<td>$30</td>
<td>50,000</td>
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<tr>
<td>14 UW Tacoma Phase 4 - Academic Building</td>
<td>$35</td>
<td>60,000</td>
<td>60,000</td>
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<tr>
<td>15 UW Tacoma Campus Development - Add'l. Academic Space</td>
<td>$20</td>
<td>54,000</td>
<td>54,000</td>
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<tr>
<td><strong>Providing Quality Student Housing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16 Student Housing - North Campus Phase 4b</td>
<td>$140</td>
<td>355,000</td>
<td>150,000</td>
<td>1.1</td>
</tr>
<tr>
<td>17 UW Bothell Housing - Student Housing &amp; Dining</td>
<td>$50</td>
<td>125,000</td>
<td>125,000</td>
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</tr>
<tr>
<td>18 UW Tacoma - Student Housing - Court 17 Acquisition</td>
<td>$24</td>
<td>107,000</td>
<td>65,000</td>
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<tr>
<td>19 UW Tacoma Housing - Private Development</td>
<td>$35</td>
<td>n/a</td>
<td>n/a</td>
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</tr>
<tr>
<td><strong>subtotal:</strong></td>
<td>$912</td>
<td></td>
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</tbody>
</table>

### INNOVATION MINDSET

**Leveraging Interdisciplinary Strengths**

<table>
<thead>
<tr>
<th>Funding in $ Millions</th>
<th>Project Budget</th>
<th>Project Information</th>
<th>Previous</th>
<th>Project Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total GSF</td>
<td>New GSF</td>
<td>O&amp;M</td>
</tr>
<tr>
<td>20 Population Health Sciences Building</td>
<td>$230</td>
<td>300,000</td>
<td>212,000</td>
<td>2.6</td>
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<tr>
<td>21 UW Medicine - South Lake Union Phase 3.3</td>
<td>$197</td>
<td>262,000</td>
<td>262,000</td>
<td>4.5</td>
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<tr>
<td>22 UW Medicine - Harborview Hall Lease</td>
<td>$38</td>
<td>50,000</td>
<td>50,000</td>
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<tr>
<td>23 College of Arts &amp; Sciences - Kincaid Hall Backfill</td>
<td>$15</td>
<td>85,000</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Developing an Innovation District</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>24 Center for Advanced Materials and Clean Energy Technologies</td>
<td>$168</td>
<td>172,000</td>
<td>172,000</td>
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<tr>
<td>25 Industry District Partnership Lab Development</td>
<td>$300</td>
<td>350,000</td>
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<tr>
<td><strong>subtotal:</strong></td>
<td>$948</td>
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### PUBLIC AS A PHILOSOPHY

**Sharing with the Community**

<table>
<thead>
<tr>
<th>Funding in $ Millions</th>
<th>Project Budget</th>
<th>Project Information</th>
<th>Previous</th>
<th>Project Funding</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Total GSF</td>
<td>New GSF</td>
<td>O&amp;M</td>
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<td>26 Burke Museum</td>
<td>$79</td>
<td>102,000</td>
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<td>27 Intellectual House Phase 2</td>
<td>$8</td>
<td>8,200</td>
<td>8,200</td>
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<tr>
<td>28 Burke Gilman Trail Improvements - Phase 3</td>
<td>$16</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Improving the Public Realm</strong></td>
<td></td>
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<tr>
<td>29 West Campus Park</td>
<td>$25</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>30 Waterfront Improvements in South Campus &amp; the Cut</td>
<td>$10</td>
<td>-</td>
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<tr>
<td>31 UW Tacoma - Soil Remediation</td>
<td>$7</td>
<td>-</td>
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<tr>
<td><strong>subtotal:</strong></td>
<td>$145</td>
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</table>
## One Capital Plan (2017-2023)

### Funding in $ Millions

<table>
<thead>
<tr>
<th>Project</th>
<th>Total GSF</th>
<th>New GSF</th>
<th>O&amp;M</th>
<th>Previous</th>
<th>State</th>
<th>Debt</th>
<th>Donor</th>
<th>Local</th>
<th>Other</th>
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<tbody>
<tr>
<td>Consolidating to Make Room for Growth</td>
<td></td>
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<tr>
<td>32 University District Development at Sound Transit</td>
<td>$150</td>
<td>200,000</td>
<td>200,000</td>
<td>2.4</td>
<td>-</td>
<td>-</td>
<td>120</td>
<td>-</td>
<td>30</td>
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<tr>
<td>32 UW Medicine - South Lake Union Rosen Remodel</td>
<td>$6</td>
<td>60,375</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>34 UW Seattle - Parking garage(s) - Add'l. 500 Spaces</td>
<td>$30</td>
<td>-</td>
<td>-</td>
<td>tbd</td>
<td>-</td>
<td>-</td>
<td>24</td>
<td>-</td>
<td>6</td>
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<tr>
<td>35 UW Bothell - Parking Garage</td>
<td>$25</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25</td>
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<tr>
<td>Addressing Critical Renewal</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>36 UW Medicine IT Core Applications and Infrastructure</td>
<td>$74</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>74</td>
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<tr>
<td>37 Enterprise Information Systems (financial system)</td>
<td>$100</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>50</td>
<td>-</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>38 UW Medicine - Core Research Facilities</td>
<td>$12</td>
<td>11,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12</td>
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<tr>
<td>39 Seismic Improvements (6-year plan)</td>
<td>$55</td>
<td>200,000</td>
<td>-</td>
<td>55</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>40 Fuel Switching / Power Plant Upgrade</td>
<td>$150</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>150</td>
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<tr>
<td>41 Minor Capital Repair</td>
<td>$208</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>208</td>
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</tr>
<tr>
<td>42 UW Seattle - Parking lot improvements (6 year plan)</td>
<td>$14</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11</td>
<td>-</td>
<td>3</td>
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</table>

**Subtotals:** $824

<table>
<thead>
<tr>
<th>Totals</th>
<th>$2,829</th>
<th>$3,866,575</th>
<th>$2,235,200</th>
<th>$200</th>
<th>$108</th>
<th>$338</th>
<th>$562</th>
<th>$512</th>
<th>$668</th>
<th>$640</th>
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</thead>
<tbody>
<tr>
<td>Targets</td>
<td>$2,425</td>
<td>$2,000,000</td>
<td>$100</td>
<td>$250</td>
<td>$425</td>
<td>$450</td>
<td>$600</td>
<td>$600</td>
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</tbody>
</table>

**Note:** Item numbers do not represent priorities.
### Active Capital Projects Summary
**(as of August 31, 2016)**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Phase</th>
<th>Project Cost ($M)</th>
<th>Occupancy Date</th>
<th>Business Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Target</strong></td>
<td><strong>Award</strong></td>
<td><strong>Utilization</strong></td>
</tr>
<tr>
<td>* Animal Research and Care Facility</td>
<td>Const.</td>
<td>$123.5</td>
<td>$123.5</td>
<td>$137.6</td>
</tr>
<tr>
<td>Burke-Gilman Trail Phase 1</td>
<td>Const.</td>
<td>6.1</td>
<td>6.1</td>
<td>6.1</td>
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<tr>
<td>* Computer Science and Engineering Exp.</td>
<td>Design</td>
<td>105.5</td>
<td>105.5</td>
<td>109.7</td>
</tr>
<tr>
<td>Denny Hall Renovation</td>
<td>Const.</td>
<td>56.9</td>
<td>52.9</td>
<td>52.2</td>
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<tr>
<td>Fluke Hall Renovation</td>
<td>Const.</td>
<td>28.5</td>
<td>37.0</td>
<td>36.6</td>
</tr>
<tr>
<td>GIX Tenant Improvements</td>
<td>Const.</td>
<td>19.6</td>
<td>19.6</td>
<td>23.4</td>
</tr>
<tr>
<td>Life Sciences Building</td>
<td>Const.</td>
<td>164.8</td>
<td>164.8</td>
<td>164.3</td>
</tr>
<tr>
<td>NanoEngineering and Sciences Building</td>
<td>Const.</td>
<td>58.9</td>
<td>87.8</td>
<td>85.4</td>
</tr>
<tr>
<td>New Burke Museum</td>
<td>Const.</td>
<td>79.0</td>
<td>79.0</td>
<td>79.0</td>
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<tr>
<td>North Campus Housing Phase 4a</td>
<td>Const.</td>
<td>240.0</td>
<td>240.0</td>
<td>242.5</td>
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<tr>
<td>North Campus Housing Phase 4b</td>
<td>Design</td>
<td>140.0</td>
<td>10.0</td>
<td>140.0</td>
</tr>
<tr>
<td>Police Department Facility</td>
<td>Const.</td>
<td>19.5</td>
<td>19.5</td>
<td>20.1</td>
</tr>
<tr>
<td>* UW Medicine South Lake Union 3.2</td>
<td>Const.</td>
<td>143.0</td>
<td>143.0</td>
<td>151.3</td>
</tr>
<tr>
<td>Tacoma Urban Solutions Center</td>
<td>Const.</td>
<td>28.0</td>
<td>28.0</td>
<td>26.5</td>
</tr>
<tr>
<td>* UWMC Expansion Phase II</td>
<td>Const.</td>
<td>186.3</td>
<td>186.3</td>
<td>198.0</td>
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<tr>
<td>West Campus Utility Plant</td>
<td>Const.</td>
<td>30.5</td>
<td>44.2</td>
<td>44.2</td>
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<tr>
<td>HR Payroll Modernization</td>
<td>IT</td>
<td>$75.9</td>
<td>$75.9</td>
<td>$75.9</td>
</tr>
</tbody>
</table>

**Totals**

- $1,506
- $1,423
- $1,593
- $42.1

### Legend

1. Forecast to Budget Variance: Green = On Budget; Yellow = 1-10% Over Budget; Red = More Than 10% Over Budget
2. Schedule Variance: Green = On Schedule; Yellow = Within One Month; Red = More Than One Month

X = Selections were made prior to enhanced focus upon business equity. No business equity utilization reported.

* = Forecasts have been modified since last report

### Notes:
Forecasts have been adjusted for most of the large projects. In all but one case (North Campus Housing) the forecasts are trending in the wrong direction, so we are working on corrective actions. Business equity utilization rates dropped very slightly in the most projects, but the awards (in $M) continue to rise for all projects. This will be the last report to include the Burke Gilman Trail, Denny Hall, and the Police Department Facility, as all three projects have been substantially completed.
STANDING COMMITTEES

Finance and Asset Management Committee

Asset Liability Management Semi-Annual Borrower Reports

INFORMATION

For information only.

BACKGROUND

The Semi-Annual Borrower Reports (SABRe) are an aspect of an overall credit framework that is used at UW to assure that financial risks are identified and managed from the origination of an internal loan or debt issue to its final maturity.

SABRes provide the Board of Regents with up-to-date information on the financial health of major borrowers and present proforma vs. actual performance along with financial metrics. Key financial indicators show changes in performance and allow the Regents to see how the entities are responding to a dynamic funding environment.

Housing and Food Services, UW Medical Center, Northwest Hospital, Intercollegiate Athletics and the School of Dentistry Clinics present a debt metric, a cash flow metric, and a reserves measure. When available, these measures are from audited financial statements and benchmarked against the most recent Regent approved proforma or current financial plan.

The research campus at South Lake Union presents actual and projected School of Medicine support and four-year historical growth in grants and reserves.

Attachments

1. Credit Framework for ILP-Funded Projects
Credit Framework for ILP-Funded Projects

**ORIGINATING**
- Institutional / Project Risks & Opportunities

**OPERATING**
- Timely Funding & Accurate Accounting

**REPORTING**
- Transparency & “Early Warning”

**MANAGING**
- Loan Maintenance & Financial Mitigation

**BOARD OF REGENTS**
- APPROVE
  - Capital Project Budget \(^1,3\)
  - Internal Loan \(^1,4\)
- REVIEW
  - Semi-Annual Borrowers Report \(^1,4\)
  - Semi-Annual ILP Report \(^4\)
  - ILP Audit \(^4\)
- APPROVE
  - Financial Stability Plan \(^1,2,4\)

**UNIVERSITY ADMINISTRATION**
- Space Utilization \(^3\)
- One Capital Plan \(^2,3\)
- Institutional Debt Capacity Estimate \(^4\)
- Financial Due Diligence \(^1,4\)
  - Base Case
  - Key Risks
  - Stress Tests
  - Mitigation Plans
- Financing Agreement \(^1,4\)
  - Debt covenants
  - Reporting requirements
- Funding Plan \(^1,4\)
  - Draw schedule for project by source (debt, gifts, reserves, state)
- Loan Servicing \(^1,4\)
  - Amortization schedule
  - Recording of loan
  - Repayment budget
- Annual disclosure \(^1,4\)
  - Financial statement audits
  - Covenant requirements
- Dedicated staff specialist for each borrower \(^1,4\)
- Regular borrower meetings \(^1,4\)
  - Review covenant compliance
  - Discuss upcoming challenges

**Stakeholder**
- 1 – Borrower
- 2 – Planning & Budgeting
- 3 – Capital Planning and Development
- 4 – Treasury
Housing and Food Services (HFS)
Semi-Annual Borrower's Report - October 2016

Summary
- Occupancy demand remains robust throughout the HFS system, driving solid FY16 financial performance. Reserves increased by $8.2M and debt service coverage was 1.48x
- Housing and dining rate increases for FY17 are 4.1% and 5.0% respectively, due primarily to increases in minimum wage and employment benefits
- Phase 4a of the Housing Master Plan was approved by the Board of Regents in January 2016 and will open to students in Autumn 2018. This phase is underway and proceeding as planned. The proforma and projections include Phases 1-4a of the HMP
- In July 2016 the Board of Regents approved the architect, site, and $10M pre-construction budget for phase 4b, the final phase of the HMP. (Phase 4b includes two residence halls, Oak and new Haggett, consisting of approximately 1,070 beds. Oak is planned to open Autumn 2019 followed by new Haggett Hall which will open in Autumn 2020)
- Cash flows for FY16 exceeded the proforma due to higher than planned occupancy, increased off-campus property revenue (Radford Court, Nordheim Court, Commodore Duchess), and strong summer conference sales. Funding for the phase 4b pre-construction budget will be provided directly from HFS reserves and contributes to the reduced cash flows projected for FY17 and FY18
- As a result of strong cash flows in recent fiscal years, reserves exceeded pro forma levels at the end of FY16 by $11M
- The reserve requirement set by HFS’ ILP agreements totaled $17.2M in FY16 and is equivalent to 4 months of operating expenses plus $2.5M. HFS has earmarked $18M in restricted reserves for phase 4a FF&E ($9M) and phase 4b pre-construction costs ($9M). The remaining reserve balance of $26.6M is held for risk mitigation, early debt repayment, equity contributions to phase 4b, and savings for future renovations of McMahon and Hansee Halls

Risks and Mitigations
- A significant decline in student occupancy is the primary risk to the system. Private market competition, price sensitivity, and reductions in long-range enrollment impact student occupancy. These risks are monitored by HFS throughout the year and, if necessary, mitigated by strategic occupancy planning
- Debt service is equivalent to 45% of total FY16 operating expenses and is a significant financial risk
- Strong reserve balances mitigate risks in the short term and are being saved for future capital projects

Selected Indicators
System-wide as-built occupancy indicates the overall health of residence hall and dining operations and measures demand for the system.

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>As-Built Occupancy</td>
<td>110.2%</td>
<td>106.9%</td>
<td>110.9%</td>
<td>110.0%</td>
<td>112.0%</td>
</tr>
<tr>
<td>Returning Students(2)</td>
<td>35.2%</td>
<td>38.0%</td>
<td>40.4%</td>
<td>37.3%</td>
<td>38.6%</td>
</tr>
<tr>
<td>Freshman Capture Rate(3)</td>
<td>66.9%</td>
<td>71.6%</td>
<td>67.0%</td>
<td>68.6%</td>
<td>68.8%</td>
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</tbody>
</table>

(1) Projected figures  (2) Percent of prior year Spring resident count  (3) Percent of freshman admission count

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
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<tbody>
<tr>
<td>Debt Service Coverage</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Proforma (Phase 3 FY14-15 &amp; Phase 4a FY16+)</td>
<td>1.70</td>
<td>1.25</td>
<td>1.56</td>
<td>1.48</td>
<td>1.30</td>
<td>1.37</td>
<td>1.37</td>
<td>1.41</td>
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<tr>
<td>Actual thru FY15/Projected</td>
<td>1.26</td>
<td>1.26</td>
<td>1.29</td>
<td>1.37</td>
<td>1.41</td>
<td>1.41</td>
<td>1.27</td>
<td>1.30</td>
</tr>
<tr>
<td>Preliminary Unaudited</td>
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<tr>
<td>ILP Minimum 1.25x</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
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<tbody>
<tr>
<td>Cash Flow</td>
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<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Proforma (Phase 3 FY14-15 &amp; Phase 4a FY16+)</td>
<td>7.7</td>
<td>10.8</td>
<td>8.2</td>
<td>4.9</td>
<td>.1</td>
<td>.9</td>
<td>4.8</td>
<td></td>
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<tr>
<td>Actual thru FY15/Projected</td>
<td>4.2</td>
<td>3.3</td>
<td>4.2</td>
<td>.1</td>
<td>.3</td>
<td>4.8</td>
<td></td>
<td></td>
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<tr>
<td>Preliminary Unaudited</td>
<td></td>
<td></td>
<td></td>
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</tr>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserve Balance (4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proforma (Phase 3 FY14-15 &amp; Phase 4a FY16+)</td>
<td>52.9</td>
<td>50.7</td>
<td>56.6</td>
<td>56.6</td>
<td>56.6</td>
<td>52.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual thru FY15/Projected</td>
<td>40.7</td>
<td>40.7</td>
<td>52.9</td>
<td>52.9</td>
<td>52.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preliminary Unaudited</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ILP Minimum</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(4) Actual balances will be used on future capital expenditures or to retire debt
Summary

- UWMC has a very high acuity patient population. Among its UHC peer group, UWMC consistently ranks among the top for complexity.
- UWMC experienced a challenging FY16 as inpatient volumes were constrained by ICU capacity during the first six months of the year until the additional capacity for ICU patients was operational. Upfront training and other costs to open three floors in the Montlake Tower have been higher than anticipated. Additionally, the nursing shortage in the market has contributed to unanticipated costs. The expansion project is expected to be completed in FY18.
- UWMC’s preliminary unaudited total margin for FY16 was -2.4%. Debt service coverage and days cash on hand remain above Internal Lending Program (ILP) minimums.
  - Debt service coverage of 1.78x exceeds the 1.25x ILP minimum. Debt service coverage is projected to remain above the minimum over the projection period.
  - Days cash on hand was 90 in FY16 and exceeds the ILP minimum of 75 days. Management continues to prioritize cash levels and monitors cash on a monthly basis.
- Financial ratios for FY13-FY15 represent audited actuals. FY16 represents preliminary unaudited results. FY17 through FY21 are from the most recent Long Range Financial Plan (LRFP) presented to the UW Medicine Board Finance and Audit Committee in January of 2016.

Risks and Mitigations

- The additional ICU capacity is expected to allow UWMC to better manage its increasingly higher-acuity patients.
- Success at executing priorities in the strategic plan and implementing performance improvement initiatives is key to the achievement of financial objectives going forward. UWMC continues to monitor against internal and external benchmarks and seeks to achieve best practices.
- Shifts in commercial payer mix have significant impacts and are being monitored on a monthly basis.
- Impacts on net revenue from health care reform and activities of commercial and government payers continue to be incorporated into financial planning for UWMC. Transformation of care and strong expense management continue to be high priorities.

Selected Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admissions</td>
<td>17,728</td>
<td>18,033</td>
<td>18,092</td>
<td>18,362</td>
</tr>
<tr>
<td>Total Surgeries</td>
<td>14,271</td>
<td>14,538</td>
<td>15,313</td>
<td>15,895</td>
</tr>
<tr>
<td>Occupancy</td>
<td>80%</td>
<td>81%</td>
<td>80%</td>
<td>82%</td>
</tr>
<tr>
<td>ICU Occupancy</td>
<td>84%</td>
<td>84%</td>
<td>85%</td>
<td>79%</td>
</tr>
</tbody>
</table>

Debt Service Coverage

Net operating income as a multiple of debt service

<table>
<thead>
<tr>
<th>Year</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.83</td>
<td>4.83</td>
<td>5.56</td>
</tr>
</tbody>
</table>

Total Margin

Operating income plus non-operating income expressed as a percentage of revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.4%</td>
<td>3.2%</td>
<td>4.0%</td>
<td>3.2%</td>
<td>3.7%</td>
<td>3.3%</td>
<td>3.5%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

Days Cash On Hand

Unrestricted cash divided by daily operating expenses

<table>
<thead>
<tr>
<th>Year</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>117</td>
<td>115</td>
<td>95</td>
<td>112</td>
<td>116</td>
<td>122</td>
<td>128</td>
<td>136</td>
</tr>
</tbody>
</table>

Note: The 2012 Proforma included projections through FY20. The most recent Long Range Financial Plan includes projections through FY21.
Northwest Hospital (NWH)
Semi-Annual Borrower's Report - October 2016

Summary

- NWH, a community hospital, affiliated with UW Medicine in 2010. Growth has occurred year over year, but not at the rate needed to meet operational expense requirements, resulting in negative total operating income in FY14 through FY16
  - NWH's audited total margin for FY15 was -1.4%. Preliminary unaudited total margin for FY16 is -1.1%
  - Debt service coverage exceeds the 1.25x Internal Lending Program (ILP) minimum, with 2.01x for FY15 audited and 2.91 for FY16
  - Days cash on hand of 56 in FY15 was slightly above the ILP minimum of 50 days. Cash improved to 61 days for FY16 and is running above ILP minimum
- Financial ratios for FY13-FY15 represent audited actuals. FY16 represents preliminary unaudited results
- FY17-FY21 are from the most recently updated Long Range Financial Plan (LRFP)/Financial Stability Plan (FSP) that was approved by BOR in October 2015 and reviewed by the UW Medicine Board Finance and Audit Committee in January 2016
  - The plan includes lease payments associated with a new tower to be completed in 2018. This project has not been approved by the Board of Regents. Assumptions will be revisited during the LRFP update in the fall

Risks and Mitigations

- Success at executing priorities in the strategic plan and implementing performance improvement initiatives is key to the achievement of financial objectives going forward. Leadership continues to monitor performance monthly
- Potential negative impacts to net revenue from health care reform and activities of commercial and government payers continue to be incorporated into financial planning for NWH. Transformation of care and strong expense management continue to be high priorities

Selected Indicators

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admissions</td>
<td>9,974</td>
<td>9,211</td>
<td>9,934</td>
<td>10,060</td>
</tr>
<tr>
<td>Surgeries</td>
<td>8,850</td>
<td>9,428</td>
<td>9,581</td>
<td>9,907</td>
</tr>
<tr>
<td>Occupancy</td>
<td>62%</td>
<td>61%</td>
<td>66%</td>
<td>67%</td>
</tr>
</tbody>
</table>

Debt Service Coverage
Net operating income as a multiple of debt service

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audited Actuals FY13-FY15</td>
<td>3.85</td>
<td>1.65</td>
<td>2.01</td>
<td>2.91</td>
</tr>
<tr>
<td>FY16 Unaudited</td>
<td></td>
<td></td>
<td>2.56</td>
<td>4.79</td>
</tr>
<tr>
<td>LRFP/Financial Stability Plan</td>
<td></td>
<td></td>
<td>5.06</td>
<td>5.24</td>
</tr>
<tr>
<td>ILP Minimum 1.25x</td>
<td></td>
<td></td>
<td>5.37</td>
<td></td>
</tr>
</tbody>
</table>

Total Margin
Operating income plus non-operating income expressed as a percentage of revenue

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audited Actuals FY13-FY15</td>
<td>2.8%</td>
<td>-1.4%</td>
<td>-1.4%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>FY16 Unaudited</td>
<td></td>
<td>1.2%</td>
<td>2.1%</td>
<td>2.2%</td>
</tr>
<tr>
<td>LRFP/Financial Stability Plan</td>
<td></td>
<td>2.5%</td>
<td>2.5%</td>
<td></td>
</tr>
</tbody>
</table>

Days Cash On Hand (1)
Unrestricted cash divided by daily operating expenses

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audited Actuals FY13-FY15</td>
<td>81</td>
<td>71</td>
<td>56</td>
<td>61</td>
</tr>
<tr>
<td>FY16 Unaudited</td>
<td></td>
<td>60</td>
<td>62</td>
<td>64</td>
</tr>
<tr>
<td>LRFP/Financial Stability Plan</td>
<td></td>
<td>65</td>
<td>65</td>
<td>72</td>
</tr>
<tr>
<td>ILP Minimum 50 days</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Cash and cash equivalents as defined in the bond documents are composed of cash and short term investments. Composition of these investments are currently under evaluation by leadership.
**Summary**

- South Lake Union (SLU) includes SLUI, SLUII, SLU3.1, and SLU3.2
- FY16-21 additional support required decreased by an average of $2M per year from the prior estimate due to higher than forecast facilities indirect cost reimbursement (FICR) and administrative indirect cost reimbursement (AICR) and lower than forecast impact of ground rent increase. In addition, FY17-21 additional support required decreased an average of an additional $1M per year due to an increase in the federally approved UW SLU F&A rate (from 74% in FY16 to 76.5% in FY21)
- For the period FY13 to FY16, grant activity has grown at SLU by an average of 8% per year compared to flat growth at non-SLU locations. UW Medicine faculty were second in the country among all medical schools and first among public medical schools in total NIH research funding based on federal FY2015 awards
- Although UW Medicine faculty are successful compared to peers, the federal grant environment is still very challenging and grants often require multiple submissions before award. Actual results reflect lower density in research space due to challenging federal grant environment, as well as the decision to include a Biological Safety Level 3 (BSL3) lab in SLU3.1 with the same research density assumption as other research space
- The underlying property for SLU 1 and 2 was sold in September 2016 and the UW was able to negotiate more favorable terms with the new landlord
- SLU 3.2 was approved by the Board of Regents in September 2015 and activity is included in this report starting in FY18 (anticipated occupancy date). Current project cost estimate is $151M

**Risks and Mitigations**

- Potential federal research funding cutbacks, similar to 2013 sequestration, could result in delayed awards and reduced funding
- Potential shift from federal research to non-federal research at SLU could result in lower ICR
- Grant conversion to higher indirect cost rate at slower rate than forecast would move higher indirect cost recovery into later years (assumed 50% of grants convert to new rate each year)
- SoM has the opportunity to increase research density at SLU with ongoing recruitments which will reduce AICR and other support required

## SLU Actual vs Proforma -

**Total SLU ICR and Other Revenues vs Expenses - Surplus/(Deficit) by Year**

<table>
<thead>
<tr>
<th>Year</th>
<th>$ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>5.1</td>
</tr>
<tr>
<td>FY14</td>
<td>4.6</td>
</tr>
<tr>
<td>FY15</td>
<td>-0.4</td>
</tr>
<tr>
<td>FY16</td>
<td>-1.2</td>
</tr>
<tr>
<td>FY17</td>
<td>2.4</td>
</tr>
<tr>
<td>FY18</td>
<td>6.8</td>
</tr>
<tr>
<td>FY19</td>
<td>6.0</td>
</tr>
<tr>
<td>FY20</td>
<td>1.5</td>
</tr>
<tr>
<td>FY21</td>
<td>2.3</td>
</tr>
</tbody>
</table>

**ICR Surplus/(Deficit) - Proforma (op bud/projected after 10 years)**

<table>
<thead>
<tr>
<th>Year</th>
<th>$ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>-0.2</td>
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<tr>
<td>FY14</td>
<td>-2.2</td>
</tr>
<tr>
<td>FY15</td>
<td>-4.9</td>
</tr>
<tr>
<td>FY16</td>
<td>-2.5</td>
</tr>
</tbody>
</table>

**ICR Surplus/(Deficit) - Actual (projection for FY17-21)**

<table>
<thead>
<tr>
<th>Year</th>
<th>$ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>-2.2</td>
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<tr>
<td>FY14</td>
<td>-4.9</td>
</tr>
<tr>
<td>FY15</td>
<td>-2.5</td>
</tr>
</tbody>
</table>

## Total SoM Reserves (excluding grants/contracts)

<table>
<thead>
<tr>
<th>Year</th>
<th>$ Millions</th>
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</thead>
<tbody>
<tr>
<td>FY13</td>
<td>308.4</td>
</tr>
<tr>
<td>FY14</td>
<td>316.8</td>
</tr>
<tr>
<td>FY15</td>
<td>313.6</td>
</tr>
<tr>
<td>FY16</td>
<td>293.9</td>
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Reserves were the primary funding source of the FY16 forecasted operating loss. FY16 is preliminary.

## SoM Direct Research Expenditures

<table>
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<th>Year</th>
<th>$ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>472.7</td>
</tr>
<tr>
<td>FY14</td>
<td>483.9</td>
</tr>
<tr>
<td>FY15</td>
<td>489.1</td>
</tr>
<tr>
<td>FY16</td>
<td>482.6</td>
</tr>
</tbody>
</table>

Note: CAGR = compound annual growth rate

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**ATTACHMENT 5**
Intercollegiate Athletics (ICA)

Semi-Annual Borrower’s Report - October 2016

Summary

- FY16 year-end deficit is projected to be roughly half of the June 2016 Financial Stability Plan (FSP) estimate: ($7.6M) vs. ($14.8M)
- FY16 actuals reflect $5.8M higher revenues than projected (which is a 5.68% variance). Roughly half of that revenue posted at the end of the fiscal year in the following categories:
  - $1.1M in contributions relating to earlier Men’s Basketball season ticket renewals
  - $1M related to higher distributions from the Pac12 and the Sound Transit settlement
  - $900K additional in donated advertising from IMG (which is offset by a commensurate increase in marketing expenses)
- FY16 expenses are $2.3M lower than projected (a variance of 2.39%) due to the following:
  - $1M in salary and benefits savings related to delayed hiring
  - $800K in savings in supplies, medical, team travel, and facilities maintenance expenses
  - $500K adjustment by Management Accounting & Analysis for over-payment into the UW’s pension fund
- ICA cut a total of $2.8M in expenses from the FY17 budget ($800K more than was outlined in the FSP). Salary and benefits savings tied to delayed hiring account for $1.4M of these cuts. The remainder is tied to cuts in athletic supplies, travel, medical and training expenses, and scaled-back department relations expenses
- Full season, partial season and group ticket sales for 2016 Husky Football are currently $475K above 2015
- ICA anticipates $19.6M in reserve balances at FY17 year-end (vs. $11.7M estimated in the FSP). While aforementioned budget cuts and modest revenue growth have allowed ICA to rely less on reserves in the short-term, revenue enhancements are critical in achieving long-term financial stability
- Once the FY16 financial audit is complete, revenue and expense projections will be updated in the FSP proforma and incorporated into the March 2017 SABRe. ICA’s FY18 budget presentation to the Board will include those projections as well as updates on the 2016 football season and the launch of the fundraising campaign

Risks and Mitigations

- FY17 revenue projections assume $4.5M in Don James Center renewals. If a portion of those renewals delay to the following year, the deficit for FY17 will increase
- FY19 projections include $8M in currently undefined revenue enhancements and/or spending reductions
- Mounting costs associated with NCAA deregulation, challenges to amateurism and litigation pose significant financial risks
- Launch of the Game Changer campaign, increasing Pac12 distributions, revenue sports outperforming expectations, and an apparel deal in FY19 would help mitigate these risks

Selected Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2016</th>
<th>% of prior year</th>
<th>% of budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Football Full Season (number of seats)</td>
<td>40,031</td>
<td>100.50%</td>
<td>103.10%</td>
</tr>
<tr>
<td>Football Seat Donations ($ ’000)</td>
<td>13,883</td>
<td>98.30%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Football Luxury/Premium Seating</td>
<td>Sold Out</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

Debt Service Coverage

Net operating income as a multiple of debt service; FSP suspended ILP minimum through FY19

Cash Flow

Net operating income plus gifts minus debt service and capital expenses

Reserve Balance

Unrestricted net assets; FSP established ILP minimum at $10M through FY19
Summary

- The Financial Stability Plan (FSP) was approved by the Board of Regents and Provost effective July 1, 2017.
- One significant impediment to implementing specific changes outlined in the FSP is lack of agreement on current budget realities and basic assumptions driving the financial performance of each clinical operation.
- Internal Audit and the Office of Planning & Budgeting (OPB) have teamed up with faculty chairs and clinic administrators to develop a shared understanding of the SOD’s clinical operation finances.
  - Internal audit is in the process of reviewing budgets for appropriateness of revenues and expenditures. The projections will be updated once the review by Internal Audit is complete.
  - OPB has developed a financial template which will be the standard to be used in Dentistry. This form will allow comparisons of budgets and actuals across different clinical enterprises.
- The SOD continues to make progress towards balancing its budgets, especially amongst the clinical enterprises.

Selected Indicators

<table>
<thead>
<tr>
<th>Patient Volume</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17 YTD(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>95,297</td>
<td>103,160</td>
<td>18,854</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Patient Mix</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17 YTD(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid</td>
<td>45%</td>
<td>50%</td>
<td>53%</td>
</tr>
<tr>
<td>Private Insurance</td>
<td>27%</td>
<td>26%</td>
<td>25%</td>
</tr>
<tr>
<td>Self Pay</td>
<td>28%</td>
<td>24%</td>
<td>22%</td>
</tr>
</tbody>
</table>

(1) YTD includes July and August

Debt Service Coverage

Clinical net operating income as multiple of debt service

<table>
<thead>
<tr>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>-3.28</td>
<td>-2.59</td>
<td>-3.93</td>
<td>1.92</td>
<td>1.92</td>
<td>1.01</td>
<td>1.01</td>
</tr>
</tbody>
</table>

Operating Margin

Clinical operating expenses expressed as a percentage of revenue (excluding debt service)

<table>
<thead>
<tr>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>-31%</td>
<td>-22%</td>
<td>-29%</td>
<td>12%</td>
<td>12%</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Fund Balance

Cumulative clinical net assets

<table>
<thead>
<tr>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
</table>

ATTACHMENT 7
STANDING COMMITTEES

Finance and Asset Management Committee

UW Medicine Board Report

INFORMATION

This item is for information only.

BACKGROUND

In January 2000, the Board of Regents established a board, known as the UW Medicine Board, to advise the Board of Regents, the University President, and the CEO of UW Medicine/Executive Vice President for Medical Affairs/Dean of the School of Medicine regarding the operation and governance of UW Medicine and to govern the patient care aspects of the University of Washington Medical Center.

Per UW Board of Regents standing order chapter 9 and UW Medicine Board bylaws Article 1 Section 1, the board consists of seventeen members, including the UW President and at least one member of the Board of Regents.

This update is a standing item to provide Board of Regents representatives serving on the UW Medicine Board an opportunity to update the Finance and Asset Management committee about current UW Medicine Board activities, discussions and actions.

UW Regents currently serving on the UW Medicine Board:
    Kristianne Blake
    Rogelio Riojas
STANDING COMMITTEES

Finance and Asset Management Committee

Discussion of Proposed Divestment Guideline

INFORMATION

This is an item for information only.

BACKGROUND

In June 2016, the University of Washington Board of Regents (“Board”) heard an information item titled Socially Responsible Investing at the University of Washington and Peer Institutions. As a result of the discussion, the Board recommended the University develop a divestment guideline and formal process for addressing divestment requests to the Board.

Attached for the Board’s consideration is a document titled Divestment Guideline that includes criteria and process for divestment. The information is being presented to the Board as draft for discussion and input.

Attachments

1. Divestment Guideline (Draft)
2. History of Social Investing at the University of Washington
4. Correctional Industries (CI) Purchasing Brief
5. Private Prisons Divestment Brief
Divestment* Guideline

The Board of Regents (the “Regents”) is vested by statute to manage the investment portfolios of the University of Washington. Decisions regarding the investment portfolios are geared towards maximizing the resources of the University in support of its primary teaching and research mission.

Ethical considerations have led the Regents, from time to time, to engage the University in shareholder activism and/or divestment. Such occurrences are rare. The fiduciary duty of the Regents ensures a strong presumption against divestment. Divestment is considered only after all options to address the ethical concern have been reviewed and found unsatisfactory.

In making any determination, the Regents recognize the need for a clear process that allows for University community input, evaluation and articulated criteria to inform the Regents in their decision making. No process or set of criteria, however, can be expected to address all situations that might arise. The Regents reserve the right to interpret this Guideline as broadly or narrowly as they see fit, consistent with the policies of the University and applicable external laws and regulations.

Criteria for Divestment

The Board of Regents will consider proposals to divest its endowment of direct holdings in publically held companies only when the following criteria have been met:

1. The activities of the company or companies are deemed “morally reprehensible” constituting apartheid, genocide, human trafficking, slavery or systematic cruelty to children.

2. Divestment is seen to be more viable and appropriate than ongoing shareholder engagement.

3. The merits of the issue are clearly on one side. If there is more than one side to an issue resulting in a dispute among members of the University community, the proposal will not move forward.

4. There is a broad and continuing base of support within the University community** including students, faculty and staff ** who believe that action is warranted.

5. A specific company or companies are targeted rather than broad industries. If implemented, the University will appoint a third party provider to conduct ongoing monitoring and research on targeted companies.

For activities believed to cause social harm but not on the level of moral reprehensibility, the Board may consider avenues other than divestiture such as shareholder engagement. In such instances, criteria #3 through #5 stated above must be met. Educational initiatives, sustainability initiatives or targeted research may also be pursued but those activities are outside the scope of this guideline.

* Divestment: The sale of specific companies and/or market sectors from the investment portfolio for financial, ethical or political reasons. The process involves ongoing portfolio screening and monitoring to ensure compliance.

** Evidence of University community support may include the following:
   a. Endorsements from student government i.e., the Associated Students of the University of Washington (ASUW) and the Graduate and Professional Student Senate (GPSS)
   b. Endorsements from Registered Student Organizations (RSOs)
   c. Endorsement from the Faculty Senate
   d. General petitions signed by students, faculty and staff of the University of Washington
Process for Divestment

1. Members of the University community (students, faculty and staff) with specific ethical concerns regarding the University’s investments may contact the Treasury Office for an informational discussion on social investing at the UW and the Divestment Guideline.

2. Typically, discussions with the Treasury Office continue over an extended period. Social activism is explored as an alternative to divestment.

3. If the issue proponents believe divestment of specific corporate securities is warranted, they must first present their proposal to the Treasury Office. Proposals must include the following:
   - A one-page summary with recommended action and key points
   - Identification of the criteria from the Divestment Guideline used to make the case for divestment
   - Inclusion of all critical data with footnotes for any arguments in the proposal
   - Presentation of opposing arguments and counters to those arguments
   - Research on each company impacted by the proposal including rationale for inclusion

4. The Treasury Office will evaluate the economic impact of any divestment proposal prior to any involvement by the Regents.

5. The Treasury Office, in consultation with the Chair of the Board of Regents, the Chair of the Finance and Asset Management Committee and the President of the University, will make a determination as to whether there is a sufficient basis for further consideration of the proposal by the Board. This consideration will be based upon the criteria specified in the Divestment Guideline. If it is concluded that evidence supporting the proposal is insufficient, then the proponents will be notified and no further action taken.

6. If there is a reasonable basis to proceed, the proposal will be scheduled for review by the Board of Regents as an “Information Item”. At the meeting, the Regents have the opportunity to ask questions and discuss the issue and options with the presenters and the Treasury Office.

7. If the Board of Regents has enough information to make a decision, they will request the presenters to prepare an Action Item for an upcoming meeting of the Board. If action is approved by the Board then the Statement of Investment Policy and Objectives for the Consolidated Endowment Fund will be amended. The Treasury Office will prepare an implementation timeline.

8. Summary of Roles and Responsibilities

<table>
<thead>
<tr>
<th>Divestment Proponents from University Community</th>
<th>Treasury Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present rationale for divestment backed by solid research and analysis to Treasury Office staff</td>
<td>Provide point of contact and ongoing communication with members of the University community with ethical concerns impacting the endowment</td>
</tr>
<tr>
<td>Demonstrate alignment with the Divestment Guideline criteria</td>
<td>Provide information on shareholder engagement as an alternative to divestment</td>
</tr>
<tr>
<td>Provide evidence of broad support for the proposal within the University community</td>
<td>Involve students in related research as appropriate (shareholder activism)</td>
</tr>
<tr>
<td>Develop an understanding of shareholder activism versus divestment</td>
<td>Evaluate the economic impact of any proposal to be presented to the Board of Regents</td>
</tr>
<tr>
<td>Provide convincing arguments for divestment over shareholder activism</td>
<td>Maintain on-going communication with the Chair of the Board of Regents and the President of the University on the status of the proposal</td>
</tr>
<tr>
<td>Develop formal divestment proposal and present it to the Treasury Office</td>
<td>Facilitate communication with the Office of the Board of Regents re Board schedule and process</td>
</tr>
<tr>
<td>Be prepared to present proposal to Board of Regents first as information and discussion item and in subsequent meeting, as action item</td>
<td>Present economic impact statement to the Board alongside any proposal for divestment</td>
</tr>
</tbody>
</table>
## HISTORY OF SOCIAL INVESTING AT THE UNIVERSITY OF WASHINGTON

<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>
<tr>
<td>Climate Change</td>
<td>November 2013</td>
<td>Investment Policy amended to allow action as appropriate in support of shareholder resolutions and initiating letters of engagement related to climate change.</td>
<td>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).</td>
</tr>
<tr>
<td>Sudan</td>
<td>June 2006</td>
<td>Resolution to divest direct holdings in companies doing business in Sudan and prohibit future direct investment.</td>
<td>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.</td>
</tr>
<tr>
<td>Sudan</td>
<td>June 2005</td>
<td>Investment policy amended to allow action as appropriate in support of shareholder resolutions and initiating letters of engagement related to human rights in Sudan.</td>
<td>UW hires student from campus divestment campaign for assistance with research and letters of engagement.</td>
</tr>
<tr>
<td>Tobacco</td>
<td>January 2000</td>
<td>Resolution to divest direct tobacco holdings and prohibit future direct investments in tobacco companies.</td>
<td>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.</td>
</tr>
<tr>
<td>Burma</td>
<td>March 1995</td>
<td>Investment policy amended to allow action as appropriate in support of shareholder resolutions related to human rights in Burma.</td>
<td>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.</td>
</tr>
<tr>
<td>South Africa</td>
<td>Approved 1986, Restriction lifted October 1993</td>
<td>Resolution to divest and prohibit future investment in companies operating in South Africa.</td>
<td>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.</td>
</tr>
</tbody>
</table>
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...
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**
### Investment Strategy

<table>
<thead>
<tr>
<th></th>
<th>Long-term Target</th>
<th>Policy Range</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public and Private</strong></td>
<td></td>
<td></td>
</tr>
<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>70%</td>
<td>55% - 85%</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>30%</td>
<td>15% - 45%</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.
Correctional Industries (CI) Purchasing Brief

Overview

- Correctional Industries (CI) is a unit within the Department of Corrections that sells furniture and other items such as food, optical and janitorial supplies. CI is primarily marketed as a job training and skill-building organization, in addition to being a "tax reduction" enterprise.

- State institutions of higher education are not required to meet a specific minimum purchase threshold from CI, but current statutes require institutions of higher education to set “…a target to purchase two percent of their total goods and services from [CI]”\(^1\).

- As a state agency, UW procurement practices are subject to state laws, policies and regulations. The conditions under which a specific supplier may be disbarred from UW or state procurement are outlined in state law and the process to disbar a supplier rests with the state Department of Enterprise Services.\(^2\)

- UW’s Supplier Corporate Social Responsibility Policy is the current institutional policy that guides ethical expectations for UW suppliers. This policy is referenced in all UW procurement contracts.

What is UW’s current spend with Correctional Industries?

Since FY2011, the UW has spent approximately $7 million on purchases with Correctional Industries. This spend was primarily furniture and related services (e.g., upholstery, etc.) totaling approximately $6.4 million. The total spend of $7 million represents approximately 0.11% of total UW spend on all goods and services over the same period ($6.4 billion).

<table>
<thead>
<tr>
<th>Year</th>
<th>Purchases with CI</th>
<th>Total Goods and Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$41,000</td>
<td>$941,173,000</td>
</tr>
<tr>
<td>2012</td>
<td>1,104,000</td>
<td>968,434,000</td>
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<tr>
<td>2013</td>
<td>1,872,000</td>
<td>1,025,499,000</td>
</tr>
<tr>
<td>2014</td>
<td>1,269,000</td>
<td>1,094,736,000</td>
</tr>
<tr>
<td>2015</td>
<td>2,366,000</td>
<td>1,171,002,000</td>
</tr>
<tr>
<td>2016</td>
<td>324,000</td>
<td>1,205,385,000 (est.)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$6,976,000</td>
<td>$6,406,229,000</td>
</tr>
</tbody>
</table>

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\(^1\) RCW 28B.10.029

\(^2\) RCW 39.26.200
Are there any active UW-CI contracts?

No, not at this time.

Is CI required to competitively bid on UW projects?

State law allows state agencies to contract directly with CI without a formal bid process. However, in almost all cases since 2011, UW purchases with CI were based on a competitive bidding process.

Is the UW required to contract with CI if they are the lowest bidder?

Not necessarily. The UW is required to contract with the lowest responsible bidder, which allows criteria in addition to price to be factored into the decision making. However, criteria must be transparent and defensible. All suppliers who participated in the bidding process have the ability to protest an award if they believe the final decision was unfair or arbitrary.

Have CI bids been competitive with bids from other suppliers?

It varies. In the case of our last major furniture purchase (2009), CI was not the lowest responsible bidder. The UW only contracted with CI after the lowest responsible bidder, who was awarded the work, filed for bankruptcy and could not perform the work.

Is CI in violation of the UW’s Supplier Corporate Social Responsibility Policy?

If a member of the UW community believes a supplier has violated this policy, they may file a complaint and the administration will determine if further investigation is warranted. To date, no complaints have been filed against CI.
Private Prisons Divestment Brief

Overview

- There are five companies operating/managing private prisons in the U.S.:

  1. **Corrections Corporation of America (CCA)**
     - Largest U.S. private prison operator with 64 owned or managed facilities
     - 37% share of private prison market
     - Earns revenue on an inmate per-day rate

  2. **GEO Group**
     - Second largest U.S. private prison operator with operations in Australia, South Africa and Canada
     - 28% share of private prison market
     - Owns or operates 71 facilities in the U.S.

  3. **G4S PLC**
     - Security solutions firm operating in more than 100 countries with over 600,000 employees.
     - Some of the company’s offerings include: security guards, alarms, monitoring, management and transportation of cash and valuables, prison management, and electronic monitoring of offenders.

  4. **Serco Group PLC**
     - United Kingdom-based provider of public services with operations in the Americas including professional, technology and management services focused on defense, transport and citizen services.
     - Provides custodial services to governments serving prisons in UK, Australia and New Zealand.

  5. **Broadspectrum Ltd.**
     - Australia based provider of asset management services across a range of industries within the resources, energy, industrial, infrastructure, property and defense sectors.

- In addition to these five companies, several financial institutions and investment groups invest in or financially support private prison companies. The UW has investment holdings in two of these companies, including:
2. Wells Fargo & Company, which has provided investment loans to private prisons.

The Facts

- The University of Washington has no direct holdings in private prisons.

- UW’s relationship with BlackRock Financial Management, Inc., a subsidiary of BlackRock, Inc.:
  - BlackRock, Inc. is a global investment management corporation.
  - One of the UW’s investment managers, Wellington Management, has purchased a small amount of shares of BlackRock, Inc. Common Stock - 5,149 shares totaling MV $1,786,703. These BlackRock, Inc. shares are in the UW’s Wellington Dividend Growth Account managed by Wellington. This account does not have any direct exposure to private prisons.
  - BlackRock Alternatives, a subsidiary of BlackRock, Inc. manages $79.7 million of the Consolidated Endowment Fund (CEF). The BlackRock Alternatives funds in which the UW CEF is invested do not have any direct holdings in private prisons.

- UW’s relationship with Wells Fargo & Company:
  - Wells Fargo & Company is a financial services company offering investment and brokerage services in addition to banking and insurance products.
  - UW owns 41,676 shares of Wells Fargo Common Stock totaling MV $2,010,033 in the Wellington Dividend Growth Account. Again, this account does not have any direct exposure to private prisons.
  - UW investment managers occasionally will use Wells Fargo Brokerage as a trading partner to buy and sell bonds.
  - Wells Fargo provides banking services for UW’s payroll account.

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1 Note that a public records request from UW students asked for holdings in BlackRock Fund Advisors, a company owned by BlackRock, Inc. The UW does not have holdings in BlackRock Fund Advisors. The information included in the public records request reflects holding in BlackRock, Inc.
STANDING COMMITTEES

Finance and Asset Management Committee

Community Stakeholder Presentation on Prison Divestment

INFORMATION

For information only.

BACKGROUND

The conversation around the University of Washington’s unethical investments has picked up steam over the past few years. Concerns have been raised about large investments in fossil fuels, Israeli Apartheid, hedge funds, and private prisons.

Today we will be focusing on the historical context and need for divestment from any companies affiliated with private prisons, but this is only one part of a movement lead by students, faculty, staff, workers, alumni, and community members to see a more ethical and less profit motivated university.

Through the extensive research into the University’s investments within the Consolidated Endowment Fund by students and alumni, we found that the University has millions of dollars invested in financial institutions that provide financial backing to private prisons. Since then, the campus community has shown support continually for transparency and action on this issue. Since these investments were made public we have seen these actions take place:

ASUW Resolution Passed in support of prison divestment, as well as numerous other demands pushing for racial justice.

Hundreds of students marching to this very Board meeting in May to voice their disgust at prison-related investments.

A petition urging the Board of Regents to Divest from prisons and prison-related companies, with over 1,100 signatures.

GOALS FOR THIS MEETING

1. Overview: Prison Industrial Complex, Mass Incarceration, and the School-to-Prison Pipeline

Slavery, Race and Prisons

Slavery was outlawed in the United States with the ratification of the 13th Amendment to the U.S. Constitution, with one caveat; slavery is still
STANDING COMMITTEES

Finance and Asset Management Committee

Community Stakeholder Presentation on Prison Divestment (continued p. 2)

constitutionally permissible as the punishment for a crime. Convict leasing was quickly written into many state laws during the Reconstruction Era, which permitted penitentiaries to sell the labor of inmates to plantations, mines, and other business. Today, Washington State has the fourth largest prison factory system in the country; Correctional Industries. According to WA State law, R.C.W. 39.26.251, all state agencies are required to purchase from Class II type prison labor. However, there is a clause within that law that permits for the appeal of any state agency to purchase from alternative sources if they should so apply. There are reasonable alternatives to profiting from the exploitative industry, and they should be opted for.

Bias in the Criminal Justice System
The Criminal Justice System is racially biased to its core. Black students, people of color, and people with mental disabilities are three times more likely to be suspended or expelled from primary and secondary public education institutions. One suspension or expulsion makes them 50% more likely to be incarcerated in the juvenile detention system, and approximately 80% more likely to be incarcerated in the adult penitentiary system, with an 85-95% to become caught in recidivism. To make matters worse, Black youth make up approximately 6.8% of King County’s youth population, but also 51% of the youth in jail. This situation described above is what has come to be known as the School-to-Prison Pipeline.

2. Overview of University of Washington Investment in Prison Industrial Complex, the School-to-Prison Pipeline, and Mass Incarceration
We will present how SPECIFICALLY the University of Washington and its investments in financial institutions like Wells Fargo and Blackrock, as well as other policies, allow the University to profit from the Prison Industrial Complex, the School-to-Prison Pipeline, and Mass Incarceration.

Last year data gathered by the University of Washington of its own demographics posited that while there were approximately 30,000 students at UW, only about 1,400 were Black, making up roughly over 3% of the student population. However, the Black population of Seattle is 7.9%, King County is 6.8%, WA State is 4.1%, and of the entire United States comprise 13.3%, respectively. This state university is failing to meet even the general population demographics of the regions it is supposed to serve. However, it is not only the University of Washington, which is failing to enroll even at a level consistent with the general population; Western Washington University also has a population of Black students that amount to 3.4%. Furthermore, this is a component of a nationwide trend. Yale University has a Black student population of 7.6%, and the University
of North Carolina at Chapel Hill has a black student population of 8.1%. This is in large part due to the School-to-Prison Pipeline and the Prison Industrial Complex.

http://www.census.gov/quickfacts/table/PST045215/53
http://oira.unc.edu/diversity-statistics/

It was also verified that the University of Washington is invested in the prison industrial complex via hedge funds, and in particular through Black Rock and Wells Fargo, who both invest heavily in Correction Corporation of America (CCA) and GEO Group, the two largest private prison corporations in the United States. What this reveals is that the University of Washington is at a minimum complicit in sustaining from the Prison Industrial Complex, and is certainly profiting from the exploitative and oppressive system.

3. Proposed University of Washington Prison and Hedge Fund Divestment Action Plan

1) Complete and lasting DIVESTMENT from all corporations and or entities that are involved with the Prison Industrial Complex.

When dealing with huge financial corporations like Blackrock or Wells Fargo, shareholder activism, or using the sway of owning stock to encourage corporations to take action, is not an option. The University of Washington simply does not hold enough stock in Wells Fargo or Blackrock to encourage them to divest from prisons. Financial specialists at the University of Washington have also proposed using shareholder activism to advocate for a shift in the business practices of institutions like Wells Fargo or Blackrock. However, we cannot compel or influence a corporation to shift its core or foundational business model. The guiding business principle of public stocks, like Wells Fargo or Blackrock, is to provide shareholders with the greatest return for the money they have invested within a corporation. Since, the Prison Industrial Complex and all the corporations it is entwined with owes much of its profit margin to suppressed wages (RCW 72.09.100), as wages are often the most expensive business cost in the United States, these corporations will continue to function as they have so long as they have a public license to do so. Because shareholder activism will have little effect on the Prison Industrial Complex, the only option available is for
the University of Washington to stop being complicit with and profiting from the Prison Industrial Complex, and to apply pressure to it by divesting from it completely.

2) Reinvesting of University of Washington Prison-Related Funds and Investments

We propose that UW put those investment dollars that we know to be involved with the Prison Industrial Complex in the hands of the communities most impacted; i.e., the working class, and specifically, incarcerated or formerly incarcerated, Black and Brown Communities in the Seattle Area. It is important that the University is not doing the least amount of harm with its endowment, but doing the most amount of good. This means asking the communities most impacted where they want this money to go, and not making decisions for them.

4) Cessation of Purchase from Correctional Industries and CI-Related Suppliers

We propose that the University of Washington cease purchasing from Correctional Industries and other suppliers that are involved with the Prison Industrial Complex, because Prison Labor breaks the Supplier Code of Conduct in many ways and goes against the values of our university. Just like investments, procurement should try to do the most good. This includes granting procurement contracts to Black and Brown owned businesses for some of the things UW has been contracting with Correctional Industries for.

4) Proactive Ethical Code of procurement and Investment at University of Washington

We propose that the University of Washington collaborate with relevant student, staff and faculty groups to create an ethical code for procurement and investments that is PROACTIVE. The supplier code of conduct sets a solid ethical foundation, but the burden of proof and work is on students. This is unacceptable. We need ethical standards for both procurement AND investment that is decided by the campus community, and upheld by the Board of Regents and the administration, so we do not have to engage in these long campaigns again.
STANDING COMMITTEES

Finance and Asset Management Committee

Community Stakeholder Presentation on Prison Divestment (continued p. 5)

ADDITIONAL INFORMATION


“Broken prison labor program fails to keep its promises, costs millions”, Michael J. Berens and Mike Bake Description: Recommended reading for Board of Regents on Prison Manufacturing in Washington State http://projects.seattletimes.com/2014/prison-labor/1/

Petition to “Divest UW's endowment from prisons and reinvest in people who are or were incarcerated” https://www.change.org/p/university-of-washington-divest-uw-s-endowment-from-prisons-and-reinvest-in-survivors-of-incarceration

Attachments

1 “Masked Racism: Reflections on the Prison Industrial Complex”, by Angela Davis. Description: Recommended reading for the Board of Regents on the Prison Industrial Complex.


3 Decolonize UW List of Demands aka the Race and Equity Initiative Demands, #6, Divest from Prisons by the end of Spring Quarter 2017, http://decolonizeuw.tumblr.com/
Imprisonment has become the response of first resort to far too many of the social problems that burden people who are ensconced in poverty. These problems often are veiled by being conveniently grouped together under the category "crime" and by the automatic attribution of criminal behavior to people of color. Homelessness, unemployment, drug addiction, mental illness, and illiteracy are only a few of the problems that disappear from public view when the human beings contending with them are relegated to cages.

Prisons thus perform a feat of magic. Or rather the people who continually vote in new prison bonds and tacitly assent to a proliferating network of prisons and jails have been tricked into believing in the magic of imprisonment. But prisons do not disappear problems, they disappear human beings. And the practice of disappearing vast numbers of people from poor, immigrant, and racially marginalized communities has literally become big business.

The seeming effortlessness of magic always conceals an enormous amount of behind-the-scenes work. When prisons disappear human beings in order to convey the illusion of solving social problems, penal infrastructures must be created to accommodate a rapidly swelling population of caged people. Goods and services must be provided to keep imprisoned populations alive. Sometimes these populations must be kept busy and at other times -- particularly in repressive super-maximum prisons and in INS detention centers -- they must be deprived of virtually all meaningful activity. Vast numbers of handcuffed and shackled people are moved across state borders as they are transferred from one state or federal prison to another.

All this work, which used to be the primary province of government, is now also performed by private corporations, whose links to government in the field of what is euphemistically called "corrections" resonate dangerously with the military industrial complex. The dividends that accrue from investment in the punishment industry, like those that accrue from investment in weapons production, only amount to social destruction. Taking into account the structural similarities and profitability of business-government linkages in the realms of military production and public
punishment, the expanding penal system can now be characterized as a "prison industrial complex."

The Color of Imprisonment

Almost two million people are currently locked up in the immense network of U.S. prisons and jails. More than 70 percent of the imprisoned population are people of color. It is rarely acknowledged that the fastest growing group of prisoners are black women and that Native American prisoners are the largest group per capita. Approximately five million people -- including those on probation and parole -- are directly under the surveillance of the criminal justice system.

Three decades ago, the imprisoned population was approximately one-eighth its current size. While women still constitute a relatively small percentage of people behind bars, today the number of incarcerated women in California alone is almost twice what the nationwide women's prison population was in 1970. According to Elliott Currie, "[t]he prison has become a looming presence in our society to an extent unparalleled in our history -- or that of any other industrial democracy. Short of major wars, mass incarceration has been the most thoroughly implemented government social program of our time."

To deliver up bodies destined for profitable punishment, the political economy of prisons relies on racialized assumptions of criminality -- such as images of black welfare mothers reproducing criminal children -- and on racist practices in arrest, conviction, and sentencing patterns. Colored bodies constitute the main human raw material in this vast experiment to disappear the major social problems of our time. Once the aura of magic is stripped away from the imprisonment solution, what is revealed is racism, class bias, and the parasitic seduction of capitalist profit. The prison industrial system materially and morally impoverishes its inhabitants and devours the social wealth needed to address the very problems that have led to spiraling numbers of prisoners.

As prisons take up more and more space on the social landscape, other government programs that have previously sought to respond to social needs -- such as Temporary Assistance to Needy Families -- are being squeezed out of existence. The deterioration of public education, including prioritizing discipline and security over learning in public schools located in poor communities, is directly related to the prison "solution."

Profiting from Prisoners
As prisons proliferate in U.S. society, private capital has become enmeshed in the punishment industry. And precisely because of their profit potential, prisons are becoming increasingly important to the U.S. economy. If the notion of punishment as a source of potentially stupendous profits is disturbing by itself, then the strategic dependence on racist structures and ideologies to render mass punishment palatable and profitable is even more troubling.

Prison privatization is the most obvious instance of capital's current movement toward the prison industry. While government-run prisons are often in gross violation of international human rights standards, private prisons are even less accountable. In March of this year, the Corrections Corporation of America (CCA), the largest U.S. private prison company, claimed 54,944 beds in 68 facilities under contract or development in the U.S., Puerto Rico, the United Kingdom, and Australia. Following the global trend of subjecting more women to public punishment, CCA recently opened a women's prison outside Melbourne. The company recently identified California as its "new frontier."

Wackenhut Corrections Corporation (WCC), the second largest U.S. prison company, claimed contracts and awards to manage 46 facilities in North America, U.K., and Australia. It boasts a total of 30,424 beds as well as contracts for prisoner health care services, transportation, and security.

Currently, the stocks of both CCA and WCC are doing extremely well. Between 1996 and 1997, CCA's revenues increased by 58 percent, from $293 million to $462 million. Its net profit grew from $30.9 million to $53.9 million. WCC raised its revenues from $138 million in 1996 to $210 million in 1997. Unlike public correctional facilities, the vast profits of these private facilities rely on the employment of non-union labor.

The Prison Industrial Complex

But private prison companies are only the most visible component of the increasing corporatization of punishment. Government contracts to build prisons have bolstered the construction industry. The architectural community has identified prison design as a major new niche. Technology developed for the military by companies like Westinghouse is being marketed for use in law enforcement and punishment.

Moreover, corporations that appear to be far removed from the business of punishment are intimately involved in the expansion of the prison industrial complex. Prison construction bonds are one of the many sources of profitable investment for leading financiers such as Merrill Lynch. MCI charges prisoners and their families
outrageous prices for the precious telephone calls which are often the only contact
prisoners have with the free world.

Many corporations whose products we consume on a daily basis have learned that
prison labor power can be as profitable as third world labor power exploited by U.S.-
based global corporations. Both relegate formerly unionized workers to joblessness
and many even wind up in prison. Some of the companies that use prison labor are
IBM, Motorola, Compaq, Texas Instruments, Honeywell, Microsoft, and Boeing. But
it is not only the hi-tech industries that reap the profits of prison labor. Nordstrom
department stores sell jeans that are marketed as "Prison Blues," as well as t-shirts and
jackets made in Oregon prisons. The advertising slogan for these clothes is "made on
the inside to be worn on the outside." Maryland prisoners inspect glass bottles and jars
used by Revlon and Pierre Cardin, and schools throughout the world buy graduation
caps and gowns made by South Carolina prisoners.

"For private business," write Eve Goldberg and Linda Evans (a political prisoner
inside the Federal Correctional Institution at Dublin, California) "prison labor is like a
pot of gold. No strikes. No union organizing. No health benefits, unemployment
insurance, or workers' compensation to pay. No language barriers, as in foreign
countries. New leviathan prisons are being built on thousands of eerie acres of
factories inside the walls. Prisoners do data entry for Chevron, make telephone
reservations for TWA, raise hogs, shovel manure, make circuit boards, limousines,
waterbeds, and lingerie for Victoria's Secret -- all at a fraction of the cost of 'free
labor.'"

Devouring the Social Wealth

Although prison labor -- which ultimately is compensated at a rate far below the
minimum wage -- is hugely profitable for the private companies that use it, the penal
system as a whole does not produce wealth. It devours the social wealth that could be
used to subsidize housing for the homeless, to ameliorate public education for poor
and racially marginalized communities, to open free drug rehabilitation programs for
people who wish to kick their habits, to create a national health care system, to expand
programs to combat HIV, to eradicate domestic abuse -- and, in the process, to create
well-paying jobs for the unemployed.

Since 1984 more than twenty new prisons have opened in California, while only one
new campus was added to the California State University system and none to the
University of California system. In 1996-97, higher education received only 8.7
percent of the State's General Fund while corrections received 9.6 percent. Now that
affirmative action has been declared illegal in California, it is obvious that education
is increasingly reserved for certain people, while prisons are reserved for others. Five
times as many black men are presently in prison as in four-year colleges and
universities. This new segregation has dangerous implications for the entire country.

By segregating people labeled as criminals, prison simultaneously fortifies and
conceals the structural racism of the U.S. economy. Claims of low unemployment
rates -- even in black communities -- make sense only if one assumes that the vast
numbers of people in prison have really disappeared and thus have no legitimate
claims to jobs. The numbers of black and Latino men currently incarcerated amount to
two percent of the male labor force. According to criminologist David Downes,
"[t]reating incarceration as a type of hidden unemployment may raise the jobless rate
for men by about one-third, to 8 percent. The effect on the black labor force is greater
still, raising the [black] male unemployment rate from 11 percent to 19 percent."

Hidden Agenda

Mass incarceration is not a solution to unemployment, nor is it a solution to the vast
array of social problems that are hidden away in a rapidly growing network of prisons
and jails. However, the great majority of people have been tricked into believing in
the efficacy of imprisonment, even though the historical record clearly demonstrates
that prisons do not work. Racism has undermined our ability to create a popular
critical discourse to contest the ideological trickery that posits imprisonment as key to
public safety. The focus of state policy is rapidly shifting from social welfare to social
control.

Black, Latino, Native American, and many Asian youth are portrayed as the
purveyors of violence, traffickers of drugs, and as envious of commodities that they
have no right to possess. Young black and Latina women are represented as sexually
promiscuous and as indiscriminately propagating babies and poverty. Criminality and
deviance are racialized. Surveillance is thus focused on communities of color,
immigrants, the unemployed, the undereducated, the homeless, and in general on
those who have a diminishing claim to social resources. Their claim to social
resources continues to diminish in large part because law enforcement and penal
measures increasingly devour these resources. The prison industrial complex has thus
created a vicious cycle of punishment which only further impoverishes those whose
impoverishment is supposedly "solved" by imprisonment.

Therefore, as the emphasis of government policy shifts from social welfare to crime
control, racism sinks more deeply into the economic and ideological structures of U.S.
society. Meanwhile, conservative crusaders against affirmative action and bilingual
education proclaim the end of racism, while their opponents suggest that racism's
remnants can be dispelled through dialogue and conversation. But conversations about "race relations" will hardly dismantle a prison industrial complex that thrives on and nourishes the racism hidden within the deep structures of our society.

The emergence of a U.S. prison industrial complex within a context of cascading conservatism marks a new historical moment, whose dangers are unprecedented. But so are its opportunities. Considering the impressive number of grassroots projects that continue to resist the expansion of the punishment industry, it ought to be possible to bring these efforts together to create radical and nationally visible movements that can legitimize anti-capitalist critiques of the prison industrial complex. It ought to be possible to build movements in defense of prisoners' human rights and movements that persuasively argue that what we need is not new prisons, but new health care, housing, education, drug programs, jobs, and education. To safeguard a democratic future, it is possible and necessary to weave together the many and increasing strands of resistance to the prison industrial complex into a powerful movement for social transformation.

When the rich wage war, it's the poor who die.
— Jean-Paul Sartre
Last week the ASUW board of directors (BOD) met with Bryce Kolton, vice chair of the Student Technology Fee committee (STF), to discuss possible improvements that could be made to the committee.

The STF recently underwent changes when the former chair resigned earlier in the quarter, causing the bylaws to be re-evaluated so a co-chair could be appointed.

Both Kolton and the BOD were concerned about the frequent cycling of ASUW appointees, many of whom left the committee shortly after joining it.

“I think this is because we lack cohesion,” Kolton said. “There is no unstructured time to talk, it’s all business and that doesn’t foster a sense of belonging.”

Kolton also said there has been a serious lack of onboarding, and that many new members are not briefed before their first meeting.

Kolton said they are hoping to make the STF more transparent by moving all information and resources online.

“We want the information to be accessible, in turn this will make submitting proposals much easier,” Kolton said.

The BOD also heard from Tyler Grandgeorge, director of national and senatorial communications for the Resident Community Student Association (RCSA), who shared that RCSA is planning to create a Housing and Food Services Budget Proposal Committee.

“This arose after we realized how many students this year had concerns about the budget presented,” Grandgeorge said.

Grandgeorge explained that students on the committee would act as liaisons for the rest of the student body. RCSA hopes to launch the committee next year.

The BOD then passed senate legislation R-22-47: The Black Lives Matter Resolution. The resolution is a statement of support for activist demands presented at the Race & Equity discussion on April 5, 2016.

The BOD also approved Board Bill 4.12, An Act to Approve the 2016-2017 Experimental College Review Plan. This bill will essentially shut down the Experimental College program for next year while a task force re-evaluates the program and its viability as a part of the ASUW.

Mitchell Chen, ASUW director of diversity efforts, then presented a draft of a letter in solidarity with undocumented students.

“I have spoken with this community’s members and they have been facing unacceptable harassment and threats from other students,” Chen said.

He recognized the letter was just words, and hopes the BOD can find other ways to support the marginalized community.

The BOD also approved four new hires for the 2016-17 academic year: Chet Merklin as the bike shop manager, Gabe Judd as the Rainy Dawg Radio assistant manager, Sam Le as the Asian Student Commission director, and Henry Dotson as the Rainy Dawg Radio technology manager.
The ASUW BOD meets Thursdays at 4:30 p.m. in HUB 303. The ASUW student senate meets Tuesdays at 5 p.m. in Gowen 301.

Reach reporter Susana Machado at news@dailyuw.com. Twitter: @smacha1995
List of demands

1

We Demand the University of Washington immediately and officially recognizes the land it is built on. The University of Washington and the city of Seattle are founded on both federal and non-federal recognized Salish tribal land. Through deception, broken treaties and violence; Salish tribes such as the Duwamish have been scattered from their lands without compensation by the US government, whereas other tribes were given reservation lands. Further, we demand the University of Washington open productive dialogues with the Salish tribes to support American Indian/Alaskan Native and Indigenous identities on the Seattle campus as well as to honor the treaties of Washington State.

Additionally, we demand the University supports Lushootseed place-names in place of Whitman Court/Walk and Stevens Way. These border the Intellectual House and continue to honor the men responsible for Indigenous genocide and intergenerational trauma. Governor Isaac Stevens presided over the disingenuous treaty that removed the Duwamish and many Salish tribes from their land. Marcus Whitman was a Christian Missionary who committed genocide on Indigenous people of Pacific Northwest. This must be accomplished by Winter 2017.

2

To address exclusionary admissions practices, we demand increased recruitment of admission to Black and other underrepresented students, including more funding for resources for Student retention and academic success.

Funding will be allocated to these programs by December 2016:

1) The Ethnic Cultural Center
2) The Instructional Center
3) The Women’s Center
4) The D Center

5) The Q Center

6) The ECC Legacy groups

7) The Making Connections Program

8) The African Health Program

9) The UW Office for Faculty Advancement

10) Pipeline Project (Carlson Center)

11) The Intellectual House

12) Africa-Town (By June 1st 2016)

Furthermore, we demand that the “criminal history” reporting section be removed from all Undergraduate and Graduate applications in recognition of the fact that Black and other students of color are unfairly and disproportionately targeted by the U.S criminal Justice system by December 2016.

Additionally, that the percentage of Faculty of color especially Black Faculty increase in all schools by 25% at the end of Winter 2017.

We demand both investment in the American Ethnic Studies department via the creation of a graduate program and the hiring of new professors to at least replace those who have left in the past 10 years and a new curriculum that will result in a major or minor or both that is focused on the intersectionality of race, gender, colonialism, imperialism, capitalism, and class. These should each be accepting students by Fall 2018 or earlier.

Implement a new community policing and review model to work towards improving police behavior at the UW. This model must include and independent civilian police review board—one
that proactively identifies issues and problems in police operations and practices, reviews incidents and complaints, and oversees the implementation of reforms and disciplinary actions. This independent civilian police review board should regularly analyze data and identify disparities. It should have full investigatory powers including: access to relevant documents, subpoena power, ability to compel testimony. This policy should be developed with involvement of students staff and faculty chosen by their communities by end of Winter 2017.

To promote collaborative and transformative models of scholarship and community engagement to democratize the University and expand its exclusionary modes of knowledge production, we demand the establishment of an Interdisciplinary Center for the Critical Study of Race.

This center will promote collaboration among academics, community activists, and artists, and provide a space to hold talks and workshops across the disciplines and departments. The center’s mission will include the critical study of how the university has produced the conditions for the social violence’s being addressed by the Black Lives Matter Movement. The center will also offer mandatory white and/or male privilege courses to ALL UW graduate and Undergraduate Students by end of Spring 2019.

We demand that the University of Washington Divest from Prisons by end of spring 2017. We demand the amount that the University of Washington has profited off of prison labor to be invested in students and community members who have survived incarceration.

We demand a Student-Led, Student built committee with Institutional power to push and delegate REI funding to groups and/or university factions deemed necessary to push forth the demands set during the 2015 Black Lives Matter student Walkout. These students will be appointed by their communities.
The Prison Industrial Complex and UW

The United States has 5% of the World’s Population, but 25% of the World’s Prisoners

One of the most corrupt and injustice systems that has ever existed requires more than twenty minutes to unpack.
The Prison Industrial Complex

- Scholar and activist Angela Davis describes the Prison Industrial Complex (PIC):
  - “The dividends that accrue from investment in the punishment industry, like those that accrue from investment in weapons production, only amount to social destruction. Taking into account the structural similarities and profitability of business-government linkages in the realms of military production and public punishment, the expanding penal system can now be characterized as a "prison industrial complex." [1]
CREATING A BODY CORPORATE TO BE KNOWN AS
FEDERAL PRISON INDUSTRIES, INC.

By virtue of the authority vested in me by the Act of June 25, 1934, (Public
No. 461, 73rd Congress), it is hereby ordered that a corporation of the District of Colum-
bia be and is hereby created, said corporation to be named as
FEDERAL PRISON INDUSTRIES, INC.

1. The governing body of said corporation shall consist of a board of five direc-
tors to hold office at the pleasure of the President. The following persons shall consti-
tute the first Board of Directors:

Mr. Sanford Bates
Mr. Thomas A. Bickert
Hom. John B. Miller
Dr. M. L. Britwax
Mr. Jan A. Lewisohn

2. The principal office of said corporation shall be in the City of Washington, Dis-
trict of Columbia, but the corporation shall have power and authority to establish such other
offices or agencies as it may deem necessary or appropriate.

3. The said corporation shall have power
How many people are locked up in the United States?

The United States locks up more people, per capita, than any other nation. But grappling with why requires us to first consider the many types of correctional facilities and the reasons that 2.3 million people are confined there.

Sources and data notes: See http://www.prisonpolicy.org/reports/pie2016.html
Prison Labor Products Shopping Websites

Arizona: [https://www.aci.az.gov/](https://www.aci.az.gov/)
California: [http://pia.ca.gov/](http://pia.ca.gov/)
North Carolina: [https://www.correctionenterprises.com/](https://www.correctionenterprises.com/)
New York: [https://www.corcraft.org/webapp/wcs/stores/servlet/WhoWeAreView?langId=-1&storeId=10001&catalogId=10051](https://www.corcraft.org/webapp/wcs/stores/servlet/WhoWeAreView?langId=-1&storeId=10001&catalogId=10051)
Pennsylvania: [http://www.cor.pa.gov/PCI/Pages/default.aspx#.V-1Q0PkrKM8](http://www.cor.pa.gov/PCI/Pages/default.aspx#.V-1Q0PkrKM8)

Montana: [https://cor.mt.gov/MCE/ProductsServices/Furniture#414824843-furniture](https://cor.mt.gov/MCE/ProductsServices/Furniture#414824843-furniture)
Maryland: [https://www.mce.md.gov/](https://www.mce.md.gov/)
Florida: [https://www.pride-enterprises.org/](https://www.pride-enterprises.org/)
Virginia: [https://www.govce.net/](https://www.govce.net/)
Texas: [http://www.tci.tdcj.state.tx.us/](http://www.tci.tdcj.state.tx.us/)
Wyoming: [https://sites.google.com/a/wyo.gov/wbi/home](https://sites.google.com/a/wyo.gov/wbi/home)
http://corrections.wy.gov/prisonindustries/index.html
Nebraska: [https://www.nebraska.gov/apps-csi/](https://www.nebraska.gov/apps-csi/)
The 13th Amendment

“The 13th Amendment states that "neither slavery nor involuntary servitude, except as a punishment for a crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction." [5]
Black Codes and Convict Leasing (Pictured are convicts who were leased to a logging company in circa 1915)
Mass Incarceration in the US [6]
Mass Incarceration in the US [7]

UNITED STATES INCARCERATION RATES BY RACE/ETHNICITY, 2010
(Number of people incarcerated per 100,000 people in that group)

Source: Calculated by the Prison Policy Initiative from U.S. Census 2010 Summary File 1. Incarcerated populations are all types of correctional facilities in a state, including federal and state prisons, local jails, halfway houses, etc. Statistics for Whites are for Non-Hispanic Whites.
Mass Incarceration in WA [8]

**Washington Incarceration Rates by Race/Ethnicity, 2010**

(Number of people incarcerated per 100,000 people in that group)

- **White**: 392
- **Hispanic**: 401
- **Black**: 2,372
- **American Indian/Alaska Native**: 1,427

Source: Calculated by the Prison Policy Initiative from U.S. Census 2010 Summary File 1. Incarcerated populations are all types of correctional facilities in a state, including federal and state prisons, local jails, halfway houses, etc. Statistics for Whites are for Non-Hispanic Whites.
The School to Prison Pipeline

“A nationwide system of local, state and federal education and public safety policies that pushes students out of school and into the criminal justice system. This system disproportionately targets youth of color and youth with disabilities. Inequities in areas such as school discipline, policing practices, high-stakes testing and the prison industry contribute to the pipeline.” [9]
The School to Prison Pipeline

● Our response to child abuse is jailing the victims: nationally “92 percent of incarcerated girls have experienced one or more forms of physical, sexual or emotional abuse before entering the juvenile justice system.” [10] A history of neglect or abuse “increases the likelihood of arrest as a juvenile by 59 percent.” [11]

● The school-to-prison pipeline begins for Black and Native children in preschool.

● Nationwide, LGBT youth are 3-5% of the population and 13-15% of those in contact with the juvenile justice system. [12]
The School to Prison Pipeline in WA

Racial divide starts with little kids

School discipline starts with kindergarteners, and the rates vary widely. In Seattle, for example, suspension rates for kids in fifth grade and below were more skewed in 2013-14 than in two neighboring districts that also agreed to provide discipline data.

Note: Shows the total number of suspensions by race, not the total number of students suspended
Source: Seattle Times analysis of data provided by Seattle, Lake Washington and Highline school districts

STEFANIE REDDING / THE SEATTLE TIMES
School to Prison Pipeline in WA

What gets children suspended?

In Seattle, hundreds of elementary students were suspended in the 2013-14 school year. Below are the top 10 reasons. For certain behaviors, the number of black children disciplined was twice that of whites.

<table>
<thead>
<tr>
<th>BEHAVIOR</th>
<th>SUSPENDED STUDENTS</th>
<th>AFRICAN AMERICAN</th>
<th>WHITE</th>
<th>HISPANIC</th>
<th>ASIAN/PACIFIC ISLANDER</th>
<th>AMERICAN INDIAN</th>
<th>MULTIRACIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assault</td>
<td>116</td>
<td>39%</td>
<td>34%</td>
<td>10%</td>
<td>5%</td>
<td>3%</td>
<td>9%</td>
</tr>
<tr>
<td>Fighting</td>
<td>107</td>
<td>48%</td>
<td>20%</td>
<td>14%</td>
<td>8%</td>
<td>2%</td>
<td>8%</td>
</tr>
<tr>
<td>Disruptive Conduct</td>
<td>87</td>
<td>52%</td>
<td>24%</td>
<td>6%</td>
<td>3%</td>
<td>1%</td>
<td>14%</td>
</tr>
<tr>
<td>Threats of Violence</td>
<td>29</td>
<td>34%</td>
<td>34%</td>
<td>7%</td>
<td>14%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Rule Breaking</td>
<td>24</td>
<td>50%</td>
<td>17%</td>
<td>33%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Bullying, Intimidation and Harassment</td>
<td>20</td>
<td>55%</td>
<td>25%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Interfere with School Authority</td>
<td>18</td>
<td>56%</td>
<td>6%</td>
<td>11%</td>
<td>6%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Disobedience</td>
<td>16</td>
<td>44%</td>
<td>25%</td>
<td>6%</td>
<td>0%</td>
<td>6%</td>
<td>19%</td>
</tr>
<tr>
<td>Theft</td>
<td>13</td>
<td>54%</td>
<td>15%</td>
<td>0%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Intimidation of School Authority</td>
<td>11</td>
<td>55%</td>
<td>18%</td>
<td>27%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Note: Students who are suspended multiple times for the same behavior are counted once.
Source: Seattle Times analysis of data provided by Seattle Public Schools

STEPHANIE REDDING / THE SEATTLE TIMES
School to Prison Pipeline in WA

- “In 2011, the most recent year for which federal data is available, judges in Washington ordered status offenders to spend time in juvenile detention 2,705 times, more than twice as often as any other state.” [15]
- Status offenses include: running away, disobeying parents, skipping school—or just being late repeatedly.
School to Prison Pipeline in WA

- African-Americans make up 10% of the general youth population in King County, but make up 50% of youth in detention. [16]

- Children in the state of Washington as young as 8 can be incarcerated

- Jailing youth doesn't deter future crime--it increases future crime. In Seattle, 88% of imprisoned youth are later re-incarcerated. Research found that "incarcerated youth were more likely to commit 'homicide, violent crime, property crime and drug crimes' than those that didn’t serve time" with similar initial offenses. [17]
Conditions within the King County Youth Jail

- The children caged in the King County jail will be exposed to the dry cleaning chemicals trichlorethylene and tetrachlorethylene, which are very toxic/carcinogenic. King County knows this and doesn't care. [18]

- Anecdotally, all the children are given medication (aka drugged) to make them fall asleep at night, whether they have any sleeping condition or not.

- Anecdotally, youth in the juvie count down the days until they "get" to go to adult prison, because they have more basic rights there.
The Proposed New Youth Jail

- King County is planning to spend $210 million taxpayer dollars on new judges quarters, courtrooms, and cages for children. There is currently no plan for funding the children's education. Construction has begun, but cannot proceed without a master permit from the city.

- Seattle City Council recently passed a 'Zero Youth in Detention' resolution,[19] which is fantastic in theory and totally irrelevant to the kids in the King County jail and those who will be placed in the new jail, which is going forward as planned.
The Psychological Conditions of Prison

- In a famous psychological study at Stanford University, college students were placed in a fake basement “prison”, and randomly assigned roles as guards or prisoners. [20]

- The study had to be cut short because of the extreme cruelty and threats of violence that the “guards” were showing.

- “Guards” reported being ashamed at what they had done and “prisoners” were traumatized for years.
Medical Care in Prisons

- According to the ACLU, “Each day, men, women, and children behind bars suffer needlessly from lack of access to adequate medical and mental health care. Chronic illnesses go untreated, emergencies are ignored, and patients with serious mental illness fail to receive necessary care. For some patients, poor medical care turns a minor sentence into a death sentence.” [21]

- Many women’s prisons withhold menstrual products to cut costs and humiliate women. [22]
Solitary Confinement in Prisons

- According to the Bureau of Justice, in 2011, over 20% of all inmates in jails and prisons spent time in solitary confinement. [23]

- At Red Onion State Prison in Virginia, the average solitary term is 2.7 years. [24]

- Many facilities still place youth in solitary confinement, including the King County Youth Jail.
- Solitary confinement of youth is considered torture by the UN. [25]
Sexual Violence in Prisons

- In 2011-12, an estimated 4.0% of state and federal prison inmates and 3.2% of jail inmates reported experiencing one or more incidents of sexual victimization by another inmate or facility staff in the past 12 months or since admission to the facility, if less than 12 months. [26]

- 12% of incarcerated youth report being sexually abused in prison in the previous year (mostly by guards). [27]
Department of Justice Decision

- August 18, 2016 the Department of Justice ruled to phase out all contracts with completely private prisons, citing safety concerns. [28]

- This decision does not apply to State, Federal prisons that may be run by private corporations, or to any detention center or prison under the jurisdiction of the Department of Homeland Security.
The Prison Industrial Complex

According to RCW 39.26.251, Section 1 (Washington State Law)

1) State agencies, the legislature, and departments shall purchase for their use all goods and services required by the legislature, agencies, or departments that are produced or provided in whole or in part from class II inmate work programs operated by the department of corrections through state contract. [29]
The Prison Industrial Complex and Slave Labor

- According to RCW 72.09.100, Section 2, Clause F, “Inmates working in this class of industries shall do so at their own choice and shall be paid for their work on a gratuity scale which shall not exceed the wage paid for work of a similar nature in the locality in which the industry is located and which is approved by the director of correctional industries.” [30]

- In the Federal inmate work program UNICOR, the average wage is between $0.23-1.15 an hour. [31]

- State Wages vary between $0.12-0.40 an hour, and many states do not pay inmate workers at all. [31]

- In Texas, “medically able” inmates who refuse to work are put into solitary confinement. [32]
UW’s Involvement in the PIC (Procurement)

- Since 2011, UW has purchased $6.9 million of goods, mainly furniture, from Correctional Industries, which is a Washington inmate work program.

- We have no current contracts, however, there are no barriers to UW renewing contracts with Correctional Industries.

- Most contracts have been with HFS, and new dorms are being built now.
Student Housing
Undergraduates
Graduates
Family Housing
Housing Master Plan
Disability Accommodations
Financial Information
Health & Wellness
Safety
Contact Us

Double Room
All bedrooms are furnished with configurable furniture. You can loft your bed or leave your bed low to suit your style.

Poplar Hall
Private Prisons And the Prison Industrial Complex

Total expenditures on federal lobbying by CCA, GEO and Cornell have fluctuated over the past decade.

Private Prisons And the Prison Industrial Complex

![CCA & GEO Lobbying on Immigration Issues Chart]

[33]
Private Prison and Immigration Profiteers

Detained Immigrants, Working for the U.S.

Every day, about 5,500 detained immigrants work in the nation’s immigration detention centers. Some are paid a dollar a day; others earn nothing. The locations shown are facilities that the federal government reimburses for this work.

[Map showing detention centers across the U.S.]

Source: U.S. Immigration and Customs Enforcement
The New York Times
Private Prison and Immigration Profiteers

FIGURE 2
Immigration detention contracts account for a large share of private prison revenue
Approximately half of CCA and GEO revenue comes from federal contracts

Corrections Corporation of America

- U.S. Marshals Service: 16.0%
- Bureau of Prisons: 24.0%
- Immigration and Customs Enforcement: 51.0% of total revenue

The GEO Group Inc.

- U.S. Marshals Service: 11.6%
- Bureau of Prisons: 17.7%
- Immigration and Customs Enforcement: 49.9% of total revenue

The Million Shares Club

- Without the financial support of major investors like Vanguard and Wells Fargo, CCA and GEO alone would not be strong enough to successfully lobby for policies that increase government demand for private prisons. With these powerful allies, however, they have been able to sway public policy in favor of more severe “tough on crime” laws and the increasing criminalization of immigrants. [36]
Wells Fargo and CCA and GEO

- Wells Fargo owns about $2.9 Million dollars of CCA stock, but is the primary lender for $785 Million dollars of CCA’s debt. [37]

- Wells Fargo is one of GEO Group’s largest stockholders, and owns about $95.5 Million in GEO Group Stock, or 6.84% of the company. [37]

- Wells Fargo is also a trustee for $300 Million Dollars worth of GEO Group’s debt. [37]
The following 32 major financial investors each own over 1 million shares of CCA and GEO combined, and collectively own over two-thirds of CCA and GEO:

- American Century Companies Inc.
- Ameriprise Financial Inc.
- Anchor Capital Advisors LLC
- Bank of America
- Bank Of New York Mellon Corp.
- Blackrock Fund Advisors
- Cramer Rosenthal McGlynn LLC
- Diamond Hill Capital Management
- Eagle Asset Management Inc.
- Epoch Investment Partners, Inc.
- First Trust Advisors LP
- FMR LLC
- Geode Capital Management, LLC
- Hodges Capital Management, LLC
- Hotchkis & Wiley Capital Management LLC
- Invesco LTD.
- Jennison Associates, LLC
- Lazard Asset Management LLC
- London Co. Of Virginia
- Managed Account Advisors LLC
- New South Capital Management INC
- Northern Trust Corp
- Nuance Investments, LLC
- Principal Financial Group Inc
- Prudential Financial Inc
- Raymond James & Associates
- Reinhart Partners, Inc.
- River Road Asset Management, LLC
- State Street Corp
- Vanguard Group INC
- Waddell & Reed Financial Inc
- Wells Fargo & Company
Divestment

- Divestment from these financial services companies because they support CCA and GEO will force these companies to change their investment practices if they want to continue making a profit. With enough public pressure, these 32 major investors will divest or create portfolio screens shielding their investments from making their way to CCA and GEO. Once deprived of the financial support of their investors, CCA and GEO will lose capital and with it, their ability to lobby for stricter punishments, anti-immigration laws, and more contracts. [36]
UW’s Involvement in the PIC (Investment)

○ One of the UW’s investment managers, Wellington Management, has purchased a small amount of shares of BlackRock, Inc. Common Stock - 5,149 shares totaling MV $1,786,703. These BlackRock, Inc. shares are in the UW’s Wellington Dividend Growth Account managed by Wellington.

○ BlackRock Alternatives, a subsidiary of BlackRock, Inc. manages $79.7 million of the Consolidated Endowment Fund (CEF).

○ UW owns 41,676 shares of Wells Fargo Common Stock totaling MV $2,010,033 in the Wellington Dividend Growth Account.

○ UW investment managers occasionally will use Wells Fargo Brokerage as a trading partner to buy and sell bonds.

○ Wells Fargo provides banking services for UW’s payroll account.
Sources

Sources (Continued)

Sources (Continued)

- [22] https://www.theguardian.com/commentisfree/2015/jun/12/prisons-menstrual-pads-humiliate-women-violate-rights
- [32] https://www.tdcj.state.tx.us/faq/faq_cid.html#work
Sources (Continued)


STANDING COMMITTEES

Finance and Asset Management Committee

Student Presentation on Fossil Fuel Divestment

INFORMATION

This item is presented as information only.

We at Divest UW are calling for the University of Washington to divest from fossil fuel companies. We realize that this statement mirrors previous materials compiled for this board on the subject of coal and fossil fuel divestment. We ask that you review this material with the knowledge that the science and the urgency of the climate crisis have become even more pressing since. We ask that you review these materials with a new set of eyes that holds the escalated urgency and ethical reasoning that we bring to you with this proposal. We ask you to consider the evidence we present as to the efficacy of shareholder engagement and whether it justifies continuing to hold investment in the fossil fuel industry given its actions.

BACKGROUND

When the University of Washington committed to divest from the coal industry, it made history by becoming, at the time, the largest and wealthiest public university to have made some form of fossil fuel divestment commitment. Our decision demonstrated leadership, at the time, but was quickly surpassed by other institutions, such as the University of Hawaii which voted to divest from the full fossil fuel industry just a week later, or the University of Oxford which committed a few days later to divest from coal and tar sands. More and more organizations, including major universities, churches, pension funds, and banks, have committed to fully divest from fossil fuels. Some of these institutions include much more conservative and purely financially motivated institutions, such as the Amalgamated Bank which committed to full fossil fuel divestment, or pension funds such as the $14.7 billion Swedish AP4 fund, which has made a commitment that by 2020, their pension fund will pull money from businesses that lack plans or provide inadequate proposals demonstrating their alignment with “well below 2°C” international agreement. Thus while coal divestment was an important step forward at the time, UW now lags behind many other institutions who have made the commitment to divest fully from the fossil fuel industry.
Finance and Asset Management Committee

Student Presentation on Fossil Fuel Divestment (continued p. 2)

and/or align their investments with the globally agreed upon target of keeping global warming well below 2°C.

The increasing numbers of people trying to get investments out of the fossil fuel industry represents the fastest growing movement of its kind in history (Ansar, Caldecott, & Tilbury, 2013). Beginning in 2011 with just a few campuses the movement now consists of 100’s of different active campaigns, primarily in the US but also across the globe in Canada, Europe, the UK, Australia, South Africa and beyond. As of September 2014, “181 institutions and local governments and 656 individuals [jointly] representing over $50 billion in assets have pledged to divest from fossil fuels” - including universities, philanthropies, religious organizations, and pension funds (Arabella Advisors, 2014). Remarkably, by the time of the Paris Climate talks in December 2015, the total had risen to over 500 institutions representing $3.4 trillion worth of assets, and the number keeps growing (Fitzgibbon, 2015). Many are moving forward not only with divestment from direct fossil fuel investments but also from all fossil fuel investments.

Meanwhile at institutions where divestment has not taken place, students across the country are engaged in a spring of escalating strategies, including civil disobedience, sit-ins, and public relations campaigns aimed at pressuring their universities to divest from fossil fuels. It’s clear that the fossil fuel divestment movement is here to stay and will continue to grow such that early movers will be rewarded as they help to lead the way to clean energy future, whereas laggards will be increasingly castigated by their students and the public, as they are seen on the wrong side of history. This provides the University of Washington with the opportunity to once again claim the mantle of leader in this important moment, defined by the possibility of disastrous climate change on one hand, or a rapid transition to a clean energy future in-line with the international community.

The University of Washington can lead and respond to this critical moment in human history by becoming one of the most influential institutions to fully remove its investments in companies whose business models would set us on a disastrous course. Such a move would have powerful ramifications which would ripple throughout the world and signal the UW’s commitment to a clean energy future. Our future hangs in the balance and the exponentially growing global divestment movement believes that universities and institutions of integrity should not support companies whose business model is antithetical to climatic
stability, and who are using their financial and political clout to undermine knowledge, understanding and our collective ability to tackle climate change.

**Why Full Fossil Fuel Divestment is Warranted**

While coal divestment was an important step forward, which removed investments from the most harmful and financially risky fossil fuel, arguably such a commitment was only a partial response to the climate crisis. Indeed, the same moral, financial, scientific and environmental logic that drove divestment from coal, arguably supports divestment from the oil and gas industry too.

As we have seen from on Stanford University’s experience, coal divestment is an important first step, but even those at Stanford see it as an incomplete measure to address the challenge of climate change. Here it is worth quoting a recent letter signed by 295 Stanford University faculty members:

“She honor the May 2014 decision of the Stanford Board of Trustees to divest from coal, setting a precedent of responsibility and integrity commensurate with the University’s role in the world. Sixty-five percent of all carbon holdings are in coal reserves, and this significant act of divestment is proof of the university’s resolve to act to counter climate disruption. This resolve must now encompass the reality that, once coal is taken out of the equation, the remaining 35% reserves in oil and gas holdings still represent 978 gigatons of carbon, or nearly double the 565 gigaton cap. The urgency and magnitude of climate change call not for partial solutions, however admirable; they demand the more profound and thorough commitment embodied in divestment from all fossil-fuel companies.

The alternative—for Stanford to remain invested in oil and gas companies—presents us with a paradox: If a university seeks to educate extraordinary youth so they may achieve the brightest possible future, what does it mean for that university simultaneously to invest in the destruction of that future? Given that the university has signalled its awareness of the dangers posed by fossil fuels, what are the implications of Stanford’s making only a partial confrontation with this danger? In working with our students we encourage the clarity necessary to confront complex realities and the drive to carry projects through to completion. For Stanford’s
investment policies to be congruent with the clarity and drive in its classrooms, the university must divest from all fossil-fuel companies.”

What the Stanford faculty letter refers to is the realities of the climate change crisis as circumscribed by the carbon budget, which shows that not only can we not burn 80% of coal reserves if we are to stay in line with the 2 degree target, we also cannot burn 50% of gas reserves and a third of oil reserves, according to a study published in *Nature* (McGlade & Ekins, 2015). If all the listed fossil fuel reserves are burnt we will drastically overshoot the 2°C limit and instead be on a path to a catastrophic climate change scenario of up to (if not more than) 6°C by the end of the century, likely leading to mass extinction events, widespread poverty and devastation (cf. Lynas, 2008; The World Bank, 2012).

However, if contrary to the plans of the fossil fuel industry, governments regulate fossil fuels in line with the internationally agreed upon 2 degree target, then two thirds to four fifths of the reserves that fossil fuel companies count as assets on their balance sheet may not be monetized and will become stranded assets (IPCC, 2014). Furthermore, not only are publicly traded fossil fuel companies valued based on their current reserves, the majority of which may not be burnable, they are also expending approximately 1% of global GDP on developing new unnecessary reserves (CTI, 2013) – ironically this is about the same amount required to invest in the clean economy in order to stay below the 2°C target (cf. IEA, 2014; Stern, 2007).

While the potential for stranded assets are a “regular and necessary feature of dynamic economic systems” (Caldecott & Robins, 2014, p. 5), in the case of the fossil fuel industry the potential for stranded assets represents a significantly deep threat to global markets and particularly to the returns of those who stay invested in the fossil fuel industry. Indeed, the contradiction between the 2°C target and fossil fuel industry growth assumptions is “so large it represents a systemic global financial risk” (Gilding, 2013). To put a financial number on the amount of reserves that would be unburnable, Kepler Chevreux estimates that adhering to the 2°C target would result in $28 trillion in lost revenue in just the next two decades, with the oil industry accounting for $19.3tn, gas $4tn, and coal $4.9tn.

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1 The amount stranded depends on how high of a chance of staying below two degrees is acted on (cf. CTI, 2013)
In the longer term, Citibank estimates over $100 trillion in lost revenue by 2050. Such a loss in revenues would cause many fossil fuel investments to decline in value, posing significant risk for those still invested in the fossil fuel industry. This realization has led the likes of British Energy Secretary Ed Davey to call fossil fuels “the sub-prime assets of the future” (Godsen, 2014).

On one hand we have the estimated $28 trillion in lost revenue for the fossil fuel industry if we tackle climate change. On the other hand, the economic impacts of climate change have been estimated to have a mean value of $1240 trillion and could potentially be as high as $3290 trillion by 2200, much of which would fall disproportionately on the poor and vulnerable across the globe. While those numbers point overwhelmingly in favour of climate action and divestment, they still cannot do real justice to the devastating nature of climate change. As Academics Stand Against Poverty recently pointed out in their call for universities to divest from all fossil fuels, “on our present course, climate change will wipe out crucial gains in development and poverty reduction in the global South, and will trigger food shortages, conflict, epidemic disease, and mass displacement”. The scale of this is deeply worrying, for as the UN Human Development Report points out, climate change and other environmental disasters could push over 3 billion people into extreme poverty by 2050 if no significant steps are taken to tackle the problem.

In contrast to the dystopian future created by following the fossil fuel industry’s business model to its logical conclusion, it has been comprehensively shown that by phasing out the burning of fossil fuels in line with the two degree target we can attain massive benefits as a society in terms of avoided environmental and climate change impacts, health benefits, economic savings and job creation (cf. IPCC, 2014; Jacobson & Delucchi, 2011). Indeed the benefits of a transition to clean energy future are not limited to just climate change. Apart from the reduced energy costs from a clean energy transition, the broader benefits are large. For instance, a study by MIT, showed that the benefits to human health from carbon reduction policies from just the reductions in (non GHG) air pollution would

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2 As Nathaniel Bullard highlights in Bloomberg New Energy Finance’s Report Fossil Fuel divestment: A $5 Trillion Challenge, “oil, gas and coal companies make up one of the world’s largest liquid asset classes, with a combined stock market valuation of nearly $5tn. The current value of the 1,469 listed oil and gas firms is $4.65trn; and the 275 coal firms are worth $233bn” (Bullard, 2014, p. 7).
likely offset and then some the costs of implementing those policies (Thompson, Rausch, Saari, & Selin, 2014). To put this into perspective, outdoor air pollution, predominantly caused by fossil fuel burning, caused an estimated 3.7 million premature deaths worldwide in 2012 (World Health Organization, 2014).

What’s more fossil fuel energy production uses up 15% of water withdrawals and in a world of increasing water scarcity driven significantly by climate change, transitioning to clean energy makes sense for providing increased access to water (IEA, 2012). Even further benefits come from the fact that fossil fuel extraction has profoundly harmful effects on surrounding communities and ecosystems, with many of the negative impacts falling on low income families and communities of color (Schlosberg & Collins, 2014). Clean energy also holds the promise of providing energy access, security and independence in ways that fossil fuel energy production simply cannot, especially but not only to poor and remote communities (cf. CTI, 2014; IEA, 2014). Furthermore, “spending on green investments creates approximately three times as many jobs as spending on maintaining our existing fossil fuel infrastructure” (Pollin, Heintz, & Garrett-Peltier, 2009).

It’s clear that the limited short-term benefits of staying invested in fossil fuel energy production are grossly outweighed by their costs when compared to the vast benefits of a clean energy future. Furthermore, contrary to much misinformation, a large scale clean energy transition is both “technically and economically feasible” and would actually bring about significant economic benefits (Jacobson & Delucchi, 2011). Indeed, as opposed to bleak attempts to create self-fulfilling prophesies, like Exxon’s projection of 3% renewable energy by 2050, 80% of global energy industry experts believe that we can achieve 70% by then, and almost half of them believe that we can achieve that in just 15 years (Hill, 2015).

Even when we exclude considerations of externalities and the huge subsidies that the fossil fuel industry receives, the rapidly declining costs of renewable energy are already cost-competitive with the fossil fuel industry in many regions such that transitioning to renewable energy would lead to significant cost-savings on energy, especially in the medium-to-long term (cf. Cardwell, 2014; Randall, 2014). Onshore wind-power is already competitive or cheaper than other fossil fuels even when subsidies are excluded. Likewise solar is already cost-
competitive across much of the globe and is set be cost-competitive with coal power in 80% of the world by 2017 as Deustche Bank predicts. The devastation this changing reality is wreaking on the fossil fuel industry’s business model is set to deepen as the price of renewable energy continues to plummet, all the while fossil fuels are getting more and more expensive as they become increasingly difficult to extract.

Even the National Bank of Abu Dhabi, situated in the heart of the oil-rich Gulf, has reported that renewables are the future for the Middle East as they are already cheaper and more reliable than oil. That same report, from the world capital of cheap oil, shows that even at $10/barrel for oil, and $5/mmbtu for gas, solar is still their cheapest option. What’s more, such a trend is not only limited to the sunny Middle East, as scientists at Lappeenranta University have calculated that China would see increased economic growth if it were to make a large scale transition to renewable energy. Similar results have been shown in most parts of the world, including South Africa, and not-so-sunny Germany where modeling by physicists Hans-Martin Henning and Andreas Palzer have shown that with “no decrease in the standard of living, in comfort levels or in mobility” it is economically to Germany’s advantage “to move as quickly as possible to a system of 80 percent renewable energy” for their entire energy system, not just electricity.

Likewise researchers at Stanford University have shown that transitioning the entire globe to 100% renewable energy by 2050 is not only technically possible, but it would bring about significant economic benefits (Jacobson & Delucchi, 2011). What’s more, as the IPCC (2014) and other analyses have shown, transitioning in line with the 2°C goal can be achieved while ensuring robust economic growth and rising prosperity. Thus it seems quite clear not only that we can phase out coal and other fossil fuel energy production in line with the 2°C goal, but that on even a limited economic outlook we should do so. Even the International Energy Agency (IEA), “a staid organization that for years has shared the worldview of oil and coal industry executives”, estimates that transitioning the energy system in order to keep to the two degree target will result in net savings on fuel of $71 trillion by 2050.

It’s no wonder then that the IPCC and the Deep Decarbonization Pathways Project agree that “deeply reducing GHG emissions and achieving socio-
economic development are not mutually exclusive. [Rather] robust economic
growth and rising prosperity are consistent with the objective of deep
decarbonization. They form two sides of the same coin and must be pursued
together as part of sustainable development”.

**Fossil Fuel Investment Are Not Necessarily More Profitable**

It is important to bear in mind that continuing to invest in the fossil fuel industry
may not necessarily yield the profits that it has done in the past and may even lead
to decreased performance, as the next twenty years will likely be very different to
the last twenty, thinking otherwise is akin to thinking that Blockbuster is the
future of home entertainment. Already increasing evidence illustrates that
institutions who divest from all fossil fuels can potentially do just as well
financially, if not significantly better (Geddes, Goldberg, Tymoczko, & Branch,
2014; Lenferna, 2014; Lovins, 2015; MSCI, 2013). This is because the fossil fuel
industry is already underperforming the broader market and is set to potentially
take on significant losses due to a combination of factors, including the rapid
decrease of alternative energy costs, rapidly increasing costs of fossil fuel
extraction, lower fossil fuel prices, oil price volatility, increases in energy
efficiency, changing social norms, increased environmental regulation, and
suppressed growth of demand for fossil fuels in key economies.

Why then would the university continue to invest in companies who are using
their vast influence and resources to try and push us down a path defined by
unsustainable underdevelopment relative to the path of prosperous sustainable
development open to us? When powerful corrupt forces are attempting to drive
the world to a disastrous future, then it is powerful and potentially noble
institutions like the University of Washington that can make commitments to a
sane future that doesn’t jeopardize our future in the name of a relatively small
amount of profits concentrated within the hands of a deeply harmful industry.

There is a vast body of literature which has demonstrated that the oil and gas
industry has and continues to contribute vast amounts of money and effort to
undermining our scientific, economic and ethical knowledge and understanding of
the climate change crisis. These activities of disinformation, corruption and
distortion run directly contrary to the primary mission of the University of
Washington, which is “the preservation, advancement, and dissemination of
knowledge”. How can the University of Washington invest its money in institutions that directly undermines both its own mission, and the future of the students who are the lifeblood of the institution? What sort of a statement does the University of Washington make by saying that these sorts of industries are a worthwhile investment? Does it condone this sort of corrupt selling off of our future?

If our universities, churches and other influential institutions continue to bet on climate failure then what does that tell the rest of the world? Perhaps it tells fossil fuel companies that they can afford to be sanguine in their assumption that their assets will not be stranded, that betting on climate failure is a good investment to make and, furthermore, that it is a good business choice to expend 1% of the world’s GDP into developing new unnecessary fossil fuel reserves even though that money would be sufficient to keep us below two degrees if it was invested in clean energy. Why not, when even the supposed intellectual and moral leaders within our society are investing in such a future? Indeed, institutions not divesting may just provide the support of the status quo needed to help ensure that we are locked into our current path of blowing through our collective carbon budget and wrecking our planet, for not only are non-divesting institutions betting on climate failure, they are investing in it.

**Shareholder Engagement**

While we appreciate that the university has been undertaking efforts to engage with fossil fuel companies as shareholders. We now call on you to commit to divesting from fossil fuel companies who have been unresponsive to shareholder engagement, whose business models are still out of line and/or working against keeping global warming well below 2°C above pre-industrial levels. Protracted shareholder negotiations with fossil fuel companies who have long proven unresponsive to shareholder engagement pressure does not constitute adequate action. Much evidence suggests that the approach of indefinite shareholder engagement is not sufficient to protect our investments against the rapid unfurling of the carbon bubble or to move fossil fuel companies in the right direction in the short amount of time we have left to address the climate crisis.

The most prominent examples illustrating the relative inefficacy of shareholder engagement come from Exxon and Shell, who despite decades of some of the
most sustained and concerted shareholder efforts on climate change, continue to flout international climate agreements, spread misinformation, and lobby against climate progress. More broadly, a recent overview of shareholder engagement shows its influence to be modest and limited in reach, with the slowness of engagement posing significant limitations given the urgency of addressing accelerating climate risk.

Continuing to invest in the fossil fuel industry means that we are heavily exposed to the risks of the carbon bubble, as 80% of coal, oil and gas reserves of listed firms are unburnable if we are to adhere to the 2°C target, which could result in $28 trillion in potential lost revenue in just the next two decades. We are also investing in companies whose business models, if successful, would wipe out much of the value of the remainder of our assets through climate change. Investing in such a way seems to run doubly-contrary to being a prudent fiduciary or wise manager of investments.

Even the rules of shareholder engagement, stack the deck against the sort of progress needed. The Securities and Exchange Commission restricts shareholders from engaging with firms on operational issues and limits shareholder engagement to “requesting information and attempting to engender change in corporate policies on related issues, but does not allow shareholders to modify the business model or to engage with firms directly on the problem of keeping oil reserves in the ground”. Thus while engagement may be good at requesting information or making changes at the margin, it is not particularly effective at shifting the core business models of companies.

Thus, as Former SEC Commissioner Bevis Longstreth points out, “in regard to fossil fuel companies directly engaged in extractive activities, it is unrealistic to imagine them being swayed by shareholder arguments to get out of their core business of exploring for, extracting and selling carbon-emitting fuel”. Longstreth argues that engagement may in fact provide fossil fuel companies with “the protective cover they need to stretch out the transition process to renewables for as long as they can”. This is particularly the case if one’s strategy is simply indefinite engagement with no timelines or penalties attached to it.

**Acting With Urgency**
We object to continue to having our money invested in companies whose continued practices of spreading misinformation, lobbying, and political manipulation, undermine important progress on climate change and clean energy. Companies, like ExxonMobil and much of the fossil fuel industry, whose political activities undermine our collective ability to achieve climate stability, are a deeply unethical investment. Therefore, for both financial and ethical reasons, we call on UW to divest from oil and gas companies, particularly those who have not demonstrated their alignment with needed action on climate change, both in their business model and in their broader actions. We call on the University of Washington to align their investments with the targets that 192 countries agreed to at the UN Climate Summit in Paris, to keep warming to well below 2°C above pre-industrial levels.

As former United Nations Framework Convention on Climate Change Head Christiana Figueres urges, “the investments that we’re going to make globally over the next five, years will determine the quality of life of future generations… as simple as that”. At this critical moment in time, we as students and inheritors of the future our investments help create, we want to be sure that our university’s investments are on the right side of history, as part of the solution, not running contrary to it. Therefore, we demand meaningful action from the University of Washington to ensure our investments align with needed climate action, not supporting those corporations working so hard to undermine it. Time is running out and the world needs rapid and swift moral leadership if we are to take the needed action on climate change.

We would like to add that though the focus of this ask is the divestment from fossil fuels.

As a movement we stand in solidarity with other demands for divestment from unethical companies, oppressive regimes, practices and industries. We support our fellow Private Prison Divestment campaign, Decolonize UW, and any efforts to make this University one that adheres to its own values of excellence, justice, and truth. We hope that the university will adopt a proactive ethical investment strategy which precludes investment in companies implicated in injustice and human rights violations, and whose action run contrary the university’s own values.
REFERENCES


STANDING COMMITTEES

Finance and Asset Management Committee

Student Presentation on Fossil Fuel Divestment (continued p. 13)


STANDING COMMITTEES

Finance and Asset Management Committee

Student Presentation on Fossil Fuel Divestment (continued p. 14)


BOARD OF REGENTS MEETING

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.

Beginning September 2016, the format for this standing item changed. In place of the monthly "indicator" report, President Cauce will provide a brief safety update to Board with relevant highlights from the past month. In addition, an in-depth safety report will be provided to the board quarterly in four key areas: student safety, patient safety, environmental health and safety, and Safe Campus. Quarterly reports begin in November 2016.
HR/Payroll Modernization Program Update

INFORMATION

To provide an update on the progress of the HR/Payroll Modernization program since the May 2016 Board of Regents meeting.

BACKGROUND

The Human Resources/Payroll Modernization program is the largest administrative transformation effort in the University’s history. It is a multi-year initiative to replace the University’s 34-year-old legacy payroll system with a modern, integrated system to manage human resources and payroll functions; this is essential to supporting the UW’s large and diverse workforce.

The program was approved by the Board of Regents in February 2014, and the University selected Workday as its new HR/Payroll system. The new system will transform the University’s human resources and payroll operations, significantly improve compliance, reduce risk, provide better data for decision making and increase efficiencies across the institution. This program is the first step in a larger strategy to modernize the University’s administrative infrastructure.

In May 2016, the Board of Regents approved an additional $7.8 million in funding and an extension of the launch date for the new Workday system to summer 2017.

REVISED PLAN: ON TIME AND ON BUDGET

In the five months since the budget and timeline extension was granted by the Board of Regents, the HR/Payroll Modernization program has made significant progress, and, based on the revised plan, is on time and on budget. The current financial status and timeline are below.
HR/Payroll Modernization Program Update (continued p. 2)

HR/Payroll Modernization Program
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HRPM PROGRAM TIMELINE

2016       2017

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<th>APR</th>
<th>MAY</th>
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<th>JULY</th>
<th>AUG</th>
<th>SEPT</th>
<th>OCT</th>
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- Building a Cohesive Design
- Regression Testing
- User Acceptance Testing
- Payroll Parallel Testing/Cycles
- We are here
- Deploy/Go-Live
- Stabilization
- Integrated Change Management Steps 2-6
- Integrated Service Center
- Design
- Build
- Deploy

B–2/210-16
10/13/16
Over the summer of 2016 the HR/Payroll Modernization program achieved a number of important accomplishments.

**Business Process Design Earns Key Endorsements**

In July and August 2016, University business owners joined the program’s staff for an in-depth look at business process designs during three weeks of intensive review sessions. These sessions included leaders from Human Resources, Academic Personnel, the School of Medicine, Arts and Sciences, UW Medical Centers, Finance and Facilities, and the planned Integrated Service Center. This group reviewed and unanimously endorsed critical business processes, through a formal sign-off. This sign-off enabled the program to move forward in configuring these critical designs into the Workday system, and marks an important milestone in system design.

A similar intensive two-day session with the UW Benefits Office and the State Health Care Authority resulted in sign-off on key benefits-related business process designs, mitigating an important risk for the program. These endorsements represent best practices in program management.

**Prototyping and Testing Shows System is on Track**

The program’s technical team also reached two important milestones:

- Migrated employee data from the legacy HEPPS system into Workday
- Achieved data accuracy goals in the second payroll parallel testing cycle; this testing provides the best indication that the system will accurately process payroll at launch

These accomplishments are an important step in ensuring that the technical side of the system is on track for a successful launch.

**People Readiness Efforts Ramp Up**

The Integrated Change Management (ICM) team continues its extensive work in preparing people across all three campuses for the Workday launch:

- Helping campus leaders understand the changes, in both systems and processes, that will come with the new Workday system
  - In July, the program’s ICM team provided an orientation of the new Workday system to 350 UW leaders and key administrators
- Assisting them in developing change mitigation, communications and training plans
In September, the ICM team reviewed future state processes and designs with 180 administrators to help inform their planning and readiness for the changes that Workday will bring.

**What’s Next**

This fall the program is moving from design and configuration to testing. This marks an important shift in focus from building the system, to ensuring the system works and meets the needs of the University community.

Through the fall, the program team will complete the testing necessary in order to start User Acceptance Testing this winter. User Acceptance marks the first time that the University community will have the opportunity to work hands-on with the new Workday system. This is an important pre-cursor to a successful launch, and prepares the broader University community for the upcoming changes.

**BUILDING AN INTEGRATED SERVICE CENTER**

The development of the Integrated Service Center is foundational to the success of the HR/Payroll Modernization program at the University. The new service center will bring together program support functions from Academic Personnel, Human Resources (including Benefits), Payroll, and UW Information Technology, enabling an integrated approach to service delivery. In line with best practices among other Workday customers, the University is developing business processes and service delivery simultaneously, rather than designing a system first and a support model later.

The Integrated Service Center’s objectives include:

- **Enhanced Customer Service**
  - Single point of contact, eliminating unnecessary hand-offs
  - Unified approach to support, training, communication and ongoing updates
  - Development of a comprehensive knowledge base that will expand the level of accessible, accurate information
  - Insight into end-to-end processes across HR (including Benefits), Academic Personnel, and Payroll

- **Optimized Operations and Data Integrity**
  - Ensure the right people/areas are engaged in the right steps to improve operations and maintain compliance

- **Continuous Improvement**
  - Develop competencies to address existing and emerging requirements at launch, and with each system upgrade

- **Consistent Use of Technology**
HR/Payroll Modernization Program Update (continued p. 5)

- Leverage UW Information Technology’s service and knowledge management capabilities to meet rising expectations from employee self-service, and case management capabilities

This summer, the Integrated Service Center team took the initial steps necessary to ensure the new service center will be operational by the launch of the new Workday system. These steps include:

- Finalizing the design for the center and presenting it to the University community in two public sessions hosted by the Transforming Administration Program
- Securing space for the center in the UW Tower
- Recruiting for an Executive Director and other leaders
- Preparing documentation to clarify procedures and guidelines for users and staff; development of a new website and implementation of UW Connect service management tool is on track
- UW Labor Relations is working actively with organized labor partners to determine the best process for staffing

Funding for the ISC in FY 2018 will come from a combination of temporary Provost funds and savings from central business units, created by the shift in resources to the Integrated Service Center. A recommendation on how the costs will be distributed across the University for future fiscal years is being developed by Sarah Hall, Assistant Vice Provost, Office of Planning and Budgeting, and Bill Ferris, Chief Financial Officer, UW Information Technology.

MANAGING RISKS

The HR/Payroll Modernization program has made substantial progress over the past five months in finalizing business process designs with unit business owners, conducting initial system testing, and engaging the University community in change management activities. While the program is now on a solid path, this is a major undertaking for the University, and involves significant technical, organizational and change management risks. The program has implemented a robust risk management process that includes careful oversight and reporting, with ongoing risk identification and mitigation. Risks are formally reviewed by the program Executive Sponsors at least monthly, and the risk management process is being continually refined.

Current risks and mitigation efforts include the following:

<table>
<thead>
<tr>
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<th>Mitigation</th>
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<tbody>
<tr>
<td>Agreements reached last spring with labor unions may need to be revisited to ensure they reflect new and emerging design decisions.</td>
<td>Outside counsel has been retained to support UW Human Resources and the program in managing labor relations communications and coordination.</td>
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HR/Payroll Modernization Program Update (continued p. 6)

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<tr>
<th>Significant configuration and unit testing is needed to implement Future State Process Designs (FSPDs) in time for Regression and Integration Testing (RIT).</th>
<th>The program is continually defining priorities and confirming resources needed to complete this work.</th>
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<tr>
<td>Report requirements are still being defined, which will push report build into the start of RIT.</td>
<td>The program will prioritize critical report build first; RIT can start while some report build effort remains.</td>
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<td>List of systems impacted by the program may not be fully identified, despite multiple inquiries/attempts to capture this information.</td>
<td>The program is currently identifying unit-specific technical readiness leads to mitigate this risk.</td>
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<tr>
<td>Achieving readiness for Regression and Integration Testing, starting November 2016.</td>
<td>Added a Test Lead to facilitate the program in preparing for and launching testing efforts.</td>
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<td>Changing the Integrated Service Center (ISC) model would result in a necessary redesign of Workday and the program.</td>
<td>All business owners signed off on business process designs that included the ISC.</td>
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DELIVERING TRANSFORMATIONAL CHANGE

The HR/Payroll Modernization program is more than a system implementation; this is a transformational program that will fundamentally change the way the University does business, and will impact every employee of the University. The Executive Sponsors and program leadership are committed to continuing to provide the oversight and direction necessary for a successful launch.

Attachments
HR/Payroll Modernization Program Update
Presenters’ Biographical Information
HR/PAYROLL MODERNIZATION PROGRAM UPDATE
**REVISED PLAN: ON TIME, ON BUDGET**

**HR/Payroll Modernization Program**

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Does not include stabilization costs post go-live.

Integrated Service Center implementation and operating budget are not included.
BUSINESS PROCESS DESIGNS ENDORSED

FUTURE STATE PROCESS NARRATIVE

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<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Add-hoc Academic Appointment</td>
<td>New academic appointment</td>
<td>Unit Initiator / Initiator on behalf of the unit</td>
<td>Academic Partner, HCM Initiate 2</td>
<td>Workday</td>
</tr>
<tr>
<td>2</td>
<td>Existing Worker or Affiliate?</td>
<td>If Yes, Task 3a</td>
<td>Workday</td>
<td>Workday</td>
<td>Workday</td>
</tr>
<tr>
<td>3a</td>
<td>Create Academic Affiliate</td>
<td>Fields included:</td>
<td>Unit Initiator / Initiator on behalf of the unit</td>
<td>Academic Partner, HCM Initiate 2</td>
<td>Workday</td>
</tr>
<tr>
<td>4</td>
<td>Enter Personal Information</td>
<td>Fields included:</td>
<td>Unit Initiator / Initiator on behalf of the unit</td>
<td>Academic Partner, HCM Initiate 2</td>
<td>Workday</td>
</tr>
</tbody>
</table>
TECHNICAL SYSTEM ON TRACK; FALL TESTING BEGINS

TECHNICAL MILESTONES:

• Fifth of nine data conversions completed
• Parallel Payroll Test Cycle 2 complete; reached accuracy goals

FALL TESTING:

• Health Care Authority Cycle 1 9/6-10/3
• Parallel Payroll Test Cycle 3 9/5-10/28
• Regression & Integration Testing (RIT) Preparation 9/6-10/27
• Regression & Integration Testing Execution 10/31-2/24
FOCUS ON PEOPLE READINESS

• Campus Foundations sessions are complete
  • Oriented 350 UW leaders and key administrators

• Future State Process sessions will complete in October
  • Led 180 administrators through business processes, and demonstrated in Workday

• Change impact and readiness plan development begins October/November
WHY THE INTEGRATED SERVICE CENTER?

• Enhanced customer service

• Imperative to driving consistency of processes and predictably of outcomes

• Optimized operations & data integrity

• Continuous improvement

• Consistent use of technology
### Project Timeline

<table>
<thead>
<tr>
<th>Work-stream</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Model</strong></td>
<td>Establish Service Deliver Framework</td>
<td>Establish Service Deliver Framework</td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td></td>
<td>Service Delivery Processes &amp; Procedures</td>
</tr>
<tr>
<td>(UW Connect, WordPress website, Call Center telephony)</td>
<td>Phone Menu, UW Connect</td>
<td>ISC Website</td>
</tr>
<tr>
<td><strong>Staffing &amp; Facilities</strong></td>
<td>Space approved</td>
<td>Wave 2 Staffed</td>
</tr>
<tr>
<td></td>
<td>Wave 1 Staffed</td>
<td>Space build</td>
</tr>
<tr>
<td></td>
<td>Wave 3 Staffed</td>
<td>Wave 3 Staffed</td>
</tr>
<tr>
<td><strong>Org Change/Comm's, Readiness, Training</strong></td>
<td>ISC TAP Initiative Kickoff</td>
<td>ISC TAP Initiative Completed</td>
</tr>
<tr>
<td></td>
<td>ISC Training</td>
<td>Operational Readiness Testing</td>
</tr>
<tr>
<td></td>
<td>ISC Soft Go-Live</td>
<td>HRPM Decision Workday Go/No-Go</td>
</tr>
</tbody>
</table>

*ISC Implementation Project Milestones*  
*HRPM Program Workday Go-Live Go/No-Go Decisions*
## MANAGING RISKS

<table>
<thead>
<tr>
<th>Risk</th>
<th>Mitigation *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreements reached last spring with labor unions may need to be revisited to ensure they reflect new and emerging design decisions.</td>
<td>Outside counsel has been retained to support UW Human Resources and the program in managing labor relations communications and coordination.</td>
</tr>
<tr>
<td>Significant configuration and unit testing is needed to implement Future State Process Designs (FSPDs) in time for Regression and Integration Testing (RIT).</td>
<td>The program is continually defining priorities and confirming resources needed to complete this work.</td>
</tr>
<tr>
<td>Report requirements are still being defined, which will push report build into the start of RIT.</td>
<td>The program will prioritize critical report build first; RIT can start while some report build effort remains.</td>
</tr>
<tr>
<td>List of systems impacted by the program may not be fully identified, despite multiple inquiries/Attempts to capture this information.</td>
<td>The program is currently identifying unit-specific technical readiness leads to mitigate this risk.</td>
</tr>
<tr>
<td>Achieving readiness for Regression and Integration Testing, starting November 2016.</td>
<td>Added a Test Lead to facilitate the program in preparing for and launching testing efforts.</td>
</tr>
<tr>
<td>Changing the Integrated Service Center (ISC) model would result in a necessary redesign of Workday and the program.</td>
<td>All business owners signed off on business process designs that incorporated the integration of new service delivery model.</td>
</tr>
</tbody>
</table>

*Our risk management procedure is consistently reviewed by both a state contractor (Bluecrane, Inc.) and state staff*
QUESTIONS?
Aaron Powell
Associate Vice President for Information Management
UW Information Technology

Aaron Powell is responsible for leading the strategy, development, implementation and coordination of the UW’s core administrative systems and Enterprise Information Management efforts. Working closely with UW senior leaders, he provides leadership and direction for the University’s administrative systems modernization program, including supporting the HR/Payroll Modernization initiative and preparing for future efforts. He oversees the continued build-out of the Enterprise Data Warehouse, expansion of data access and enhancements to the UW’s data analytics capabilities.

Aaron came to the University of Washington in March 2014, with more than 20 years of leadership and management experience and a strong statewide reputation. His most recent experience was with The Evergreen State College, where he served as the Director of Computing and Communications for eight years. In that role, Aaron provided strategic direction, planning and management of information technology for Evergreen, as well as leading the college’s central information technology department. Aaron was a highly respected leader at Evergreen, known for his strategic and collaborative approach and his ability to build strong partnerships across the institution and within the state.

Prior to Evergreen, he was Chief of Information Systems for the state Department of Social and Health Services (DSHS) Information Technology division, and held several other leadership and management positions within DSHS. He holds a Masters of Public Administration degree from The Evergreen State College.
Aubrey Fulmer  
Executive Program Director  
HR/Payroll Modernization

Ms. Fulmer stepped into the role of Executive Program Director for the University’s HR/Payroll Modernization program in late November 2015.

She brings extensive experience directing the implementation and ongoing operational support of Human Resources, Benefits and Payroll systems, including leadership of the University of Chicago’s successful on-time, on-budget implementation of Workday’s Human Capital Management/Payroll suite in 2015. Prior to the University of Chicago, Aubrey managed the Workday implementation at Carnegie Mellon University in Pittsburgh, PA.

Ms. Fulmer has spent more than 15 years planning, designing, and implementing information technologies in a variety of complex environments, including more than 12 years as a project manager and more than seven years consulting in HR/Payroll enterprise system implementations. Her early career also included work as a Senior Consultant with Ernst & Young’s Management Consulting practice.
Dr. Anderson has worked at the University since 1989, supporting the University mission for education, research, and service. Dr. Anderson’s early positions at the University were related to service and research, specifically appointments as a postdoctoral fellow, senior fellow, and research scientist in the Department of Comparative Medicine, Department of Neurology, and the Washington National Primate Research Center. Dr. Anderson progressively gained administrative responsibility with his appointment as Associate Director and then Director of the Washington National Primate Research Center, as well as a faculty appointment in the Department of Comparative Medicine. In 2012, Dr. Anderson completed the transition to executive administration with his appointment as Executive Director, Health Sciences Administration.

Dr. Anderson has focused his career towards improving the efficiency and success of the teaching, research, and service missions of the University. He has worked to identify opportunities for improvement through strategic planning, Lean process improvement, and recognizing and capitalizing on opportunities for linked success. As Executive Director of Health Sciences Administration, Dr. Anderson leads ten different units with significant, enterprise-wide responsibilities related to all three elements of the University’s mission. These units include, in addition to the Health Sciences Administration Office, Environmental Health and Safety, Hall Health Medical Center, Health Sciences Academic Services and Facilities, Health Sciences Risk Management, and the Office of Animal Welfare. Health Sciences Administration provides administrative oversight for four interdisciplinary research centers, including the Alcohol and Drug Abuse Institute, Center for Human Development and Disability, Latino Center for Health, and the Washington National Primate Research Center.

Dr. Anderson’s focus, along with other members of the Health Sciences Administration, is on adding value across a wide range of University activities. He works to align operational needs for the teaching, research, and service missions with administrative resources and models to improve our performance and success. Health Sciences Administration is committed to continuous improvement and leveraging opportunities for shared success in the University’s often complex environment. Health Sciences Administration works to recognize and respond to this complexity, and to serve as a testbed for change and transformative initiatives.
Diversity, Equity, and Inclusion Advisory Committee Update

INFORMATION

This item is for information only.

The Diversity, Equity, and Inclusion Advisory Committee Chair, Regent Joanne Harrell, will provide an update on the work of the Committee.

BACKGROUND

In May 2016, the Board of Regents established the Diversity, Equity, and Inclusion Advisory Committee. According to Board of Regents Governance, Standing Orders, Chapter 4, Advisory Committees of the Board of Regents, the function of this committee is to advise the Board or its appropriate standing committee and the University President, or his or her designee, on matters relating to diversity, equity, and inclusion for faculty, students, staff, and in procurement and contracting.

Up to four of the appointed members shall be selected from the Board of Regents. The President of the University shall be a member ex officio. One member shall be a member of the University of Washington faculty, selected in consultation with the Faculty Senate leadership. One member shall be a UW student, selected in consultation with ASUW and GPSS leadership. One member shall be on or closely associated with the Foundation Board, selected in consultation with the executive committee of the Foundation Board. The remaining appointed members shall be community members with relevant backgrounds.

There shall be a three-year term limitation for faculty, Foundation Board, and community members, renewable by the Board. Members will be asked to make a minimum commitment of three consecutive years, and shall serve at the pleasure of the Board. The student and regent members shall serve one-year terms, renewable by the Board.

At its meeting in May 2016, the Governance Committee and the Board of Regents approved appointment of the Regent members of the Diversity, Equity, and Inclusion Advisory Committee for terms from 5/12/2016 to 9/30/2016:

Joanne Harrell, Committee Chair
Rogelio Riojas, Committee Vice Chair
Jeremy Jaech
Constance Rice
Diversity, Equity, and Inclusion Advisory Committee Update (continued p. 2)

Appointments were made for partial terms to coincide with Board officer elections and appointments in September. At its meeting in September 2016, the Governance Committee and the Board approved reappointment of the four Regents for one-year terms October 1, 2016 through September 30, 2017.

Also at its meeting in September 2016, the Governance Committee and Board approved the appointment of community members and Foundation Board member for three-year terms from 10/1/2016 to 9/30/2019.

   Mari Clack, community member
   Colleen Fukui-Sketchley, Foundation Board member
   Norma Zavala, community member

Faculty Senate leaders recommended UW School of Law faculty member William Covington to serve on the Committee and student leaders recommended Aretha Basu, a student at UW Bothell, to serve on the Committee. Both will be considered for approval by the Governance Committee and the Board of Regents at the meetings in October.
Campaign Briefing

INFORMATION

This item is presented as information only.

BACKGROUND

On October 21, 2016, the University will transition from the “nucleus” phase to the “public” phase of its comprehensive campaign. This item will provide information about the campaign, resulting benefits to the institution and to the community, and an overview activities planned for October 21.

Attachments

Campaign Briefing
Presenters’ Biographical Information
CAMPAIGN IMPACT

Total University Support: 7/1/87 - 6/30/16

*Counting Policy Changed in FY 2001
BE BOUNDLESS FOR WASHINGTON FOR THE WORLD
CAMPAIGN LEADERSHIP

UNIVERSITY-WIDE

CAMPAIGN GENERAL CHAIRS
Jeff & Susan Brotman
Bob & Micki Flowers
Jodi Green & Mike Halperin
Janet & Orin Smith

HONORARY CHAIRS
Bill & Mimi Gates

SCHOOL/COLLEGE/CAMPUS
> Each has a chair, co-chairs, or council, supported by a committee
> A campaign leader serves as representative director, creating link to Foundation Board.
Connie Kravas has been the University of Washington’s Vice President for University Advancement and President of the University of Washington Foundation since 2001. As chief advancement officer for the University, Connie is a strong proponent of an integrated model which brings together fundraising, alumni relations, and marketing at both central and decentralized levels. The University of Washington/UW Foundation completed a comprehensive $2.7 billion campaign in 2008 supported by over 293,000 donors, including 41 percent of the institution’s alumni. Prior to coming to the University of Washington, Connie served as Vice Chancellor for University Advancement at the University of California, Riverside. She also held a variety of positions at Washington State University, including Vice President for University Advancement (1997-99), and President of the Washington State University Foundation (1981-99).

Connie holds a bachelor’s degree in English literature from Pacific Lutheran University, a master’s degree in sociology from Indiana State University, and a Ph.D. in educational leadership from Washington State University. She is married to Konstantinos (Gus) J. Kravas, who recently retired from his position as Special Assistant in the Office of the Provost at the University of Washington.

Jodi Green, born and raised in Sheepshead Bay, Brooklyn, New York, was the first in her family to attend college, earning her bachelor’s degree from Brown University in 1983. She was one of only three women to earn a computer science degree in her graduating class.

Accepting a position with the Microsoft Corp., Jodi led the development teams for Microsoft Word and the first version of Microsoft Outlook. During her time with the company, Jodi’s leadership helped take Word from a $50 million product to nearly $1 billion.

Since retiring in 1998, Jodi has remained active in the community through philanthropy work and serving as a trustee for a variety of not-for-profits, including secretary of the Seattle Parks Foundation Board of Directors and positions on the Seattle Public Library’s board of directors and Henry Art Gallery’s advisory council. She also previously served on the UW Foundation Board as secretary.
Mike Halperin is a member of the Seattle Academy Board of Trustees, serving as board president from 2012 to 2015. He has been a member of numerous not-for-profit boards and was instrumental in the formation of Seattle JazzEd, an organization focused on jazz ensemble opportunities for middle and high school students.

Raised in Seattle, Mike attended Brown University and the University of Washington where he received his M.D. He completed his residency in Denver and specializes in Emergency Medicine. In addition to clinical practice, he has managed a group of Emergency Physicians, and been involved in hospital administration and the implementation of an electronic medical record.