

**MINUTES**  
**UNIVERSITY OF WASHINGTON**  
**BOARD OF REGENTS**

**Finance and Asset Management Committee**  
**October 8, 2015**  
**Jane Russell Commons, William W. Philip Hall, UW Tacoma**

Call to Order and Attendance

Committee Chair Regent Shanahan called the meeting to order at 8:30 a.m.

Committee Members Present: Shanahan (Chair) and Blake

Other Regents Present: Ayer, Kritzer, Rice, Riojas, and Simon

Others present at the table: President Cauce, Provost Baldasty, and Faculty Senate Chair Norm Beauchamp.

Note: According to Board of Regents Governance, Bylaws, Article IV, “The Chair of the Board . . . may act as an alternate, including voting, in the event of the absence of any committee member at any regular or special meeting. . . .”

Consent Agenda and Approval of Minutes

Hearing no objections, Regent Shanahan said that the minutes from the Committee meeting on September 10, 2015 and item F-1 would be approved on the Consent Agenda.

Semi-Annual Debt Report (Information only) (Agenda no. F-1)

UW One Capital Plan (Information only) (Agenda no. F-2)

Paul Jenny, Senior Vice President, Planning and Management, and Chris Malins, Associate Vice President, Treasury, presented the monthly One Capital Plan report. Regent Ayer asked about borrowing up to debt capacity, and learned the report showed the top, not the target, range. There are no plans to borrow to the top amount allowed, but to keep debt available to respond to emergent opportunities. Mr. Jenny will return to the Committee with metrics, including space utilization, at its meeting in November. Regent Ayer encouraged ownership of spaces, with departments accountable.

Phil Reid, Associate Vice Provost, Professor of Chemistry, UW-IT Academic Services, was an additional presenter for this report.

Regent Shanahan commented on the capital planning process, praising the collaborative efforts to help Regents understand the process, underscoring accountability and discipline to achieve alignment across the University on decision-making.

Life Sciences Building – Informational Presentation (Information only) (Agenda no. F-3)

Robert Stacey, Dean, College of Arts and Sciences; Stephen Majeski, Associate Dean for Research Administration and Infrastructure, College of Arts and Sciences; Jon Lebo, Director, Major Projects Group, Capital Projects Office; and Bill Starkey, Senior Associate Treasurer, Treasury, brought the Committee up to date on this construction project. Professor Majeski

described the biology department as “integrated” and ranked one of the top five in the country, the largest producer of STEM degrees in the state. There are 1800 biology majors, over 700 graduated last year. Because of space constraints, there has not been a net increase in the number of faculty. Without increasing the amount and quality of space, the program is at risk. Unfortunately, the state did not vote to fund the building construction. Skanska is the general contractor and planning is underway. Based on the project’s funding, Regent Kritzer asked about how the debt would be repaid if the tuition rate decreased or did not increase. Possibilities include repaying the debt over thirty, rather than the projected twenty-one, years; limiting hiring; “shelling” an additional floor; and likely philanthropic gifts in support of the building. Reliance on gifts is not included in the funding model, but Arts & Sciences is hoping to raise money for the building, supported by an active and strong advisory Board

UW Medicine Northwest Hospital – Approval of Business Improvement Plan (Action) (Agenda no. F-4)

Lori Mitchell, Chief Financial Officer, UW Medicine; Johnese Spisso, Chief Health System Officer, UW Medicine and Vice President for Medical Affairs, UW; and Chris Malins, Associate Vice President, Treasury, presented the Business Improvement Plan for Northwest Hospital.

Regent Blake moved, Regent Ayer seconded, and the Committee voted to approve the Business Improvement Plan for Northwest Hospital.

Transforming Administration Program Update (Information only) (Agenda no. F-5)

Gerald J. Baldasty, Interim Provost and Executive Vice President, updated the Regents on Transforming Administration Program, highlighting a childcare project.

UW Sustainability – UW Tacoma Campus Sustainability Efforts (Information only) (Agenda no. F-6)

Lisa Graumlich, Dean, College of the Environment; and Pat Clark, Director, Campus Planning & Real Estate, UW Tacoma; with additional participants Mark Pagano, Chancellor, UW Tacoma; Harlan Patterson, Vice Chancellor for Finance & Administration, UW Tacoma; and Milt Tremblay, Director, Physical Planning and Sustainability, UW Tacoma, described sustainability efforts underway at UW Tacoma. They concluded by stressing the emphasis on collaborative partnerships to achieve sustainability goals.

UW Medicine Board Update (Information only) (Agenda no. F-7)

Regent Riojas, one of two Regents who serve on the UW Medicine Board, provided a summary from the meeting held on September 28.

- Jerry Grinstein was honored for his service to UW Medicine.
- Suzanne Allen described updates to the WWAMI curriculum.
- Board members heard about the “Triple Aim” healthcare initiative to: 1) improve the health of the individual, 2) improve the health of the population, and 3) reduce costs, shifting the focus away from episodic care.
- The Board met Dr. Carlos Pellegrini, who will assume the newly-created position of Chief Medical Officer for Medical Affairs, effective on December 1.
- The financial statements showed UW Medicine about \$96 million ahead of budget.

Regent Shanahan thanked Regent Riojas for the thorough report, and he and Regent Blake for their service on the UW Medicine Board.

Executive Session

Regent Shanahan announced the Committee would hold an executive session to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price and to discuss with legal counsel litigation or potential litigation as defined in RCW 42.30.110.

Adjourn

Returning to open session and hearing no other business to come before the Finance and Asset Management Committee, Regent Shanahan adjourned the meeting at 10:40 a.m.

*Approved at the meeting of the Committee on November 12, 2015.*