February 2, 2018

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

FROM: Tyler Lange, Secretary of the Board of Regents

RE: Schedule of Meetings

WEDNESDAY, FEBRUARY 7, 2018

3:00 to 5:00 p.m.	**142 Gerberding Hall**	**GOVERNANCE COMMITTEE**: Regents Jaech (Chair), Ayer, Benoliel, Blake, Rice

The regular meeting of the Board of Regents scheduled for Wednesday, February 7, 2018, at 5:30 p.m. has been cancelled.

THURSDAY, FEBRUARY 8, 2018

		REGULAR MEETING OF THE BOARD OF REGENTS: *The regular meeting will begin at 9:00 a.m. with portions of the day allocated as set forth below.*
9:00 to 9:25 a.m.	**Petersen Room** Allen Library	**FINANCE AND ASSET MANAGEMENT COMMITTEE**: Regents Rice (Chair), Ayer, Blake, Harrell, Zeeck
***9:25 to 10:45 a.m.**	**Petersen Room** Allen Library	**ACADEMIC AND STUDENT AFFAIRS COMMITTEE**: Regents Benoliel (Chair), Goddard, Riojas, Tamaki
11:00 a.m.	**Petersen Room** Allen Library	**MEETING OF THE FULL BOARD OF REGENTS:** Regents Jaech (Chair), Ayer, Benoliel, Blake, Goddard, Harrell, Rice, Riojas, Tamaki, Zeeck

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 Jaech (Chair), Ayer, Benoliel, Blake, Rice

February 7, 2018
3:00 p.m. to 5 p.m.
142 Gerberding Hall

	Approval of Minutes of Committee Meeting on October 11, 2017	**COMMITTEE ACTION**	
1.	**Open Public Meetings Act and Public Records Act Training** **Karin Nyrop**, Division Chief, Attorney General's Office **Eliza Saunders**, Director, Office of Public Records and Open Public Meetings	**INFORMATION**	G–1
2.	**Approve Proposed Changes to WAC 478-276-100, "Governing Access to Public Records, Copying"** **Eliza Saunders**, Director, Office of Public Records and Open Public Meetings	**ACTION**	G–2
3.	**Approve Administration of Board Self-Assessment Survey** **Jeremy Jaech**, Board Chair	**ACTION**	G–3
4.	**Appoint New Regent to a Committee or Committees** **Jeremy Jaech**, Board Chair	**ACTION**	G–4
5.	**Discuss UW Medicine Governance; Appoint Task Force on the Governance of UW Medicine** **Jeremy Jaech**, Board Chair **Ana Mari Cauce**, University President **Paul Ramsey**, CEO, UW Medicine, Executive Vice President for Medical Affairs and Dean of the School of Medicine **Julie Nordstrom**, Chair, UW Medicine Board	**ACTION**	G–5
6.	**Gift Assessment Overview** **Ana Mari Cauce**, University President **Sarah Norris Hall**, Associate Vice Provost, Planning & Budgeting **Dan Peterson**, Chief Budget Officer, UW Advancement **Pete Shimer**, Chair, UW Foundation Board	**INFORMATION**	G–6
7.	**Other Business**		

UNIVERSITY OF WASHINGTON
BOARD OF REGENTS

Finance and Asset Management Committee
Regents Rice (Chair), Ayer, Blake, Harrell, Zeeck

February 8, 2018
9:00 a.m. to 9:25 a.m.
Petersen Room, Allen Library

	Approval of Minutes of Committee Meeting on January 11, 2018	**COMMITTEE ACTION**	
1.	**Treasurer of the Board Report** **Jeff Scott**, Executive Vice President, Finance & Administration, Treasurer of the Board of Regents	**INFORMATION**	F–1
2.	**Capital and Debt Report** **Chris Malins**, Associate Vice President, Treasury Office **Mike McCormick**, Associate Vice President, Capital Planning and Development	**INFORMATION**	F–2
3.	**Other Business**		

UNIVERSITY OF WASHINGTON
BOARD OF REGENTS

Academic and Student Affairs Committee
Regents Benoliel (Chair), Goddard, Riojas, Tamaki

February 8, 2018
9:25 a.m. to 10:45 a.m.
Petersen Room,Allen Library

	Approval of Minutes of Committee Meeting on January 11, 2018	**COMMITTEE ACTION**	
1.	**Academic and Administrative Appointments** **Gerald J. Baldasty,** Provost and Executive Vice President	**ACTION**	A–1
2.	**Featured Student Experience – Race & Equity Initiative** **Gerald J. Baldasty**, Provost and Executive Vice President **Kendra Canton**, Director of Diversity Efforts, ASUW Seattle, and Race & Equity Initiative Steering Committee Member	**INFORMATION**	A–2
3.	**Update on the Race & Equity Initiative and the Diversity Blueprint** **Ana Mari Cauce**, University President **Ed Taylor**, Vice Provost and Dean, Undergraduate Academic Affairs **Rickey Hall**, Vice President & Chief Diversity Officer, Office of Minority Affairs and Diversity **Chadwick Allen**, Associate Vice Provost for Faculty Advancement, Office of the Provost and Office of Minority Affairs and Diversity **Jeanette James**, Manager, Strategic Initiatives, OMA&D **Leilani Lewis**, Assistant Director, Diversity Communications & Outreach, OMA&D and UMAC **Michaelann Jundt**, Associate Dean, Undergraduate Academic Affairs **Carlos J. Guillen**, Associate Director, First Year Programs	**INFORMATION**	A–3
4.	**Intercollegiate Athletics Report on Academic & Student Services** **Jen Cohen**, Director, Intercollegiate Athletics **Kim Durand**, Senior Associate Athletic Director for Student Development	**INFORMATION**	A–4
5.	**Recognition of UW Women's Rowing** **Jen Cohen**, Director, Intercollegiate Athletics **Yasmin Farooq**, Head Coach, UW Women's Rowing	**INFORMATION**	A–5
6.	**Other Business**		

AGENDA

UNIVERSITY OF WASHINGTON
BOARD OF REGENTS

February 8, 2018
11:00 a.m.

Petersen Room,
Allen Library

(Item No.)

I. CALL TO ORDER

II. ROLL CALL: Assistant Secretary Shelley Tennant

III. CONFIRM AGENDA

IV. PUBLIC COMMENT PERIOD

V. BOARD ITEMS

UW Medicine Annual Compliance Report (Information only) B–1
Dr. Paul Ramsey, CEO, UW Medicine, Executive Vice President for Medical Affairs and Dean of the School of Medicine
Sue Clausen, Chief Compliance Officer, UW Medicine
Bruce Pym, UW Medicine Board Compliance Committee Chair

UW Medicine Annual Financial Report (Information only) B–2
Dr. Paul Ramsey, CEO, UW Medicine, Executive Vice President for Medical Affairs and Dean of the School of Medicine
Jacqueline Cabe, Chief Financial Officer, UW Medicine
Lisa Brandenburg, Chief Health System Officer, UW Medicine
Peter van Oppen, UW Medicine Board Finance and Audit Committee Chair

Approve the Dissolution and Integration of Northwest Hospital & Medical Center (Action) B–3
Dr. Paul Ramsey, CEO, UW Medicine, Executive Vice President for Medical Affairs and Dean of the School of Medicine
Lisa Brandenburg, Chief Health System Officer, UW Medicine

Approve the Formation of the Community Health Partnership (Action) B–4
Dr. Paul Ramsey, CEO, UW Medicine, Executive Vice President for Medical Affairs and Dean of the School of Medicine
Lori Oliver, Strategic Clinical Business Officer, UW Medicine

Governmental Affairs Advisory Committee (GAAC) Update (Information only) B–5
Randy Hodgins, Vice President, External Affairs
Herb Simon, Chair of the Governmental Affairs Advisory Committee

Kelly Evans, Partner, Sound View Strategies

Diversity, Equity, and Inclusion Advisory Committee (DEI) Update (Information only) B–6
Rickey Hall, Vice President and Chief Diversity Officer, Office of Minority Affairs and Diversity
Joanne Harrell, Regent, Diversity, Equity, and Inclusion (DEI) Advisory Committee Chair
Constance Rice, Regent, DEI Advisory Committee Member
Rogelio Riojas, Regent, DEI Advisory Committee Member

VI. REPORT OF THE CHAIR OF THE BOARD OF REGENTS: Regent Jaech

VII. REPORT OF THE UNIVERSITY PRESIDENT: President Cauce

VIII. CONSENT AGENDA

Approval of Minutes of the Meeting on January 11, 2018

Approve Proposed Changes to WAC 478-276-100, "Governing Access to Public Records, Copying" G–2

Approve Administration of Board Self-Assessment Survey G–3

Appoint New Regent to a Committee or Committees G–4

Discuss UW Medicine Governance; Appoint Task Force on the Governance of UW Medicine G–5

IX. STANDING COMMITTEES

A. Governance Committee: Regent Jaech – Chair

Open Public Meetings Act and Public Records Act Training (Information only) G–1

Gift Assessment Overview (Information only) G–6

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

Treasurer of the Board Report (Information only) F–1

Capital and Debt Report (Information only) F–2

C. Academic and Student Affairs Committee: Regent Benoliel – Chair

Academic and Administrative Appointments (Action) A–1

Featured Student Experience – Race & Equity Initiative (Information only) A–2

Update on the Race & Equity Initiative and the Diversity Blueprint (Information only) A–3

Intercollegiate Athletics Report on Academic & Student Services (Information only) A–4

Recognition of UW Women's Rowing (Information only) A–5

X. REPORTS TO THE BOARD

Faculty Senate Chair – Professor Thaïsa Way

Student Leaders:
ASUW President – Mr. Osman Salahuddin
GPSS President – Ms. Soh Yeun (Elloise) Kim
ASUW Tacoma President – Ms. Arwa Dubad
ASUW Bothell President – Mr. Dominick Juarez

Alumni Association President – Ms. Suzanne Dale Estey

XI. DATE FOR NEXT REGULAR MEETINGS:

Wednesday, March 7, and Thursday, March 9, 2018, *at UW Bothell*

XII. EXECUTIVE SESSIONS

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

XIII. ADJOURN

OFFICIAL MINUTES approved at the meeting of the Board on March 8, 2018.

M I N U T E S

BOARD OF REGENTS
University of Washington

February 8, 2018

The Board of Regents held its regular meeting on Thursday, February 8, 2018, beginning at 11:15 a.m. in the Petersen Room of the Allen Library. Notice of the meeting was appropriately provided to the public and the media. Delay of meeting notices from the previously published starting time of 11:00 a.m. were duly posted.

CALL TO ORDER

Chair Regent Jaech called the meeting to order at 11:15 a.m. He informed everyone present that Governor Inslee had appointed David Zeeck to succeed Herb Simon on January 29, 2018, and that Regent Zeeck is unfortunately unable to attend the meeting.

ROLL CALL

Assistant Secretary Tennant called the roll. Present were the Chair, Regent Jaech, Regents Benoliel, Blake, Goddard, Harrell, Rice, Riojas, and Tamaki; President Cauce, Provost Baldasty, Treasurer Scott, Secretary Lange; Professor Way, Mr. Salahuddin, Ms. Kim, Ms. Dale Estey.

Regents Ayer and Zeeck were absent.

CONFIRM AGENDA

Regent Jaech proposed two changes to the agenda as distributed: the addition to the consent agenda of the appointment of Stephanie Swanberg to serve out Lori Mattson's term on the Governmental Affairs Advisory Committee moved in the previous day's meeting of the Governance Committee and the addition of a second executive session to discuss with counsel litigation or potential litigation as defined in RCW 42.30.110 for a total of three executive sessions. Hearing no objections, the agenda was confirmed, as modified.

PUBLIC COMMENT PERIOD

Regent Jaech announced that the Board would receive comments from the public. This segment of the meeting provides Board members an opportunity for the Board to hear

directly from the public new concerns and new perspectives on current issues. No one signed up to provide public comment.

BOARD ITEMS

UW Medicine Annual Compliance Report (Agenda No. B–1) (Information only)

Dr. Paul Ramsey, CEO, UW Medicine, Executive Vice President for Medical Affairs and Dean of the School of Medicine, explained that it was an honor to present in the wake of the Women's Crew, which had been the last item in the previous committee. He recognized Sue Clausen, who has, since becoming Chief Compliance Officer in 2004, built a model program of compliance. Ms. Clausen is retiring at the end of the month.

Ms. Clausen directed Regents to the executive summary of her report. This has been a good year for UW Medicine Compliance. There has been better control, better prediction, and more proactivity. The report's appendix elaborates on the structure of UW Medicine's compliance program. She has no areas of improvement to highlight. There has been strong representation of UW Medicine interests at the national level in conversations with Medicare and Medicaid regulators. She thanked the UW Medicine Board's Compliance Committee and its chair for their work.

Bruce Pym, UW Medicine Board Compliance Committee Chair, was pleased to provide a relatively dull report. He thanked his fellow committee members for their expert oversight of UW Medicine's successful risk management efforts. The committee has worked hard to understand information security compliance, and has met with Internal Audit to improve compliance across UW Medicine and the University. With Ms. Clausen's retirement, the compliance committee has divided compliance responsibilities into three major areas of focus, each with an executive assigned to it: billing integrity, patient privacy, and research and academic functions. Mr. Pym is pleased to announce that Jim Mathis from Vanderbilt will be succeeding Ms. Clausen as Chief Compliance Officer overseeing the three functional areas of compliance. Mr. Pym was pleased with the hiring process, through which he had learned how highly regarded UW Medicine's compliance program is across the United States. He concluded by thanking Ms. Clausen.

Asked about billing integrity as it relates to compliance and to reimbursement, Ms. Clausen responded that getting billing right is crucial. Upcoding is as problematic as downcoding. Medicare wants UW Medicine to get it right, without overbilling or underbilling. Dr. Ramsey added that billing process improvements are linked to continuous improvements in the quality of care delivered by UW Medicine.

Asked about the corrective action plan mentioned in the report, Ms. Clausen described a 2013 incident in which patient information may have been disclosed. Even though no patients had been harmed to her knowledge, HIPAA required notification of approximately 90,000 people. The Office of Civil Rights of the Department of Health and Human Services recommended improvements in information security as a result. An improvement plan was successfully implemented. Mr. Pym added that progress on the plan was a standing item at every meeting of his committee. He commended UW

Medicine Compliance for embracing the plan without defensiveness. Ms. Clausen expects UW Medicine to receive a gold star from the Office of Civil Rights following the completion of its Phase 2 HIPAA Audit process.

Regent Jaech commended Ms. Clausen for her successful, program-building career.

See Attachment B–1.

UW Medicine Annual Financial Report (Agenda No. B–2) (Information only)

Dr. Paul Ramsey, CEO, UW Medicine, Executive Vice President for Medical Affairs and Dean of the School of Medicine, intends to focus on the first six months of this fiscal year in today's report, but is happy to answer questions about pre-circulated report on the last fiscal year. He introduced Jacqueline Cabe, Chief Financial Officer, UW Medicine, and Lisa Brandenburg, the new Chief Health System Officer for UW Medicine.

Ms. Cabe thanked Peter van Oppen, UW Medicine Board Finance and Audit Committee Chair, for his presence and his support. 2017 was a successful year, with UW Medicine continuing its mission of improving health of the public by delivering world-class care, research, and clinical training. US News & Report had ranked the UW Medical Center (UWMC) as the Number One hospital in the Seattle area and in Washington State. The School of Medicine is Number Two among medical schools in funding from the National Institutes of Health.

Fiscal Year 2017 financial results were disappointing. While revenue grew by 4.9 percent, UW Medicine lost $75 million, a 1.6 percent loss that was unfavorable to budgeted totals. This unfavorable performance was driven by reimbursement pressure from both governmental and commercial payers, by higher-than-expected labor costs, and by an unfavorable payer mix. The unexpected financial challenge spurred the initiation of a multi-year effort to improve performance, the Project FIT which the Board approved in November 2017. Fiscal Year 2018 performance through December reflects a 1 percent positive total margin for UW Medicine as a whole and for the four medical centers in combination, in contrast to last year, which saw a 1 percent loss for UW Medicine as a whole and a 2 percent loss for the four medical centers collectively. Six months remain in Fiscal Year 2018 and UW Medicine is very focused on meeting the 2018 budget. Attaining Project FIT's targets requires transforming how UW Medicine operates, including initiatives to identify opportunities for revenue-generation and cost savings at the same time as UW Medicine continues to make key investments in infrastructure.

Ms. Brandenburg provided three examples of clinical growth initiatives included in Project FIT:

1) With respect to mother and baby services, there is demand that UW Medicine has not been able to satisfy. It is consequently seeking to expand delivery volumes both for high-risk and for normal deliveries. The Northwest Hospital and Medical Center Childbirth Center will be expanded with added amenities to be more competitive in the regional market. Other goals include improving throughput in clinics and regional expansion.

2) UW Medicine is expanding its successful sports and spine program, including rehabilitation and noninvasive spine surgery.
3) Outside consultants are assisting UW Medicine in benchmarking costs relative to other academic medical centers and community hospitals. Already $5 million in potential savings have been identified with respect to orthopedic implants, $2 million with respect to cardiovascular care, and more than $2 million in reduced length of stay costs through better coordinated post-acute care.

Ms. Cabe affirmed that revenue cycle improvement at UWMC and Harborview Medical Center (HMC) has entailed improving functional processes, prioritizing and understanding denials, enhancing billing technology, and optimizing organizational structure. UW Medicine now has comprehensive revenue cycle reporting, affording leadership visibility into performance with respect to performance targets. UW Medicine has not yet met its targets for one-time and recurring cash-flow benefits but has made significant improvements.

Mr. van Oppen thanked Regent Blake, Regent Riojas, and President Cauce for their active participation in the UW Medicine Board and in its Finance and Audit Committee. He stated that UW Medicine is transforming itself as the healthcare landscape is changing around it. In this high-risk environment, he is delighted with UW Medicine's excellent leadership, recognizing Ms. Cabe and Ms. Brandenburg. He sees more change in the future and affirms that UW Medicine must be agile and prepared to evolve.

Asked about how UW Medicine identifies opportunities for new clinical practices, Ms. Brandenburg replied that it examines existing service lines, the external market and demand, and then asks what UW Medicine is good at doing. Expansion into surrounding communities should, for instance, increase access to care provided by UW Medicine.

Regent Tamaki commended UW Medicine for the turnaround of its financial situation in a challenging environment.

Asked to rank cost pressures including reimbursement rates, payer mix, labor costs, and so on, Ms. Cabe answered that there is no negotiation with governmental payers and that the commercial environment is increasingly competitive. Indeed, the Northwest healthcare marketplace is more advanced along the path to value-based care than elsewhere. Achieving the performance targets necessary to unlock higher levels of reimbursement revenues is challenging. Dr. Ramsey emphasized that the transition to value-based care means that systems must operate more effectively, reducing costs and improving performance system-wide, as with UW Medicine's very successful integrated compliance program, in which metrics drive process improvements and help to decrease costs.

Asked whether plans were for the continued, continuous growth of UW Medicine, Dr. Ramsey noted that, as UW Medicine grows, certain services are reduced or discontinued. The FIT Plan prescribes growth, but also combination or reduction in some areas. Mr. van Oppen added that operating at scale will be crucial to UW Medicine's success as the healthcare landscape continues to evolve.

Asked about the potential entry of the "triplets" – J. P. Morgan & Co., Amazon.com, and Berkshire Hathaway – into to healthcare industry, Dr. Ramsey responded that, at the federal and national level, the shift to value-based care continues. UW Medicine must therefore continue to improve quality and access and to reduce costs. The US spends twice as much on healthcare as other developed countries, without the results to justify this level of spending. Regionally, Dr. Ramsey emphasized the importance of efficient and effective partnering with regional partners. The entrance of Kaiser Permanente into the region offers new opportunities for collaboration. In the end, effectively delivering healthcare depends on teamwork both at the bedside and between regional institutions. He is pleased with UW Medicine's relationships with its current regional partners.

See Attachment B–2.

Approve the Dissolution and Integration of Northwest Hospital & Medical Center
(Agenda No. B–3) (Action)

Dr. Paul Ramsey, CEO, UW Medicine, Executive Vice President for Medical Affairs and Dean of the School of Medicine, declared that the integration of Northwest Hospital and Medical Center (NWH) into the UW Medical Center (UWMC) fits with UW Medicine's overall strategy. He recommends a change that makes UW Medicine more cost effective and puts patients first. The relationship with NWH is twenty years old, predating its affiliation with UW Medicine in 2009. The integration has already been approved by the NWH Board. Lisa Brandenburg, Chief Health System Officer, UW Medicine, will lead this integration work.

Ms. Brandenburg stated that this project flows from discussions of changes in the national and regional healthcare landscape referenced in the previous report. She sees many opportunities for cost savings and improved care in the new model of one hospital on two campuses. The recommended action would remove remaining barriers to such work. If the Regents approve the dissolution of the NWH corporation, NWH debts and assets will be transferred to UWMC, NWH physicians will join UW Physicians, and classified staff will become UW employees.

Asked about one-time costs of integration, Ms. Brandenburg responded that they may be as high as $25 million. This would still result in a two-and-one-half-year payback, given expected annual efficiencies and increased revenues of $10 million. Full integration is planned to occur no later than January 1, 2020.

Asked whether the primary benefit would be on the expense or the revenue side, Ms. Brandenburg stated that it will be on both sides.

Regent Rice stated that she is pleased that Ms. Brandenburg has taken her new role at UW Medicine on account of her past successes elsewhere.

MOTION: Upon the recommendation of the Chair of the Board and the motion made by Regent Rice, seconded by Regent Benoliel, the Board voted to approve the dissolution and integration of Northwest Hospital & Medical Center, as presented.

See Attachment B–3.

Approve the Formation of the Community Health Partnership (Agenda No. B–4) (Action)

Dr. Paul Ramsey, CEO, UW Medicine, Executive Vice President for Medical Affairs and Dean of the School of Medicine, stated that the background for this item goes back to 1971, when the School of Medicine chose to move away from the model of city-based medical education by developing the Washington, Alaska, Montana, and Idaho Program (WAMI, later WWAMI with the addition of Wyoming) to teach medical students in small, rural, community hospitals. This better trains physicians to return to underserved areas. The challenges facing rural hospitals have become graver in recent years. UW Medicine unfortunately has heretofore lacked the capacity to further assist rural hospitals in delivering care to underserved areas. Today's proposed public-private partnership is deeply rooted in the School of Medicine's history and in UW Medicine's commitment to its five-state region.

Lori Oliver, Strategic Clinical Business Officer, UW Medicine, stated that this an evolution of UW Medicine's ongoing history across a multi-state region with the goal of improving access to care. It will strengthen physician-to-physician relationships and give access to new populations of patients. UW Medicine will strategically partner with a private entity that is expert in operating community hospitals. Capella Health has been in business since 2005, RegionalCare since 2009. The two merged into RCCH in 2016. The UW has been working with RCCH (through Capella) since 2011. In 2014 Capella Health's Capital Medical Center in Olympia entered into a strategic collaboration with UW Medicine first as a tertiary and quaternary partner and then through the UW Medicine's Accountable Care Network and the Olympia UW Neighborhood Clinic. The UW will make no cash contribution to the proposed limited-liability company, but contribute its well-regarded brand and clinical know-how. There are risk management strategies for financial, reputational, and other risks described in the item and attached slide deck. Ms. Oliver then paused for discussion.

Regent Jaech is interested and excited because, in running for a seat on a rural hospital commission last fall, he learned a good deal about rural community hospitals. The lack of any association with a better brand hurts their efforts to attract and retain local patients because patients have many choices. Community hospitals also need capital, which UW Medicine has been unable to offer. The proposed structure changes this. Regent Jaech feels that UW Medicine has underplayed how this may broaden access to care from UW Medicine considerably. He then invited his colleagues to share their perspectives.

Regent Harrell is likewise excited and understands the case for the partnership. However, because the UW's asset is its brand, she asked how the UW will preserve its reputation by controlling compliance and quality at entity hospitals. Ms. Oliver stated that the transition is structured to address reputational risk in three ways:

1) On the board of managers of the proposed entity, the UW holds a supermajority over both the capital and operational budgets and over the quality program and policies such as the charity-care policy.

2) The Board's Quality Committee will ensure hands-on consultations about quality through two clinician members who will function as the nexus between local facilities and the corporate compliance team and who will be able to interact directly with those managing quality within the hospitals.
3) There is also a supermajority requirement for hospitals entering the partnership and for hospitals carrying the "UW Medicine Community Health Partner" brand. UW Medicine may remove the brand from individual facilities or generally if use of the brand creates a material risk for UW Medicine or one of its affiliates.

Dr. Ramsey added that, if forecasts about the progress of value-based contracting are accurate, community hospitals will soon have the same type of performance metrics and dashboards of quality and compliance that UW Medicine has for its Boeing contract and other value-based care arrangements.

Regent Tamaki stated that his initial objections to the proposed association with a for-profit corporation, deriving from his experience on a local hospital board in Yakima, have been overcome by Ms. Oliver's responses to his questions. He is impressed to learn that there is a mitigation plan in place for every potential issue he raised. Regent Blake has helped him to understand better the School of Medicine's mission within the WWAMI region and the UW Medicine Board process.

Regent Blake stated that the formation of this proposal has been a long journey for the UW Medicine Board, which initially hesitated for the same reasons as have the Regents. UW Medicine staff has responded to concerns raised by the Strategy Committee, Finance and Audit Committee, and full UW Medicine Board, in this much improved, fully vetted project, endorsed by the UW Medicine Board.

President Cauce added that she is impressed with UW Medicine's due diligence efforts. She hesitated at first, but RCCH has proven itself to be a worthy partner through UW Medicine's experience with it at Capital Medical Center. UW Medicine's positive reputation is the result of long efforts, so UW and UW Medicine staff will make every effort to guard that brand.

MOTION: Upon the recommendation of the Chair of the Board and the motion made by Regent Blake, seconded by Regent Benoliel, the Board voted to approve the formation of the Community Health Partnership, as presented.

See Attachment B–4.

Governmental Affairs Advisory Committee Update (Agenda No. B–5) (Information only)

Regent Jaech welcomed former Regent Herb Simon, Chair of the Governmental Affairs Advisory Committee back to the boardroom. Randy Hodgins, Vice President, External Affairs, stated that the Legislature is more than halfway through its short session. The state revenue forecast is soon to be released and is expected to be positive. President Cauce will return to Olympia next Thursday. The capital budget has been passed. The state fund-split issue is ongoing. At the federal level, the Senate votes today on the bipartisan compromise budget.

Mr. Simon stated that the Promise Coalition was formed nearly ten years ago to create a unified voice for state organizations of higher education in Olympia. There are now approximately forty stakeholders from all public and private universities and colleges in the state, from community and technical colleges, from the unions, from alumni groups, from lobbyists, and from the business community. He noted that the private sector is particularly concerned about the college completion rate in the state, currently at 51 percent, well below the desired level of 70 percent. Mr. Simon introduced Kelly Evans, Partner, Sound View Strategies, who has helped to create a strategy bringing together all members of the College Promise Coalition.

Ms. Evans commended Mr. Simon for his leadership in helping to create the College Promise Coalition. She stated that the Coalition's work has recently shifted from preventing further cuts in higher education funding to pursuing higher post-secondary attainment levels. The Gates Foundation has made six grants to identify pathways to achieve this. One of these grants funded the research that Ms. Evans will present. Foundation grantees are laying out a policy map, identifying workforce needs and regional education capacity limits, and pursuing advocacy and student engagement strategies. This year the Coalition's efforts in Olympia are focusing on more completely funding the State Need Grant and on advocating for the eligibility of DACA students for opportunity scholarships and college-bound programs.

Ms. Evans then shared the public opinion research detailed in her slide deck, focusing on how people talk about higher education, which is quite different from the language of higher education policy. She interviewed six focus groups of ten voters. These were not demographically representative of the state, nor were they composed of perfect voters. She had screened out extreme partisans, and sought out those with students in or nearing college and who had just attended or were attending college.

Asked whether it was possible to change the transactional mindset with which people approach higher education, advocating for its benefits in creating an informed, educated citizenry, Ms. Evans stated that it is probably best to meet people where they are in terms of terminology. She suggested that a perception of the costs of higher education may indeed involve a transactional relationship with higher education being a means to a job. President Cauce concurred. Ms. Evans noted that four-year degree holders tend to more greatly value the intangibles of a college education.

Asked how to better convey the magnitude of state disinvestment in higher education, Ms. Evans stated that this opinion research is laying the groundwork for an ambitious program of advocacy during the 2019 legislative session, when the Legislature may be ready to discuss the funding of higher education in a post-McCleary world. Her research offers suggestions for how best to speak about higher education in a broader public context. For instance, while few respondents favored free college tuition, some suggested a K-14 system as a solution to the demand for higher education as a job prerequisite in today's economy. President Cauce warned that describing high student debt levels or the great expense of college in general – mainly confined, she added, to the students of for-

profit institutions and those pursuing graduate degrees – may be counterproductive in this environment.

Asked about perceptions that universities were unwelcoming to conservatives, Ms. Evans responded that neither partnership nor elitism figured prominently in discussions, outside of discussion of costs. She observed that events in Washington, D.C., did not come up in the focus groups. She concluded by noting that the Coalition and higher education advocates need to make sure that their conversations are inclusive, teaching members of the public to see issues such as the State Need Grant as relevant to them.

Regent Goddard stated that the UW's financial aid information does not always make it easy for students to make informed choices based on college cost at the outset. Ms. Evans suggested that polling might provide insights into this.

Mr. Simon advised those present to prepare to get public support to advocate for higher education in 2019.

See Attachment B–5.

Diversity, Equity, and Inclusion Advisory Committee (DEI) Update (Agenda No. B–6) (Information only)

Regent Harrell offered insights into the committee's approach, directing those presents to examine the list of committee members and the meeting materials in Regents' electronic board books. The committee is building a body of knowledge in a common context for understanding issues and how the University frames them, with the goal of constructing a dashboard that provides the right lens and the right information for informed, effective advocacy.

Every meeting starts with insight from President Cauce and Mr. Hall on the campus climate. This is followed by a presentation on an issue from the committee's charter: students, faculty, staff, or contracting and procurement. The last portion of each meeting offers a chance for a deep dive into one area: at the last meeting, the focus was staff demographics and hiring practices.

Regent Harrell has learned that the committee is on a journey of learning in partnership with administrators as they prepare to socialize new practices. She affirms that the mere existence of the committee is empowering to others on campus. She hopes to have the dashboard ready for the committee's July meeting.

Regent Rice highlighted the range of experiences on the committee.

See Attachment B–6.

Following the report of the Diversity, Equity, and Inclusion Advisory Committee, Regent Jaech proposed a ten-minute recess. Hearing no objections, Regent Jaech announced that the Board would recess until 1:20 p.m.

REPORT OF THE CHAIR OF THE BOARD OF REGENTS: Regent Jaech, Chair

Regent Jaech reconvened the Board at 1:20 p.m.

Regent Jaech reported that the Board is again spending considerable time discussing UW Medicine. Today it heard the annual compliance report, the annual financial report, approved the integration of Northwest Hospital & Medical Center, and approved the formation of a community health partnership.

As he has said before, UW Medicine is becoming a larger and larger part of the University and of the University's total budget. It is approximately half of the budget now, and is growing more rapidly than the rest of the University. There are many changes in healthcare delivery and reimbursement that favor systems with scale, as Mr. van Oppen observed earlier, so this growth is a reaction to those changes.

As UW Medicine grows, it continues to be an area of significant risk for the University. Change always brings both opportunity and risk, and change is certainly afoot in healthcare delivery. Furthermore, any part of the University that deals with life-and-death issues brings with it the risk of serious errors that have serious consequences. The Board of course believes that the UW has great hospitals with expert staff who do their best to prevent serious errors. The risk nevertheless remains, and good governance requires that the Board understand the risks faced by the University and how they are being mitigated.

This is a good time for the Regents to reevaluate how they fulfill their fiduciary duty to govern UW Medicine effectively. The Board is consequently spending more time in its meetings on this subject. It is examining the current governance structure, which relies on a separate UW Medicine Board to advise it. Last summer the University hired an outside consultant, ReCon Strategy, to help the Board understand the changing healthcare landscape, how this affects UW Medicine, what UW Medicine's strategy should be, and how the Board of Regents might best fulfill its responsibilities of good governance. In today's consent agenda there is an item from yesterday's meeting of the Governance Committee creating an ad hoc task force to study the governance of UW Medicine more deeply. The topic is complex and will take some time to resolve.

Although Regents are well aware of ongoing work to reconsider the governance of UW Medicine, it is important to discuss this in public. Regent Jaech believes in transparency and wishes the citizens of Washington State to understand that the Board takes the governance of UW Medicine very seriously, and that there will be further discussion of the topic in coming meetings.

Regent Jaech then asked President Cauce to give her report.

REPORT OF THE UNIVERSITY PRESIDENT: President Cauce

President Cauce agreed with Regent Jaech about the Board's duty with respect to UW Medicine. Last week she made a fantastic trip to the Tri-Cities, and attended a reception at which Regent Tamaki was also present. The "509" (Area Code) Huskies were

enthusiastic. She made her first tour of Pacific Northwest National Laboratories and learned about the fabrication of next-generation materials. She moderated a well-attended forum for women in business. The favorable response to her presence encourages her to send more members of the UW team across the state, not just to communicate with alumni but to recruit students.

President Cauce returned from a trip to China yesterday, where she advocated for continued partnerships between American and Chinese institutions of higher learning. It was an eye-opening experience to hear the former president of Carnegie Mellon University describe China's astonishing investments in higher education. In 2005, the Chinese analogue of the National Science Foundation emitted $245 billion in research funding; in 2015 it emitted $1,422 billion, a more than ten-fold increase over ten years. While funding for research in the US is flat, in China it is increasing rapidly. The Chinese recognize the intimate connection between the rapid growth of universities and the rapid growth of cities. Chinese institutions seek to lure back scholars from abroad, such as the former president of Carnegie Mellon, with immense state investment in research and facilities. On the other hand, she stated that there is great interest in China both in study in the US and in liberal education and liberal habits of mind. Whereas 5 percent of US students major in STEM fields, 35 percent of Chinese students do. (At the UW, President Cauce added parenthetically, 40 percent of students major in STEM fields.) There is nevertheless great interest in creativity and critical thinking, for example with respect to insights from the social and behavioral sciences into potential unintended consequences of the rapid development of Artificial Intelligence capabilities. Chinese investments shed light on American disinvestment in higher education, while at the same time highlighting the persistent allure of a broad, liberal education. Some Chinese institutions have consequently moved to teaching in English, created residential colleges, and are focused on the undergraduate experience and on the humanities and social sciences – emulating our formula, in a word. She hopes for mutual learning, but noted that preserving the competitiveness of US higher education will require greater governmental investment.

President Cauce will end her travels next week with trips to Olympia, where she will meet with the presidents of community and technical colleges, and to New York City, where she will discuss successes and areas for improvement in transfer education. She is preparing to advocate for higher education next year, in both Olympia and Washington, D.C.

CONSENT AGENDA

Regent Jaech noted there were six items for approval on the consent agenda, and asked if any items should be removed. He called for a motion.

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

Minutes for the meeting on January 11, 2018

Approve Proposed Changes to WAC 478-276-100, "Governing Access to Public Records, Copying" (Agenda No. G–2)

It was the recommendation of the administration and the Governance Committee that the Board of Regents approve proposed changes to WAC 478-276-100, "Governing Access to Public Records, Copying," as presented.

See Attachment G–2.

Approve Administration of Board Self-Assessment Survey (Agenda No. G–3)

It was the recommendation of the administration and the Governance Committee that the Board of Regents approve administration of a Board self-assessment survey, as presented.

See Attachment G–3.

Appoint New Regent to a Committee or Committees (Agenda No. G–4)

It was the recommendation of the administration and the Governance Committee that the Board of Regents appoint Regent David Zeeck to the Finance and Asset Management Standing Committee, effective January 29, 2018 through September 13, 2018.

See Attachment G–4.

Discuss UW Medicine Governance; Appoint Task Force on the Governance of UW Medicine (Agenda No. G–5)

It was the recommendation of the administration and the Governance Committee that the Board of Regents appoint a task force on the governance of UW Medicine, as presented.

See Attachment G–5.

Approve the Appointment of Stephanie Swanberg to the Governmental Affairs Advisory Committee (Other Business)

It was the recommendation of the administration and the Governance Committee that the Board of Regents approve the appointment of Stephanie Swanberg to serve out Lori Mattson's term on the Governmental Affairs Advisory Committee, effective immediately through December 31, 2020.

STANDING COMMITTEES

The following items were presented for information during the Governance Committee meeting.

GOVERNANCE COMMITTEE: Regent Jaech, Chair *ex officio*

Open Public Meetings Act and Public Records Act Training (Agenda No. G–1) (Information only)

See Attachment G–1.

Gift Assessment Overview (Agenda No. G–6) (Information only)

See Attachment G–6.

FINANCE AND ASSET MANAGEMENT COMMITTEE: Regent Rice, Chair

The following items were presented for information during the Finance and Asset Management Committee meeting.

Treasurer of the Board Report (Agenda No. F–1) (Information only)

See Attachment F–1.

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

See Attachment F–2.

ACADEMIC AND STUDENT AFFAIRS COMMITTEE: Regent Benoliel, Chair

Academic and Administrative Appointments (Agenda No. A–1) (For action)

It was the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve the academic and administrative appointments, as presented.

MOTION: Upon the recommendation of the administration and the motion made by Regent Benoliel, seconded by Regent Rice, the Board voted to approve the personnel appointments. Regent Goddard abstained from the discussion and vote.

See Attachment A–1.

The following items were presented for information during the Academic and Student Affairs Committee meeting.

Featured Student Experience – Race & Equity Initiative (Agenda No. A–2) (Information only)

See Attachment A–2.

Update on the Race & Equity Initiative and the Diversity Blueprint (Agenda No. A–3) (Information only)

See Attachment A–3.

Intercollegiate Athletics Report on Academic & Student Services (Agenda No. A–4) (Information only)

See Attachment A–4.

Recognition of UW Women's Rowing (Agenda No. A–5) (Information only)

See Attachment A–5.

REPORTS TO THE BOARD OF REGENTS

Regent Jaech invited ASUW Tacoma President Arwa Dubad, to join the Board at the table. ASUW Bothell President Dominick Juarez was absent.

Faculty Senate Chair: Professor Thaïsa Way

Professor Way reported that it is the middle of the academic year. The Faculty Senate is working with the President, the Provost, and Title IX coordinator to improve sexual and racial harassment. It is also working on open-access course materials, lecturer issues, and faculty accountability for lab safety.

Her report will focus on the 2050 Project, a collaboration with the Board of Deans and Chancellors and with forty-two faculty members in working groups. There are three critical areas, identified on the basis of shared values aimed at providing a quality education to all students.

1) The first focus is faculty career trajectories. The preservation of tenure and academic freedom around difficult issues is important, as is community engagement.
2) Community engagement is related to the second focus: building a more inclusive community, as discussed in this morning's presentation on the Race & Equity Initiative and the Diversity Blueprint. Faculty members are crucial shapers of campus climate.
3) The third area of focus is the UW's role as a public institution providing a public good. There are opportunities and challenges at a public institution, so the Faculty must better articulate and communicate its commitment to public higher education.

The goal is to create a document by July 1 for presentation to the new provost describing where the Faculty thinks the University is and what it thinks strategies for moving forward might be.

The Faculty is working to be more engaged with the fiscal health of the University. It is engaging through its legislative liaison, JoAnn Taricani, with the fund split issue. It is also engaging more broadly to improve the fiscal climate, particularly for departments and programs disadvantaged by activity-based budgeting that nevertheless perform essential functions of the University's core public mission.

Regent Jaech announced that there are one-page handouts from each student representative in the Regents' packets. These create consistency and are entered into the permanent record. He thanked Regent Goddard for coordinating this effort and for making the templates.

ASUW President: Mr. Osman Salahuddin

Mr. Salahuddin thanked Regent Goddard for her efforts.

Last Monday's 'Huskies on the Hill' day was a success. The following day he drove to Olympia with undocumented students who met privately with legislators to advocate for themselves. The ASUW is focusing on how it brands itself within the University, trying to identify and to publicize unique stories from within the student body. The ASUW President's Facebook page has been relaunched to encourage greater transparency in student governance. Student well-being and wellness, including mental health, will be a focus going forward. Mr. Salahuddin drew attention to the student profile in his written report.

GPSS President: Ms. Elloise Kim

Ms. Kim reported that 'Huskies on the Hill' day was a success, incorporating meetings with the Secretary of State, Lieutenant Governor, and Governor, and many conversations between legislators and students. The GPSS is currently advocating for student loan plans, for affordable tuition and fees, for student mental health, and for better support for student caregivers. She thanked the UW Impact team for its support during 'Huskies on the Hill' day.

President Cauce visited the GPSS, where she was asked how the University is advocating for graduate and professional students and what the sustainability plans for schools such as the College of Arts and Sciences is, given the drastic reductions in funding for teaching assistants. The GPSS is following up on issues raised last week concerning who is permitted to reside in student housing, hoping for clearer language from Housing and Food Services. Ms. Kim drew attention to the student profile in her written report.

ASUW Tacoma President: Ms. Arwa Dubad

Ms. Dubad read her written report, drawing attention to the successful close of the search for a Vice Chancellor of Equity & Inclusion, the well-received visit of Regent Benoliel to

the Tacoma campus, greater inclusion of UW Tacoma students in the budgeting process, and the relocation of the Center for Equity and Inclusion. The ASUW Tacoma will continue to advocate for late-night study spaces. Ms. Dubad drew attention to the student profile in her written report, which highlights the lack of technology firms recruiting at UW Tacoma career fairs.

Alumni Association President: Ms. Suzanne Dale Estey

Ms. Dale Estey recapitulated her organization's goals of maximizing impact, promoting a truly big tent, and working together for measurable results. She enjoyed accompanying President Cauce on a memorable trip to the Tri-Cities and thanked Regent Tamaki for attending the reception. She introduced President Cauce at the event, a great opportunity to raise awareness of the UW across the state. The UWAA has been all across Eastern Washington, increasing its outreach efforts. The UWAA hopes to hold one event in each of three majors areas of Eastern Washington every academic quarter. There is a Husky 509 newsletter circulated east of the mountains. She seeks volunteers for that side and is open to recommendations.

The UWAA's presence in Eastern Washington forms part of its 2019 legislative strategy. Its legislative priorities are academic excellence, affordability, and access to high-demand fields. She hopes to mobilize half a million Huskies in support of higher education in general and in support of the UW in particular around issues such as the fund split. 'Huskies on the Hill' day has traditionally been student focused, but she recognizes how important the support of UWAA is to student leaders and advocates. UW Impact will be back in Olympia on February 22, 2018, for 'Husky Caucus Day' focusing on UW alumni. The UWAA is working hard to be intentionally bipartisan.

Ms. Dale Estey looks forward to travelling to 'Dawg Days in the Desert' in Palm Springs, a long-time tradition. She is delighted with the success of the 'Dinner with Dawgs' program, uniting students and alumni or staff over an informal dinner. More than 300 students have applied, so the UWAA is looking for additional hosts.

DATE FOR NEXT MEETINGS

Regent Jaech announced that the next regular meetings of the Board will be on Wednesday, March 7, in 142 Gerberding Hall and on Thursday, March 8, 2018, at UW Bothell.

EXECUTIVE SESSION

Regent Jaech announced that the Board would hold three executive sessions, the first two to discuss with counsel litigation or potential litigation as defined in RCW 42.30.110 and one to review the performance of public employees.

ADJOURNMENT

Returning to open session, the regular meeting was adjourned at 2:55 p.m.

Tyler Lange
Secretary of the Board of Regents

Approved at the meeting of the Board on March 8, 2018.

STANDING COMMITTEES

Governance Committee

Open Public Meetings Act and Public Records Act Training

INFORMATION

This item is for information only.

BACKGROUND

RCW 42.30.205 provides that:

"(1) Every member of the governing body of a public agency must complete training on the requirements of this chapter no later than ninety days after the date the member either:

(a) Takes the oath of office, if the member is required to take an oath of office to assume his or her duties as a public official; or

(b) Otherwise assumes his or her duties as a public official.

(2) In addition to the training required under subsection (1) of this section, every member of the governing body of a public agency must complete training at intervals of no more than four years as long as the individual is a member of the governing body or public agency.

(3) Training may be completed remotely with technology including but not limited to internet-based training."

Karin Nyrop, Division Chief, Attorney General's Office, UW Division, and Eliza Saunders, Director, Office of Public Records and Open Public Meetings, will lead a training session to review open public meetings.

PRESENTERS

Karin L. Nyrop
Admitted to Practice: 1984 (Washington)
Law Degree: University of Puget Sound School of Law (Seattle University) (J.D., 1984, *magna cum laude*)
Undergraduate Degree: St. Martin's College (B.A., Criminal Justice, 1981, *summa cum laude*)
Practice Areas: Intercollegiate Athletics, Construction, Purchasing, Faculty Adjudications, Scientific Misconduct

Karin L. Nyrop has been with the University of Washington Division of the Attorney General's Office since 1997. In April 2015, Ms. Nyrop was promoted to Division Chief. Prior to assuming that role she was the primary attorney for the

Open Public Meetings Act and Public Records Act Training (continued p. 2)

Intercollegiate Athletics Department and the Capital Projects Office. During her tenure with the Division, she has also advised the Purchasing Department, the Office of Scholarly Integrity, the Treasury Office, and the Police Department. Ms. Nyrop also worked on a variety of large projects at the UW including the renovation of Husky Stadium, the Lease of Metro Tract Property, and the Regional Scale Nodes Project.

Eliza A. Saunders

Eliza A. Saunders is the Director of the Office of Public Records and Open Public Meetings for the University of Washington. In this capacity she is the chief compliance officer and the architect of the University's freedom of information structures. Ms. Saunders is considered an expert in freedom of information and speaks internationally on the subject at the request of the U.S. Department of State, the People's Republic of China, Mexico, the United Kingdom and international civil society groups. She is a former Secretary of the Council on Governmental Ethics Laws (COGEL).

Prior to joining the University of Washington she worked in private industry at Putnam Mutual Funds, at Boston University and at Harvard Medical School where, as an officer of the Harvard Corporation, she oversaw the Admissions Office. Ms. Saunders holds a B.A. in American History from the University of California at Santa Barbara and a M.S. in Public Relations from Boston University.

Overview of Open Government in Washington State:

Open Public Records
and
Open Public Meetings

ATTACHMENT

Open Public Records Act
RCW 42.56

Public Record

Public record is very broadly defined:

- **any writing**
- **containing information**
- **relating to**
- **the conduct of government or**
- **the performance of any governmental or proprietary function**
- **<u>prepared, owned, used, or retained</u>**
- **by any state or local agency**
- **regardless of physical form or characteristics.”**

~ RCW 42.56.030

Writing

- The term "**Writing**" includes "handwriting, typewriting, printing, photostating, photographing, and **every other means of recording any form of communication** or representation including, but not limited to . . . [just about everything you can think of.]

Note*:* Public Records can also include records of agency business ***when they are created or retained by agency employees or officials on home computers or in non-agency email accounts*.**

UW Office of Public Records and Open Public Meetings

- The Public Records Act requires a named Public Records Officer to oversee the University's compliance with the Act and to coordinate the University's responses to requests.
  - Eliza A. Saunders is the University's Public Records Officer
- The Office of Public Records and Open Public Meetings oversees the University's transparency compliance program
- In 2017 the office
  - Responded to 987 public records requests
  - Received 6,174,543 pages of materials for regulatory review in response to the Pubic Records Act
  - Oversaw the legally required notification process for the University's
    - 100+ governing bodies
    - Provided legally required notice of 500 meetings in 2017

Requests for Public Records

- Persons may request **identifiable public records:**
- Requesters may request to ***inspect*** public records.
- Requestors may request ***copies*** of pubic records.
- Agencies may adopt procedures explaining where requests must be submitted and other procedures.
- For the University's procedures see: WAC 478-276 and APS 57.9

Responses to Requests

The University must respond within **five *business* days** to a PRA request by:

1. Acknowledge receipt of the request and provide a reasonable estimate of time for further response; or
2. Fulfill the request; or
3. Provide an internet address and link to the records on the agency's website (which fulfills part or all of the request); or
4. Seek clarification; or,
5. If records are exempt from release then an explanation is provided to the requestor.

Searches

An agency must conduct an **adequate search** for responsive records.

- Must be ***reasonably calculated to uncover responsive records***.
- Must follow **obvious leads** to possible locations where records are likely to be found.
- **Best Practice: DOCUMENT search efforts** – record the locations, search terms used and other information to prove an adequate search was made

NOTE: The agency bears the **burden of proof** to show the adequacy of the search.

Responding: *Exemptions*

- By law, agency records are presumed to be public.
- **General Rule:** Agency may withhold only the portion of a record that is **clearly exempt**.
- Exemptions must be **authorized in law**. Examples – student records, health care records, attorney client communications
- Exemptions are **narrowly construed**.
- Agency must provide **brief explanation** for each exemption.
- An inventory of wholly exempted items must be provided to a requestor

Privacy

No general "privacy" exemption.

If privacy is an express element of another exemption, privacy is invaded only if disclosure about the person would be:

1. "Highly offensive to the reasonable person" and
2. "Not of legitimate concern to the public."

Information that does not satisfy both these factors cannot be withheld as "private" information – this is a very high bar.

•Adapted from training prepared by Washington State Attorney General's Office

Enforcement & Penalties

- PRA enforced by **courts**.
- Up to $100 for each day at least one record was withheld
- A court can impose **civil penalties**.
- A court will award requester's **attorneys fees and costs**.

•Adapted from training prepared by Washington State Attorney General's Office

Open Public Meetings Act (OPMA)

Requires gavel to gavel open public meetings

Board actions are to be taken openly and deliberations conducted openly.

OPMA is to be “liberally construed.”

The purpose of the OPMA is to allow the public to view the Board’s “decision-making process.”

OPMA Applies To:

Any state board, commission, committee, department, educational institution, or other state agency which is created by or pursuant to statute, other than courts and the legislature.

OPMA Does Not Apply To:

- These entities:
  - ❑ Courts, Legislature, Private organizations, agencies governed by a single individual

- These activities:
  - ❑ Quasi-judicial matters
  - ❑ Matters governed by the Washington Administrative Procedure Act, RCW 34.05
  - ❑ Collective bargaining

Applies to Meetings of a Governing Body

- Governing Body means: a multimember board or other policy or rule-making body

And

- Any committee of such public agency *when:*
  - the committee acts on behalf of the governing body,
  - conducts hearings, or
  - takes testimony or public comment

Applies to Meetings

- "**Meeting**" means meetings at which the public agency takes "**action**"

- May occur by phone or email physical presence not required
  - An exchange of e-mail could constitute a meeting if, for example, a quorum of the members participate in the e-mail exchange & discuss agency business. Simply receiving information without comment is not a meeting.

- OPMA applies to "retreats," "workshops," "study sessions," etc.

- No meeting occurs if the governing body lacks a quorum.

Applies to All Board Actions

- "**Action**" means the transaction of the official business of the public agency and includes but is not limited to:

  - Deliberations
  - Discussions
  - Considerations
  - Reviews
  - Evaluations
  - Public testimony
  - Final actions

  The requirements of the OPMA are triggered whether or not "final" action is taken.

Applies to Final Actions

- "**Final action**" means a collective positive or negative decision, or an actual vote, by a majority of the governing body, or by the "committee thereof"
- The "Final Action" must be taken in public, even if deliberations were in closed session
- Secret ballots are not allowed

Travel and Gathering

- A majority of the members of a governing body may travel together or gather for purposes other than a regular meeting or a special meeting, *so long as no action is taken.*
- Discussion or consideration of official business would be action, triggering the requirements of the OPMA.

“Regular” Meetings

- **“Regular meetings”** are recurring meetings held in accordance with a *periodic* schedule by resolution, bylaw or other rule.

Applies to “Special” Meetings

- A **“special meeting”** is a meeting called by a presiding officer or majority of the members that is not an otherwise regularly scheduled meeting.

“Special” Meetings (Cont.)

- Notice - contents: The special meeting notice must specify:
  - Time
  - Place
  - Business to be transacted (agenda)
    - Final disposition shall not be taken on any other matter at such meeting

Public Attendance

- A public agency can't place conditions on public to attend meeting subject to OPMA:
  - For proceedings governed by OPMA, cannot require people to register their names or other information, complete a questionnaire, or otherwise fulfill any condition precedent to attendance
- Reasonable rules of conduct can be set
- Cameras and tape recorders are permitted unless disruptive
- No "public comment" period required by OPMA

Interruptions and Disruptions

- The OPMA provides a procedure for dealing with situations where a meeting is being interrupted so the orderly conduct of the meeting is unfeasible, and order cannot be restored by removal of the disruptive persons.

- Meeting room can be cleared and meeting can continue, or meeting can be moved to another location, but final disposition can occur only on matters appearing on the agenda.

Executive Session

- Part of a regular or special meeting that is closed to the public
- Limited to specific purposes set out in the OPMA
- Purpose of the executive session and the time it will end must be announced by the presiding officer before it begins; time may be extended by further announcement

~ RCW 42.30.110

Executive Sessions

Specified purposes set out in OPMA. Includes, for example:

- National security
- Real estate
  - Site selection or acquisition of real estate
    - Lease or purchase
    - Public knowledge would likely increase price
  - Sale or lease
    - Public knowledge would likely decrease price
    - Final action selling or leasing public property must be take at open meeting
- Publicly bid contracts
  - Review negotiations on performance
  - Public knowledge would like increase costs
- Evaluate qualifications of applicant for public employment
- Meet with legal counsel regarding enforcement actions, litigation or potential litigation

~ RCW 42.30.110

Penalties for Violating the OPMA

- A court can impose a $500 civil penalty against each member (personal liability) for the first violation and $1,000 thereafter
- Court will award costs and attorney fees to a successful party seeking the remedy
- Action taken at meeting can be declared null and void

~ RCW 42.30.120; RCW 42.30.130; RCW 42.30.060

Minutes – RCW 42.32.030

- Minutes of public meetings must be promptly recorded and open to public inspection
- Minutes of an executive session are not required
- No format specified in law

~ RCW 42.32.030

Records retention and destruction overview:

- All public records shall be and remain the property of the state of Washington to be protected and preserved by all public employees, appointees and officials.

- Any destruction of public records shall be pursuant to a schedule approved by the state Records Committee:
    - Members include: the state archivist, an appointee of the state auditor, an appointee of the attorney general, and an appointee of the director of financial management.

- The University Records Manager presents to the Records Committee all proposed retention schedules, or proposed revisions to University schedules for approval.
    - Once approved, the University schedule becomes the standard for required minimum retention and lawful destruction purposes.

What is a public record that we are required to keep?

For legally mandated retention purposes, a public record is any record, regardless of physical form or characteristics,

1. *Made* by or *received* by any agency in the State of Washington
    - Includes both records that an agency creates and records that an agency may receive or collect.
2. In connection with the transaction of public business
    - Not only paper records – also records created or received using any digital format or application such as.docx, .xlsx, .pdf, .ppt, .tif, and emails, websites, blogs, wikis, digital photos, text messages, blogs, tweets, and any emerging technologies that may be used to conduct University business. 80 % of all university data and information are electronic.

How many different ways are there to create a record?

From email to social media, University employees are using emerging technologies to communicate and conduct business.

It’s not the medium itself that is the record, it is what is being said and communicated - "regardless of physical form or characteristics."

What is required by law to be retained?

Retain (for the minimum required retention period):

- Messages that facilitate or document actions affecting your administration and agency business.
- Policies, significant decisions, commitments, contracts, meeting minutes and resolutions.
- Protection of citizen rights - legal, fiscal, proof of ownership or authority.
- Agency operational, fiscal or legal matters.
- Agency-provided advice or solicitations of public input or comment.

Do not retain:

- Messages regarding “cookies in the break room,” potlucks, retirement parties, and other social announcements, saying “thank you,” requests to carpool to the meeting, spam or junk mail – all have no retention value.
- Transitory messages that can be disposed of as soon as they have served their reference purpose, includes document errors, duplicates, transmittal memos, fax cover sheets (See UW General Schedule #4)

Questions about what to keep and for how long?

Consult with the University Records Manager for guidance on retention schedules!

THANK YOU

STANDING COMMITTEES

Governance Committee

Approve Proposed Changes to WAC 478-276-100, "Governing Access to Public Records, Copying"

RECOMMENDED ACTION

It is the recommendation of the administration and the Governance Committee that the Board of Regents adopt the proposed changes to WAC 478-276-100, "Governing Access to Public Records, Copying," in order to conform with amendments made by the 2017 Legislature by section 3, chapter 304, Laws of 2017 to RCW 42.56.120 regarding agency determination of copying costs for producing public records. There is no change to the current fee structure; the University will reassess the need to change its fee structure when the Office of the Attorney General releases the final version of its model rule governing the release of records under the Public Records Act. In general the University's current fee structure covers the cost of photocopying records, the media on which records are transmitted, and packaging and postage charges.

BACKGROUND

This past summer the 2017 Legislature amended RCW 42.56.120 and set a deadline date for agencies to conform by July 23, 2017. In order to comply with this tight deadline, the University filed a first Emergency Rule Making Order that became effective on August 25, 2017. This order expired and a second emergency order was filed on December 19, 2017 that became effective December 22, 2017 and will expire April 20, 2018. This order will remain in place until the permanent rule making process has been completed. A public hearing was held on January 17, 2018 at which no individuals or organizations provided written comment or testified. The hearing officer's report is attached.

There is no change to the current fee structure. Next year the University will enact final rules to conform with the amendments made by the 2017 Legislature to RCW 42.56.120 regarding copying costs after the Office of the Attorney General releases the final version of its model rule governing the release of records under the Public Records Act.

Attachments
1. Hearing Officer's Report
2. Proposed Amendments to WAC 478-276-100

January 18, 2018

President Ana Mari Cauce
Executive Office of the President and Provost
University of Washington
Box 351230

Dear President Cauce,

Pursuant to your delegation, I served as the Hearing Officer to receive public comment on the proposed changes to WAC 478-276-100, Governing Access to Public Records, Copying. The University of Washington is updating WAC 478-276-100 to conform with amendments made by the 2017 Legislature by section 3, chapter 304, Laws of 2017 to RCW 42.56.120 regarding agency determination of copying costs for producing public records.

Background

As required by the Administrative Procedure Act (APA), the University filed the following notices with the Washington State Office of the Code Reviser: a Preproposal Statement of Inquiry (published as WSR 17-18-107) and also Proposed Rule Making (published as WSR 17-24-091). Notices that a public hearing would be held were published in *The Daily* student newspaper on January 4, 2018 and also in the *UW Today* staff publication on January 9, 2018 and via email version *UW Today* on January 10, 2018.

The written comment period began on September 20, 2017 and ended at close of business January 17, 2018.

In addition to the required filing notices listed above, the University of Washington filed the first Emergency Rule Making Order to become compliant with the July 23, 2017 effective date of the amendments made by the 2017 Legislature. This was filed and effective on August 25, 2017 (published as WSR 17-18-016). After that order expired, a second Emergency Rule Making Order was filed on December 19, 2017 and effective December 22, 2017 (published as WSR 18-01-130). The second emergency rule is in place and will cover the University throughout the completion of the permanent rule making process.

Public Comment

A public hearing was held on January 17, 2018 at 12:30 pm in Gerberding Hall Room 142 on the UW Seattle campus.

Although the Rules Coordination Office was contacted by several individuals requesting copies of the proposed changes, no individuals or organizations provided written comment or testified at the public hearing on the proposed changes.

Analysis and Recommendation

As there were no comments to the contrary, it is my recommendation that the Board of Regents adopt these changes to the WAC rules as proposed.

An audio recording of the hearing will also be shared with the Secretary of the Board of Regents.

Sincerely,

Barbara Lechtanski

Barbara Lechtanski
Director of Rules Coordination

c: Ann Anderson
Jessica Creighton
Nancy Garland
Eliza Saunders
Margaret Shepherd

AMENDATORY SECTION (Amending WSR 13-05-073, filed 2/19/13, effective 3/22/13)

WAC 478-276-100 Copying fees. (1) **Copying facilities available.** Facilities shall be made available to requestors for the copying of public records as set forth under WAC 478-276-095, except when and to the extent that this would unreasonably disrupt the operations of the public records office.

(2) **Copying costs.** ((~~The university may charge for providing copies of public records. Charges are posted on the office's web site.~~

~~(3) **Other costs.**~~)) Pursuant to RCW 42.56.120(2), as amended by section 3, chapter 304, Laws of 2017, the University of Washington declares for the following reasons that it would be unduly burdensome for it to calculate the actual costs it charges for providing copies of public records: Funds were not allocated for performing a study to calculate such actual costs and the agency lacks the necessary funds to perform a study and calculations; staff resources are insufficient to perform a study and to calculate such actual costs; and a study would interfere with and disrupt other essential agency functions. Therefore, the University of Washington adopts the following fees consistent with the fee schedule established in RCW 42.56.120, as amended by section 3, chapter 304, Laws of 2017:

(a) Fifteen cents per page for photocopies of public records, and printed copies of electronic public records when requested by the person requesting records;

(b) The university may charge ((~~for nonpaper media~~)) the actual cost of any digital storage media or device (for example, without limitation, compact disks (CDs), digital versatile disks (DVDs), audiotape, or videotape) used to provide copies, ((~~packaging,~~)) the actual cost of any container and envelope used to mail or transmit the copies to the requestor, and the actual postage or delivery charge, or other charges as allowed by law. Such charges shall not exceed the amount necessary to reimburse the university for actual costs.

((~~(4)~~)) (3) **Deposits.** The university may require a ten percent deposit on copying or other charges. Any required deposit must be paid before the request is processed.

((~~(5)~~)) (4) **Prepayment.** The public records office shall not release any requested copies of public records unless and until the requestor has paid all copying and other charges as set forth above. Fee waivers are an exception and are available at the discretion of the public records officer. If payment is not received by the public records office within fifteen business days of issuance of the university's notice of availability, the university may consider the request closed, and any records or copies responsive to such request shall be subject to disposition as provided under WAC 478-276-105.

STANDING COMMITTEES

Governance Committee

Approve Administration of Board Self-Assessment Survey

ACTION

It is the recommendation of the Board Chair and the Governance Committee that the Board of Regents administer a biennial self-assessment survey in the late winter or spring of 2018 with a report on the results at the July or the October meeting of the Governance Committee.

BACKGROUND

The Board of Regents has periodically administered self-evaluation surveys. In 2014 and 2016, it conducted assessment surveys through the UW's Catalyst tool. The surveys consisted of 38 questions about the performance and operations of the Board and offered opportunities to include open-ended comments. Participants were offered the option to reply to questions with 'strongly agree,' 'agree,' 'disagree,' 'strongly disagree,' and 'don't know.'

In 2014 Regents, President, Provost, Senior Vice President for Finance & Facilities, and Vice Provost for Planning & Budgeting were invited to complete the survey. Nine Regents and three administrators responded. Regent Smith presented a summary of the results to the Governance Committee and Board in October 2014 (Item G–5).

In May 2016 the Board elected to expand the number of administers included in the survey from four to twenty administrators or academic, educational, and student leaders. Ten Regents and fourteen administrators responded. Regent Shanahan presented a summary of the results to the Governance Committee and Board in October 2016 (Item G–3).

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

Governance Committee

Approve Administration of Board Self-Assessment Survey (continued p. 2)

The survey was anonymous but respondents were asked to indicate if they were a Regent or an Administrator or other.

Attachments
1. 2014 Board Self-Assessment Survey Participants
2. 2016 Board Self-Assessment Survey Participants
3. 2018 Board Self-Assessment Survey *Proposed* Participants
4. 2014 Board Self-Assessment Survey
5. 2016 Board Self-Assessment Survey
6. 2018 *Proposed* Board Self-Assessment Survey

2014 Board Self-Assessment Survey Participants

Name	Title
Orin Smith	Regent, Chair
Bill Ayer	Regent, Vice Chair
Kristianne Blake	Regent
Marnie Brown	Regent
Joanne Harrell	Regent
Jeremy Jaech	Regent
Constance Rice	Regent
Rogelio Riojas	Regent
Herb Simon	Regent
Pat Shanahan	Regent
Mike Young	President
Ana Mari Cauce	Provost
V'Ella Warren	Senior Vice President for Finance & Facilities
Paul Jenny	Senior Vice Provost for Planning & Budgeting

2016 Board Self-Assessment Survey Participants

Pat Shanahan	Regent, Chair
Jeremy Jaech	Regent, Vice Chair
Bill Ayer	Regent
Joel Benoliel	Regent
Kristi Blake	Regent
Joanne Harrell	Regent
Vanessa Kritzer	Regent
Constance Rice	Regent
Rogelio Riojas	Regent
Herb Simon	Regent
Ana Mari Cauce	President
Jerry Baldasty	Provost
Richard Cordova	Executive Director, Internal Audit
Randy Hodgins	Vice President, External Affairs
Todd Timberlake	Chief Real Estate Officer
Keith Ferguson	Chief Investment Officer
Chris Malins	Associate Vice President, Treasury
Karin Nyrop	Division Chief, Attorney General's Office
Margaret Shepherd	Director of Strategic Initiatives
Norm Beauchamp	Faculty Senate Chair
Jeff Rochon	UWAA President
Alex Bolton	GPSS President
Tyler Wu	ASUW President
Sophie Nop	ASUW Tacoma President
Dom Juarez	ASUW Bothell President
Paul Ramsey	CEO, UW Medicine and Dean School of Medicine
Connie Kravas	Vice President, Advancement
Elizabeth Cherry	Associate Vice Provost, Compliance and Risk Services Interim Vice President, Finance & Facilities

2018 Board Self-Assessment Survey *Proposed* Participants

Jeremy Jaech	Regent, Chair
Constance Rice	Regent, Vice Chair
Bill Ayer	Regent
Joel Benoliel	Regent
Kristi Blake	Regent
Jaron Reed Goddard	Regent
Joanne Harrell	Regent
Rogelio Riojas	Regent
Blaine Tamaki	Regent
David Zeeck	Regent
Ana Mari Cauce	President
Mark Richards/Jerry Baldasty	Provost
Jeff Scott	EVP Finance and Administration
Chris Malins	Associate Vice President, Treasury
Mike McCormick	Associate Vice President, Capital Planning and Development
Karin Nyrop	Division Chief, Attorney General's Office
Margaret Shepherd	Director of Strategic Initiatives

This is only a preview of the survey. Responses will not be saved. Close

Board of Regents Assessment Survey

A. Board Structure and Composition

Required.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
Is the size of the Board optimal?	○	○	○	○	○
Is the standing and advisory committee structure appropriate for dealing with the Board's responsibilities?	○	○	○	○	○
Does the Board have the appropriate set of skills to perform its functions? In what areas could the Board improve its skills?	○	○	○	○	○
Are you satisfied with the level of diversity represented on the Board?	○	○	○	○	○

Comments on Board Structure and Composition

B. Board Meeting Preparation

Required.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
Do Board members contribute sufficiently	○	○	○	○	○

to the identification and selection of agenda items?					
Do agenda items address the most important strategic, operational, and constituent issues?	○	○	○	○	○
Has the Board satisfactorily communicated its information requirements?	○	○	○	○	○
Is the information you receive prior to Board meetings clear, concise and delivered in a timely manner?	○	○	○	○	○
Is the information sufficient for you to make the decisions that are required of you?	○	○	○	○	○
Do the Board members receive timely information on emerging issues between meetings?	○	○	○	○	○

Comments on Board Meeting Preparation

C. Board Meeting Operations

Required.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
Does the Board hold the right number of Board meetings?	○	○	○	○	○
Are Board members adequately prepared for meetings and do they contribute effectively to the work of the Board?	○	○	○	○	○

Is the Board meeting time appropriately allocated between Board discussion and staff presentations?	○	○	○	○	○
Is the time allotted to the Board's most important responsibilities appropriate?	○	○	○	○	○

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
Are the right staff people in attendance at Board meetings to adequately address Regent questions?	○	○	○	○	○
Are staff members in attendance using their time wisely by attending meetings?	○	○	○	○	○
Are Board meetings conducted in a manner that ensures open communications, meaningful participation, and timely resolution of issues?	○	○	○	○	○
Are executive sessions candid and constructive, and conducted in a manner that encourages civil disagreement and questioning?	○	○	○	○	○

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
Are deliberations robust with all relevant perspectives and information considered before a decision is made?	○	○	○	○	○
Are you satisfied the relationship among Regents is constructive?	○	○	○	○	○
Are you satisfied with the quality of the relationships between the Board and our management?	○	○	○	○	○
Is the substance and volume of work expected of Regents appropriate?	○	○	○	○	○

Comments on Board Meeting Operations

D. Critical Responsibilities

Required.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
Does the Board effectively discharge its statutory responsibilities?	○	○	○	○	○
Does the Board have a clear set of goals for the year and beyond?	○	○	○	○	○
Are the Board's goals, expectations, and concerns openly communicated to the President and senior executives?	○	○	○	○	○
Does the Board know and understand the institution's values, mission, goals, and strategic business plans?	○	○	○	○	○

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
Does the Board review strategic, operational, and capital plans and regularly monitor progress and evaluate performance throughout the year?	○	○	○	○	○
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?	○	○	○	○	○

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
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?	○	○	○	○	○

Comments on Critical Responsiblities

E. Committee Performance

Required.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
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, and special committees appropriate?	○	○	○	○	○

Comments on Committee Performance

F. Other Comments or Concerns

Required.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
Do Regents have a clear understanding of events they are expected to attend?	○	○	○	○	○

Please Provide Other Comments or Concerns

Are you a Regent or an Administrator?

Required.

○ Regent

Administrator

○

Thank you for completing this survey.

Submit responses

Questions or Comments?
Contact Joan Goldblatt, Secretary of the Board of Regents at joangold@uw.edu

This is only a preview of the survey. Responses will not be saved. Close

2016 Board of Regents Assessment Survey

A. Board Structure and Composition

Required.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
Is the size of the Board optimal?	○	○	○	○	○
Is the standing and advisory committee structure appropriate for dealing with the Board's responsibilities?	○	○	○	○	○
Does the Board have the appropriate set of skills to perform its functions? In what areas could the Board improve its skills?	○	○	○	○	○
Are you satisfied with the level of diversity represented on the Board?	○	○	○	○	○

Comments on Board Structure and Composition

B. Board Meeting Preparation

Required.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
Do Board members contribute sufficiently	○	○	○	○	○

to the identification and selection of agenda items?					
Do agenda items address the most important strategic, operational, and constituent issues?	○	○	○	○	○
Has the Board satisfactorily communicated its information requirements?	○	○	○	○	○
Is the information you receive prior to Board meetings clear, concise and delivered in a timely manner?	○	○	○	○	○
Is the information sufficient for you to make the decisions that are required of you?	○	○	○	○	○
Do the Board members receive timely information on emerging issues between meetings?	○	○	○	○	○

Comments on Board Meeting Preparation

C. Board Meeting Operations

Required.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
Does the Board hold the right number of Board meetings?	○	○	○	○	○
Are Board members adequately prepared for meetings and do they contribute effectively to the work of the Board?	○	○	○	○	○

Is the Board meeting time appropriately allocated between Board discussion and staff presentations?	○	○	○	○	○
Is the time allotted to the Board's most important responsibilities appropriate?	○	○	○	○	○

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
Are the right staff people in attendance at Board meetings to adequately address Regent questions?	○	○	○	○	○
Are staff members in attendance using their time wisely by attending meetings?	○	○	○	○	○
Are Board meetings conducted in a manner that ensures open communications, meaningful participation, and timely resolution of issues?	○	○	○	○	○
Are executive sessions candid and constructive, and conducted in a manner that encourages civil disagreement and questioning?	○	○	○	○	○

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
Are deliberations robust with all relevant perspectives and information considered before a decision is made?	○	○	○	○	○
Are you satisfied the relationship among Regents is constructive?	○	○	○	○	○
Are you satisfied with the quality of the relationships between the Board and our management?	○	○	○	○	○
Is the substance and volume of work expected of Regents appropriate?	○	○	○	○	○

Comments on Board Meeting Operations

D. Critical Responsibilities

Required.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
Does the Board effectively discharge its statutory responsibilities?	○	○	○	○	○
Does the Board have a clear set of goals for the year and beyond?	○	○	○	○	○
Are the Board's goals, expectations, and concerns openly communicated to the President and senior executives?	○	○	○	○	○
Does the Board know and understand the institution's values, mission, goals, and strategic business plans?	○	○	○	○	○

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
Does the Board review strategic, operational, and capital plans and regularly monitor progress and evaluate performance throughout the year?	○	○	○	○	○
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?	○	○	○	○	○

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
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?	○	○	○	○	○

Comments on Critical Responsiblities

E. Committee Performance

Required.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
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, and special committees appropriate?	○	○	○	○	○

Comments on Committee Performance

F. Other Comments or Concerns

Required.

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
Do Regents have a clear understanding of events they are expected to attend?	○	○	○	○	○

Please Provide Other Comments or Concerns

Are you a Regent or an Administrator?

Required.

○ Regent

Administrator

G-3.5/208-18
2/7/18

○

Name:

Required.

Thank you for completing this survey.

Submit responses

Questions or Comments?
Contact Joan Goldblatt, Secretary of the Board of Regents at joangold@uw.edu

G-3.5/208-18
2/7/18

2018 *Proposed* Board Self-Assessment Survey

Scale: Strongly Agree – Agree – Disagree – Strongly Disagree – Don't Know

'Comments' sections will be free response.

A. Board Structure Board Structure and Composition

1. Is the size of the Board optimal?
2. Is the standing and advisory committee structure adequate to the Board's responsibilities?
3. Does the Board have the appropriate skills among its members to perform its functions? Comment on areas for improvement below.
4. Are you satisfied that there is a sufficient diversity of perspectives on the Board?
5. Comments:

B. Board Meeting Preparation

1. Do Board members contribute sufficiently to the selection of agenda items?
2. Do agenda items address the most important, strategic, operational, and constituent issues in a timely manner?
3. Is the information that you receive prior to Board meetings clear, concise, and delivered in a timely manner?
4. Is the information received sufficient for you to make the decisions that are required of you?
5. Do Board members receive timely information on emerging issues between meetings?
6. Comments:

C. Board Meeting Operations

1. Does the Board hold the appropriate number of meetings?
2. Should the April meeting be cancelled, as formerly?
3. Should the January meeting be cancelled, rather than the December meeting?
4. Should the Governance Committee meet three times per year rather than four?
5. Is Board meeting time appropriately allocated between Board discussion and staff presentations?
6. Is the time allotted to the Board's most important responsibilities appropriate?
7. Are the right staff members in attendance at meetings to answer questions?
8. Are Board meetings conducted in a manner that ensures open communications, meaningful participation, and timely resolution of issues?

9. Are executive sessions candid and constructive, and conducted in manner that encourages civil disagreement?
10. Are you satisfied that the relationship among the Regents is constructive?
11. Are you satisfied with the relationship between the Board and the Administration?
12. Is the substance and volume of work expected of Regents appropriate?
13. Comments:

D. Critical Responsibilities

1. Does the Board have a clear set of goals or priorities for the year and beyond?
2. Are these goals, expectations, and concerns openly communicated to the President and senior administrators?
3. Are the institution's values, mission, goals, and strategic business plan clear?
4. Does the Board understand them?
5. Does the Board review, strategic, operational, and capital plans and evaluate performance on these throughout the year?
6. Does the Board understand major risks to the institution and exercise effective oversight of the Administration's plans for prevention and remediation at the Board or committee level?
7. Is the Board in regular, adequate communication with the President and senior administrators?
8. Does the Board effectively evaluate the President in a constructive manner?
9. Does the Board engage with constituents sufficiently to understand their concerns?
10. Does the orientation program for new Regents clearly communicate the Board's responsibilities and facilitate effective participation?
11. Comments:

E. Committee Performance

1. Are you satisfied with the leadership and composition of the standing and advisory committees?
2. Are the responsibilities of each standing and advisory committee clear?
3. Is the division of responsibilities between the Board, standing committees, and special or advisory committees appropriate?
4. Comments:

F. Other Comments or Concerns:

STANDING COMMITTEES

Governance Committee

Appoint New Regent to a Committee or Committees

RECOMMENDED ACTION

It is the recommendation of the Board Chair and the Governance Committee that the Board of Regents approve the interim assignment of David Zeeck to serve on the Finance and Asset Management Committee, effective January 29, 2018.

BACKGROUND

Governor Jay Inslee appointed David Zeeck to the Board of Regents effective January 29, 2018.

According to *Board of Regents Governance*, Bylaws, Article IV, Committees of the Board:

"The chair, vice chair, and members of each standing committee shall be recommended by the Governance Committee and approved by the Board. Interim committee assignments of newly appointed regents shall be made by the Chair of the Board pending Governance Committee and Board approval."

Board Chair Jeremy Jaech made the interim assignment for Regent Zeeck.

STANDING COMMITTEES

Governance Committee

Discuss UW Medicine Governance; Appoint Task Force on the Governance of UW Medicine

RECOMMENDED ACTION

It is the recommendation of the Board Chair and the Governance Committee that the Board of Regents approve the formation of a task force on the Governance of UW Medicine.

Members will include Regent Jeremy Jaech, Regent Kristianne Blake, and Julie Nordstrom, Chair of the UW Medicine Board. An additional member of the UW Medicine Board and a staff member or members may be appointed by mutual agreement of Regent Jaech and Ms. Nordstrom. Regent Jaech will chair the task force. The task force will make recommendations to the Board of Regents.

BACKGROUND

In January 2000, the Board of Regents renamed the UW Medical Center Board and expanded its role. The resulting UW Medicine Board is charged 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 UW Medical Center.

Per *Board of Regents Governance*, Standing Orders, Chapter 9, and per UW Medicine Board Bylaws, Article I, Section 1.1, the board consists of nineteen members, including the UW President and the CEO/EVPMA/Dean, who serve as *ex officio* members with full voice and vote, and at least one member of the Board of Regents. Regents Kristianne Blake and Rogelio Riojas currently serve on the UW Medicine Board.

In the spring of 2017 the Regents engaged ReCon Strategy to provide a strategic assessment of UW Medicine. ReCon reported preliminary results to the Regents in July 2017 (https://www.washington.edu/regents/files/2017/07/2017-07-B-1.pdf) and provided a final assessment in September 2017 (https://www.washington.edu/regents/files/2017/09/2017-09-B-11.pdf).

The proposed dissolution of Northwest Hospital and Medical Center into UW Medical Center and ongoing changes in the healthcare landscape provide an opportunity to reexamine UW Medicine's governing structures.

STANDING COMMITTEES

Governance Committee

Discuss UW Medicine Governance; Appoint Task Force on the Governance of UW Medicine (continued p. 2)

Current UW Medicine bylaws may be consulted online: http://www.uwmedicine.org/about/Documents/UW-Medicine-Board-Bylaws.pdf.

Relevant sections of *Board of Regents Governance* include Bylaws, Article IV, Section 5: http://www.washington.edu/admin/rules/policies/BRG/ArticleIV.html; and Standing Orders, Chapter 9: http://www.washington.edu/admin/rules/policies/BRG/SOCh9.html.

The presidential delegation of authority to the CEO/EVPMA/Dean is found in the President's Executive Order No. 6: http://www.washington.edu/admin/rules/policies/PO/EO6.html.

STANDING COMMITTEES

Governance Committee

Gift Assessment Overview

INFORMATION

For information only.

BACKGROUND

In the summer of 2016 Provost Baldasty charged a working group of deans, administrators, and Advancement representatives with a scope of work to consider alternative models for funding Advancement operations. The group was charged, in part, with generating and assessing ideas to replace central University operating dollars, provided for campaign operations on a temporary basis, with recurring resources.

After months of deliberation, analysis, peer reviews, and consideration of a wide swath of options, the task force advanced a recommendation to implement an assessment to current-use gifts. The assessment would generate funding sufficient to obviate the need for additional allocations of central funds for Advancement operations.

The assessment would be applied at a 5 percent rate to new current-use gifts between $1,000 and a cap, yet to be specified. The assessment would not be applied to certain gifts, including ticket-related gifts, made to affiliates of the University. Proceeds would be transferred to a central budget for the Provost to make disbursements on an annual basis as part of a budget review process.

The administration recommends that the assessment go into effect this July 1, 2018 (Fiscal Year 2019) in order to free up central resources for other critical university endeavors.

This information item will highlight key considerations, exemptions, and plans for implementation at a high level, in order to provide sufficient background for an action item in March 2018.

Attachment
Questions and Answers about the Proposed Current Use Gift Assessment

Questions and Answers about the Proposed Current Use Gift Assessment
January 24, 2018

Why does the University of Washington seek philanthropic support?

Philanthropy — private support in the form of gifts and private grants — is an essential and increasingly important revenue source for the UW, accounting for 8 percent of the University's annual revenue, outpacing state support and closing in on tuition revenue. Though most of this critical funding is restricted by use, and state and tuition funding remains a critical component of our ability to deliver our instructional mission, we wish to maintain our momentum with philanthropy at current levels. Recently, UW's fund raising track record was highlighted by two bond rating agencies as a success factor associated with favorable ratings assigned to UW.

Philanthropic support fuels faculty research, undergraduate scholarships, graduate fellowships, academic programs, and critical capital and other projects. It is also clear philanthropy will become even more vital, as nationwide reductions in state support for public universities may not rebound in the near future. Additionally, in order to ensure the UW remains accessible to students — a cornerstone of our public mission — scholarship funding from philanthropy must be secured. This means an ever-growing reliance on philanthropy to ensure the level of excellence demanded by our students, patients and those we serve in Washington and around the world.

Integrated advancement efforts — fund raising, alumni relations, and communications — supporting the University's and the units' highest aspirations and core strategies, are the best way to promote increasing levels of philanthropic support. For every dollar invested in advancement, the University receives more than seven dollars in return, a return on investment (ROI) that is unmatched by UW's peers.

Why is this assessment being implemented?

The UW has four major sources of revenue: state funds, tuition, governmental research grants, and philanthropy. Our overall advancement efforts are funded, in part, by central UW funds that were invested over the course of the campaign to achieve the current — record — levels of philanthropic support. At the same time, other revenue sources have flattened out, placing strain on the UW's ability to centrally fund campaign operations. Replacing central funding allocations with a new funding stream is important to secure increasing levels of public and private support, meaning funding for priorities across the institution — from scholarships and professorships to research funding. The fee assessment will be used to *replace* existing allocated resources, not supplement them.

How much will the assessment be and how will it be implemented?

If approved, current use gifts of at least $1,000 will be subject to a 5 percent assessment. A ceiling would also be established, and the final conversations on the range cutoff are underway and will be concluded before the Board considers taking action in March, 2018.

The only current use gifts exempted from the assessment are those related to the purchase of seats at sporting events and due to contractual requirements (e.g., KEXP and KUOW).

Even with this assessment, 95 percent of current use gifts that are subject to the assessment will support the donor's intentions, and 100 percent will support the success of the UW. No gifts to an endowment are subject to this assessment.

When will it take effect?

If approved, the assessment would take effect on July 1, 2018, consistent with the start of FY 2019.

What was the process for creating this assessment?

At the request of Provost Baldasty, a working group — including Deans Jiambalvo, Stacey and Sullivan, along with representatives from Advancement, UW Medicine, Faculty Senate, Finance & Facilities, Planning and Budgeting, Treasury and UWINCO — assessed the current advancement funding model and potential options. The working group finalized its work in early 2017, providing key foundational insights for this plan, which was subsequently developed over the course of 2017 after consultation with leaders and chief advancement officers from colleges, schools and units, the UW Foundation Executive Committee and other key stakeholders.

Ultimately, President Cauce and Provost Baldasty recommended the approach outlined in this information item.

Why create this assessment rather than getting more money from institutional sources?

As other fund sources flatten, and incremental revenues must be used for expenses such as compensation, utilities, deferred maintenance, etc., all available sources of institutional funding are fully committed across the University.

Will this gift assessment erode the funding that can be spent on students, faculty and programs?

We believe that without investing in a consistent level of advancement operations, our capacity to raise funds at current and increased levels will erode. There is no easy solution here and the assessment vehicle simply makes the dollars supporting advancement efforts more closely align with the return on that investment, as well as eliminates the significant instability that comes from relying on centrally allocated, temporary revenue sources.

Ninety-five percent of a donor's gift will continue to go to the gift's intended purpose, and 100 percent of the gift will support the success of the University. Indeed, for every dollar that is invested in advancement efforts at the UW, the 5-year ROI is $7.16. This is greater than the ROI at peer institutions, which averages $5.50.

Will this result in budget increases centrally and/or in the units?

The intent of this assessment is to *replace* temporary sources of funding from the University in order to maintain the highly successful, comprehensive advancement program that benefits units and the UW's overall mission. As is the goal of any campaign, the Be Boundless campaign seeks to permanently increase annual philanthropic investment in the UW. Thanks to units and University advancement working closely together, we are doing just that, having increased the UW's running annual average contributions from just over $300 million to nearly $500 million during this campaign. We can only expect to sustain and grow this level of investment if we stabilize our funding now.

Have we done something like this before?

Yes. Endowed gifts are already subject to an annual management fee. This new assessment would provide equity to our treatment of different types of gifts and remove the disproportionate pressure on endowed gifts to support advancement efforts.

Is this common at other universities?

Yes. According to a Council for the Advancement and Support of Education (CASE) survey, two-thirds of the 42 universities surveyed have a current use gift assessment of some sort. For example, UCLA and UC Davis levy 6 percent assessments on all gifts, while UC Berkeley, the University of Oregon and Oregon State University all levy 5 percent assessments. Closer to home, Washington State University implemented a 5 percent assessment on <u>all</u> gifts effective July 1, 2017. WSU also has a 1.5% endowment management fee.

STANDING COMMITTEES

Finance and Asset Management Committee

Treasurer of the Board Report

INFORMATION

This item is being presented for information only.

BACKGROUND

Jeff Scott, Executive Vice President of Finance & Administration, will provide an oral report on the following:

1. Appointment of Vice President for Finance
2. UW Bond Rating – Recent Developments
3. Q2 Interim Financials
4. Finance Transformation

STANDING COMMITTEES

Finance and Asset Management Committee

Capital and Debt Report

INFORMATION

This item is being presented for information only.

BACKGROUND

This item is a standing monthly agenda item.

Attachments
1. Active Capital Projects Summary as of January 23, 2018
2. Active Capital Projects Business Equity Scorecard
3. Monthly Debt Report – February 2018

UNIVERSITY of WASHINGTON
CAPITAL PLANNING & DEVELOPMENT

Active Capital Projects Summary
as of January 23, 2018

Project Name	Financial Details			Schedule		Women & Minority Business Equity*		Project Health Trending				
	Budget	Forecast	Funding Committed	Target	Forecast	Committed	Utilization	Budget	Funding	Schedule	Safety	Business Equity
UWMC Expansion Phase 2 NBBJ/Mortenson	$198.30	$197.13	$198.30	4/18	2/18	$35.06	24.4%				(1)	
University of Washington Tower Renovations Schacht/Aslani Architects/Forma	$7.50	$7.09	$8.11	4/18	2/18	$0.19	3.8%					(2)
NCH Phase IV(a): McCarty, Madrona, & Willow Halls (3) Kieran Timberlake/WG Clark	$253.00	$252.96	$253.00	6/18	7/18	$69.28	33.7%					
Life Sciences Building Perkins+Will/Skanska	$171.45	$167.30	$171.56	7/18	7/18	$2.25	1.5%					(2)
UWMC ED East Extension Salus Architecture /Skanska	$14.70	$14.77	$14.70	10/18	10/18	$1.14	9.7%					
SOM South Lake Union 3.2 Perkins+Will/Sellen	$144.98	$144.47	$144.98	11/18	11/18							
Bill and Melinda Gates Center for CSE LMN Architects/Mortenson	$105.50	$105.99	$105.50	12/18	12/18	$2.41	2.7%					(2)
North Campus Housing Phase 4b (3) Kieran Timberlake/WG Clark	$86.20	$86.20	$86.20	7/21	7/21							
New Burke Museum Olson Kundig/Skanska	$79.00	$80.13	$80.40	7/19	12/19	$1.51	2.4%					(2)
Population Health Facility Miller Hull Partnership/LCL	$230.00	$230.00	$230.00	4/20	5/20	$0.42	2.2%			(4)		
Totals	**$1,290.63**	**$1,286.03**	**$1,292.75**			**$112.28**	**16.3%**					

$ All Dollars in Millions

* Includes OMWBE certified and self-identified Women and Minority businesses.

Targets

Budget: Budget is equal to or greater than Forecast (1% Tolerance)
Funding: Funding is equal to or greater than Forecast (1% Tolerance)
Schedule: Forecast is equal to or sooner than Target (14 Day Tolerance)
Safety: Total Recordable Incident Rate of 2.5 or lower
Business Equity: On track for utilization of 10% or higher

Legend

Meeting Target
Not Meeting Target, Plan in Place
Not Meeting Target, No recovery Plan in Place
Arrow Up Improvement from Previous Month
Arrow Down Setback from Previous Month

Notes:

(1) Injuries incurred in first half of construction duration cannot be overcome in spite of nearly injury-free performance in later half of project and metric cannot be met.

(2) Project General Contractor buyout largely complete and business equity goals cannot be met with remaining spend.

(3) Target and Forecast dates in the project schedule reflect the change from combined H&FS cash and ILP funding to solely H&FS cash-funding for this project.

(4) City of Seattle permit processing times are increasing and are longer than project schedule assumed.

UNIVERSITY of WASHINGTON
CAPITAL PLANNING & DEVELOPMENT

Active Capital Projects Business Equity Scorecard

as of January 23, 2018

Project Name	Utilization Goal %	Total Project Budget $M	Project Total Commitments* Committed (A) $M	Forecast (B) $M	Uncommitted (1) (B-A) $M	((B-A)/B) %	Business Equity Commitments: OMWBE Businesses (State-Certified Only) (C) $M	(C/A) %	Firms**	Women & Minority Businesses (Certified and Self-Identified) (D) $M	(D/A) %	Firms**	WBE, MBE, and SBE Businesses (Certified and Self-Identified) (E) $M	(E/A) %	Firms**
UWMC Expansion Phase 2 NBBJ/Mortenson	10%	$198.30	$143.67	$178.13	$34.46	19.3%	$0.58	0.4%	2	$35.06	**24.4%**	**9**	$40.28	28.0%	26
University of Washington Tower Renovations Schacht/Aslani Architects/Forma	10%	$7.50	$5.11	$5.43	$0.32	5.9%	$0.04	0.8%	1	$0.19	**3.8%**	**2**	$0.71	13.8%	13
NCH Phase IV(a): McCarty, Madrona, & Willow Halls Kieran Timberlake/WG Clark	10%	$253.00	$205.89	$222.99	$17.10	7.7%	$5.55	2.7%	12	$69.28	**33.7%**	**20**	$73.88	35.9%	30
Life Sciences Building Perkins+Will/Skanska	10%	$171.45	$153.17	$158.09	$4.91	3.1%	$1.91	1.2%	16	$2.25	**1.5%**	**28**	$5.32	3.5%	59
UWMC ED East Extension Salus Architecture /Skanska	10%	$14.70	$11.79	$12.91	$1.12	8.7%	$1.14	9.7%	6	$1.14	**9.7%**	**8**	$1.27	10.8%	17
Bill and Melinda Gates Center for CSE LMN Architects/Mortenson	10%	$105.50	$89.47	$97.53	$8.06	8.3%	$1.28	1.4%	11	$2.41	**2.7%**	**17**	$18.31	20.5%	29
New Burke Museum Olson Kundig/Skanska	10%	$79.00	$61.98	$70.70	$8.72	12.3%	$1.11	1.8%	14	$1.51	**2.4%**	**26**	$6.12	9.9%	87
Population Health Facility Miller Hull Partnership/LCL	10%	$230.00	$19.40	$199.40	$179.99	90.3%	$0.29	1.5%	5	$0.42	**2.2%**	**7**	$1.69	8.7%	15
Totals	**10%**	**$1,059.45**	**$690.50**	**$945.17**	**$254.68**	**26.9%**	**$11.90**	**1.7%**	**44**	**$112.28**	**16.3%**	**78**	**$147.58**	**21.4%**	**198**

** Project Total Commitments exclude cost codes that are not business equity eligible. Cost codes such as sales tax are excluded.*

*** Firm total is a distinct count*

Notes:

(1) Uncomitted informs the available business equity opportunity potential.

TREASURY OFFICE
UNIVERSITY of WASHINGTON

Long-Term Credit Rating: Aaa/AA+
Internal Lending Rate: 4.50%
Weighted Average Cost of Debt: 3.41%

Monthly Debt Report
February 2018

Recent Events

- Long-term rates remain low with recent volatility, while short-term rates have continued to climb. As a result, the yield curve has flattened
- On January 23rd, the University competitively priced $133.8 million of long-term fixed-rate bonds at 3.51%. This sale generated $155.9 million in proceeds (including the premium), which will be used to (a) pay off $125.9 million of commercial paper including $35.9 million for HR Payroll, and (b) fund $30 million of project draws for HFS Phase 4a and Life Sciences
- The University's credit ratings were affirmed at Aaa and AA+ by Moody's and S&P, respectively. The rating outlook for Moody's was lowered from stable to negative outlook
- Since January, there has been one repricing of commercial paper totaling $23 million at an interest rate of 1.22%. The commercial paper was issued as interim financing for the Burke Museum, and will be repaid from State appropriations later this month
- The University has met continuing disclosure requirements through the posting of the Bondholders Report and corresponding audit

Estimated Future Funding

FY 2019-2022 (in millions)

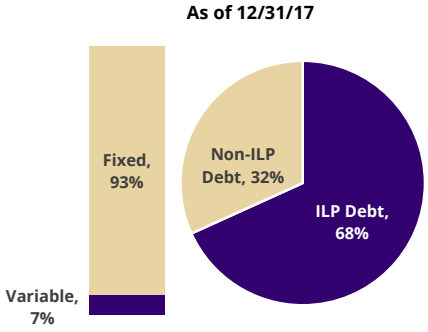
FY 2019 Issuance for Authorized Projects [(A)]	$	100
Estimated Additional Capacity from Debt (FY 2020-2022)		330
Total Available Funding	**$**	**430**

(A) Authorized projects include HFS Phase 4a and Life Sciences

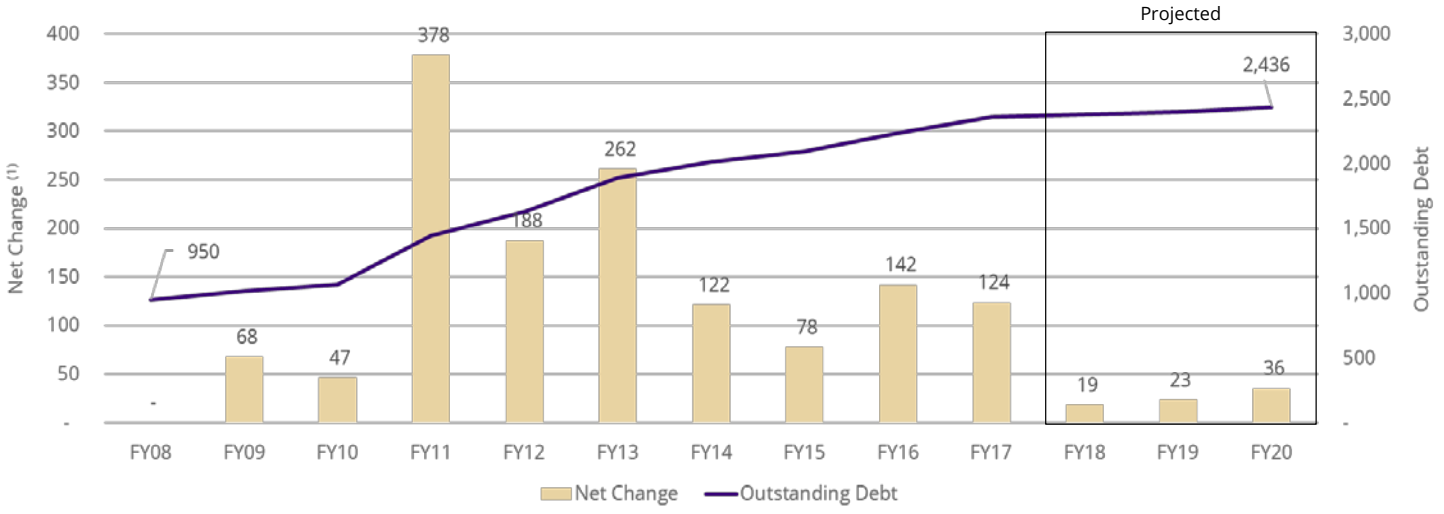
- A comprehensive review of the debt capacity methodology and a revised estimate was presented in November 2017. This analysis indicated $430 million in debt capacity after the January 2018 issue (roughly equal to principal expected to be repaid FY19-FY22)
- Debt capacity estimates will be revisited in Spring 2018
- Short-term equipment financing has minimal impact on capacity

External Debt Portfolio

- The University had **$2,423 million** of external debt outstanding as of 12/31/17. This is slightly higher than the previous report ($2,384 million as of 11/30/2017) due to $16 million in principal repayments, $54 million in commercial paper issuance, and a new loan of $0.5 million for the Research Vessel
- As of bond closing on 2/15/18, the University will have $2,396 million outstanding. The debt portfolio after the issuance is 99% fixed and 1% variable
- Additionally, the University paid $4 million in principal during the month of January and will pay $29 million in February
- The weighted average cost of debt is 3.41%
- $142 million of internal funding from the CAP is excluded from the external debt portfolio



Debt Activity *(in millions)*



(1) Excludes Valley Medical Center bonds, and Commercial Paper principal payments

ATTACHMENT 3

TREASURY OFFICE
UNIVERSITY of WASHINGTON

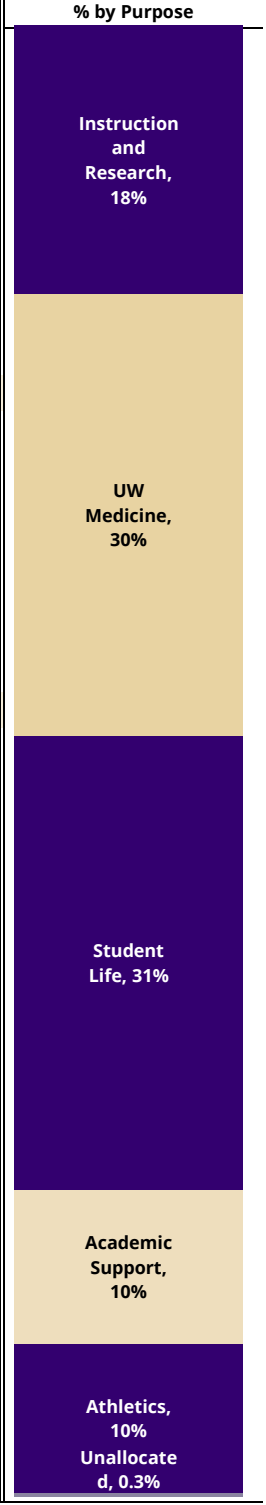
Long-Term Credit Rating: Aaa/AA+
Internal Lending Rate: 4.50%
Weighted Average Cost of Capital: 3.41%

Monthly Debt Report
February 2018

Outstanding External Debt as of 12/31/17

(in millions)

Project	Purpose	Balance[1]	Final Maturity
Animal Research and Care Facilities	Instruction and Research	94.1	2047
Molecular Engineering Building	Instruction and Research	70.4	2043
Dempsey Hall	Instruction and Research	37.3	2041
Foege Building	Instruction and Research	29.0	2031
UW Bothell Phase 3	Instruction and Research	24.5	2043
William H. Gates Law School	Instruction and Research	21.9	2028
AAALAC	Instruction and Research	22.0	2035
Ben Hall	Instruction and Research	15.9	2037
Denny Hall	Instruction and Research	14.5	2046
Ocean Sciences	Instruction and Research	11.0	2024
Life Sciences Building	Instruction and Research	82.5	2049
Other Instruction and Research	Instruction and Research	19.1	various
Subtotal Instruction and Research		**442.1**	
South Lake Union (Ph I, II, 3.1, & 3.2)	UW Medicine	383.1	2048
UWMC Expansion	UW Medicine	214.0	2046
NW Hospital	UW Medicine	70.0	2033
UWMC Surgery Pavilion	UW Medicine	39.4	2028
Other UW Medicine	UW Medicine	20.0	various
Subtotal UW Medicine		**726.5**	
HFS Expansion	Student Life	494.1	2045
Husky Union Building	Student Life	103.6	2043
IMA Building	Student Life	30.4	2030
Radford Court Apartments	Student Life	30.6	2032
Nordheim Court	Student Life	20.1	2033
Bothell Student Center	Student Life	17.3	2046
Ethnic Cultural Center	Student Life	12.9	2043
UW Tacoma YMCA	Student Life	11.8	2046
Other Student Life	Student Life	28.1	various
Subtotal Student Life		**749.0**	
UW Tower	Academic Support	103.2	2037
HR Payroll Modernization	Academic Support	42.0	n/a
Cobb Building	Academic Support	31.4	2045
West Campus Utility Plant	Academic Support	13.6	2047
4225 Roosevelt	Academic Support	15.6	2029
4545 Building	Academic Support	14.3	2024
Other Academic Support	Academic Support	33.2	various
Subtotal Academic Support		**253.3**	
Husky Stadium	Athletics	227.4	2045
Husky Ballpark	Athletics	11.8	2045
Other Athletics	Athletics	5.2	various
Subtotal Athletics		**244.5**	
Available Proceeds	Unallocated	7.2	
Total University Outstanding Debt		**2,422.7**	



[1] Will not exactly match ILP balances reflected in the Semi-Annual ILP report due to bond premiums and use of the CAP

Projects still drawing on ILP loans

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.

Please note the attached memorandum from the Office of Academic Personnel concerning Academic and Administrative Appointments items from July 2017 onward.

Attachments
1. Memorandum from the Office of Academic Personnel
2. Academic and Administrative Appointments

UNIVERSITY of WASHINGTON
OFFICE OF ACADEMIC PERSONNEL

January 26, 2018

Tyler Lange, Secretary of the Board of Regents
UW Office of the Board of Regents
Room 139, Gerberding Hall
Seattle, WA 98195

Dear Dr. Lange:

This is to provide you—and by extension the board officers—a brief summary of a recent issue regarding Board of Regents reports. As you may know, the monthly report submitted to the board is the product of a custom query built to leverage the UW's new human capital management system, *Workday*. Earlier this month, two of my teams—Academic Human Resources (AHR) and Strategy and Information Management (SIM)—identified a bug in the report that resulted in the omission of ~50 people from regents reports dating back to July 2017. Briefly, the report was set to filter for active employees, which meant any pre-hire faculty who were brand new to the university were missed.

SIM and AHR have developed a solution and validated the attached February report. We feel confident the report requirements are now correct and the report is functioning properly. For at least the next few months, however, AHR will continue to validate the report against appointment audit reports until we have established a track record of accurate reports.

We wanted to make you aware that, in order to address the backlog of omitted faculty, the February Board of Regents report is significantly longer than normal. Please don't hesitate to contact me or Anne Winkelman (acwink@uw.edu / 206.221.4618) should you have any questions or concerns in this regard.

Sincerely,

MARGARET (PEG) STUART
Assistant Vice Provost
Academic Personnel
340 Gerberding Hall, Box 351237
Seattle, WA 98195
206.685.7110

Academic and Administrative Appointments

School/College/Campus	Department	Worker Last Nam	Worker First Nam	Title	Start Date
Administrative Appointments					
University of Washington	Office of the Provost	Richards	Mark	Provost and Executive Vice President	7/1/2018
College of the Environment	College of the Environment	Wood	Robert	Associate Dean	9/16/2017
College of the Environment	School of Environmental and Forest Sciences	Brown	Daniel	Director/Chair	1/1/2018
School of Dentistry	Endodontics	Flake	Natasha	Acting Chair	1/1/2018
School of Medicine	School of Medicine	Kaminetzky	Catherine	Associate Dean	5/28/2017
School of Nursing	School of Nursing	Hirsch	Anne	Associate Dean	8/16/2017
School of Pharmacy	Medicinal Chemistry	Atkins	William	Chair	3/16/2018
Endowments					
College of Arts and Sciences	Art, Art History, and Design	Cummins	Rebecca	Floyd and Delores Jones Endowed Professorship in the Arts	9/16/2017
College of Built Environments	Architecture	West	Mark	Barry Onouye Endowed Chair	9/16/2017
College of Education	College of Education	Paris	Jesse Django	James A. and Cherry A. Banks Professorship in Multicultural Edu	1/2/2018
College of the Environment	College of the Environment	Brown	Daniel	Corkery Family Environmental and Forest Sciences Director Enc	1/1/2018
School of Medicine	Neurological Surgery	Macdonald	Christine	James and Gaye Pigott Sports Health and Safety Endowed Chai	2/1/2018
Academic Appointments					
College of Arts and Sciences	Economics	Chen	Gong	Visiting Professor	7/1/2017
College of Arts and Sciences	English	Behrendt	Aileen	Visiting Assistant Professor	11/1/2017
College of Arts and Sciences	English	Paris	Rachel	Assistant Professor	1/1/2018
College of Arts and Sciences	Physics	Chavarria	Alvaro	Assistant Professor	1/1/2018
College of Arts and Sciences	Physics	Fertl	Martin	Research Assistant Professor	1/1/2018
College of Arts and Sciences	Physics	Kaspar	Jaromir	Research Assistant Professor	1/1/2018
College of Arts and Sciences	Physics	Messina	Donna	Lecturer Full-time competitive recruitment	9/16/2017
College of Arts and Sciences	Physics	Park	Kibog	Visiting Associate Professor	9/1/2017
College of Arts and Sciences	Speech and Hearing Sciences	Brown	Andrew	Assistant Professor	1/1/2018
College of Built Environments	Architecture	Sanchez	Javier	Visiting Professor	3/16/2018
College of Education	College of Education	Craig	Anthony	Professor of Practice	1/2/2018
College of Education	College of Education	Paris	Jesse Django	Associate Professor	1/2/2018
College of Engineering	Civil and Environmental Engineering	Shean	David	Assistant Professor	12/17/2017
College of Engineering	Human Centered Design & Engineering	Peek	Nadya	Assistant Professor	2/1/2018
College of Engineering	Mechanical Engineering	Jia	Yudong	Visiting Associate Professor	10/20/2017
College of Engineering	Mechanical Engineering	Wen	Pengfei	Visiting Associate Professor	11/1/2017
College of the Environment	Atmospheric Sciences	Mc Murdie	Lynn	Research Associate Professor	9/16/2017
College of the Environment	Earth and Space Sciences	Richards	Mark	Professor	7/1/2018
College of the Environment	School of Environmental and Forest Sciences	Brown	Daniel	Professor	1/1/2018
College of the Environment	School of Environmental and Forest Sciences	Johnson	Brittany	Assistant Professor	1/1/2018
Daniel J. Evans School of Public Policy	Daniel J. Evans School of Public Policy and Governanc	McCabe	Brian	Visiting Associate Professor	1/4/2018
Information School	Information School	Salaba	Athena	Visiting Associate Professor	9/16/2017
Information School	Information School	Toomet	Ott	Lecturer Full-time competitive recruitment	1/16/2018
Michael G. Foster School of Business	Accounting	Park	Yeon Hee	Visiting Professor	1/1/2018
Michael G. Foster School of Business	Information Systems and Operations Management	Bumblauskas	Daniel	Visiting Professor	9/16/2017
Michael G. Foster School of Business	Management and Organization	Nielsen	Bernhard Bo	Visiting Professor	1/16/2018
School of Medicine	Anesthesiology and Pain Medicine	Itani	Omar	Research Assistant Professor	9/1/2017
School of Medicine	Anesthesiology and Pain Medicine	Sunder	Rani	Assistant Professor WOT	1/2/2018
School of Medicine	Department of Medicine - Cardiology	Beatty	Alexis	Assistant Professor WOT	9/1/2017
School of Medicine	Department of Medicine - General Internal Medicine	Januszewski	Pandora	Assistant Professor WOT	8/1/2017
School of Medicine	Department of Medicine - General Internal Medicine	McClintock	Adelaide	Assistant Professor WOT	2/1/2018
School of Medicine	Department of Medicine - Gerontology and Geriatrics	Rhea	Elizabeth	Research Assistant Professor	
School of Medicine	Department of Medicine - Oncology, Medical	Grivas	Petros	Associate Professor WOT	1/2/2018
School of Medicine	Department of Medicine - Oncology, Medical	Uldrick	Thomas	Associate Professor WOT	12/1/2017
School of Medicine	Department of Medicine - Rheumatology	Lood	Jan	Assistant Professor WOT	4/16/2017
School of Medicine	Emergency Medicine	Henning	Daniel	Assistant Professor WOT	8/1/2017
School of Medicine	Emergency Medicine	Jauregui	Joshua	Assistant Professor WOT	1/2/2018

School of Medicine	Genome Sciences	Harris	Kelley	Assistant Professor	1/1/2018
School of Medicine	Global Health - Medicine	Herbeck	Joshua	Assistant Professor WOT	11/1/2017
School of Medicine	Microbiology	Strauch	Eva-Maria	Research Assistant Professor	9/25/2017
School of Medicine	Neurology	Wainwright	Mark	Professor WOT	12/1/2017
School of Medicine	Orthopaedics and Sports Medicine	Thompson	Matthew	Assistant Professor WOT	8/1/2017
School of Medicine	Pathology	Huang	Eric	Associate Professor WOT	1/1/2018
School of Medicine	Pathology	Kilgore	Mark	Assistant Professor WOT	1/2/2018
School of Medicine	Pediatrics- Genetic Medicine	Chong	Jessica	Assistant Professor WOT	1/2/2018
School of Medicine	Pediatrics- Hematology-Oncology	Albert	Catherine	Assistant Professor WOT	1/2/2018
School of Medicine	Pediatrics- Hematology-Oncology	Wilkes	Jennifer	Assistant Professor WOT	1/15/2018
School of Medicine	Pediatrics- Hospital Medicine	Jennings	Rebecca	Assistant Professor WOT	1/2/2018
School of Medicine	Pediatrics- Hospital Medicine	McDaniel	Corrie	Assistant Professor WOT	1/15/2018
School of Medicine	Pediatrics- Hospital Medicine	Rooholamini	Sahar	Assistant Professor WOT	1/15/2018
School of Medicine	Pediatrics- Pulmonary and Sleep Medicine	Reeves	Stephen	Assistant Professor WOT	1/2/2018
School of Medicine	Pharmacology	Yadav	Smita	Assistant Professor	11/1/2017
School of Medicine	Physiology and Biophysics	Vicente Ruiz	Juan	Research Assistant Professor	8/1/2017
School of Medicine	Psychiatry and Behavioral Sciences	Collins	Pamela	Professor	1/1/2018
School of Medicine	Psychiatry and Behavioral Sciences	Duncan	Mark	Assistant Professor WOT	9/1/2017
School of Medicine	Radiation Oncology	Li	Yawen	Assistant Professor WOT	1/1/2018
School of Medicine	Radiology	Harris	Robert	Professor WOT	1/15/2018
School of Medicine	Radiology	Zhang	Man	Assistant Professor WOT	7/17/2017
School of Medicine	Rehabilitation Medicine	Lee	Danbi	Assistant Professor WOT	1/2/2018
School of Nursing	Biobehavioral Nursing and Health Systems	Blakeney	Erin	Research Assistant Professor	7/1/2017
School of Nursing	Biobehavioral Nursing and Health Systems	Pang	Dong	Visiting Associate Professor	9/28/2017
School of Pharmacy	Pharmacy	Barthold	Douglas	Research Assistant Professor	1/16/2018
School of Public Health	Biostatistics	Graffelman	Jan	Visiting Associate Professor	5/1/2018
School of Public Health	Epidemiology	Fohner	Alison	Assistant Professor WOT	9/1/2018
Bothell, University of Washington	Computing and Software Systems Division of STEM, Bc	Cheoi	Kyung Joo	Visiting Associate Professor	1/3/2018
Bothell, University of Washington	Computing and Software Systems Division of STEM, Bc	Dimpsey	Robert	Senior Lecturer, Full Time	9/16/2017
Bothell, University of Washington	School of Business, Bothell	Boonlert-U-Thai	Kriengkrai	Visiting Assistant Professor	12/16/2017
Bothell, University of Washington	School of Interdisciplinary Arts and Sciences, Bothell	Nowitz	Abraham	Artist in Residence	9/16/2017
Bothell, University of Washington	School of Interdisciplinary Arts and Sciences, Bothell	Sugano	Masahiro	Artist in Residence	9/16/2017

STANDING COMMITTEES

Academic and Student Affairs Committee

Featured Student Experience – Race & Equity Initiative

INFORMATION

This item is for information only.

BACKGROUND

As the new chair of the Academic and Student Affairs Committee in September 2017, Regent Joel Benoliel requested that each committee meeting begin with a featured student experience. This month features the experience of a student involved with the Race & Equity Initiative.

The presenter will be Kendra Canton, Director of Diversity Efforts, ASUW Seattle, and Race & Equity Initiative Steering Committee Member.

Featured Student Experience Biographical Information

Kendra Canton

Kendra serves as the 2017-2018 ASUW Director of Diversity Efforts. In this capacity, she supports a multitude of UW diversity commissions by providing support with diversity programming and by serving as an advocate and representative to the ASUW Board of Directors. Kendra is a senior and majoring in Medical Anthropology and Global Health. Originally from Spokane, Washington, her professional aspiration is to become a pediatrician or family medicine physician and have her own private practice that serves underrepresented communities.

Kendra is passionate about ensuring the voices of underrepresented communities are heard. In addition to the multitude of ASUW commissions she represents, Kendra also serves as one of the student representatives to the UW Diversity Council and to the Race & Equity Initiative Steering Committee.

STANDING COMMITTEES

Academic and Student Affairs Committee

Intercollegiate Athletics Report on Academic & Student Services

INFORMATION

For information only.

BACKGROUND

This is an annual informational presentation to the Board of Regents providing an overview of Intercollegiate Athletics (ICA) efforts and results in the Student-Athlete Academic Services (SAAS) program. The Board was last updated on this topic in January 2017.

The presentation will provide a very brief report of academic progress and benchmarks of University of Washington student-athletes including NCAA Academic Progress Rates, NCAA Graduation Rates, and team grade point averages. In addition, current initiatives and programs will be shared. The presentation will focus on the student-athlete academic and athletic experience at UW and student-athletes will share their stories with the Board.

Attachment
UW Department of Intercollegiate Athletics Student-Athlete Academic Services Report: The Student-Athlete Experience

UW Department of Intercollegiate Athletics Student-Athlete Academic Services Report: *The Student-Athlete Experience*

UW Board of Regents
Academic & Student Affairs Committee

February 8, 2018

GRADUATION & ACADEMIC RESULTS

Graduation Success Rate: The NCAA measure of graduation rate within a six year window from initial full-time enrollment including transfers.

Based on classes entering UW in 2007-2010:

- UW All-Sport GSR (86%) – 5th in the Pac-12 (Stanford – 97%, Utah – 90%, Colorado – 88%, Arizona State – 87%)
- Football (81%) – 4th in the Pac-12 (Stanford – 96%, UCLA/Utah – 83%)
- Men's Basketball (92%) – 5th in the Pac-12 (Stanford/ASU/Utah – 100%, Arizona – 93%)
- Lowest UW men's teams:
  - Men's Soccer (63%)
  - Men's Golf (78%)
- Lowest UW women's teams:
  - Women's Basketball (85%)
  - Softball (88%)

GRADUATION & ACADEMIC RESULTS

Academic Progress Rate: A team-based metric that accounts for eligibility and retention of each student-athlete each term. Perfect score is 1000. A score of 930 or below is considered below the NCAA minimum threshold and subject to NCAA penalty.

UW's NCAA Academic Progress Rate:

» Four UW teams were #1 in the Pac-12 Conference: Women's Cross Country, Women's Golf Women's Rowing, and Women's Tennis.

» Perfect 1000 score for Women's Cross Country, Women's Golf, Women's Tennis (NCAA National Recognition).

» Football (984) is 2nd in the conference behind Stanford (985).

» Men's Basketball (986) is 4th in the conference behind Stanford (1000) , Utah/Arizona State (990).

» All UW teams are above a 970 Academic Progress Rate.

» Lowest teams are Men's Golf (970) and Beach Volleyball (983).

GRADUATION & ACADEMIC RESULTS

Fall 2017 Team GPA Information – All Time Records

20 Teams Above a 3.00 GPA	
Baseball	3.25
Beach Volleyball	3.22
Men's Cross Country	3.07
Women's Cross Country	**3.58**
Football	**3.16**
Men's Golf	3.00
Women's Golf	**3.45**
Gymnastics	**3.67**
Men's Rowing	3.16
Women's Rowing	3.36
Men's Soccer	3.21
Women's Soccer	3.48
Softball	**3.55**
Men's Tennis	3.24
Women's Tennis	3.43
Men's Track & Field	3.09
Women's Track & Field	**3.47**
Men's Track & Field – Indoor	3.03
Women's Track & Field – Indoor	3.45
Volleyball	3.21

2 Teams Below a 3.00 GPA	
Men's Basketball	2.69
Women's Basketball	2.92

***Bolded teams designate record high gpas**

GRADUATION & ACADEMIC RESULTS

Individual Academic Progress (Fall 2017 – 565 student-athletes)

- **163 student-athletes made the Dean's List**
- 14 student-athletes earned a 4.00 GPA
- **420 student-athletes earned a 3.00 GPA or better (74% of student-athlete population)**
- 4 student-athletes are on academic warning
- 0 student-athletes are on academic probation

- **Bolded items reflect record highs.**

WHAT'S NEXT IN 2018?

- **Purple Passports international trips with corresponding classes to:**
  - Peru – Summer 2018 (multiple teams represented)
  - French Polynesia – Summer 2018 (multiple teams represented)
  - South Africa (Men's Soccer)
  - Japan (Women's Soccer)
  - France/Spain (Women's Tennis)

- **Student-Athlete Leadership Groups**
  - Black Student-Athlete Group
  - Student-Athlete Sexual Assault & Harassment Prevention Group

- **Student-Athlete Development Initiatives**
  - Boundless Futures Career Development Program (endowment)
  - Husky Leadership Academy – Year Two
  - ICA Race & Equity Committee

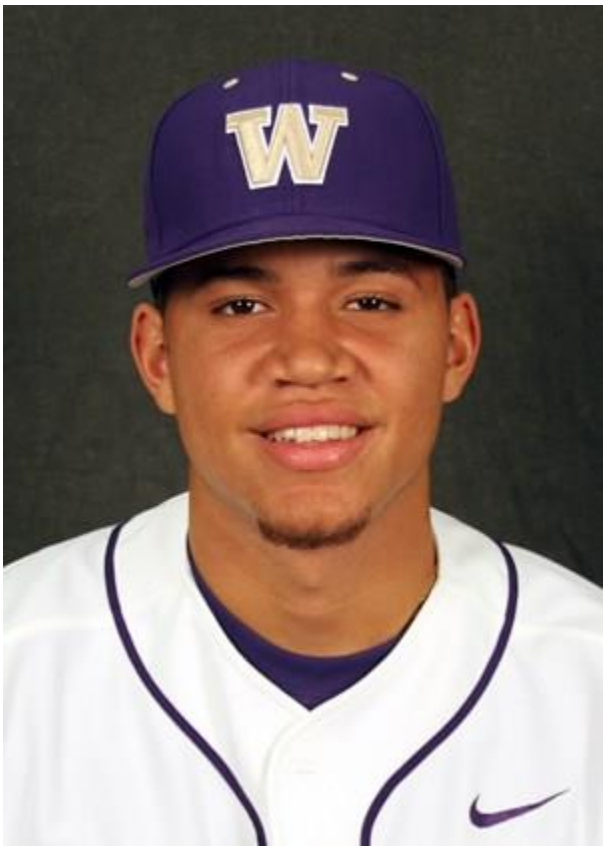
University of Washington Student-Athlete Bios

ONYIE CHIBUOGWU
WOMEN'S TRACK & FIELD
SENIOR

Onyie Chibuogwu is from Seattle and is a hammer and discus thrower on the UW Women's Track & Field team. She is the current school record holder and current Pac-12 runner up in the hammer throw. Onyie is a Political Economy major with a 3.22 cum gpa. She is most proud of the fact that she made the Dean's List every quarter during her junior year after struggling her first two years at UW. Onyie is an active member and leader of UW's Black Student-Athlete Group and recently attended the national Black Student-Athlete Summit at the University of Texas. She is a member of the Washington Student-Athlete Advisory Committee (WSAAC) and a member of the 2017 Pac-12 All-Academic Honorable Mention team.

SAM KOKOSKA
WOMEN'S SOCCER
JUNIOR

Originally from St. Louis, Missouri, Samantha (Sam) Kokoska is a junior on the Husky women's soccer team. Sam started her collegiate career at UCLA but transferred to UW after her freshman year. She is a Bioengineering major with a 3.95 cum gpa and a 2017 Pac-12 All-Academic First Team member. Sam volunteers at the UW Medical Center, Seattle Children's Hospital and the UW Farm. She is also a College of Engineering peer mentor. She manages to do all this and also contribute to UW's success on the soccer field. Her career goal is to "apply science to improve lives".



CHANNING NESBITT
BASEBALL
SENIOR

Channing Nesbitt is a senior pitcher on our baseball team. Originally from Oakland, California and Bishop O'Dowd high school, Channing has made the most of his UW experience. He maintains a 3.47 cum gpa in Political Science & Economics and is pursuing graduate school in Public Policy or Law. Channing is the co-director of the UW Athletics Black Student-Athlete Group and has represented UW at the NCAA National Leadership Forum. He is an Arthur Ashe Scholar-Athlete award winner and serves on the Washington Student-Athlete Advisory Committee (WSAAC). This past summer, he interned at the King County Prosecuting Attorney's office. Committed to community service, Channing has served as a 4C Coalition mentor in Seattle and Youth Quake NOLA community volunteer in New Orleans, Louisiana. Finally, he will be headed to West Point this month to represent UW at the National Conference on Ethics in America (NCEA).

STANDING COMMITTEES

Academic and Student Affairs Committee

Recognition of Women's Crew

BACKGROUND

This is an opportunity for the Board of Regents to recognize and congratulate Head Coach Yasmin Farooq and a few UW Women's Rowing student athletes on their incredible performance last season. The Board will congratulate these national champions for their past success and wish them the best of luck in their upcoming spring racing season, which begins in March 2018.

ADDITIONAL INFORMATION

Please see these articles on the UW Women's Rowing team's accomplishments.

CLEAN SWEEP! UW Wins 2017 NCAA Rowing Championship
UW Wins All Its Races at Shortened Head of The Lake
UW Fares Well at Head of the American

More information and articles are available on the Women's Rowing website.
2017-18 Women's Rowing Roster

BOARD OF REGENTS MEETING

UW Medicine Annual Compliance Report

INFORMATION

This item is being presented for information only.

BACKGROUND

UW Medicine Board's Annual Compliance Report is one of four annual reports that UW Medicine provides to the Board of Regents.

Attachment
UW Medicine Board Annual Compliance Report to the Board of Regents

UW MEDICINE BOARD

ANNUAL COMPLIANCE REPORT TO THE UW BOARD OF REGENTS

February 8, 2018

UW Medicine

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EXECUTIVE SUMMARY

The eleventh annual UW Medicine Board Compliance Report to the University of Washington (UW) Board of Regents summarizes the primary compliance activities that occurred in calendar year 2017 and identifies major priorities for 2018. The culture of compliance at UW Medicine is reflected in a documented Compliance Program designed to promote and support compliance, and detect noncompliance. The scope, structure, core functions and activities of the Program are presented as the Appendix to this report. Content areas include the following:

- Clinical billing (facility and professional fee billing for all clinical services including clinical research);
- Information security, privacy and identity theft prevention;
- Stark law and Anti-Kickback Statute (AKS); *and*
- Conflicts of interest (COI).

In 2017, resources dedicated specifically to compliance functions in UW Medicine Compliance remained about the same with an annual budget of $8.76 million and 59 full-time equivalent positions. These figures do not represent the full cost of compliance activities throughout the organization. Structural and staffing changes in 2017 in response to retirements, resignations and integration projects included the following:

- Refined committee structure and composition (see Appendix) to enhance strategic interfaces between operational stakeholders, compliance subject matter experts, administration and senior leadership.
- Completed national recruitments culminating in the hiring of three new compliance officers who were in place by September and a new chief compliance officer who will arrive toward the end of February 2018. This talented team is well suited to carrying the Program forward.

The UW Medicine Board Compliance Committee engaged with content experts and senior leaders through interactive sessions to review regulatory concepts, primary risks, mitigation strategies and emerging issues. Major activities and developments in 2017 included the following:

Clinical Billing

- Facility and professional fee billing compliance including robust training and awareness-raising activities, annual risk-based audit plans, focused reviews and timely investigation of reported concerns.
- General compliance training required by the Centers for Medicare and Medicaid Services (CMS) was successfully deployed in addition to the already substantive educational offerings provided to healthcare professionals.
- Audits generally showed favorable results, including those conducted by outside reviewers.

B-1.1/202-18
2/8/18

External reviews by CMS were at the lowest level since inception of the recovery audit program in 2009. In all cases, findings and issues resulted in timely corrections and process improvements, or repayments.
- Program staff partnered with the managed CMS plans to reduce the volume of audits and contest inappropriate denials.

Information Security, Privacy and Identity Theft Prevention

- The two-year Resolution Agreement and Corrective Action Plan (CAP) between UW Medicine and the Office for Civil Rights (OCR) ended December 4, 2017. To date, all deliverables have been accepted by the OCR; official completion of the CAP is pending OCR's acceptance of the final report summarizing controls, training and reportable events.
- Significant progress was made in the information security risk management program:
    - Senior leaders were actively engaged in evaluating risks and making decisions;
    - Tools and reports were created to document the program; *and*
    - Mitigation controls were implemented to reduce the identified risks.
- Inappropriate but accidental disclosures of protected health information (PHI) still comprise the majority of privacy incidents, and these tend to be quickly discovered and addressed.

Stark Law and Anti-Kickback Statute

- The Stark law prohibits physician self-referral unless certain exceptions are met. Standard operating procedures are in place to review compensation arrangements and agreements with physicians, and to conduct fair market value analysis as necessary. There were no violations detected or reported in 2017.
- The Anti-Kickback Statute prohibits inducements for referrals for medical services or items. Educational materials were updated as needed for changes in the law, and presentations made to affected units.

Conflicts of Interest

- Financial COI in research is governed by federal and university rules. Compliance is actively managed through the review of disclosures, approval of outside work requests, and development of conflict management plans.
- There are numerous COI policies, some of which may apply to a specific type of employee or a specific entity. Proactive outreach and consultation are provided to help individuals understand their responsibilities to avoid, or disclose and address, perceived or real COI (see website http://depts.washington.edu/comply/resources/frequently-asked-questions-faqs/).

I. INTRODUCTION

Purpose of the Annual Report

Section 1.4.3 of the UW Medicine Board Bylaws requires an annual report to the University of Washington (UW) Board of Regents regarding the effectiveness of the UW Medicine Compliance Program, which includes but is not limited to, the following topics:

- Key compliance policies and issues;
- Status of the healthcare compliance program infrastructure and reporting relationships;
- Scope of authority of key positions;
- Current assessment of healthcare compliance risks; *and*
- Level of resources dedicated to the compliance programs.

II. UW MEDICINE COMPLIANCE PROGRAM

UW Medicine consists of eight owned or managed entities that operate in a highly regulated environment with a variety of compliance requirements and potential risks. The culture of compliance at UW Medicine is characterized by four major elements:

- Formal structure, executive leadership engagement and support, and board-level involvement;
- Clearly defined responsibilities and system-wide education and outreach;
- Formal channels of communication and system-wide reporting hotline; *and*
- Documented formal program activities, including audits and educational programs, designed to promote and support compliance, and detect noncompliance.

The purpose of the UW Medicine Compliance Program (see Appendix) is to assist UW Medicine in achieving its financial, operational and strategic goals while maintaining compliance with all applicable healthcare laws, policies, rules and regulations. The scope, structure, core functions and activities of the Program are updated as necessary to reflect organizational and policy changes, refinements to programs and best practices for addressing compliance risk.

In 2017, resources dedicated specifically to compliance functions in UW Medicine Compliance remained about the same with an annual budget of $8.76 million and 59 full-time equivalent positions. These figures do not include the substantial cost of time, effort and systems devoted to compliance activities throughout the organization.

Additionally, some departments in the School of Medicine (SoM) and entities (e.g., Childrens' University Medical Group (CUMG) and University of Washington Neighborhood Clinics (UWNC)) fund various compliance-related activities.

The retirement of two senior compliance officers and a decision to integrate compliance functions formerly housed within the SoM and UW Physicians (UWP) under the central UW Medicine Compliance Program necessitated structural reorganization and several major recruitments early in 2017. The resulting structure established three new compliance officers with specific subject matter expertise. National recruitments resulted in the hiring of three highly qualified individuals who were all on board by September and are well suited to carrying the Program forward. Additional changes in committee structure and composition (see Appendix) were undertaken to enhance strategic interfaces between operational stakeholders, compliance subject matter experts, administration and senior leadership.

The Chief Compliance Officer, UW Medicine & Associate Vice President for Medical Affairs, UW (CCO/AVPMA) also announced her intent to retire during this reporting period. A national search was completed in December and a new CCO/AVPMA will come on board toward the end of February 2018.

III. KEY COMPLIANCE AREAS

The key compliance areas for UW Medicine are similar to those of all academic health centers, including the following:

- *Clinical billing (facility and professional fee billing for all clinical services including clinical research);*
- *Information security, privacy and identity theft prevention;*
- *Stark law and Anti-Kickback Statute (AKS); and*
- *Conflicts of interest (COI).*

At meetings of the UW Medicine Board Compliance Committee in 2017, content experts and senior leaders led interactive sessions on these areas to review regulatory concepts, primary risks, mitigation strategies and emerging issues. Official committee records include all meeting minutes, handouts and presentations.

The following sections describe major activities and developments that occurred in 2017.

A. Clinical Billing

Education and Training.

UW Medicine successfully deployed role-based system-wide general compliance training in response to requirements issued by the Centers for Medicare & Medicaid Services (CMS) for Medicare Parts C and D. The completion rate for all entities was 92%.

External Reviews.

UW Medicine tracks all external reviews by government payers, reports activity in detail to the Compliance Oversight and Implementation Steering Committee and summarizes results for board-level committees.

Information is maintained in the official committee files. Highlights in 2017 include the following:

- CMS Medicare Recovery Audit program activity was the lowest since inception of the program. Only 55 claims representing $1.3 million in reimbursement were reviewed. Two claims required repayments totaling $7,000.
- Inpatient claims from multiple managed Medicare and Medicaid insurance payers continued to be the primary focus of post-payment external audits. Significant effort was expended in 2017 to work with executive leadership at various managed Medicare and Medicaid plans to reduce the volume of audits and to contest inappropriate denials.
- Pre-payment audits of claims by Medicare payment contractors continued. Overall, results were favorable.

Facility Billing for Medical Centers and Clinics.
Facility billing compliance is managed by UW Medicine Compliance. An audit plan is developed annually and approved by executive leadership. No significant findings were identified through the facility audits conducted in 2017.

Professional Fee Billing by Healthcare Professionals.
Three departments manage professional fee billing compliance of UW Medicine physicians: UW Medicine Compliance, UWP and CUMG. These departments operate separate yet closely coordinated education and audit programs covering Northwest Hospital & Medical Center (NWH) and Valley Medical Center (VMC) community physicians, and UWP and CUMG members. Policies are tailored to address the unique risks of the respective clinical practices and complement specific medical staff processes, facility systems and controls, and research activities. All three departments engage in rigorous auditing, ongoing risk assessment, mandatory training and investigations of reported or observed billing issues. Efforts in 2017 included the following:

- UW Medicine Compliance:
    - 100 percent completion of scheduled audits covering 238 healthcare professionals, 69 of whom received a perfect score.
    - Mandatory online billing compliance training for NWH and VMC healthcare professionals and tailored, in-person educational sessions on specific topics of interest.

- UWP Compliance:
    - 100 percent completion of scheduled audits covering 781healthcare professionals, 313 of whom received a perfect score.
    - Mandatory online compliance training for all active UWP members and hospital employees for whom UWP provides billing services, electronic health record (EHR) template reviews and tailored, in-person educational sessions on specific topics of interest.

- CUMG Compliance:
    - 100 percent completion of scheduled audits covering 578 healthcare professionals, 370 of whom received a perfect score.
    - Specialty-specific training for all CUMG members, documentation and coding training to pediatric resident teams, and one-on-one education during the first quarter of employment for all new CUMG providers.
    - Participation in Seattle Children's Documentation Integrity and Design Advisory Team to ensure all changes to electronic documentation meet compliance standards.

Clinical Research Billing.
CMS limits what research services may be billed to Medicare. Clinical research billing audits identify billing errors that may need to be repaid, charged to a different account or otherwise corrected. In 2017, a probe audit was completed to assess potential billing risks associated with oncology studies that were historically excluded from central review. No billing compliance issues were identified.

B. Patient Information Privacy & Security, and Identity Theft Prevention

Resolution Agreement with the Office for Civil Rights (OCR).
The two-year term of the Resolution Agreement and Corrective Action Plan (CAP) between UW Medicine and the OCR ended December 4, 2017.

UW Medicine submitted its final deliverable, an annual report summarizing requirements in the second year of the CAP, including: implemented controls, training, reportable events and an attestation. To date, OCR approved all deliverables required under the CAP without comment or asking for additional changes.

These deliverables included completing risk assessment work, developing risk mitigation plans, centralizing Health Insurance Portability and Accountability Act (HIPAA) Security Rule compliance functions and tracking and reporting policy violations. UW Medicine Compliance regularly reported to the UW Medicine Board on the status of activities under the CAP.

Risk Analysis, Assessment and Mitigation.
The second-year of coordination and work with the UW Medicine Chief Information Security Officer brought much progress in developing a comprehensive information security risk management program. The Security Program Executive Committee (SPEC) and senior leadership were actively engaged in risk management strategy and decisions. Dashboards and reports were created and reviewed to show and document the risk management program and mitigation controls implemented to reduce the risk of unauthorized access, use, or disclosure of electronic protected health information.

Issues and Investigations.
Inappropriate but accidental disclosures of protected health information (PHI) still comprise the majority of privacy incidents (for example, paper documents are provided to the wrong recipient). These errors are usually quickly discovered and corrected in a way that mitigates the disclosure risk.

C. Stark Law and Anti-Kickback Statute (AKS)

The Stark law prohibits physicians from referring Medicare and Medicaid patients for designated health services to an entity with which the physician (or immediate family member) has a financial relationship, unless certain exceptions are met. Compliance with the Stark law is managed by Program staff based on advice from UWP legal counsel and the UW Attorney General's Office. Standard operating procedures are in place to review compensation arrangements and agreements with physicians, and to conduct fair market value analysis as necessary. There were no violations detected or reported in 2017.

The AKS prohibits any person from soliciting, giving or receiving remuneration to induce or reward another party for referrals for medical services or items, or for purchasing an item or service covered by a federal healthcare program. Changes to the AKS in 2017 were evaluated and educational materials were updated for presentations to affected units in the medical centers, UW Advancement and the UW SoM. Further guidance about vendor support of educational and research activities is under discussion and development.

D. Conflicts of Interest (COI)

The most common types of COI in academic health centers arise from faculty research activities, outside professional work and relationships with medical vendors or manufacturers.

Financial COI in research is governed by rules established by the National Institutes of Health as well as UW policies. The UW Office of Research has primary responsibility for reviewing financial COI disclosures, approving outside work requests and establishing conflict management plans for SoM faculty.

Certain COI policies apply to all UW employees, some apply to NWH and VMC employees, and additional policies are specific to SoM faculty. SoM faculty must avoid, or disclose and address, perceived or real COI between their responsibilities as faculty and their outside activities. Key policy provisions require advance approval to engage in outside work and disclosure of any related compensation, and prohibit presentations or product endorsements at events designed solely or predominantly for company promotional, sales or marketing purposes. Questions and concerns about COI issues are handled by Program staff who regularly partner with SoM and Advancement offices to review potential arrangements for compliance concerns.

Since 2014, payments or transfers of value made to physicians and teaching hospitals by certain drug, device and equipment manufacturers have been published on a CMS website. Program resources are designed to help patients, the public and media understand the data, and instruct faculty how to dispute inaccuracies.

Frequently asked questions about charitable fundraising, gifts, patient inducement, political campaigning and use of institutional resources are published on the Program website (http://depts.washington.edu/comply/resources/frequently-asked-questions-faqs/).

IV. LOOKING FORWARD: 2018

Planning for compliance activities is an ongoing process, as described in the UW Medicine Compliance Program (see Appendix Section I). Priorities are heavily influenced by the increasingly dynamic external regulatory environment (including new and changing rules, agency audit plans and settlements), as well as our own audit findings, issues and incidents, and risk assessments. UW Medicine Compliance refined and documented its risk assessment process and identified the following top risks for CY 2018:

- Non-covered claims associated with:
  - Device billing.
  - Medicare National Coverage Determination (NCD)/Local Coverage Determination (LCD) requirements.
- Inaccurate billing arising from:
  - EHR ordering/charging practices.
  - EHR documentation shortcuts.
  - Misclassified patient status in the hospital setting (inpatient vs. outpatient).
- Privacy breaches arising from:
  - Malware.
  - Stolen devices containing unencrypted PHI.

The top risk mitigation activities planned for 2018 include the following:

- Education and outreach covering:
  - Device coverage.
  - Inpatient/outpatient observation.
  - EHR billing and documentation.
  - NCD/LCD Coverage.

In addition to these risk-based activities, UW Medicine has four major compliance program goals in 2018:

1. Continue reorganization and realignment of the Program to accommodate on-going changes in leadership.
2. Complete integration of UWP and SoM compliance functions.
3. Adjust scope of the compliance risk assessment and reporting process to accommodate structural changes initiated in CY 2017.
4. Complete planned audits, evaluate findings and adjust program activities accordingly.

APPENDIX

UW MEDICINE

COMPLIANCE PROGRAM

December 2017

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I. INTRODUCTION

UW Medicine is a large organization, consisting of eight owned or managed entities that operate in a highly regulated environment with a variety of compliance requirements and potential risks. The culture of compliance at UW Medicine is characterized by four major elements:

- Documented formal program activities, including audits and educational programs, designed to promote and support compliance and detect noncompliance;
- Formal structure, executive leadership engagement and support, and board-level involvement;
- Clearly defined responsibilities and system-wide education and outreach; *and*
- Formal channels of communication and a system-wide reporting hotline.

I am pleased with the progress of UW Medicine over the last 15 years in developing a culture of compliance among our 25,000 employees. Guided by the advice of the UW Medicine Board Compliance Committee, the UW Medicine management team has made continuous improvements in our compliance program. We are focused on identifying areas of high risk prospectively and developing policies and plans to mitigate the risks. The active engagement of our administrative teams with the UW Medicine Board and the Board's Compliance Committee is essential for the ongoing improvements that are planned for UW Medicine Compliance. It is a privilege for me to work with a very large number of individuals who are committed to excellence in our compliance program.

Paul G. Ramsey, M.D. CEO,
UW Medicine
Executive Vice President for Medical Affairs and Dean
of the School of Medicine,
University of Washington

II. UW MEDICINE

The UW Medicine enterprise includes the following owned or managed entities:

- Harborview Medical Center (HMC)
- Northwest Hospital & Medical Center (NWH)
- Valley Medical Center (VMC)
- UW Medical Center (UWMC)
- UW Neighborhood Clinics (UWNC)
- UW Physicians (UWP)
- UW School of Medicine (SoM)
- Airlift Northwest (ALNW)

UW Medicine is an "affiliated covered entity" under the federal Health Insurance Portability and Accountability Act (HIPAA). For the purposes of HIPAA compliance, the UW Medicine Compliance Program has jurisdiction over the healthcare components of the University of Washington (UW) in UW Medicine, as well as additional entities that are collectively referred to as the UW Medicine Affiliated Covered Entity (UW Medicine ACE). These entities are listed in the UW HIPAA Designation (see Attachment A); the HIPAA compliance program governance structure for the UW Medicine ACE is represented in Attachment B.

UW Medicine shares in the ownership and governance of Children's University Medical Group (CUMG), a pediatric practice plan founded with Seattle Children's (Children's); and the Seattle Cancer Care Alliance (SCCA), founded with Children's and the Fred Hutchinson Cancer Research Center (FHCRC).

UW Medicine's mission is to improve the health of the public by advancing medical knowledge, providing outstanding primary and specialty care to the people of the region, and preparing tomorrow's physicians, scientists and other health professionals.

III. OVERVIEW

A. Purpose

The purpose of the UW Medicine Compliance Program (the Program) is to assist UW Medicine in achieving its financial, operational and strategic goals while maintaining compliance with all applicable healthcare laws and regulations. The scope, structure, core functions and activities of the Program are updated as necessary to reflect organizational and policy changes, programmatic refinements and best practices for addressing compliance risk.

B. Scope

The following content areas are within the scope of the Program:

- Clinical billing and documentation (facility and professional fee billing for all clinical services including clinical research);
- Compliance with the provisions of state and federal laws governing patient information privacy and security (including, but not limited to HIPAA);
- Identity theft prevention;
- Stark law and Anti-Kickback Statute (AKS);
- Conflicts of interest (COI);
- Ethics; *and*
- Emergency Medical Treatment & Labor Act (EMTALA).

Compliance programs for other content areas (for example, research, health and safety, pre- and post-award research grants and contracts, employment), other entity partners (for example, SCCA, FHCRC, Children's), or UW healthcare components (for example, Dentistry, Public Health, Nursing) are within other jurisdictions.

However, UW Medicine collaborates with its external entity partners and other parts of the UW system for any number of reasons, including but not limited to:

- Addressing compliance issues crossing institutional or jurisdictional lines;
- Enforcing compliance;
- Harmonizing policies, procedures and guidance;
- Engaging in mutually beneficial initiatives, process improvements and risk assessments;
- Sharing best practices;
- Monitoring regulatory developments, analyzing industry trends; *and*
- Identifying risk mitigation strategies.

C. Program Elements

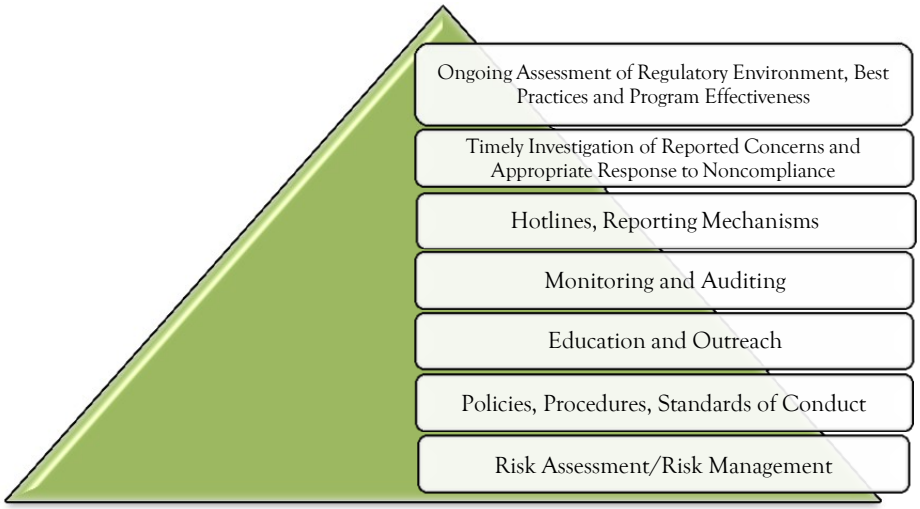
The Program is founded on both risk-based and proactive core components designed to promote and support compliance and detect noncompliance. Activities and program elements are documented in writing, readily available for review and regularly reported.

Specific program elements are aligned with standards established by the Office of Inspector General (OIG) for the healthcare profession, the Office for Civil Rights (OCR) for HIPAA Privacy and Security Rules, and the United States Federal Sentencing Guidelines, and include:

- Senior leadership commitment, board and executive-level compliance committees, and an operational implementation council;
- Designation of a chief compliance officer who:
  - Has direct reportage to the chief executive officer;
  - Has responsibility for overseeing UW Medicine compliance systems and initiatives; *and*
  - Serves as chief privacy and information security compliance official for the UW Medicine ACE with responsibility for developing and implementing policies and procedures required under HIPAA.
- Standards, policies and procedures to prevent and detect violations of law, protect patient information privacy, and safeguard protected health information (PHI);
- Internal controls to meet compliance and risk management requirements;
- Education and outreach activities to ensure that policies are effectively disseminated and understood by enterprise and UW Medicine ACE members;
- Documented risk management plans and risk assessment processes that conform to regulatory requirements established by federal oversight agencies;
- Documented development and implementation of risk mitigation strategies and work plans, and timely reporting to executive and board-level compliance committees;
- Internal monitoring and auditing;

- Reasonable due diligence to confirm that UW Medicine does not delegate substantial discretionary authority to individuals who the organization knows or should know, are likely to engage in illegal conduct;
- Maintaining lines of communication, including an anonymous reporting mechanism for employees to report possible compliance issues without fear of retribution;
- Prompt investigation of reported concerns, including noncompliance with enterprise policies, suspected overpayments, patient information privacy complaints and security incidents involving PHI;
- Effective management of noncompliance, overpayments, complaints and incidents to meet the timelines and requirements established by regulators for repayments, disclosure and breach notifications;
- Appropriate corrective action to reduce the impact and minimize the risk of similar future offenses and incidents;
- Enforcement of standards and policies through well-publicized disciplinary guidelines; *and*
- Periodic evaluation of the effectiveness of the Program.

The Program is simplified in the following graphic:



IV. PROGRAM STRUCTURE

A. Compliance Oversight

1. Executive Leadership

The chief executive officer, UW Medicine, executive vice president for medical affairs, and dean of the School of Medicine, University of Washington (CEO/EVPMA/Dean), provides compliance leadership and support. The CEO/EVPMA/Dean delegates specific responsibilities to key senior leadership positions.

2. Enterprise and UW Medicine ACE Compliance Leadership

The chief compliance officer, UW Medicine, and associate vice president for medical affairs, University of Washington (CCO/AVPMA), is accountable to the CEO/EVPMA/Dean for leadership of UW Medicine's compliance systems and initiatives and is the designated policy owner for all enterprise and UW Medicine ACE-level compliance policies. The CCO/AVPMA has a direct relationship with the UW Medicine Board Compliance Committee, serving as the chief staff person for the Committee, and with the Office of the President of the University. The CCO/AVPMA is a member of UW Medicine's senior leadership team (see Attachment C for job description).

B. Compliance Committees

1. Enterprise-Level/UW Medicine ACE Committees

The scope, purpose and composition of the compliance committees are summarized in Attachment D.

a) UW Medicine Board Compliance Committee (UWMB CC)

The UWMB CC is responsible for reviewing and evaluating the Program and preparing the Chair of the UW Medicine Board to advise the UW Board of Regents, the UW president and the CEO/EVPMA/Dean regarding the implementation and effectiveness of the Program. Section 1.4.3 of the UW Medicine Board Bylaws requires an annual report to the UW Board of Regents regarding the effectiveness of the Program, which includes but is not limited to, the following topics:

- Key compliance policies and issues;
- Status of the compliance program infrastructure and reporting relationships;
- Scope of authority of key positions;
- Current assessment of compliance risks; *and*
- Level of resources dedicated to the compliance programs.

b) UW Medicine Compliance Governance Group (CGG)

Chaired by the CEO/EVPMA/Dean or designee, the steering committee of this group meets regularly for the purpose of strategic planning and problem solving, risk assessment decision-making and policy approval. Members include UW Medicine vice presidents, the CCO/AVPMA and issue-specific participants as needed.

c) **UW Medicine Compliance Oversight and Implementation Steering Committee (COISC)**
The COISC is chaired by the CCO/AVPMA and is primarily responsible for overseeing implementation of compliance program activities and internal controls throughout the organization. Members include entity executive directors, SoM vice deans, chief information officers, compliance officers and major stakeholders.

2. Practice Plan Compliance Committees
The boards of UWP and CUMG have established physician-led compliance committees. The UWP Business Excellence Committee and the CUMG Physician Education, Billing and Compliance Committee work closely with practice plan compliance officials in developing and implementing compliance policies, establishing effective training strategies, and advising their respective boards. Each committee has a formal charter and generally meets monthly. All official committee records are maintained by compliance officials**.**

3. Compliance Communication Venues
The size and complexity of the UW Medicine structure and its many interfaces call for multiple communication channels to convey compliance messages and initiatives. The following groups provide additional venues for discussion and raising awareness about compliance issues.

a) **Compliance Officers Group (COG)**
Convened by the CCO/AVPMA, this group includes UW Medicine compliance officers, department-level compliance directors and liaisons, non-UW Medicine compliance officials, internal audit, risk management and operational partners. COG shares best practices and resources, discusses issues of mutual interest/concern, and enhances the likelihood of cross-functional collaboration for important compliance issues.

b) **Strategic Leadership Council**
Chaired by the CEO/EVPMA/Dean, this group consists of UW Medicine senior leaders who meet at least monthly to address key operational, finance, compliance, and strategic issues.

C. Compliance Program Management and Operations
Three core compliance officers oversee and implement program operations for specific content areas within UW Medicine's defined scope and jurisdiction. Program operations include activities designed to detect and prevent noncompliance, as described in Section III.C. Each compliance officer has associated responsibilities for reporting, committee management and stakeholder involvement. Officers develop jurisdiction-specific policies and procedures as needed, maintain program records, and participate in enterprise compliance initiatives. See Attachment E for current position descriptions.

Several departments and entities have established compliance positions responsible for a specific scope of program activities. Although the individuals holding these positions have different titles, they function as compliance officer liaisons and interface with the core compliance officers on issues of mutual concern, are members of COG, and participate in work groups as deemed appropriate for their scope and specialty. Positions generally report to the department or entity head; position descriptions are established and maintained by the individual units. These positions include the following:

1. Laboratory Medicine Compliance Liaison;
2. Pharmacy Compliance Liaison;
3. UWNC Director of Network Operations; *and*
4. ALNW Compliance Liaison.

D. Compliance Roles and Responsibilities

UW Medicine expects all faculty, physicians, staff, students, trainees and volunteers to meet the professional, ethical and regulatory standards associated with their individual roles, and to adhere to the Code of Conduct (Attachment G). Additional responsibilities are assigned to persons in supervisory, management and leadership positions. These expectations, summarized in Attachment F, are conveyed in new employee orientations, mandatory and voluntary training, and regular communications from compliance officers and senior leaders.

E. Enterprise Compliance Reporting Line

UW Medicine/UW Medicine ACE workforce members have safe communication and reporting channels. The enterprise compliance hotline is maintained by the CCO/AVPMA. It provides for anonymous reporting of compliance concerns, although requests for consultation and complaints may also be conveyed directly to compliance officials with the appropriate scope and jurisdiction.

F. Policies, Standards, Guidelines and Procedures

The Program is based on a framework of policies that articulate UW Medicine's commitment to meet regulatory requirements, establish the culture of compliance, and inform members of the enterprise about allowable and prohibited practices and activities. UW Medicine also relies on standards, guidelines and procedures to meet its compliance requirements.

The Program includes nine core policies that govern the program itself, a code of conduct governing workforce members, and a suite of compliance policies governing specific healthcare functions and activities. These **policies** are intended to establish a definitive, centralized leadership position on specific compliance requirements that apply universally to all UW Medicine and UW Medicine ACE workforce members, entities and compliance departments. They are designed to ensure system-wide consistency and form the foundation of the Program. Complete policies are located at http://depts.washington.edu/comply/policies.

Additional **compliance policies may be developed by compliance officials** who have the authorized scope and jurisdiction to address regulatory or organizational requirements affecting a subset of the system, such as specific entities, constituents or issues. These policies have more limited application, but still are intended to establish a definitive leadership position on certain compliance requirements. The baseline requirements for compliance policy development apply regardless of the policy level.

Standards are specific mandatory controls that govern an operation, a configuration, or a process. Standards are developed and maintained by the operational area delegated with responsibility for establishing internal controls. For example, standards governing information security are established by IT departments in the UW Medicine ACE (including UW Medicine IT Services, SoM IT and VMC IT). Standards undergo a formal review and approval process, and those required by HIPAA are reviewed and endorsed by the CCO/AVPMA.

Guidelines are frequently developed to recommend best practices that do not have the force of policy. Guidelines are generally created by compliance officials, with appropriate scope and jurisdiction, in collaboration with key stakeholders and operational areas.

Procedures are step-by-step instructions that, if followed, should achieve compliance with a given policy. Procedures are typically maintained by the operational departments charged with specific implementation responsibilities for a given policy or set of policies. Procedures are developed in consultation with compliance officials, with appropriate scope and jurisdiction, but are established through separate and less formal approval and implementation processes.

G. Code of Conduct

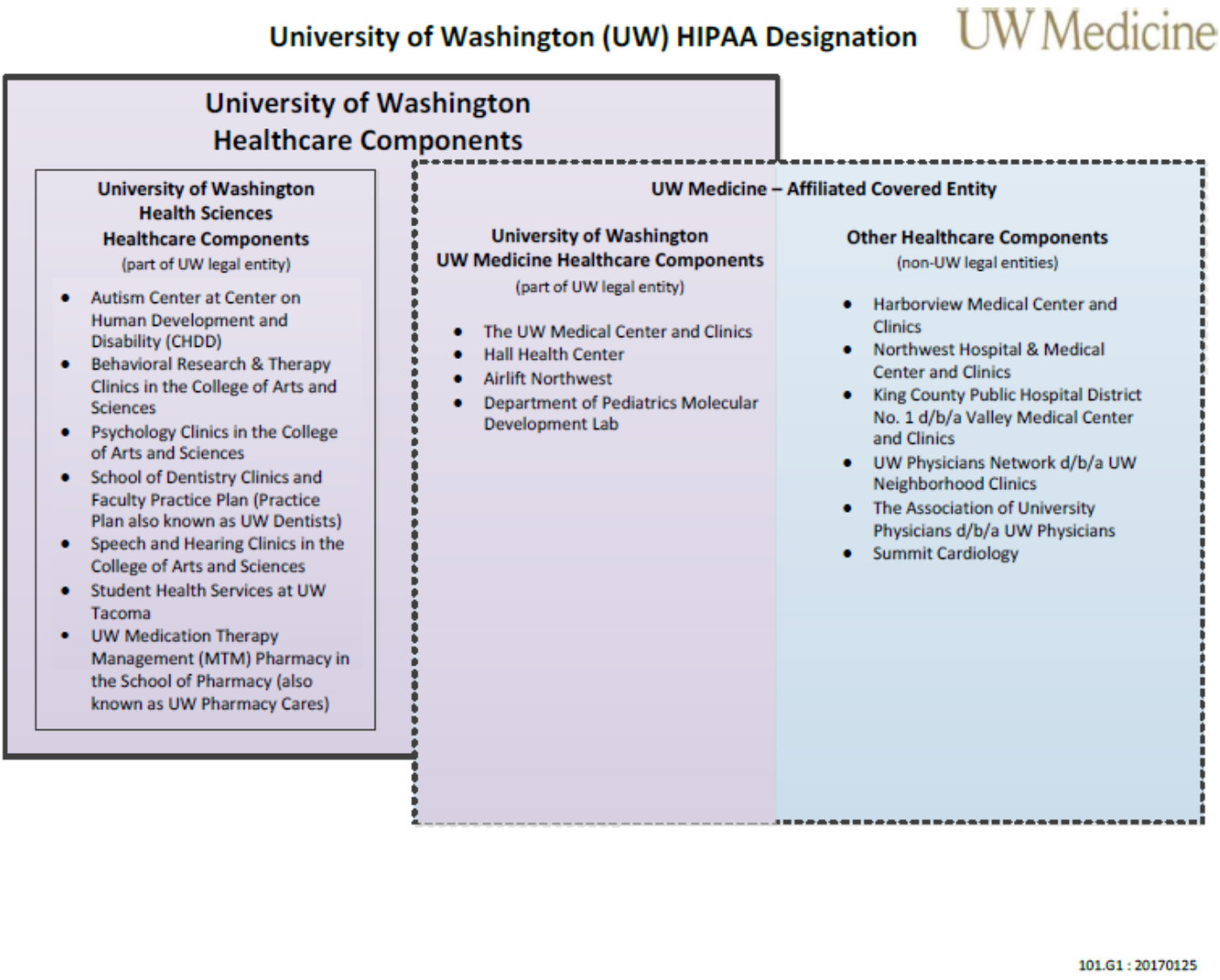
The UW Medicine Compliance Code of Conduct includes 7 core principles, which require all workforce members and entities to:

1. Abide by all laws, regulations, policies, procedures and standards;
2. Prevent fraud and abuse;
3. Promote ethical academic, clinical, research and business conduct;
4. Protect patient privacy and ensure the security of protected health information;
5. Practice responsible data stewardship;
6. Comply with professional and ethical standards; *and*
7. Comply with emergency medicine treatment rules.

These principles are fully explained in the complete Compliance Code of Conduct provided in Attachment G. It is the responsibility of every UW Medicine workforce member to be knowledgeable about and to act in a manner consistent with these standards. Where circumstances arise that are not covered by these standards or UW Medicine policies, an overall philosophy of honesty and integrity applies.

D. ATTACHMENTS

A. University of Washington HIPAA Designation



B. UW Medicine/UW Medicine ACE Patient Information Privacy and Security Compliance Governance

C. Chief Compliance Officer/Associate Vice President for Medical Affairs

UW MEDICINE
POSITION SPECIFICATION
CHIEF COMPLIANCE OFFICER, UW MEDICINE AND
ASSOCIATE VICE PRESIDENT FOR MEDICAL AFFAIRS,
UNIVERSITY OF WASHINGTON

SUMMARY POSITION DESCRIPTION

The Chief Compliance Officer, UW Medicine/Associate Vice President for Medical Affairs, University of Washington (CCO/AVPMA) is accountable to the CEO, UW Medicine, Executive Vice President for Medical Affairs and Dean of the School of Medicine (CEO/EVPMA/Dean), for compliance activities in areas including but not limited to clinical billing, clinical research billing, faculty effort reporting, Health Insurance Portability and Accountability Act (HIPAA) privacy and security for the UW Medicine Affiliated Covered Entity (ACE), Emergency Medical Treatment and Active Labor Act (EMTALA), and identity theft prevention. The CCO/AVPMA is accountable to the CEO/EVPMA/Dean for leadership of UW Medicine's compliance systems and initiatives and also works closely with the Chief Health System Officer, UW Medicine, Vice President for Medical Affairs (CHSO/VPMA), the Chief Business Officer, UW Medicine, Vice President for Medical Affairs (CBO/VPMA), the Chief Financial Officer, UW Medicine, Vice President for Medical Affairs (CFO/VPMA), the Chief Medical Officer, UW Medicine, Vice President for Medical Affairs (CMO/VPMA), and the Chief Advancement Officer, UW Medicine, Vice President for Medical Affairs (CAO/VPMA).

The CCO/AVPMA has a direct relationship with the UW Medicine Board Compliance Committee, serving as the chief staff person for the Committee, and with the Office of the President of the University. The CCO/AVPMA is a member of UW Medicine's senior leadership team and chairs the UW Medicine/ACE Compliance Oversight and Implementation Steering Committee.

The CCO/AVPMA has an important role in the development of strategies and initiatives to advance the UW Medicine mission of improving the health of the public. Important work required to advance the UW Medicine mission includes, in part, the delivery of advanced medical diagnosis and treatment services, clinical support for the education of medical students and graduate and post-graduate trainees, and maintenance of one of the largest and most advanced university-based basic and clinical research programs in the United States. In support of these activities, the CCO/AVPMA must maintain strong working relations with the U.S. Department of Health and Human Services, the Office for Civil Rights, U.S. Department of Justice, Washington Department of Social and Health Services, the Medicare intermediary for Washington state, and other similar agencies. The CCO/AVPMA also represents UW Medicine for compliance issues in national professional associations, including but not limited to the Association of Academic Medical Centers (AAMC) and Association of Academic Health Centers (AAHC).

A brief summary of the significant characteristics of the distinct responsibilities and duties of this position are outlined below.

JOB CHARACTERISTICS

DIRECT MANAGEMENT RESPONSIBILITIES

- Establishing and maintaining a comprehensive UW Medicine Compliance program which includes HIPAA privacy and information security compliance for the UW Medicine ACE.
- Developing standards, timelines and documentation requirements for enterprise-level compliance risk assessments for UW Medicine and the ACE.
- Establishing and maintaining core compliance policies governing UW Medicine and ACE, and issuing related communications and guidelines.
- Advising the CEO/EVPMA/Dean, CHSO/VPMA, CBO/VPMA, CFO/VPMA, CAO/VPMA, CMO/VPMA and the UW President on the status of material compliance issues at UW Medicine and within the ACE.
- Assessing the effectiveness of the compliance program.
- Overseeing the response to allegations of noncompliance for issues that involve more than one UW Medicine or ACE entity.
- Serving as the chief staff support to the UW Medicine Board Compliance Committee, working with the Committee chair to develop annual schedule, manage meeting agendas and establish standard formats for reports to the Committee.
- Preparing the annual compliance report to the UW Board of Regents.
- Providing technical advice and guidance regarding UW Medicine's regulatory compliance programs, and state and federal compliance rules and regulations.
- Providing executive leadership for the CEO/EVPMA/Dean in matters related to the philosophy and organizational structure of the UW Medicine compliance program.
- Chairing the UW Medicine/ACE Compliance Planning Group and the UW Medicine/ACE Oversight and Implementation Steering Committee.
- Determining staffing needs (in collaboration with the enterprise compliance officers and senior leaders) of the UW Medicine compliance program.
- Overseeing the recruitment, hiring, mentoring and supervision of UW Medicine compliance officers and directors.
- Serving as Chief HIPAA Privacy and Information Security Officer for the UW Medicine ACE, establish policies, internal controls and program activities related to HIPAA compliance, incident management, risk assessments, document retention, breach assessments and notifications, and identity theft prevention.
- Serving as the Interim UW Privacy Official, reporting directly to the UW President

SHARED MANAGEMENT RESPONSIBILITIES

- Overseeing and coordinating the activities of the compliance officers from the University of Washington Physicians, UW Medicine, the UW School of Medicine, Children's University Medical Group and the Seattle Cancer Care Alliance.
- Participating in the recruitment and selection process for enterprise compliance officers.
- Addressing privacy and information security risks, internal controls, operational issues, initiatives and incidents in collaboration with officers and departments throughout the UW covered entity, including: IT and Information Security Operations Officers for the UW, UW Medicine IT Services, the UW SoM, and Valley Medical Center; UW Medicine Health Information Management offices; UW Health Sciences Risk Management; UW Office of Research, UW and UW Medicine News and Community Relations.
- Directing regular UW Medicine/ACE-wide compliance risk assessments that will guide the design and support of the compliance program, conform to regulatory requirements, and ensure an integrated, long-range view of emerging risks.
- Overseeing the development, documentation and tracking of risk mitigation and management plans for the ACE.
- Participating in the ongoing review and analysis of UW Medicine's programs to manage regulatory compliance risks.
- Ensuring that education, communication and outreach mechanisms effectively support compliance efforts.

COORDINATION & LIAISON RESPONSIBILITIES

- Serving as the CEO/EVPMA/Dean's chief liaison with offices of the UW administration and the UW Division of the Office of the Attorney General on matters of compliance.
- Serving on the UW Medicine Compliance Governance Group, Operations and Finance Committee, and other executive-level committees of UW Medicine.
- Participating in strategic planning processes for the Office of the CEO/EVPMA/Dean and assisting the CEO/EVPMA/Dean and the Compliance Governance Group in developing a vision and direction for UW Medicine that establishes a long-term compliance agenda for UW Medicine.
- Coordinating administrative and other matters that involve compliance policy issues with the UW Medicine Compliance Governance Group and the Compliance Oversight and Implementation Steering Committee.
- Representing UW Medicine Compliance in national, state and regional associations.

EDUCATION REQUIREMENTS

A Bachelor's degree in business, public administration, policy administration, health administration or closely related field is required; an advanced degree is desirable.

WORK EXPERIENCE REQUIREMENTS

- Seven years of progressively responsible experience in developing, implementing and administering comprehensive compliance programs is required, at least three years of which must be at the director level or above in a public university setting.
- At least five years of increasingly responsible compliance experience in an academic medical center is desired.
- Extensive knowledge of compliance principles and regulatory requirements that impact academic medical centers is required.

Approved:

5/19/16

Paul G. Ramsey, M.D. Date
CEO, UW Medicine
Executive Vice President for Medical Affairs and
Dean of the School of Medicine,
University of Washington

5/19/16

Susette Clausen Date
Chief Compliance Officer, UW Medicine and
Associate Vice President for Medical Affairs,
University of Washington

D. UW Medicine Compliance Committees

UW MEDICINE COMPLIANCE COMMITTEES

GROUP/SCOPE	PURPOSE	COMPOSITION

Compliance Governance Group (CGG)
 	
Scope: Enterprise and for HIPAA, the UWM Affiliated Covered Entity
 	
Deliverables: Executive-level compliance program mandates and structure
	• Strategic compliance planning & problem solving
	• Approve enterprise compliance program (including policies, program elements, work plan, roles & responsibilities, committee structure)
	• Approve enforcement mandates and related messaging
	• Establish risk tolerance philosophy, approve mitigation plans and allocate resources
	• Recommend approval of compliance policies to CEO/EVPMA/Dean
		• VPs (CBO/VPMA chair)
		• CCO/AVPMA
		• Director of Legal & Bus Affairs/AVPMA
		• Vice Dean Admin & Fin, SOM
		• UWP President
		• Issue-specific advisors
		  ○ Vice Deans: Research, Education, GME
		  ○ Executive directors
		  ○ Legal counsel/AAG
		  ○ Content experts (e.g., CISO, COs, HR)
		• Steering Committee excludes CFO, CMO and CAO

UW Medicine Board Compliance Committee (UWMB CC)
 	
Scope:
Enterprise and for HIPAA, the UWM
Affiliated Covered Entity
 	
Deliverables:
Board-level oversight and advice
	• Review and evaluate UWM Compliance Program
	• Prepare UWMB Chair to advise UW Board of Regents on the implementation & effectiveness of the program
		• All scheduled meetings
		  ○ UWMB member designees
		  ○ Appointed community members
		  ○ Compliance Governance Group
		• Meetings for which issue or entity-specific discussions are held
		  ○ COs and other content experts
		  ○ Legal counsel/AAG
		  ○ Entity executive directors
		  ○ CUMG practice plan president
		  ○ COISC representatives and subgroup conveners

Compliance Oversight and Implementation Group (COISC)
 	
Scope: Enterprise and for HIPAA, the UWM Affiliated Covered Entity
 	
Deliverables:
• Consistent implementation of compliance policies
• Risk assessments & policy recommendations for CGG
• Effective enforcement mechanisms & internal controls
	• Oversee consistent implementation of compliance program activities throughout UW Medicine entities
	• Review proposed compliance policies and recommend approval to CGG
	• Identify and resolve implementation challenges/barriers
	• Communicate enforcement mandates
	• Participate in enterprise risk assessment process, recommend approval of mitigation plans, identify resource needs
		• Steering Committee
		  • CCO/AVPMA, chair
		  • Entity EDs
		  • CIOs/CISOs for UWM ITS, VMC, SOM
		  • COs for UWM, CUMG, SCCA
		  • SOM Vice Dean for RGE
		  • SOM Vice Dean for GME
		  • UWM Director of HIM
		• AGO as needed for all groups

E. Core Compliance Officer Position Descriptions

Compliance Officer – Clinical Billing Integrity

Position Purpose
The purpose of this position is twofold:

1. Develop and oversee implementation of an effective compliance program to ensure the integrity of clinical billing, coding and documentation and prevent healthcare fraud, waste and abuse.
2. Serve as the primary content expert for clinical billing and documentation compliance.

Specific Duties and Responsibilities

- Provide professional leadership as the principle architect of the CBI program, to include facility and professional fee clinical documentation/coding/billing, clinical research billing, as well as EMTALA compliance; advise the CCO/AVPMA, UW Medicine Vice Presidents, the UWP President, UW Medicine entity executive directors and other UW Medicine leaders about program needs and system interfaces, and recommend changes as needed
- Establish effective CBI program elements and practices that ensure:
  - execution of an approved risk assessment process and incorporation of results into written work plans that identify deliverables, timelines and responsible parties;
  - effective monitoring and auditing that includes analysis, reporting and use of results to modify program strategy as needed;
  - reliable and operationally sound employee, medical staff and vendor screening mechanisms that ensure independent contractors and agents who furnish supplies and medical services to the hospitals and clinics are aware of the compliance program requirements; *and*
  - accurate and clear program policies and CBI education/outreach content that provides effective guidance, facilitates compliance and mitigates risk.
- Maintain awareness of laws, regulations and status of current enforcement initiatives.
- Serve as the UW Medicine point of contact for CBI and EMTALA issues and concerns. Oversee the response to reported concerns and inquiries involving CBI. Ensure that inquiries, complaints and other concerns are properly investigated and resolved, providing consultative leadership and support to all entities as appropriate; and ensure that adequate steps are taken to correct identified problems and prevent their reoccurrence, including employee sanctions, operational changes, and refunds of overpayments.
- Serve as a member of the CCO/AVPMA's executive team, working closely with other content experts to achieve efficiencies and effectiveness throughout the compliance department, and participate in departmental strategic planning, internal policy/procedure development, budget and resource planning, and business decisions.
- Establish cooperative and collaborative relationships with compliance and operational offices on matters of shared concern, and serve as liaison between those offices and UW Medicine entities to ensure effective and timely management of issues, initiatives and projects.
- Provide direct support and assistance to entity executives when they are jointly responsible with UW Medicine Compliance for the success of compliance programs in their respective areas

- Provide regular reports on program activities and issues to the CCO/AVPMA, UW Medicine Vice Presidents, the UWP President, UW Medicine entity executive directors and other UW Medicine leaders and compliance committees.
- Provide strategic oversight of staff responsible for daily program activities; directly supervise the CBI leadership team and other staff as needed; provide leadership, mentoring, staff development, and performance management; take disciplinary actions as needed in consultation with human resource department. Anticipate staffing and resource needs.
- Convene constituent and entity-based compliance committees and work groups as needed.
- Serve as the primary point of contact for external reviews related to CBI or delegate authority as appropriate; coordinate assessments and ensure timely responses; communicate openly and promptly with payers, the OIG and other external parties as deemed appropriate; maintain good relationships with these parties
- Serve as contact with legal counsel and the Attorney General's Office regarding related compliance strategies and responses to legal issues.
- Participate in institution-wide initiatives, process improvement projects, and policy implementation processes as necessary; serve on committees and taskforces as assigned.
- Represent the CCO/AVPMA as necessary.

QUALIFICATIONS

Required

- Bachelor's degree in related field AND 12 years of progressively responsible experience in developing, implementing and administering a compliance program to prevent healthcare fraud, waste and abuse in a complex healthcare environment that includes at least 3 years of demonstrated success managing and leading large teams performing highly detailed work. **
- Advanced knowledge of federal and state compliance regulations, including experience with hospital and physician billing, coding and documentation requirements.
- Demonstrated ability to communicate effectively, both verbally and in writing, with employees, medical staff, board members and external parties; strong presentation skills.
- Demonstrated ability to independently prioritize and organize work, basic computer knowledge, ability to lead interdisciplinary teams.

**or an equivalent combination of education and work experience

Preferred

- Advanced degree in related field.
- Professional Healthcare Compliance certification.
- At least 3 years' experience at the assistant compliance officer/director level or above in an academic health center environment.

**or an equivalent combination of education and work experience

Compliance Officer – Patient Privacy and Program Integrity

Position Purpose

This position serves three primary roles:

1. As Privacy Officer for the UW Medicine Affiliated Covered Entity (ACE), serve as primary content expert and oversee development and implementation of the compliance program governing patient privacy and information security.
2. Provide strategic leadership to ensure the integrity and effectiveness of the UW Medicine compliance program.
3. Serve as a content expert for ethics, conflicts of interest, Stark and Anti-Kickback issues, working closely with other UW Medicine COs, legal counsel and business units to resolve inquiries and concerns.

This position oversees the work of assistant compliance officers and/or directors who direct technical and support staff responsible for daily program activities in privacy/information security and program integrity.

Specific Duties and Responsibilities

1. Serve as in-house expert on matters of compliance content areas including patient privacy and information security, identity theft prevention, ethics, Stark/AKS, conflicts of interest, vendor relations, etc. Maintain awareness of laws/regulations, status of current enforcement initiatives, and best practices to ensure program integrity.
2. Serve as the principle architect of the program functions necessary for an effective patient privacy/information security compliance program, working closely with the UW Medicine chief privacy officer and collaborating with other institutional privacy officials on matters of shared concern. Establish program elements and practices that ensure:
    a. execution of an approved risk assessment process and incorporation of results into written work plans that identify deliverables, timelines and responsible parties;
    b. effective monitoring and auditing that includes analysis, reporting and use of results to modify program strategy as needed;
    c. accurate and clear program policies and education/outreach content that provides effective guidance, facilitates compliance and mitigates risk; and
    d. timely and thorough handling of inquiries and complaints.
3. Advise the CCO/AVPMA and executive leaders on best-practices for ensuring program integrity and mitigating organizational risk, including but not limited to committee structures, policies and procedures, communication channels, education and training, monitoring/auditing, investigation, enforcement and risk assessment.
4. Serve as a member of the CCO/AVPMA's executive team, working closely with other content experts to achieve efficiencies and effectiveness throughout the compliance department, and participate in departmental strategic planning, internal policy/procedure development, budget and resource planning, and business decisions.
5. Provide strategic oversight of staff responsible for daily activities in assigned program areas; directly supervise assistant compliance officers, directors and/or senior specialists; provide leadership, mentoring, staff development and performance management; take disciplinary actions

as needed in consultation with human resource department. Anticipate staffing and resource needs.

6. Provide consultative leadership and support to the CCO/AVPMA and entity executives to ensure that adequate steps are taken to correct identified problems and prevent their reoccurrence, including employee sanctions and operational changes.
7. Establish cooperative and collaborative relationships with compliance and operational offices on matters of shared concern, and serve as liaison between those offices and UW Medicine entities to ensure effective and timely management of issues, initiatives and projects.
8. Provide direct support and assistance to entity executives when they are jointly responsible with UW Medicine Compliance for the success of compliance programs in their respective areas
9. Provide regular reports on program activities and issues to the CCO/AVPMA, UW Medicine Vice Presidents, UW Medicine entity executive directors and other UW Medicine leaders and compliance committees.
10. Convene constituent and entity-based compliance committees and work groups as needed.
11. Serve as the primary point of contact for external reviews related to patient privacy or delegate authority as appropriate; coordinate assessments and ensure timely responses; communicate openly and promptly with external parties as deemed appropriate; maintain good relationships with these parties.
12. Serve as contact with legal counsel and the Attorney General's Office regarding related compliance strategies and responses to legal issues.
13. Participate in institution-wide initiatives, process improvement projects and policy implementation processes as necessary; serve on committees and taskforces as assigned.
14. Represent the CCO/AVPMA as necessary.

QUALIFICATIONS

Required

- Bachelor's degree in related field AND 12 years of progressively responsible experience in developing, implementing and administering a compliance program in a complex healthcare environment**
- Advanced knowledge of federal and state healthcare regulations governing patient privacy and information security, ethics, conflicts of interest, Stark and the AntiKickback Statute
- Advanced knowledge of best practices for ensuring the integrity and effectiveness of compliance programs
- Demonstrated ability to communicate effectively, both verbally and in writing, with employees, medical staff, board members and external parties; strong presentation skills
- Demonstrated ability to independently prioritize and organize work, basic computer knowledge, ability to lead interdisciplinary teams
- Proven leadership, supervision, communication, team-building and problem-solving skills; demonstrated ability to work independently and effectively prioritize work
- Demonstrated success in leading projects/initiatives, designing work processes, and implementing programs within a multifaceted, highly matrixed organization

Preferred

- Advanced degree in law, business administration, public health or policy.
- Professional healthcare compliance certification.
- 3 years experience as a Privacy Officer in an academic health center.

- At least 7 years experience at or above the assistant compliance officer level or above in an academic health center.

**or an equivalent combination of education and work experience

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Compliance Officer – Research and Academic Affairs

Position Purpose

1. Coordinate and support compliance-related activities across UW Medicine in the subject matter areas detailed below. The CO has a particular role involving SoM constituents and entities and must receive inquiries/concerns and make appropriate referrals, coordinate investigations, participate in the assessment and mitigation of compliance risks that affect the SoM, provide regular status reports, and work with SoM departments to ensure implementation of healthcare and University compliance policies
2. Coordinate compliance issues, initiatives and projects that may fall under the jurisdiction of University compliance and risk management offices and that impact the affairs, interests and/or constituents of UW Medicine.

Duties and Responsibilities

1. Provide professional leadership for and coordination of compliance issues affecting the SoM; participate in the development of SoM-specific strategies for compliance education, outreach, monitoring and auditing; participate in risk assessments and monitor completion of SoM risk mitigation activities.
2. Serve as the UW Medicine Compliance point of contact for University compliance content areas (including but not limited to research, graduate medical education, privacy, information security, environmental health and safety, conflicts of interest, regulatory compliance, ethics, professionalism) to address UW Medicine risks and interests. Advise the CCO/AVPMA and SoM officials about program needs and system interfaces, and recommend changes as needed.
3. Serve as the UW Medicine Compliance lead for compliance in the area of research integrity, conflicts of interest, and other non-billing related regulatory areas at UW Medicine entities other than the School of Medicine.
4. Ensure that inquiries, complaints and other concerns are properly investigated and resolved, providing consultative leadership and support to all entities as appropriate; verify that adequate steps are taken to correct identified problems and prevent their reoccurrence, including employee sanctions and operational changes.
5. May directly supervise administrative assistant; provide leadership, mentoring, staff development and performance management; take disciplinary actions as needed in consultation with human resource department. Anticipate staffing and resource needs.
6. Maintain awareness of applicable laws, regulations and status of current enforcement initiatives.
7. Participate in the delivery of education and outreach, conduct audits and risk assessments, or perform internal reviews of compliance effectiveness, working closely with UW Medicine compliance teams.

8. Serve as a member of the CCO/AVPMA's executive team, working closely with other content experts to achieve efficiencies and effectiveness throughout the compliance department, participate in departmental strategic planning, internal policy/procedure development, budget and resource planning, and business decisions.
9. Establish cooperative and collaborative relationships with compliance and operational offices on matters of shared concern, and serve as liaison between those offices and UW Medicine entities to ensure effective and timely management of issues, initiatives and projects.
10. Participate in institution-wide initiatives, process improvement projects and policy implementation processes as necessary; serve on committees and taskforces as assigned.
11. Provide direct support and assistance to entity executives who are responsible for the success of compliance programs in their respective areas.
12. Provide regular reports on program activities and issues to the CCO/AVPMA, entity leaders, and compliance committees.
13. Convene constituent and entity-based compliance committees and work groups as needed
14. May serve as point of contact for external reviews or delegate authority as appropriate; coordinate assessments and ensure timely responses.
15. Serve as point of contact with legal counsel and the Attorney General's Office regarding related compliance strategies and responses to legal issues.
16. Represent the CCO/AVPMA as necessary.

Qualifications

Required

- Bachelor's degree in related field AND 10 years of progressively responsible experience managing or coordinating compliance, legal or regulatory affairs in a complex academic, research, healthcare or governmental setting.**
- Knowledge of federal and state compliance regulations governing medical schools, academic medical centers and research universities and experience managing concerns, participating in or leading investigations, and ensuring effective resolution.
- Demonstrated ability to communicate effectively, both verbally and in writing, with employees, medical staff, board members and external parties; strong presentation skills.
- Demonstrated ability to independently prioritize and organize work, basic computer knowledge, ability to lead interdisciplinary teams.
- Demonstrated skills in problem-solving, collaboration and team work to ensure the effective resolution of issues and concerns.

Preferred

- JD or Master's Degree in related field.
- Professional Healthcare Compliance certification.
- Knowledge of and ability to navigate the University and SoM.
- Experience within UW Medicine providing professional level management of sensitive and confidential issues.
- Assistant compliance officer/director level experience in an academic health center or research university environment.

**or an equivalent combination of education and work experience

F. Compliance Roles and Responsibilities

INDIVIDUAL	CHAIRS, DIRECTORS,	SENIOR LEADERS	COMPLIANCE
• Practice personal, professional, ethical and legal accountability • Understand role-specific responsibilities and applicable policies and procedures; complete all required training • Comply with University of Washington (UW) policies and procedures • Protect patient privacy, safeguard confidential information and utilize appropriate technical controls; observe access rights and restrictions • Report compliance concerns and potential compromises of confidential information to administration or compliance; cooperate fully with investigations	• Convey accountability expectations to direct reports • Monitor compliance with UW policies and procedures • Ensure direct reports understand their roles, responsibilities and applicable policies and procedures; enforce onboarding and annual refresher training requirements • Oversee operational implementation of compliance policies and procedures; improve audit results • Actively manage data access rights; monitor use of appropriate safeguards and controls; comply with risk management decisions • Address concerns and/or refer to compliance; implement corrective actions and sanctions	• Provide active leadership; establish accountability expectations and professional standards; allocate resources for compliance program activities • Approve UW Medicine policies; support education and outreach activities; convey implementation expectations to operational areas • Enforce compliance; evaluate audit findings and convey expectations for improved results • Participate in risk assessment process; evaluate results; determine systemwide risk tolerance; make risk management decisions • Receive investigative reports; evaluate findings and determine appropriate corrective actions and sanctions	• Maintain effective compliance programs to prevent, detect and resolve noncompliance with federal and state laws and UW policies • Establish UW Medicine compliance policies, education and outreach strategies, internal controls, audit plans and implementation tools • Audit compliance with UW Medicine policies and internal controls; report findings; analyze trends • Assess compliance risks using internal and external data, trends and regulatory developments; recommend program modifications • Investigate suspected noncompliance with UW Medicine policies; notify affected unit heads and senior leaders; report findings; analyze trends

G. UW Medicine Compliance Code of Conduct

UW Medicine
Compliance Code of Conduct

PREAMBLE

UW Medicine is committed to the highest levels of excellence and integrity in advancement of its mission to improve the health of the public. Each individual and every entity within UW Medicine embodies excellence and integrity, and contributes to a culture of quality, compliance, safety and ethical business practices. Members of UW Medicine treat everyone with respect, courtesy, dignity and professionalism without discrimination and without regard to race, age, gender, origin, cultural affiliation, sexual orientation and religion.

While this code does not address every issue that may arise, it outlines the basic compliance principles and expectations for every individual in UW Medicine, links to relevant policies and guidance, and provides contact information for making inquiries or reporting concerns.

THE CODE OF CONDUCT

1. **Abide by all Laws, Regulations, Policies, Procedures and Standards**
   UW Medicine workforce members exhibit conduct that is legal, ethical and in compliance with applicable institutional policies which are designed to implement federal and state laws and regulations. UW Medicine strives to produce clear guidance, but individuals are personally and professionally responsible for understanding and adhering to rules that apply to their specific roles.

2. **Prevent Fraud and Abuse**
   UW Medicine complies with coding and billing requirements and does not engage in practices that may violate federal and state rules. UW Medicine is committed to the following:
   a. Billing only for services actually rendered and coding services accurately.
   b. Providing timely and complete documentation in the medical record sufficient to support every reimbursement claim.
   c. Preventing inappropriate billing, including:
      - unbundling or upcoding;
      - duplicate billing for the same service;
      - billing for services without a documented order; *and*
      - billing for resident services without a documented teaching physician present when required.

   The Fraud, Waste and Abuse Prevention policy (http://depts.washington.edu/comply/comp_201) and the False Claims Act governs documentation, coding, billing and accounting for patient care services.

Individuals involved in these activities are obligated to understand and apply billing rules, seek guidance as needed and report suspected noncompliance.

3. **Promote Ethical Academic, Clinical, Research and Business Conduct**
   UW Medicine maintains the highest ethical standards for the conduct of its academic, clinical, research and business affairs. All individuals in the enterprise shall:
   a. Exercise personal accountability and integrity in their work and in their relationships with students, patients, research participants, vendors and the public.
   b. Conduct ethical and responsible research with regard for the well-being and rights of study participants.
   c. Make decisions based on the best interests of patients.

4. **Protect Patient Privacy**
   UW Medicine has specific responsibilities to protect patient confidentiality and ensure the privacy and security of protected health information (PHI). All members of UW Medicine share the following accountabilities:
   a. Access, use and disclose only the minimum PHI necessary to perform authorized job duties.
   b. Understand and comply with institutional policies governing PHI, including those that provide patients with specific rights.
   c. Report all concerns about the access, use or disclosure of PHI.

5. **Practice Data Stewardship**
   UW Medicine workforce members are personally and professionally responsible for practicing data stewardship. This obligation begins with taking all measures necessary to ensure the physical and electronic security of any information used or acquired in the performance of assigned duties, regardless of its form, location or method of transmission, even after separation from UW Medicine.

   UW Medicine protects the confidentiality of all sensitive information, including patient, restricted, proprietary, research and student information. Workforce members who are given access to sensitive information are personally and professionally responsible for the following:
   a. Understanding the policies that apply to specific types of information and seeking clarification when questions about requirements arise.
   b. Accessing, using and disclosing sensitive information only as allowed by job duties and in accordance with the standards established for each type of data.
   c. Properly disposing of confidential information.
   d. Reporting all concerns about the confidentiality and stewardship of sensitive information.
   e. Safeguarding against the unauthorized use of UW Medicine proprietary information, including copyrighted, trademarked or licensed materials.
   f. Utilizing approved email domains for transmitting sensitive information.

The use of electronic devices and telecommunication networks that store or transmit sensitive information require UW Medicine workforce members to:

a. Protect job-related accounts, access privileges and passwords from use by unauthorized persons, recognizing that individuals are held accountable for any access used with their credentials.
b. Create strong passwords and change them every 120 days, or as required by security standards.
c. Store and transmit electronic PHI and otherwise sensitive information only on secured systems and encrypted devices.
d. Report all suspected security violations, including phishing, malware and other types of security events that could compromise UW Medicine information.
e. Practice safe computing and implement safeguards to prevent information security breaches.

6. **Comply with Professional and Ethical Standards**

UW Medicine workforce members understand and apply the professional standards unique to their role and function, including the following:

a. Staff bylaws and other entity or role-specific professionalism policies, including but not limited to the UW Professional Conduct Policy (http://www.uwmedicine.org/about/policies/professional-conduct);

b. Specific requirements for disclosing and managing conflicts of interest contained in policies, guidance documents, and established procedures for each constituent group.

Regardless of constituent group, UW Medicine workforce members:

a. Avoid situations that may constitute a conflict of interest, including but not limited to:
   - conducting UW business with firms in which an individual or their family member has a direct or indirect interest;
   - using UW resources for personal business activities;
   - soliciting or accepting gifts from patients or vendors; *and*
   - accepting payments that may be viewed as a bribe, kickback or inducement.
b. Acquire the appropriate approvals for any outside work performed.

7. **Comply with Emergency Medical Treatment Rules**

All care is provided in accordance with UW Medicine's Emergency Medical Treatment and Labor Act (EMTALA) policy.

POLICIES AND GUIDANCE

Enterprise compliance policies, general policies and guidance can be found at the UW Medicine Compliance web site: http://depts.washington.edu/comply/resources/. The site is searchable and includes links to content-specific policies, entity-based policies, and additional standards of conduct that apply to certain constituents.

CONTACT INFORMATION FOR INQUIRIES AND CONCERNS

Seek assistance and report any concerns or potential violations of this Code of Conduct to:

UW Medicine Compliance
Compliance Anonymous Hotline: 206.616.5248 (local) or 866.964.7744 (toll free)
Main telephone line: 206.543.3098 (local) or 855.211.6193 (toll free)
Fax: 206.221.5172
Email: comply@uw.edu
Address: 850 Republican Street, Building C, Box 358049, Seattle, WA 98195-8049
Website: http://depts.washington.edu/comply/

UW Physicians (UWP) Compliance Department *Main telephone line:*
206.221.3345

Children's University Medical Group (CUMG) Compliance Program
Main telephone line: 206.987.8486

ATTESTATION

By my signature below, I attest that I have read the UW Medicine Code of Conduct and had an opportunity to ask questions about its content.

- I understand that I must personally comply with the code of conduct, as well as, federal and state law.
- I understand that I must know and understand the policies that apply to my job.
- I understand that I must report any potential violations of this Code of Conduct or UW Medicine compliance policies to a designated institutional official, including my supervisor or one of the offices listed in this Code.

Name (please print) _____

Signature_____

Date_____ Department/Service area_____

After signing this form, please give it to your supervisor. Signed forms are kept in your personnel file.

BOARD OF REGENTS MEETING

UW Medicine Annual Financial Report

INFORMATION

This item is being presented for information only.

BACKGROUND

UW Medicine Board's Annual Financial Report is one of four annual reports that UW Medicine provides to the Board of Regents.

Attachment
UW Medicine Annual Financial Report

UW Medicine

UW Medicine Annual Financial Report

University of Washington Board of Regents
February 8, 2018

EXECUTIVE SUMMARY

FY 2017 was another successful year for UW Medicine, despite disappointing financial results. This is due to the efforts and commitment of approximately 30,000 talented staff, faculty, students, trainees and volunteers. Consistent with the goals established for the year, UW Medicine focused on fulfilling its mission of improving the health of the public by leading as an Accountable Care Organization, delivering world class clinical care, research, education and training, continuing to implement its evolving strategic plan and achieving the UW Medicine Patients Are First pillar goals.

The healthcare environment and UW Medicine continue to experience rapid change as the shift from fee-for-service payments to value-based reimbursement provides the impetus for organizations to transform. The Pacific Northwest has continued to experience significant consolidation, affiliations and integration in the healthcare market. In addition, self-insured employers are seeking alternative contractual relationships with health systems to improve the health of employees and their family members, increase satisfaction with the care that is provided and reduce overall cost.

As part of its strategic plan, UW Medicine formed the UW Medicine Accountable Care Network (ACN) in 2014 to position itself as a leader in the evolving market. In January 2015, the UW Medicine ACN began providing services to certain Boeing employees and their families as part of a preferred partnership arrangement, with initial enrollment surpassing Boeing's expectations. The third performance year of the Boeing contract saw enrollment increases of approximately 13 percent across the UW Medicine ACN. The UW Medicine ACN was also selected as one of two Accountable Care Programs (ACPs) for state employees in five counties in the Puget Sound area and began providing care and services under that arrangement in January 2016. These accountable care arrangements provide an opportunity for UW Medicine to lead the way in transforming care and services. **The UW Medicine ACN was the only network selected to participate in both of these innovative new programs**. Demonstrating our ability to provide improvements in value by effectively managing costs and utilization while continuing to improve quality of care, patient safety, satisfaction and access to care remains a top priority. It is anticipated that the market will continue to change and evolve over the next year, creating downward pressure on reimbursement and a continued shift of volumes from the inpatient setting to the outpatient setting.

Consistent with national and regional trends, UW Medicine has experienced slower growth of inpatient admission volumes over the past few years while at the same time seeing an increase in patient acuity and strong growth in the inpatient observation and outpatient clinic areas. The focus for future growth in inpatient volumes is targeted to key core service lines. Outpatient volumes are expected to increase because advances in technology and changes in reimbursement are rapidly moving some of the traditional inpatient care to an outpatient service delivery model. UW Medicine has continued to prioritize growth in the ambulatory setting through the development of the UW Neighborhood Clinics, along with clinic growth at both Northwest Hospital & Medical Center and Valley Medical Center.

UW Medicine continues to be an international leader in medical research. UW Medicine faculty were once again in the top two in the country among all medical schools and first among public medical schools in National Institutes of Health (NIH) research funding based on federal FY 2016 awards. The UW School of Medicine was again ranked #2 among all medical schools in the world in a prestigious international study from Shanghai.

FY 2017 financial results for total combined UW Medicine revenue was approximately $4.9 billion; $3.5 billion related to the medical centers, clinics and professional billing and $1.4 billion related to the School of Medicine. This represents a 4.8 percent increase compared to FY 2016. Total combined income for UW Medicine was a loss of $(75.8) million, yielding a (1.6) percent margin. This compares unfavorably to budgeted total income of $29.0 million and a 0.6 percent total margin. The primary drivers of financial performance related to reimbursement pressure from both governmental and commercial payers, higher than anticipated labor costs at University of Washington Medical Center and negative shifts in payer mix. Northwest Hospital & Medical Center experienced less patient volume growth than planned, which contributed to the lower financial performance. Factors influencing results of the individual entities are discussed in the financial highlights section. The combined balance sheet for UW Medicine remained stable with unrestricted cash and investments of $1.1 billion at June 30, 2017, a decrease of $58.0 million over the prior year.

FINANCIAL HIGHLIGHTS FOR FY 2017

UNIVERSITY OF WASHINGTON MEDICAL CENTER (UWMC)

University of Washington Medical Center recorded operating revenues of $1.2 billion in FY 2017, an increase of 4.2 percent over the prior year. UWMC reported total net loss of $(44.3) million, or (3.7) percent of operating revenue. The net loss was below budget by $62.7 million. Although both inpatient and outpatient volumes increased significantly over the prior year, lower than anticipated commercial reimbursement and higher than expected salary, wage and benefit expense more than offset the impact of favorable volumes. In mid-2017, UWMC nursing partnered with a nationally recognized consulting firm to launch the Operation Excellence project, which redesigns the inpatient staffing models to improve labor efficiencies and reduce overtime and outside staff utilization costs.

Capital investments included continued construction of Phase 2 of the Montlake Tower expansion project, including the preparation, hold and recovery areas, additional operating rooms and patient waiting areas. The project is scheduled to be completed in February of 2018. Construction also commenced on the Emergency Department extension and remodel, which will recover lost square footage from the Montlake Tower expansion project.

HARBORVIEW MEDICAL CENTER (HMC)

Harborview Medical Center recorded operating revenues of $998.4 million in FY 2017, an increase of 3.5 percent over the prior year. HMC reported total net income of $6.6 million, or 0.7 percent of operating revenue. Net income exceeded budget by $1.9 million. The increase can primarily be attributed to higher inpatient acuity and increased outpatient volumes in the operating rooms and specialty clinics. Other factors contributing to the positive financial results include favorable third party settlements, grant revenue and contract pharmacy as well as focused management of expenses.

NORTHWEST HOSPITAL & MEDICAL CENTER (NWH)

Northwest Hospital & Medical Center recorded operating revenues of $358.7 million in FY 2017, a decrease of (3.8) percent over the prior year. NWH reported a total net loss of $(26.3) million, or (7.3) percent of operating revenue. Net income was below budget by $31.3 million. The primary drivers were a significant shift in payer mix and lower-than-budgeted inpatient volumes. NWH continues to focus on building key service lines, expanding its ambulatory network and decreasing expenses wherever possible.

Key strategic initiatives in FY 2017 included the expansion of primary care services in Fremont as well as the opening of the UW Medicine Kidney Stone Center on campus. In addition, NWH continued to recruit key physicians in orthopedics, vascular surgery, primary care, urology and obstetrics/gynecology. NWH focused on maximizing their revenue cycle processes by optimizing the new Epic hospital billing and registration system that was deployed in FY 2016. Investments in necessary infrastructure occurred with the deployment of a new hemodynamic patient monitoring system, the completion of a remodel of a medical/surgical unit and the start of a costly replacement of necessary HVAC equipment. NWH continues to have critical campus infrastructure and technology needs which involve upgrades or replacement of aging inpatient and outpatient care facilities and equipment that are no longer efficient to operate nor competitive in the market. This will be a major area of focus in FY 2018 and beyond.

VALLEY MEDICAL CENTER (VMC)

Valley Medical Center recorded operating revenues of $576.0 million in FY 2017, an increase of 4.7 percent over the prior year. VMC reported total net loss of $(22.0) million, or (3.8) percent of operating revenue due primarily to a significant payer mix shift and a comprehensive one-time early retirement program. The revenue increase was primarily the result of continued growth in clinic and ambulatory outpatient hospital services. VMC continued to advance the biggest on-campus ambulatory expansion in its history. VMC continues to heavily focus on management of expenses and remaining a low cost provider, patient access through electronic direct scheduling and online bill pay and patient safety by successfully achieving the highest electronic medical record level for utilization (HIMSS Stage 7).

FINANCIAL HIGHLIGHTS FOR FY 2017, continued

UW NEIGHBORHOOD CLINICS (UWNC)

UW Neighborhood Clinics reported operating revenue of $61.8 million, an increase of 10.3 percent over the prior year. UWNC experienced unanticipated degradation of commercial payer mix, increased charity care and bad debt as well as delayed opening of urgent care clinics during FY 2017. Total funding from the Medical Centers for UWNC was approximately $47.3 million in FY 2017.

UNIVERSITY OF WASHINGTON PHYSICIANS (UWP)

University of Washington Physicians' FY 2017 operating revenues were $256.0 million, an increase of 9.1 percent over FY 2016. UWP generated income of $52.0 million before transfers to departments in support of physician funding and departmental operations. Greater-than-anticipated patient volumes drove positive variances. Net billing fees increased $21.3 million over FY 2016. This increase was primarily associated with a 7.0 percent increase in volumes (as measured in relative value units). Net funds generated from UWP operations are transferred to the clinical departments of the UW School of Medicine to support operations.

AIRLIFT NORTHWEST (ALNW)

Airlift Northwest recorded operating revenues of $52.9 million in FY 2017, an increase of 8.0 percent over the prior year. ALNW reported total net income of $3.8 million, or 7.1 percent of net revenue. Net income exceeded budget by $1.4 million. Flight volumes at ALNW were below budget by 3.9 percent for the year. ALNW continues to develop strategic initiatives to optimize financial performance by focusing on revenue cycle management and expense reduction through aviation fuel expense contracting and reconfiguring staffing models to reduce labor expense. ALNW's strong financial performance is primarily the result of an increase in flight volume and billable mileage over prior year, payments from the Airlift Supplemental Service Payment Program, the successful Air Care membership program and continued strong expense management while expanding services in local communities to be closer to our patients.

UW SCHOOL OF MEDICINE (SOM)

Overall revenue for the UW School of Medicine was $1.4 billion in FY 2017, an increase of 7.6 percent over FY 2016. Revenues exceeded expenses for the year by $8.2 million, which was favorable to budget by $24.5 million. Revenues increased by $97.8 million in FY 2017, primarily due to increases in grants and contracts, practice plan clinical salary support and gifts and endowment income. Revenue generated from research activities increased by $35.7 million over FY 2016. UW Medicine faculty was responsible for teaching approximately 4,900 students and trainees in FY 2017.

PRIVATE SUPPORT AND GIFTS

In FY 2017, 15,844 generous individuals, foundations and corporations gave $204.2 million in gifts and grants to UW Medicine, making FY 2017 the most successful fundraising year in UW Medicine's history. UW Medicine raised $62.8 million in gifts, exceeding the goal of $50 million by 25%. This reflects an increase of $12.6 million in gifts over FY 2016. Additionally, UW Medicine secured $141.4 million in private grants. The total campaign commitments, including new gifts, grants and pledges, total over $612 million for FY 2017. As of June 30, 2017, UW Medicine Advancement has secured $1.62 billion for the UW Campaign, representing 39% of the total raised by the University.

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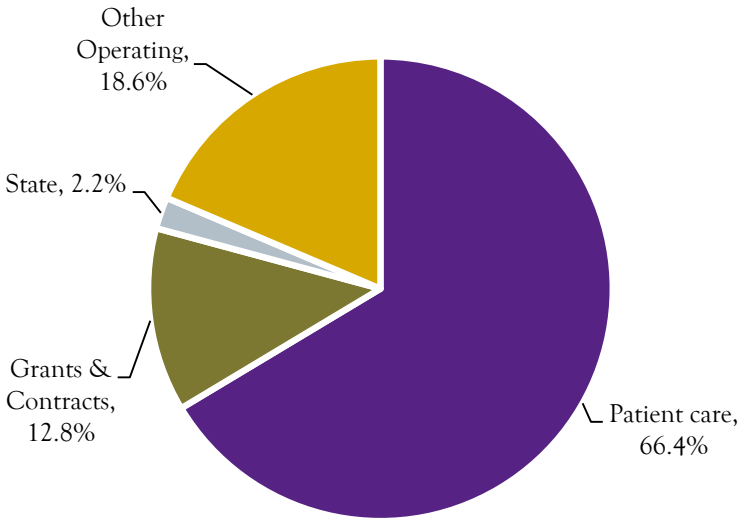
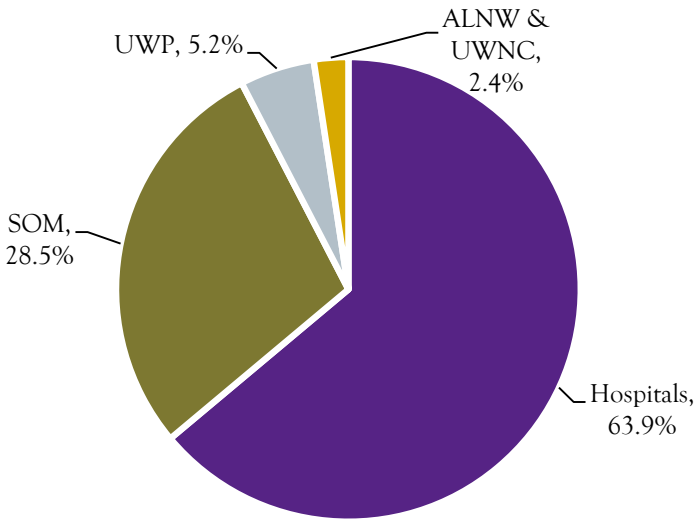
KEY STATISTICS & RESULTS

In FY 2017, UW Medicine revenues were approximately $4.9 billion. This represents an increase of 4.8 percent compared to FY 2016. The following charts summarize the sources of revenue for UW Medicine. Over the most recent four years, total combined UW Medicine revenue has increased at an average rate of 5.1 percent per year. These increases have occurred in the context of an incredibly competitive local healthcare market, reductions in state and federal funding and increased competition for peer reviewed research grant funding. UW Medicine's largest source of revenue is patient care revenue (66.4 percent).[1]

Revenue by Source



Revenue by Entity Category



[1] Other operating revenue includes revenue for self-sustaining departments, research and training and federal Meaningful Use payments.

KEY STATISTICS & RESULTS, continued

The following tables summarize combined operating revenue, net income (loss) and charity care for all eight UW Medicine entities for FY 2016 and FY 2017.

Operating Revenue ($ in Millions)	FY 2016 (Audited)	FY 2017 (Audited)
Harborview Medical Center	$964	$998
Northwest Hospital & Medical Center	$373	$359
UW Medical Center	$1,135	$1,183
Valley Medical Center	$550	$576
Airlift Northwest	$49	$53
UW Neighborhood Clinics*	$56	$62
UW Physicians	$235	$256
UW School of Medicine	$1,295	$1,393
Combined Total UW Medicine	**$4,657**	**$4,880**

Net Income (Loss) ($ in Millions)	FY 2016 (Audited)	FY 2017 (Audited)
Harborview Medical Center	$17	$7
Northwest Hospital & Medical Center	($5)	$(26)
UW Medical Center	($27)	$(44)
Valley Medical Center	$12	$(22)
Airlift Northwest	$7	$4
UW Neighborhood Clinics	($2)	$(2)
UW Physicians**	$0	$0
UW School of Medicine	($20)	$8
Combined Total UW Medicine	**($18)**	**$(75)**

Charity Care ($ in Millions)	FY 2016 (Audited)	FY 2017 (Audited)
Harborview Medical Center	$64	$75
Northwest Hospital & Medical Center	$9	$13
UW Medical Center	$23	$29
Valley Medical Center	$7	$21
Airlift Northwest	$2	$2
UW Neighborhood Clinics	$0	$0
UW Physicians	$13	$15
UW School of Medicine	N/A	N/A
Total UW Medicine	**$118**	**$155**

**Amounts reclassified for consistency with FY 2017 audited financial statements.*
***Results for UWP are shown after amounts available to the School of Medicine.*

Total charity care, as measured by foregone charges, was $155 million, an increase of $37 million over FY 2016. The cost of charity care for FY 2017 was $57 million, compared to $45 million in FY 2016. Charity care has decreased since January 2014 as a result of the Medicaid expansion to previously uninsured patients and implementation of the Healthcare Exchanges. It should be noted that Medicaid reimbursement for the four medical centers ranges from 70 percent to 90 percent of cost for inpatients and 34 percent to 68 percent for outpatients. UW Medicine provided over $360 million in uncompensated care system-wide in FY 2016, which includes the uncompensated cost of providing Medicaid and Medicare, as well as charity care. Although we have finalized FY 2017, uncompensated care amounts are not yet available.

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KEY STATISTICS & RESULTS, continued

The following table provides comparisons of key financial indicators for the four medical centers for FY 2017.

Ratio/Indicator	HMC	NWH	VMC	UWMC
Operating Cash Flow Margin[2]	5.6%	(4.1)%	1.0%	1.6%
Debt to Capitalization[3]	0.0%	55.5%	59.8%	44.3%
Days Cash on Hand[4]	116.3	47.1	129.3	61.9
Days in A/R (Net)[5]	58.9	37.6	44.2	49.7

The very low HMC debt-to-capitalization number reflects the capital support historically provided by King County through voter-approved general obligation bonds.

UW Medicine is not rated independently from the University. As a significant part of the UW financial performance, UW Medicine contributes positively toward the UW "A" rating.

[2] Cash generated from medical center core activities expressed as a percentage of net revenue
[3] Debt outstanding expressed as a percentage of capital/net assets
[4] Number of days average expenditures that could be paid with current cash and investments on hand
[5] Average number of days to collect patient care revenues

FIVE-YEAR PERFORMANCE COMPARISON

The overall patient care activity of UW Medicine hospitals and clinics remains stable with some growth at selected sites. Case mix index, a measurement of inpatient acuity based on Diagnosis Related Groups (DRGs), continues to increase at HMC and UWMC, consistent with the UW Medicine strategic plan to continue to grow high-end tertiary and quaternary services. The following tables summarize the clinical activities for the owned and managed hospitals and clinics of UW Medicine.

Harborview Medical Center

Statistic	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Admissions	17,999	17,176	17,362	16,969	17,158
Patient Days	135,779	132,284	138,214	144,140	146,805
Outpatient Visits	245,751	247,349	247,615	252,435	258,666
Emergency Visits	66,285	64,512	62,217	59,776	58,847
Average Length of Stay	7.5 days	7.7 days	8.0 days	8.5 days	8.6 days
Case Mix Index (CMI)	1.99	2.10	2.15	2.23	2.28

Northwest Hospital & Medical Center

Statistic	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Admissions	9,974	9,211	9,934	10,060	9,945
Patient Days	44,333	44,189	47,143	48,492	49,375
Outpatient Visits	195,978	193,387	195,031	197,132	174,257
Emergency Visits	33,942	34,276	36,159	35,068	34,150
Average Length of Stay	4.4 days	4.8 days	4.7 days	4.8 days	5.0 days
Case Mix Index (CMI)	1.42	1.43	1.46	1.50	1.53

University of Washington Medical Center

Statistic	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Admissions	17,728	18,033	18,092	18,362	18,964
Patient Days	122,867	124,513	126,239	132,529	132,403
Outpatient Visits	284,870	291,375	302,038	320,037	341,014
Emergency Visits	22,977	25,338	26,465	26,555	27,730
Average Length of Stay	6.9 days	6.9 days	7.0 days	7.2 days	7.0 days
Case Mix Index (CMI)	1.98	2.02	2.13	2.24	2.25

Valley Medical Center

Statistic	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Discharges	17,477	16,693	17,174	17,518	18,153
Patient days	65,769	61,395	65,792	70,148	72,541
Outpatient Visits	362,274	403,169	471,780	499,814	529,092
Emergency Visits	74,202	73,763	81,250	83,067	83,907
Average Length of Stay	3.8 days	3.7 days	3.8 days	4.0 days	4.0 days
Case Mix Index (CMI)	1.33	1.40	1.45	1.48	1.49

UW Neighborhood Clinics

Statistic	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Clinic Visits	233,264	253,631	270,392	300,799	338,174
New Patients	17,440	21,530	24,209	31,632	37,086

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RESEARCH PROGRAMS

UW Medicine research awards have increased at a cumulative average of 17 percent over the last five years, with federal funding increasing 6 percent. Federal funding increased by $58.8 million (13 percent) from FY 2016 to FY 2017 due to a new $35 million award for the Department of Genome Sciences which is expected to become an ongoing annual award. Non-federal funding experienced a 44 percent cumulative average growth rate over the last five years, more than doubling in amount from FY 2013 to FY 2016. Non-federal funding increased $238.1 million (98 percent) from FY 2016 to FY 2017, largely attributed to a significant award from the Bill and Melinda Gates Foundation to the UW School of Medicine Institute for Health Metrics and Evaluation. The following table summarizes UW-based School of Medicine research awards over the past five years.

Table 1. Awards to UW School of Medicine (Federal, Non-federal) by UW Fiscal Year ($ in Millions)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 (Prelim)	5-Yr CAGR
Federal	$417.3	$500.5	$455.7	$455.3	$514.1	6%
Non-federal	$112.9	$200.2	$179.2	$248.2	$486.3	44%
Total	**$530.2**	**$700.7**	**$634.9**	**$703.5**	**$1000.4**	**17%**

Note: Award totals are adjusted to reflect agreements between the Dean of the School of Medicine and the Deans of the College of Engineering and the School of Public Health for the Departments of Bioengineering and Global Health, respectively. Federal awards include federal flow-through from other institutions.

UW School of Medicine total awards experienced a significant decrease in FY 2013 and subsequent significant increase in FY 2014 resulting from the timing of award receipt and processing between UW fiscal years (July through June). Two factors contributed to approximately $84 million in funding being received in Federal FY 2013 but not being reported in FY 2014 for UW Medicine:

1) An overall decrease in federal funding during the Federal Sequestration in March 2013 through June 2013 which resulted in delays in award funding.
2) UW systems and processes were updated to address new policies governing financial conflict of interest which resulted in an extended processing timeline for many awards.

In Federal FY 2016, there were 644 separate NIH awards to 430 UW-based School of Medicine Principal Investigators. There were an estimated 929 UW-based School of Medicine regular and research faculty working on those grants. In addition to these NIH awards managed by the University of Washington, 340 NIH awards were received by UW School of Medicine faculty and were managed by affiliated institutions (for example, Fred Hutchinson Cancer Research Center, Seattle Children's Hospital and Seattle Biomedical Research Institute). In total, NIH awards to UW Medicine faculty were $638.9 million in Federal FY 2016, an increase of $33.6 million (6 percent) over Federal FY 2015.

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RESEARCH PROGRAMS, continued

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 FY 2016 awards.

Table 2. Ranking of Organizations per Total NIH Awards by Federal Fiscal Year ($ in Millions)

Organization	2012 NIH Awards	2013 NIH Awards	2014 NIH Awards	2015 NIH Awards	2016 NIH Awards	5-yr CAGR
Harvard	$1,117.1	$1,370.7	$1,412.9	$1,419.6	$1,430.4	6.4%
U of Washington	**$635.3**	**$557.7**	**$646.8**	**$606.2**	**$638.9**	**0.1%**
UCLA	$500.4	$439.2	$416.2	$472.9	$600.2	4.7%
UCSF	$498.4	$524.7	$549.0	$531.1	$577.4	3.7%
Johns Hopkins	$534.2	$511.7	$528.4	$521.6	$564.9	1.4%
U of Pennsylvania	$538.8	$516.0	$550.5	$514.2	$535.0	(0.2%)
U of Pittsburgh	$379.5	$344.9	$369.6	$399.6	$476.7	5.9%
Columbia	$393.1	$366.4	$373.2	$399.5	$461.1	4.1%
Michigan	$383.0	$346.3	$350.8	$385.4	$402.2	1.2%
Stanford	$323.5	$329.6	$354.7	$375.3	$383.3	4.3%
Washington U	$375.9	$325.3	$356.3	$352.3	$374.0	(0.1%)
Duke	$319.2	$314.6	$324.9	$326.3	$369.6	3.7%
Yale	$359.3	$347.9	$342.9	$344.3	$359.6	0.0%
Vanderbilt	$332.2	$322.2	$337.5	$344.3	$353.3	1.6%
Icahn Mount Sinai	$237.0	$266.5	$304.8	$181.3	$348.2	10.1%

UW Medicine's comparative success in NIH funding is due to a number of factors, including the interdisciplinary breadth of its research programs, the addition of new laboratory space at South Lake Union and the increased emphasis on 21st century science such as genomics, proteomics, regenerative medicine and global health research.

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LOOKING FORWARD: FY 2018

As an integral part of preparing the UW Medicine Long Range Financial Plan (LRFP) and Annual Budget, the boards and senior leaders at each individual UW Medicine entity, in conjunction with the UW Medicine Board and executive leaders, identify specific risks and mitigation plans. This planning process enhances our ability to achieve the financial performance required to implement strategic objectives that have been identified. The graphic below displays the consolidated assessment done for FY 2018 regarding global risks shared across all of UW Medicine as well as specific risks identified at the individual entity level.

UW MEDICINE FY 2018 FINANCIAL RISKS

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LOOKING FORWARD: FY 2018, continued

REVENUES AND EXPENSES

UW Medicine is approaching FY 2018-2020 as stabilization years in which we plan to work together to significantly improve the financial performance across the enterprise. This initiative is referred to as Project FIT (Financial Improvement and Transformation) and will focus on significant transformation of every facet of our business. We will be working collaboratively to maximize our clinical delivery system capacity, continuing to streamline our cost structure and focus on infrastructure investments necessary to achieve future efficiencies. In FY 2018 and beyond it is anticipated that there will be continued downward pressure from all payers on reimbursement as well as pressure to transition care to lower cost settings. Revenue assumptions reflect continued pressure from government payers such as Medicare and Medicaid, continued shifts within our commercial payers to lower paying plans and continued reduction of fee-for-service based payments to reimbursement based on value (quality, patient access and patient satisfaction). For the same time period expense inflation factors have been applied to the cost of supplies, labor and equipment, putting additional pressure on margins. Our commitment to our future financial success is strong and we are focused on achieving our FY 2018 budget as well as our Project FIT goals for FY 2019-2020 and beyond, in order to position us to be able to execute on our strategic priorities.

INFORMATION TECHNOLOGY (IT)

Strategic IT investments are a priority at UW Medicine. The need to move to a single enterprise electronic health record (EHR) is compelling due to the advantages it would offer around clinical quality, safety and workflow efficiencies, along with decreasing duplicative costs and complexity. The return on investment opportunities from a single enterprise EHR has been modeled but will be updated under the leadership of our new Chief Information Officer. In addition to an improved patient experience, we anticipate savings in IT cost offsets, revenue cycle improvements and quality/safety cost avoidance. Continued implementation and optimization of the enterprise-wide electronic medical record as well as other clinical and business systems require an annual investment of $50 to $100 million per year. Additionally, UW Medicine is collaborating with UW Administration in evaluating the implementation of a new financial system that will impact the entire University.

ACCOUNTABLE CARE NETWORK (ACN) RISK

As the number of UW Medicine ACN agreements grows the risk to UW Medicine increases. The financial impact of the Boeing contract for FY 2016 was significantly higher than FY 2015. In August 2017, we successfully negotiated a new four year contract with Boeing that better aligns risks and incentives to achievable outcomes. The addition of the contract for state employees as of January 1, 2016 resulted in an insignificant negative potential impact. The opportunity with the ACN contracts includes gaining additional market share as well as providing the impetus for reducing the overall cost of care, improving the quality of care and increasing patient satisfaction.

UW MEDICINE'S FIVE AREAS OF FOCUS FOR FY 2018 ARE:

1. **Delivery of world class research and training.**
    a. The continued development of research space at South Lake Union is a major step in ensuring the continued growth of UW Medicine research programs.
    b. Continued development of information technology platforms to support the needs of researchers.
    c. Aggressive recruitment continues to attract strong research and teaching professionals to UW Medicine.
    d. Work to assure a supportive environment for interdisciplinary and translational research continues with a focus on retaining leaders of important research areas.
    e. Continue to assess and develop support for the ongoing need for an expanding physician workforce to meet demands for healthcare professionals across the WWAMI states, including telemedicine options.
    f. Maintain high quality and cost effectiveness of the medical school teaching program.
    g. Continuous curriculum renewal to enhance active learning and increase integration across all years of the medical school across all teaching sites in our five-state program.
    h. Launch of center initiatives that encompass teaching, training and basic and translational research.
    i. Utilize simulation and modeling in our hospitals to train health professionals in the areas of procedural and communication skills.

LOOKING FORWARD: FY 2018, continued

2. **Achievement of Project FIT.**
    a. Improve margins by FY 2020 in order to generate the capital necessary to continue to invest in our future under solid financial footing.
    b. Focused development and execution of the key initiatives identified in Project FIT, including increasing revenues through the growth of clinical services, reducing costs through a number of initiatives related to labor, productivity, supply pricing and utilization and investing in our infrastructure.
    c. As initiatives mature and financial impacts are quantified with more certainty, it will be necessary to adjust and re-evaluate our work in order to achieve the impact that has been identified as our goal.

3. **Leading as an Accountable Care Organization by focusing on:**
    a. Measuring and improving the health of those served, effectively coordinating care across a continuum of health care settings and utilizing a "medical home" based model that supports patients with chronic conditions on a routine and individualized basis to ensure high-quality, efficient and affordable care.
    b. Reducing the cost of healthcare by standardizing care protocols based on evidence-based research.
    c. Improving the experience of care by focusing on quality, safety, service and access.
    d. Leading the UW Medicine Accountable Care Network (including Overlake Hospital, MultiCare, Capital Medical Center, PeaceHealth, Skagit Valley Hospital, Cascade Hospital, Island Hospital, Evergreen Health Network, Seattle Cancer Care Alliance and Seattle Children's in addition to all UW Medicine entities) to ensure sufficient size and geographic distribution to meet the needs of the populations served.
    e. Providing cost-effective and clinically integrated healthcare in communities throughout the Puget Sound region while supporting the education of the next generation of clinicians and advancing research, through the newly formed alliance between UW Medicine and MultiCare.
    f. Meeting and exceeding expectations and requirements relative to the Boeing and Health Care Authority contracts.

4. **Advancing our mission of improving the health of the public and our commitment to being socially responsible to serve patients from all walks of life.**
    a. UW Medicine's commitment to serving all populations will continue.
    b. Leadership has worked proactively with other hospitals and healthcare professionals in the community to share in this responsibility.
    c. UW Medicine leadership will play an important role in improving mental health services and healthcare equity for those in need in our community.

5. **Achievement of the UW Medicine Patients Are First pillar goals**.
    a. Focus on serving the patient and family
    b. Provide the highest quality care
    c. Become the employer of choice
    d. Practice fiscal responsibility

The healthcare industry generally has relatively small operating margins, incurs large capital expenditures to keep current with advances in technology and has a high reliance on government payments. Healthcare is in a period of consolidation and destabilization. The operating, clinical and financial aspects of our work will become increasingly challenging over the next few years with the transition from fee-for-service to a value-based reimbursement system. The development of a strong philanthropic revenue stream to support UW Medicine priorities will be a key focus for our leaders going forward.

UW Medicine's ability to be successful requires that it has strong, effective and visionary leadership, makes well-informed strategic choices, recruits and retains excellent staff, faculty, students and trainees, implements best practices in all aspects of its operations, and strengthens its financial health to be able to invest in its future.

UW MEDICINE BOARD FINANCE AND AUDIT COMMITTEE: FY 2017 ROSTER

VOTING AND EX OFFICIO MEMBERS

Kristi Blake, Ex Officio Board Member

- Member of the UW Board of Regents
- President of Kristianne Gates Blake, PS. Kristi served as a partner with Deloitte, Haskins & Sells prior to starting her own firm in 1987. She serves as a trustee of the Russell Funds and as a director of Avista Corporation.
- Community board service included YMCA Retirement Fund, Saint George's School, YMCA of the Inland Empire, Spokane Area Chamber of Commerce, United Way of Spokane County, Junior League of Spokane and the Higher Education Coordinating Board.
- Kristi was born and raised in Seattle, graduating with a Bachelor of Arts in Business Administration from the University of Washington.

Robert Gerth, Board Member

- Bob is retired from his long time profession as a partner with the international accounting and consulting firm of Deloitte.
- Previously Bob was a partner in the Seattle office of Deloitte and led the International Group, was office managing partner and then Office Chairman at the time of his retirement in the year 2000.
- Bob remains active in business and civic activities.
- The primary focus of his interests is affordable housing, education and support for cancer research.

Terry Lengfelder, Board Member

- Member of the UW Medicine/Northwest Board
- Retired consultant in business management, finance and accounting. Prior to his years of consultancy, he spent almost four decades at Arthur Anderson & Co. in a wide variety of management positions, the most recent of which was Managing Partner of Global Service Quality.
- Chairman of the Technical Advisory Committee of two large drug companies.
- Bachelor of Science in Business Administration from Washington University in St. Louis, MO.

Peter van Oppen, Board Member & Committee Chair

- Partner at Trilogy Partnership, a venture capital and private investment firm in Bellevue, WA. He served as Chairman and CEO of Advanced Digital Information Corporation (ADIC) and its predecessor companies from 1989 to 2006.
- Worked in medical electronics and as a consultant at Price Waterhouse LLP and Bain & Company in New York, Boston and London.
- He was an initial investor in companies that became Voicestream (VSTR) and Western Wireless (WWCA) and served as a director of related entities at various times between 1992 and the sale of Western Wireless in 2005. In addition to ADIC and Western Wireless, he has served on numerous public and private company boards including Isilon Systems (ISLN) through its sale to EMC as well as many private entities. He is currently a director of Level 3 Communications, Inc. (LVLT).
- Former Chair of the Whitman College Board of Trustees and former director of the Seattle Branch of the Federal Reserve Bank of San Francisco.
- He is a member of the American Institute of Certified Public Accountants on inactive status and holds a Bachelor of Arts in political science from Whitman College and a Harvard MBA, where he was a Baker Scholar.

Rogelio Riojas, Ex Officio Board Member

- President and CEO of Sea Mar Community Health Centers since 1978. Sea Mar is a health and human services non-profit organization committed to providing quality, comprehensive health, human and housing services to diverse communities.
- Bachelor of Science in economics and political science and Masters in health administration from the University of Washington.

Donna Russell, Board Member

- Principal of Donna Russell Consulting, LLC, a global health consulting firm that specializes in strategic and technical support to facilitate research, development, and implementation of new interventions to improve health globally.
- Co-founded the Global Alliance to Prevent Prematurity and Stillbirth (GAPPS), where she served as Director of Research Development.
- Served as a senior policy advisor to the Washington State Board of Health and as a health services consultant to the Washington State Department of Health.
- Member of the PRE-EMPT Technical Advisory Group; the Preeclampsia Registry and Biobank, Scientific Advisory Board, Executive Committee; and the Group B Strep International Advisory Board. Berkeley, School of Natural Resources, and a Master of Health Administration from the University Of Washington School of Public Health & Community Medicine.

Jane Stonecipher, Board Member

- Interim Executive Director of The Arboretum Foundation.
- Held senior finance and marketing positions with Western Wireless Corporation and the personal computer division of Hewlett Packard. Specializing in strategic planning and financial analysis, she has also helped a number of emerging companies on business plan development.
- In 2007, Jane moved to the nonprofit sector and became CFO of Epiphany School, leading the financing efforts for a campus expansion.
- Trustee of Pacific Northwest Ballet and the St. Mark's Foundation and currently works with WA Women's Foundation, Lakeside School and Girl Scouts of Western WA.
- Holds a MBA from Harvard Business School and an accounting degree from the University of Alabama.

UW MEDICINE BOARD FINANCE AND AUDIT COMMITTEE: FY 2017 ROSTER, continued

NON-VOTING MEMBERS

UW Medicine

Paul G. Ramsey, M.D., CEO, UW Medicine, executive vice president for medical affairs, and dean of the UW School of Medicine, University of Washington

Ruth Mahan, chief business officer, UW Medicine, and vice president for medical affairs, University of Washington

Jacqueline Cabe, chief financial officer, UW Medicine, and vice president for medical affairs, University of Washington

Paul Hayes, interim chief health system officer, UW Medicine, and vice president for medical affairs, University of Washington

Carlos Pellegrini, M.D., chief medical officer, UW Medicine, and vice president for medical affairs, University of Washington

Maureen Broom, enterprise finance officer, UW Medicine

Mark Green, vice dean for Administration and Finance, University of Washington

Mary Fran Joseph, associate dean for Administration and Finance, University of Washington

Practice Plans

Tim Dellit, M.D., president, UW Physicians

Hospitals/Clinics

Cindy Hecker, executive director, Northwest Hospital and Medical Center

Debra Gussin, executive director, UW Neighborhood Clinics

Paul Hayes, executive director, Harborview Medical Center

Jeannine Grinnell, chief financial officer, Valley Medical Center

Geoff Austin, executive director, UW Medical Center

UW Medicine Board Finance & Audit Committee Charter

Committee Name

UW Medicine Board Finance & Audit Committee

Committee Establishment and Authority

Section 4.5 of the UW Medicine Board Bylaws establishes and defines the authority of the UW Medicine Board Finance & Audit Committee.

Committee General Duties

In conformance with Section 4.5.1 of the board bylaws, the finance & audit committee shall be accountable to the board and responsible for reviewing and evaluating the financial results, plans and audits of UW Medicine and its component entities[1] and for preparing the chair of the board to advise the University of Washington (UW) Board of Regents, the president, and the chief executive officer, UW Medicine, executive vice president for medical affairs, University of Washington, and dean, University of Washington School of Medicine (CEO/EVPMA/Dean) regarding the implementation and effectiveness of UW Medicine finance and audit programs. The committee shall also participate in the development of the annual board financial report to the UW Board of Regents and the president in conformance with Section 1.4.2 of the board bylaws.

The committee shall keep the board informed of its activities and findings concerning the implementation and effectiveness of UW Medicine finance and audit programs. Such duty anticipates a report from the chair of the finance & audit committee (or other member of the committee if the chair is not available) to the board at the next meeting of the board following a meeting of the finance & audit committee.

Committee Specific Duties and Responsibilities

Duties of the committee shall include but are not limited to advising on the following (UW Medicine Board Bylaws, Section 4.5.1):

- *Assessing the overall financial risks and capacities of UW Medicine; and*
- *Assessing the congruity of the financial management, plans, and objectives of UW Medicine.*

[1] Component entities include Harborview Medical Center (HMC), Northwest Hospital & Medical Center (NWH), Valley Medical Center (VMC), UW Medical Center (UWMC), UW Neighborhood Clinics (UWNC), UW Physicians (UWP), UW School of Medicine (UW SoM), Airlift Northwest (Airlift) and UW Medicine's investments and risk related to Children's University Medical Group (CUMG) and the Seattle Cancer Care Alliance (SCCA).

In addition, the committee shall carry out the following functions, to better advise the board and UW Medicine CEO/EVPMA/Dean:

- *Review and evaluate the financial requirements to support the strategic plans for UW Medicine;*
- *Oversee UW Medicine's processes to maintain an awareness of and anticipate the financial implications of major regulatory, policy, and other healthcare program transition points that may have a significant financial impact on UW Medicine;*
- *Oversee financial integrity and legal and regulatory compliance including financial reports and statements and required financial reporting;*
- *Provide oversight of enterprise risk (e.g., information technology) management to ensure major financial and non-financial risks are effectively identified and managed;*
- *Review and advise on 5-10 year capital plans, the adequacy of capital funding, and the results of capital investments (e.g., information technology) versus plans;*
- *Review and advise on the financial aspects of proposed operating plans, key budget assumptions, and the strategic risks to achieving the operating plans for UW Medicine;*
- *Review and examine quarterly operations and finance reports for UW Medicine, and identify issues for further analysis;*
- *Review and approve the annual UW Medicine financial report for presentation to the UW Board of Regents and the president;*
- *Advise regarding the appropriate scope of internal and independent audits and review internal audit reports and the annual independent audit reports;*
- *Oversee UW Medicine's policies related to reserves and investments;*
- *Review major debt, capitalized leases, and other borrowings;*
- *Review UW Medicine's policies and procedures for the selection and vetting of financial advisors and provide advice on the selection of advisors for major assignments;*
- *At the request of the executive committee, review financial implications of proposed strategic alliances to assess risk and opportunity;*
- *Oversee compliance activities in the following areas:*
    - *Tax exempt status;*
    - *Charity care;*
    - *Collections policy;*
    - *Compliance matters that involve potential material financial impact; and*
- *Other duties assigned by the board.*

Committee Member Composition

In conformance with Section 4.5.2 of the board bylaws, the chair and voting members of the committee shall be appointed by the chair of the board in consultation with the CEO/EVPMA/Dean. Voting members include:

- *At least four board members, including the chair of the committee, the chair of the UWMC committees of the board, and two additional board members appointed by the board chair; and*
- *Community members who are not members of the board.*

Board members and community members shall be appointed to the committee for a term of one year, which may be renewed annually. Any vacancies that occur shall be filled in the same manner as the original appointments to the committee.

The following non-voting individuals shall also be invited to attend the committee meetings on a regular basis:

- *CEO/EVPMA/Dean;*
- *Chief financial officer, UW Medicine/vice president for medical affairs, University of Washington (CFO/VPMA);*
- *Chief health system officer, UW Medicine/vice president for medical affairs, University of Washington (CHSO/VPMA);*
- *Chief business officer, UW Medicine/vice president for medical affairs, University of Washington (CBO/VPMA);*
- *Enterprise finance officer, UW Medicine/associate vice president for medical affairs, University of Washington;*
- *Vice dean for administration and finance, School of Medicine;*
- *Associate dean for administration and finance, School of Medicine;*
- *Chief financial officer, VMC*
- *Executive directors, HMC, UWMC, UWP, NWH and UWNC;*
- *Chief executive officer, VMC*
- *President UWP; and*
- *Other non-voting individuals invited by the committee chair.*

Committee Member Requisite Skills and General Qualifications

Committee members shall have the following skills and qualifications:

- *The highest ethical standards and integrity;*
- *A willingness to act on and be accountable for committee recommendations;*
- *The ability to provide informed and thoughtful counsel to senior leaders and financial and audit officers;*
- *A history of achievement that reflects superior standards;*
- *Commitment to act in the best interests of UW Medicine; and*
- *Finance, accounting, business and/or investment management experience commensurate with the board's and the committee's duties and responsibilities.*

Committee Decision-Making Processes

Consistent with Section 4.5.4 of the board bylaws, a majority of voting committee members will constitute a quorum for the purpose of making official decisions and taking formal actions of the committee. Other types of decision-making will be based on member consensus.

Committee Reporting Requirements

The committee shall report meeting proceedings and recommendations to the board at the board's regularly scheduled meetings.

Committee Member Obligations

- *Members will attend the majority of scheduled committee meetings and notify the committee chair when circumstances prevent attendance.*
- *Members will review germane materials in advance of each committee meeting.*
- *Members will not act as an agent for any person or organization where such an act would create a conflict of interest with the terms of service to the committee.*
- *Members will recuse themselves from discussions or decisions that may represent a potential conflict of interest.*
- *Members will safeguard the confidentiality and security of information obtained during the course of their committee service.*

Annual Committee Goals, Objectives and Performance Measures

- *Goal: Assess the performance of the UW Medicine's financial affairs and management team*

  Performance Measure: The committee holds an annual meeting with the independent auditors and UW internal auditors to review the audits of each of the UW Medicine entities and the required communications surrounding the audits. The members will have opportunities to ask questions and provide feedback in the regular committee session and in an executive session with the auditors.

- *Goal: Maintain awareness of UW Medicine's primary financial risks, mitigation strategies, and audit work plans.*

  Performance Measure: The primary risk areas are identified annually from three sources: the annual independent audit; the UW internal audit risk assessment; and the UW Medicine budget process. The risk areas are consolidated during the fourth quarter of the fiscal year into a matrix that assesses the likelihood and impact of each risk. The members will have opportunities to ask questions and provide feedback.

- *Goal: Maintain awareness of emerging financial issues facing UW Medicine.*

  Performance Measure: Each meeting of the committee will include briefings about emerging issues, changes in the finance and audit environment, and open issues that may affect the year-end financial position of UW Medicine and each of the entities. Members have opportunities to ask questions and provide feedback.

Committee Administrative Matters

In conformance with Section 4.5.3 of the board bylaws, the finance & audit committee shall meet at the call of the chair as often as necessary, but not less than quarterly, to perform its duties. The annual schedule of meetings (including planned focus areas) shall be developed and distributed at the beginning of each fiscal year. The meeting schedule will be updated as necessary. A meeting agenda and materials referenced in the agenda shall be provided to committee members one week in advance of the relevant meeting.

The committee shall be staffed by the CFO/VPMA.

Voting members of the committee will be oriented to their roles and responsibilities in a joint meeting with the committee chair and the CFO/VPMA.

Written minutes shall be maintained of each finance & audit committee meeting. Minutes shall accurately record the topics discussed, decisions reached, and attendance of committee members and guests. Official documentation of each meeting, including minutes, supporting handouts, and presentation materials, shall be maintained by the office of the CFO/VPMA.

The committee shall conduct a review of the committee charter at least annually, and amendments to the charter shall be submitted to the board for review and approval.

Other Committee Items

None.

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Approved by the Committee and Recommended to the UW Medicine Board

Committee Chair — Date: 1/18/18

Approved by the UW Medicine Board

Chair of the UW Medicine Board — Date: 1/18/18

BOARD OF REGENTS MEETING

Approve the Dissolution and Integration of Northwest Hospital & Medical Center

RECOMMENDED ACTION

The UW Administration, President, CEO of UW Medicine/Executive Vice President for Medical Affairs/Dean of the School of Medicine and the UW Medicine Board recommend that the Board of Regents:

1) Approve the dissolution of UW Medicine/Northwest, a Washington non-profit corporation, of which the University of Washington is the sole corporate member;
2) Accept the remaining (i.e., post-dissolution) operations, assets and liabilities of the UW Medicine/Northwest corporate entity; and
3) Authorize the President to delegate to the CEO of UW Medicine/Executive Vice President for Medical Affairs/Dean of the School of Medicine, with the review and advice of the UW Medicine Board, authority to take all action necessary to combine the hospital operations of UW Medicine/Northwest into the University of Washington Medical Center and to manage them as part of UW Medical Center going forward.

BACKGROUND

UW Medicine/Northwest d/b/a Northwest Hospital & Medical Center ("NWH") is a 501(c)(3) non-profit corporation that owns and operates a full-service acute care community hospital located approximately five (5) miles from the University of Washington ("UW"). In 1997, the Board of Regents approved a Cooperative Program Agreement between the UW and Northwest Hospital to establish a long-term and durable relationship to collaborate on selected patient care, clinical research and education activities. In 2009, as a result of the successful partnership, UW and Northwest Hospital sought to increase the collaboration between the two entities by entering into an Affiliation Agreement, which was approved by the Board of Regents. Pursuant to the 2009 Affiliation Agreement, UW became the sole corporate member of NWH and NWH became an integral component of UW Medicine. The Affiliation Agreement provided that UW Medicine could not reduce the core services provided on the NWH campus for five years, nor could it vote to dissolve the NWH corporation for seven years following the effective date of the arrangement unless approved by the NWH Board. Since the affiliation, NWH has continued to operate as a community hospital under its own hospital license and Medicare provider number.

UW Medicine and NWH's collaboration and integration efforts have increased since the 2009 affiliation, resulting in, among other things:

- Increased financial and administrative efficiencies;

Approve the Dissolution and Integration of Northwest Hospital & Medical Center
(continued p. 2)

- Alignment of clinical programs and improved patient care;
- Cost reductions;
- Creation of a UW Physicians ("UWP")/NWH department (with incorporation of some of the NWH physicians into the UW SoM clinical faculty);
- NWH playing an increasingly important role in the training of UW Medicine residents and fellows; and
- Evolving cultural alignment.

Despite these efforts, additional integration is necessary to succeed in the rapidly changing healthcare environment and simplifying the operating structure and positioning for greater physician alignment will position UW Medicine for continued success.

To achieve the increased level of integration, UW Medicine seeks to combine UW Medical Center ("UWMC") and NWH into one hospital with two campuses. By combining NWH and UWMC, UW Medicine will be better positioned to make strategic decisions to enhance quality, lower costs, increase efficiency and improve the financial performance at both locations.

OVERVIEW OF PROPOSED STRUCTURE

Executive Summary

Combining UWMC and NWH into one hospital means that NWH's existing hospital operations would become a part of UWMC such that UWMC would be the sole remaining hospital with two campuses (i.e., the existing UWMC campus and the existing NWH campus). The two campuses would operate under UWMC's hospital license, and would be fully integrated from a clinical, financial and administrative perspective under one unified management with accountability for both campuses. There would be one unified and open medical staff. The NWH corporation would be dissolved and all the assets and liabilities of the NWH campus would transfer to UW Medicine and be managed for healthcare purposes as agreed upon in the 2009 transaction. Pursuant to the dissolution, all NWH employees would become UW employees and the UW would assume NWH's current collective bargaining agreements as successor employer.

1. **Dissolution of NWH**

Combining UWMC and NWH into one hospital with a unified management structure means that there is no longer a need for NWH as a separate legal entity. Management is recommending dissolution. Per the terms of the Affiliation

Approve the Dissolution and Integration of Northwest Hospital & Medical Center
(continued p. 3)

Agreement, upon dissolution of NWH, all remaining NWH operations, assets and liabilities transfer to UW Medicine.

2. NWH Employees

Approval of the recommended action means that NWH non-physician employees would become UW employees. For unionized employees, UW would assume NWH's current collective bargaining agreements and obligations as a successor employer, consistent with UW's state law obligations. NWH-employed physicians would become dual-employed by UW and UW Physicians ("UWP") as members of the UWP NWH department.

3. Financial Impact

The UW Medicine Finance team prepared a high-level analysis of the significant areas that would be affected by full integration of the two hospitals. That analysis indicated that the annual impact of full integration would be close to $10 million improvement over current financial performance. This does not include one-time transactional costs.

4. Medical Staff

The proposed structure would require UWMC to have a unified medical staff between the two campuses. Current NWH medical staff members would join UWMC's medical staff. Unlike UWMC's current medical staff structure, the two-campus hospital would have an open medical staff, which would allow community and contracted physician groups to continue working at the NWH campus as members of the UWMC medical staff.

5. Real Estate

In 2009, after the Board of Regents approved NWH becoming an integral part of UW Medicine, the NWH campus was incorporated into all of UW Medicine's strategic planning and programmatic development activities. As part of those activities, UW Medicine worked to maximize program development on the NWH campus to position NWH to meet the secondary care needs of UW Medicine patients. The dissolution of NWH would result in a transfer of the land and buildings into University ownership to be managed as part of the UW Medicine facilities inventory. Pursuant to the commitments made in the 2009 affiliation, the 44 acres of land will be continue to be managed and developed pursuant to the UW policies and needs, the UW Medicine strategic plan and, when applicable, the NWH Master Plan.

Approve the Dissolution and Integration of Northwest Hospital & Medical Center
(continued p. 4)

CONCLUSION

Over the past 20 years, the relationship between UW Medicine and NWH has grown from an academic-community hospital collaboration to what it is today—with NWH operating as an integral component of UW Medicine. Since NWH became an entity of UW Medicine in 2009, UW Medicine and NWH have taken many steps to work closely together and to achieve efficiencies at both hospitals. Though there has been significant progress, the rapidly changing healthcare environment calls for a higher level of integration within healthcare systems.

Combining the two hospitals into one requires a level of clinical, administrative and financial integration that will benefit UWMC, NWH and UW Medicine as a whole. Moving forward with the proposed structure is one strategy of many to ensure the future financial success of UW Medicine.

Attachment
Dissolution and Integration of Northwest Hospital & Medical Center

DISSOLUTION AND INTEGRATION OF NORTHWEST HOSPITAL & MEDICAL CENTER

FEBRUARY 8, 2018
BOARD OF REGENTS BRIEFING

WHAT

- Combine UW Medical Center (“UWMC”) and Northwest Hospital & Medical Center (“NWH”) into one hospital with two campuses.
- Both campuses would operate under the UWMC license.
- The two campuses of UWMC would be fully integrated clinically, financially and administratively with unified management and accountability.

BACKGROUND

1997

Board of Regents approves Cooperative Agreement between UW Medicine and NWH to establish a long-term relationship to collaborate on patient care, clinical research and education activities.

2009

Board of Regents approves Affiliation Agreement; UW Medicine becomes the sole corporate member of NWH and NWH becomes an integral component of UW Medicine.

Today

UW Medicine seeks to consolidate UWMC and NWH into one hospital with two campuses to increase integration and ensure the financial health of both hospitals.

WHY

- Since the 2009 affiliation, we have accomplished, among other things:
  - Alignment of clinical programs and improved patient care;
  - Increased financial and administrative standardization and efficiencies;
  - Creation of UW Physicians ("UWP")/NWH department for NWH-based community faculty physicians;
  - Increased NWH role in the training of UW Medicine residents and fellows; and
  - Evolving cultural alignment.
- Rapidly changing healthcare environment calls for full integration.
- Combining the two hospitals is one strategy to ensure the future financial success of UW Medicine.

SNAPSHOT OF CURRENT ALIGNMENT*

Administrative Support Services under UW Medicine Executive Leadership	Clinical Programs for Both Campuses	Clinical Services in Varying Stages of Alignment with UW Medicine Departments
• Compliance • Clinical Risk Management • Payor Contracting • Marketing • Advancement • Accounting • Budgeting/Finance • Supply Chain	• Pharmacy • Lab • Pathology	• General Surgery • Orthopedics • Urology • Otolaryngology • Cardiology • Pulmonary/Critical Care • Vascular • Oral and Maxillofacial Surgery

UW Medicine

*Alignment varies in structure and depth.

EVALUATION OF THE PROPOSED STRUCTURE

- UW Medicine, with assistance of other UW central units, conducted an evaluation of the proposed structure to identify:
  - Any barriers to moving forward; and
  - The most desirable, efficient and effective path to address key issues.
- The evaluation considered issues related to, among other things:
  - Clinical and administrative operations;
  - Finances;
  - Human resources;
  - Facilities; and
  - Governance.
- The evaluation team worked closely with legal counsel for both organizations pursuant to a Common Interest Agreement to identify legal implications and risks.

EVALUATION TEAM

Six Executive Sponsors have overseen and managed the evaluation:

- Geoff Austin, Executive Director, UWMC
- Maureen Broom, Enterprise Finance Officer, UW Medicine
- Cindy Hecker, Executive Director, NWH
- Chris Malins, Associate VP, UW
- Nicki McCraw, Assistant VP, Medical Centers HR, UW Medicine
- Lori Oliver, UW Medicine Strategic Clinical Business Officer

KEY DETAILS OF PROPOSED STRUCTURE

TOPIC	DETAILS
Dissolution of NWH	Upon dissolution, all NWH assets and liabilities would transfer to UW Medicine.
NWH Employees	NWH non-physician employees would become UW employees. • For unionized staff, UW Medicine would assume NWH's current collective bargaining agreements and obligations as a "successor employer," consistent with state law obligations. NWH-employed physicians would become members of the UWP NWH department.
Finances	High level analysis shows that annual impact of full integration would be approximately $10M improvement over current financial performance.
Medical Staff	UWMC, as a two campus hospital, would have a unified and open medical staff so that community physicians and private practitioners can continue to work at the NWH campus.
Real Estate	Pursuant to the commitments made in the 2009 affiliation, the 44 acres of land will be continue to be managed and developed pursuant to the UW policies and needs, the UW Medicine strategic plan and, when applicable, the NWH Master Plan.

OTHER IMPACTS

Positive Impacts

- Improved access to and growth in UW Medicine programs
- Greater system efficiencies through increased integration
- Strengthen and build UW Medicine presence in North King County/South Snohomish County

Ongoing Management

- Cultural alignment while honoring and supporting the unique character of both campuses
- Private to public entity
- Consistent UW Medicine patient experience (UW Medicine-wide)

FINANCIAL IMPACT

- In order to evaluate the financial impact of integration, a high-level analysis of the significant areas that would be affected was prepared by the Finance team.

- The analysis indicated that the annual impact of full integration would be close to $10 million improvement over current financial performance.

- The analysis did not include the one-time costs related to completing the integration work as those estimates are currently being developed.

AREAS OF FINANCIAL IMPACT

Positive Impacts

- Commercial reimbursement
- Governmental reimbursement
- 340(b) eligibility
- Clinical efficiencies
- Administrative efficiencies
- Elimination of B&O Tax

Negative Impacts

- Employee benefit expenses
- Integration costs
- Elimination of Safety Net Assessment and related benefits

Discussion

Approve the Formation of the Community Health Partnership

RECOMMENDED ACTION

The UW administration, President, CEO of UW Medicine/Executive Vice President for Medical Affairs/Dean of the School of Medicine and the UW Medicine Board recommend that the Board of Regents:

1) Authorize the University of Washington, through UW Medicine, to become an equity member in a Limited Liability Company with RegionalCare Hospital Partners Holding Company dba RCCH Healthcare Partners (RCCH); and
2) Authorize the President to delegate to the CEO, UW Medicine/Executive Vice President for Medical Affairs, UW/Dean, School of Medicine, with the review and advice of the UW Medicine Board,
   a. to execute on behalf of the University the documents necessary to participate in the new LLC, to be called RCCH-UW Medicine Healthcare Holdings, LLC; and
   b. accountability and authority to manage the University's role in the LLC as described herein, including the addition of healthcare facilities to the LLC and other decisions described in the definitive documents.

BACKGROUND

UW Medicine seeks to expand the UW Medicine brand and reputation for bringing access to high-quality healthcare to communities through participation in the LLC. As the healthcare industry evolves, successful providers must be able to offer patients the full continuum of care, directly or through affiliations and networks. UW Medicine already has invested in a strong and stable relationship to support teaching and research activities in Washington, Idaho and Alaska through its regional medical education program in Washington, Wyoming, Alaska, Montana and Idaho (WWAMI). UW Medicine now seeks to establish stronger clinical activities and deepen and expand UW Medicine's relationships with local community physicians in the same region.

The LLC will acquire, own and manage rural and midsize community hospitals in Washington, Idaho, Alaska and other states in the region as opportunities develop. The LLC will not include faith-based hospitals. RCCH will contribute the existing hospital ownership in Columbia Capital Medical Center (CCMC) as well as the capital for future acquisitions and management of the contributed hospitals ("Joint Venture Hospitals"). Pursuant to contracts with each of the Joint Venture Hospitals, RCCH will manage each hospital in exchange for a fair market value

Approve the Formation of the Community Health Partnership (continued p. 2)

management fee. UW Medicine's contribution will consist of (i) the rights granted to the new LLC to co-brand qualifying hospitals as "A UW Medicine Community Health Partner"; (ii) its knowledge of the healthcare market within the Joint Venture territory; (iii) its commitment to an exclusive relationship within a restricted territory, subject to carve-outs that permit UW Medicine to continue its clinical, research and teaching activities in King, Snohomish, Skagit, Kitsap and Pierce Counties; (IV) its expertise in medical research, clinical care and medical education and training, including evidence-based quality and safety protocols and (v) the goodwill represented by the brand name and reputation of UW Medicine. UW Medicine will not be required to contribute capital nor will UW Medicine be required to respond to capital calls.

In exchange for its contribution to the LLC, UW Medicine will be eligible for distributions in proportion to its contribution percentage, fair market compensation for quality oversight service on the LLC's quality oversight committee, fair market value for separately contracted services to the LLC or individual hospitals, a one-time brand initiation fee for each new hospital that uses the UW Medicine Community Health Partner brand and a transaction fee for UW Medicine's work to evaluate each new hospital that the LLC acquires.

THE RCCH MEMBER

RCCH is a for-profit entity engaged in the ownership and operation of community hospitals. RCCH operates 17 regional healthcare systems in 12 states, including Washington. Through its model of operating and managing hospitals using centralized operational support and local governance, RCCH achieves standardized cost and clinical quality efficiencies while maintaining local community involvement and commitment. As a for-profit company, RCCH has access to capital for investing in hospital infrastructure essential for community hospitals to continue to operate locally.

RCCH has been affiliated with UW Medicine since April 1, 2014 when its Olympia facility, Capital Medical Center, entered into an Affiliation Agreement with UW Medicine to achieve the Triple Aim in Thurston County, Washington. Since the Affiliation Agreement, RCCH has been working through Capital Medical Center to collaborate on the UW Neighborhood Clinic in Olympia, Washington and Capital Medical Center has been a member of the UW Medicine Accountable Care Network.

DUE DILIGENCE PROCESS

Under the leadership of Dr. Paul Ramsey, CEO, UW Medicine/Executive Vice-President for Medical Affairs, UW/Dean, School of Medicine, a due diligence team directed by the UW Medicine Strategic Clinical Business Officer and

Approve the Formation of the Community Health Partnership (continued p. 3)

reporting to the UW Medicine Chief Business Officer and Chief Financial Officer retained outside experts from Kaufman Hall and Perkins Coie to advise the team on matters including the implications of affiliating with a for-profit organization and how to assess the value of the UW Medicine brand in an equity relationship. In addition, the team of Kaufman Hall and Perkins Coie undertook a due diligence review of the financial status and operations of Capital Medical Center and RCCH's management experience. A negotiation team was created to take the lead in working with legal counsel to negotiate the terms of the LLC.

SUMMARY OF THE JOINT VENTURE

UW Medicine and RCCH have agreed that formation of a separate legal entity in the form of a LLC will advance the mission of each of the parties by combining their respective strengths. The law permits UW to form an LLC, and equity interest permits a deeper integration and alignment designed to achieve efficiencies that would not be available under current UW Medicine affiliation models. The salient terms of the proposed arrangement are summarized below:

1. **Structure**

In exchange for the ability to use the brand "A UW Medicine Community Health Partner" UW Medicine would receive an equity ownership interest in the LLC as well as a supplemental brand initiation payment of a percentage of the purchase price for each time a new facility becomes qualified to use the UW Medicine Community Health Partner brand. For longstanding facilities, UW Medicine will receive only a percentage of equity ownership. The parties expect that there will be distributions annually from each of the participating hospitals, in amounts proportional to each party's respective equity.
In addition, UW Medicine would receive an annual clinical activity fee for participating in quality activities, a transaction fee for sourcing new facilities that are added to the LLC and a right of first refusal to provide certain clinical or clinical program activities to a Joint Venture Facility. The LLC or its facilities would pay UW Medicine a fair market value compensation for these projects. The LLC would contract with RCCH to be the manager of the participating facilities, for fair market value compensation in the form of a percentage of the net revenue of each facility. The LLC would not be an entity of UW Medicine nor would UW or UW Medicine be responsible for risk management or professional liability coverage for the LLC or participating hospitals.

2. **Governance**

The LLC would be governed by a five member board, with two members appointed by the UW Medicine CEO and three members appointed by RCCH. Although UW Medicine would be a minority equity owner, UW Medicine would

Approve the Formation of the Community Health Partnership (continued p. 4)

have significant influence as part of its oversight of the LLC through designated supermajority rights (at least one of the two UW Medicine members must approve the action). Key among these rights are:

- Acquiring any new material healthcare facilities or materially expanding any Joint Venture Facility;
- Approving a Joint Venture Facility as a Qualifying Joint Venture Facility;
- Approving annual operating and capital budgets for the LLC and each Joint Venture Facility;
- Establishing or changing the mission, values, purposes or philosophy of the LLC or of any Joint Venture Facility;
- Adopting the annual strategic business plans for the LLC and any Joint Venture Facility;
- Approving indigent care policies, financial assistance policies, emergency medical care policies, community health needs assessments and implementation strategies, medical staff bylaws, and the termination of any material service at a Joint Venture Facility;
- Approving any merger, consolidation, unit or share exchange or reorganization of the Company, or sale of all or substantially all of the assets of the Company;
- Entering into, amending or terminating agreements between the Members (or their Affiliates) and the LLC;
- Adopting or materially modifying the charter for the LLC's Quality Committee or approving the appointment of any member of the Quality Committee;
- Approving the adoption of any Quality Program for any of the Joint Venture Facilities or the adoption of any quality or safety improvement program;
- Approving the hiring of each Joint Venture Facility's chief quality officer; and
- Admitting any additional Members to the LLC.

UW Medicine would participate on the LLC's centralized Quality Committee, which oversees the patient safety and quality activity of participating facilities. The Quality Committee would be comprised of two members appointed by UW

Approve the Formation of the Community Health Partnership (continued p. 5)

Medicine, two members appointed by RCCH and a fifth member jointly appointed jointly by the LLC Board. Thus, as on the Board of Directors, UW Medicine will have a significant voice in assuring policies and quality standards that align with the Triple Aim and best practices.

3. Exclusivity

UW Medicine and RCCH would agree to bring all potential Joint Venture Opportunities to the Joint Venture Board for consideration as a Joint Venture Facility, provided that:

- UW and its Affiliates would be able to continue to operate any existing UW Medicine arrangements, such as adult oncology services or pediatric services;
- UW may expand its clinical activities, or partner with others to do so, within King, Snohomish, Skagit, Kitsap and Pierce Counties; and
- UW Medicine may continue its independent pursuit of its educational, teaching and research activities.
- Existing contracted obligations, arrangements, facilities and additions to facilities.
- Professional services arrangements, including telemedicine.
- Valley Medical Center's right to expand and create affiliate and physician relationships pursuant to the Strategic Alliance Agreement between UW Medicine and Valley Medical Center would be protected.

STRATEGIC ALIGNMENT

Approval is recommended for the following reasons:

1) This is a natural progression of UW Medicine's existing relationships in Washington, Alaska and Idaho. This relationship will allow UW Medicine to deepen relationships with local community physicians and create a platform for stronger clinical engagement.

2) UW Medicine will gain access to a capital partner, permitting relationships otherwise unavailable and essential to delivering the full spectrum of care to the community.

3) UW Medicine has selected a partner with experience and expertise in operating community hospitals.

Approve the Formation of the Community Health Partnership (continued p. 6)

4) UW Medicine will achieve expansion of the UW Medicine brand in regional communities while focusing internal capital resources on core UW Medicine activities such as complex tertiary and quaternary patient care.

5) Expansion of the UW Medicine brand and activities has benefits for the teaching, research and clinical activities of UW Medicine.

Attachments
A UW Medicine Community Health Partner

A UW MEDICINE COMMUNITY HEALTH PARTNER

FEBRUARY 8, 2018
BOARD OF REGENTS BRIEFING

INTRODUCTION

- We have been engaged in building physician to physician relationships in the multi-state WWAMI region for decades.
- We are seeking your approval to add a public-private partnership model with an experienced operator of community hospitals, to deepen our clinical relationships in the region.
- As rural hospitals seek larger health system partners we must be able to maintain our footprint and relationships throughout WWAMI.
- This proposed relationship creates a long-term model that is replicable to create a network of branded community hospitals that provides another platform for deeper clinical engagement in the community

TRANSACTION OVERVIEW

Background:

- Healthcare market is rapidly aligning community hospitals with larger hospital systems.
- To continue to provide local access, community hospitals need partners with capital that can invest in local infrastructure.
- New entrants to the market threaten existing long-term relationships in WWAMI.
- UW Medicine key asset: Superior brand reputation.

Goal:

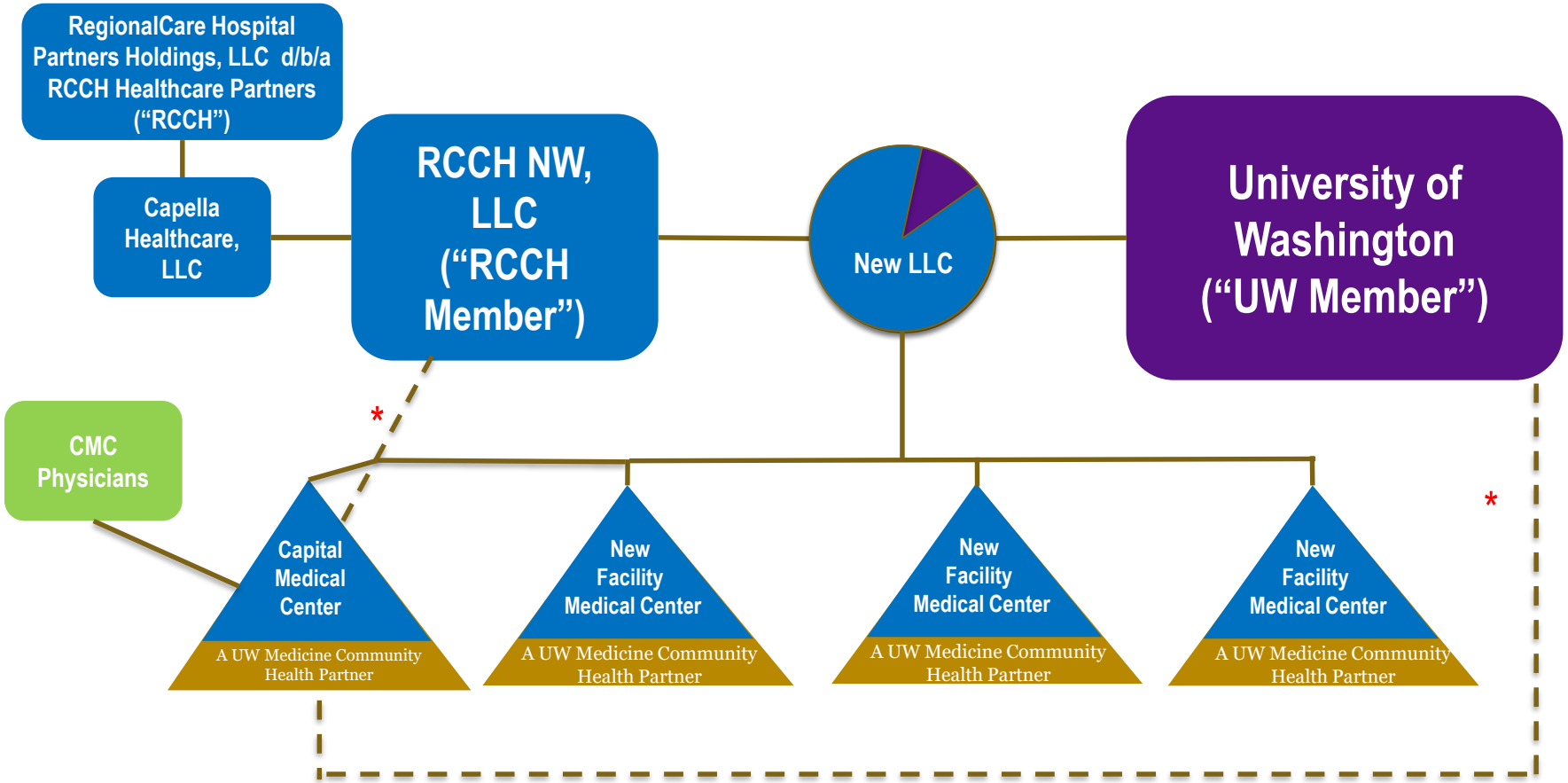
- Preserve and expand brand presence in local communities through physician to physician relationships that support our teaching, research and clinical care activities.

TRANSACTION OVERVIEW

Key Agreement Terms

CAPITAL MEDICAL CENTER:	UW Medicine to own a percentage of aggregate value of Capital Medical Center
FUTURE HOSPITAL:	UW Medicine to own a percentage of future acquired facilities
UW MEDICINE CONTRIBUTIONS:	UW Medicine brand “A UW Medicine Community Health Partner” (branded with local hospital brand); quality expertise and consultation; knowledge and relationships within the WWAMI region
STRUCTURE:	UW Medicine and RCCH to jointly own equity in a LLC (formed in Delaware); each hospital to be owned by the LLC
OTHER FEES:	Reimbursement for UW Medicine personnel expenses for quality committee service (negotiated annually); Transaction Fee for sourcing potential facilities; Brand Initiation Fee
EXPECTED TIMING:	Once approved by UW, RCCH will form the LLC, contribute Capital Medical Center limited partnership, other acquired hospitals (as applicable) and initiate the LLC operations

THE NEW LLC



*Hashed lines represent intervening entities that have been removed for visual presentation. UW will own a 2% interest in CMC indirectly.

UW Medicine

RCCH Overview

- RCCH Healthcare Partners purchases/leases and operates 18 regional health systems in 12 states, retaining the local physician leadership and community hospital name
- More than 14,000 employees
- Cares for 1,500,000+ patients
- $2 billion in revenues
- Expertise in management of smaller community hospitals ($100-300M net revenue)
- Apollo Global Management, LLC acquired Capella Health May, 2016, forming RCCH

See Appendix for Map of RCCH Hospitals

LLC OVERVIEW

Key LLC Terms

- UW Medicine is minority equity member
- RCCH is majority equity member
- RCCH manages and operates facilities; UW Medicine provides expertise on quality, complex clinical care
- RCCH contributes facilities and capital; No UW capital contribution/call
- Mutual right of first refusal for joint venture territory
- UW Medicine has 2/5 seats on LLC Board
- Supermajority rights over budget, strategic plans, facilities acquired, facilities removed, new LLC members
- Approved facilities co-branded "*A UW Medicine Community Health Partner*" with the local hospital brand

LEVEL OF EXCLUSIVITY

- Joint venture opportunities in Washington, Idaho, Alaska and other areas agreed upon
- Mutual right of first refusal
- Carve-outs to protect UW Medicine mission activities
- Mutual covenant restricting branded joint venture opportunity within 40 miles of a LLC facility without written approval of the LLC

FINANCIAL

Financial

- Minority equity holder
- Builds long term value while limiting downside financial risk
- Eligible for distributions that reflect performance and growth of LLC hospitals proportionate to our contribution
- No initial or future capital contribution required
- Reimbursed for key services such as service on quality committee
- Right of first refusal for certain clinical services

QUALITY

UW Medicine membership on the LLC Board Quality Committee, which:

- Provides oversight of quality of each LLC facility
- Sets and monitors hospital-specific quality and safety metrics, activities and achievements
- Supports and provides expert consultation on LLC hospitals' quality and safety journey to improve the health of the public

BRAND MANAGEMENT

Brand Initiation

- Supermajority approval: acquisition of each facility; branding of each facility; quality plan for facilities; hiring of Chief Quality Officer for each facility
- 2/5 seats on LLC Board – *Supermajority = 4/5 approval*
- 2/5 seats on LLC Quality Committee, can veto individual for 3rd seat
- LLC Board approval of remedial actions on a facility-by-facility basis following a corrective action process for failures in quality plan, up to and including removal of brand

BRAND MANAGEMENT

Brand Removal, if:

- UW Medicine believes that the continued use of the brand in any facility materially harms the reputation or goodwill of UW Medicine or any of its affiliates
- Exclusion from any federal payment programs
- Dissolution, insolvency or bankruptcy of company or a facility
- Sale of all or substantially all the assets
- UW no longer a member
- Material breach that is not cured
- Failure to resolve meet a corrective action plan

EXIT RIGHTS

Exit Rights

- UW Medicine can require that RCCH buy its interests, if:
  - RCCH experiences a change of control
  - RCCH transfers its LLC interests to another party
  - RCCH sells assets representing a majority of the LLC revenue
  - RCCH is excluded from Medicare or convicted of a felony
- Other exit rights triggered when changes in the law jeopardize the UW's public status
- No exit right on demand, although the Board may agree to dissolution of the LLC at will or if any material activities would substantially reduce the benefits that accrue to the Members

SUPPORTS REGIONAL STRATEGY

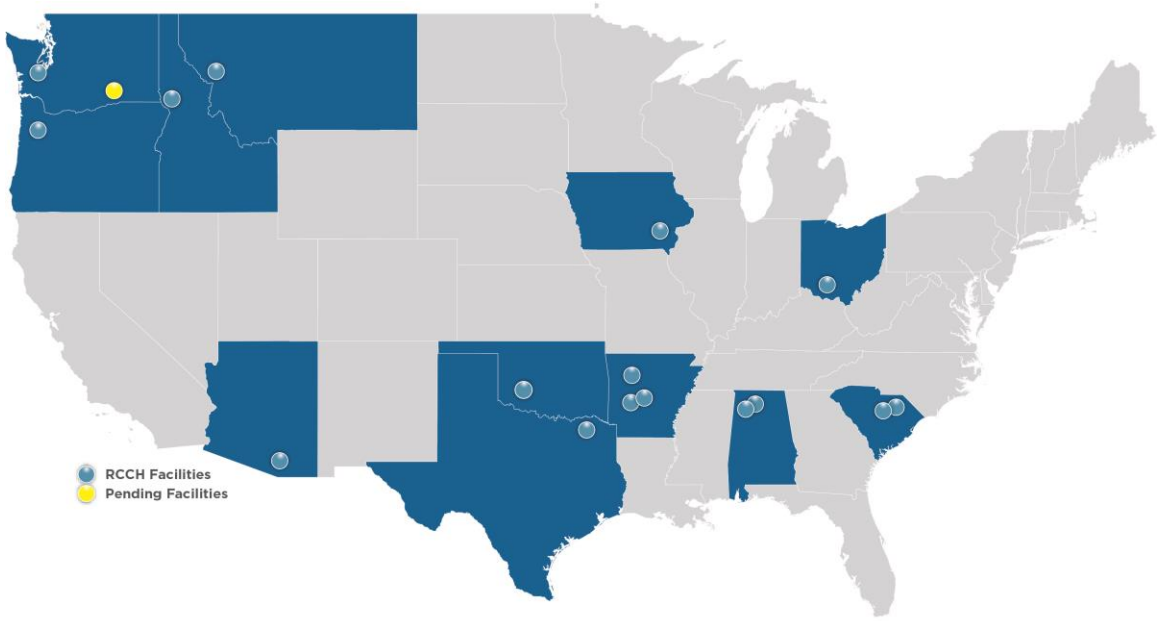
- Natural progression of UW Medicine's existing relationships in Washington, Alaska and Idaho.
- Allows UW Medicine to deepen relationships with local community physicians and create a platform for stronger clinical engagement.
- Access to a partner with capital, permitting relationships otherwise unavailable and essential to delivering the full spectrum of care to the community.
- A partner with experience and expertise in operating community hospitals.
- Achieves expansion of the UW Medicine brand in regional communities while focusing internal capital resources on core UW Medicine activities such as complex tertiary and quaternary patient care and benefits teaching, research and clinical activities of UW Medicine.

APPENDIX

PROPOSED PARTNER

RCCH Healthcare Partners

- Formed following the 2016 merger of Capella Healthcare and RegionalCare Partners
- Capella Healthcare was the owner of Capital Medical Center – formal UW Medicine relationship since 2014



RCCH HealthCare Partners

MISSION

To create an environment where passionate people provide compassionate care – always improving the lives of those we serve.

VISION

By always delivering safe, compassionate care and extraordinary patient experiences, we will be the choice for healthcare services in regional markets across the country.

VALUES

CAREGIVER

OPERATING TENETS

- Relentless focus on top priorities
- Committed to patient safety & quality care while driving financial results
- Create a team environment for healthy debate
- Foster an entrepreneurial mindset
- Maintain a cross-functional view of what's best for RCCH

Governmental Affairs Advisory Committee Update

INFORMATION

For information only.

BACKGROUND

The University of Washington Governmental Affairs Advisory Committee was established in January 2014 as an advisory committee to the Board of Regents, its appropriate standing committees, and the University President, or his or her designee, on matters relating to the University's relationship to federal, state, and local governments and agencies.

As noted in the *Board of Regents Governance*, Standing Orders, Chapter 4, Section C, the Governmental Affairs Advisory Committee shall consist of no more than eight 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).

One or two of the appointed members shall be selected from the Board. The remaining appointed members shall be experienced professionals with relevant backgrounds.

There shall be a three-year term limitation for regent and non-regent 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.

As approved by the Board at meetings on February 9, 2017, and September 14, 2017, the Governmental Affairs Advisory Committee members are:

Herb Simon (Chair)	10/1/17 to 9/30/20
Regent Joanne Harrell (Vice Chair)	10/1/17 to 9/30/20
Mike Egan	10/1/17 to 9/30/20
Regent Jaron Reed Goddard	10/1/17 to 6/30/18
Jerry Grinstein	10/1/17 to 9/30/20
Lori Mattson	1/1/17 to 12/31/20
Rob McKenna	10/1/17 to 9/30/20
Tony Williams	10/1/17 to 9/30/20

Governmental Affairs Advisory Committee Update (continued p. 2)

This update will cover activity during the current legislative session. It will also include a presentation by Kelly Evans of the work of the College Promise Coalition.

Attachments
1. College Promise Coalition 2018 One-Pager
2. College Promise Coalition Projects Overview
3. College Promise Coalition Presentation Slides

COLLEGE PROMISE COALITION

Who we are

The College Promise Coalition (CPC) is an unprecedented partnership that brings together advocates for Washington state's public and private four- and two-year colleges and universities, students, families, faculty, alumni, education supporters and leaders in business and labor. We advocate for affordable, accessible education and training opportunities for our students after they finish high school. Founded in 2011 in response to dramatic state cuts to higher education funding, the coalition is fighting to ensure that access to an affordable, quality education remains an option for all Washingtonians.

The Problem

In 2013 the Washington legislature adopted **a goal that at least 70% of adults ages 25-44 possess a postsecondary credential or degree by 2023**. This means four- and two-year degrees, apprenticeships, or certificates that prepare students for careers.

But today just **51% of adults** have a post-high school credential. For Washington students specifically, **less than one-third** attain a postsecondary credential. Washington is projected to have 740,000 job openings by 2021. A majority of these jobs will require workers to get a credential of some kind after high school. CPC is working to make sure Washington students are prepared to take advantage of the career opportunities in their home state.

We are not yet on track to meet the 2023 adopted goal – working together on shared priorities to achieve our higher education attainment goals is CPC's mission, improving workers' quality of life and our economy.

Our 2018 Priority

Washington students have big dreams for their futures. But for thousands of our students, the cost of a credential after high school is a nearly insurmountable barrier. The State Need Grant (SNG) makes education after high school possible for more 69,000 Washingtonians who are low-income. But there is not enough funding to provide grants to an additional 20,000 students who qualify this year.

The CPC's 2018 priority is fully funding the SNG, our state's largest financial aid program. For over 40 years, Washington's students who have the most financial need have been able to pursue degrees and skills training because of SNG assistance. Unlike other need-based student financial aid programs, the SNG serves a range of students, from those who have just graduated high school to adult learners, making Washington's SNG program a national model for need-based access programs. But thousands of eligible students miss out on SNG assistance because of a lack of state funding.

Fully funding the SNG will boost enrollment and completion, ensuring students have the opportunity to succeed regardless of income level or background. College and career training are the keys to giving Washington students the opportunities they need to be successful, while also addressing the state's skill and opportunity gaps.

College Promise Coalition

The College Promise Coalition will engage higher education stakeholders in the work of increasing higher education attainment in Washington state. The Coalition will identify the programs and policies that will bring the state to its goal of 70% of adult higher education attainment by 2023. It will then create a broad and sustained advocacy program to advance that goal. The Coalition's work will be divided into five broad categories:

1) ***Continued Coalition Building***

The Coalition already has a broad base of business, labor, institutional, municipal, student, and faculty groups. We will build on this base by further integrating, expanding, and strengthening our Coalition's membership geographically and with community based groups. Specifically, we will focus on establishing and building partnerships with communities, municipal groups, education groups, and business groups outside of the Central Puget Sound area. In addition, we will make a major effort to recruit groups representing low-income students, underrepresented communities, and communities of color to become part of the Coalition.

2) ***Evidence, Analysis and Policy and Program Creation***

The Coalition will use research, evidence, and analysis from these Coalition partners and state agencies to develop a policy agenda aimed at increasing postsecondary attainment in Washington.

3) ***Communications***

The Coalition will make higher education a priority in Olympia and with policy makers across the state with a vigorous and sophisticated communications program, a broad education effort, and ongoing constituency building that engages the Governor and members of the Legislature. We will use opinion research to gauge attitudes and develop messaging. We will organize and coordinate Coalition communications including targeted social media campaigns, earned media (media stories, editorial boards, op-ed pieces), and the coordinated communications of Coalition partners to raise the profile of higher education as an important issue in Washington.

4) ***Public Mobilization***

Working with alumni organizations and other Coalition partners, the Coalition will create a centralized infrastructure that will allow each institution to educate and inform their alumni about institutional issues, Coalition priorities, and the state of higher education debate in the state capitol. The Coalition will also develop a suite of social media tools for use by both the central Coalition and individual Coalition partners. Tailoring campaigns around specific issues and targeting them toward specific decision makers, we will use those tools to educate and engage stakeholders and decision makers.

5) ***Decision Maker Engagement***

The Coalition will create and establish regular opportunities for college and university regents and trustees, faculty, students, business and labor leaders, local political leaders, civil rights leaders, and prominent alumni to directly communicate with and engage legislators, the Governor's office, and other policymakers. This diverse group of influencers will educate lawmakers about investments and policies that increase higher education attainment.

We will focus much of our work on growing "Champions" – elected leaders and policy makers who are committed to championing higher education and policies that increase postsecondary attainment in Washington State.

The Coalition's work will be informed and supported by a number of other projects, including:

Advancing Postsecondary Success Opportunities in Washington's Regional Economic Centers
Washington Student Achievement Council

Focused and meaningful conversation in Washington's regional economic centers about postsecondary needs, opportunities, and challenges will strengthen coordinated efforts to increase educational attainment. Building awareness of the state's attainment goals at the regional level and identifying local champions for change, including engaging regional employers, will support statewide advocacy efforts. To that end, the Washington Student Achievement Council submitted a proposal to the Bill and Melinda Gates Foundation to hold regional convenings in five regions of the state with local leadership from education, the workforce, and community organizations. The objectives are to explore effective ways to align key resources, strengthen partnerships, and boost advocacy to achieve the greatest educational impact.

Local participants will be invited to three convenings in their region. Stakeholders include elected officials, leadership from K-12, community leaders, local philanthropy, higher education, workforce, business and industry, and community-based organizations.

Washington's Regional Education-to-Workforce Pathways
University of Washington

This project aims to communicate the results of the Central Puget Sound higher education capacity study, begin to support strategic systemic improvements in that region based on those results, and to scale that project's methodology and approach to the rest of the regions of Washington State. The research team aims to procure and integrate the necessary postsecondary pathways data for each Washington state region (WDAs) to uncover promising practices as well as key bottlenecks in the higher education and labor market systems and institutions. The project will highlight the need think regionally about student postsecondary pathways, both as a way to comprehend complex student data as well as a way to improve systems in order to achieve more equitable outcomes for the new majority of students who are low income, first generation, students of color, and working adults. The findings will inform the Washington Postsecondary Coalition's efforts.

Roadshow of Washington's Regional Higher Education to Workforce Pathways
Seattle Region Partnership

The Seattle Region Partnership (SRP) will assist Jenee Myers Twitchell and her team at the University of Washington in elevating the findings of their research on education to workforce pathways both regionally and across the state. The goal is to socialize the findings of the Central Puget Sound Higher Education Capacity Study among a broad set of stakeholders across the state and use an evidence-based approach to engaging decision makers in driving solutions towards achieving the State's 70% postsecondary attainment goal.

Washington Credential Pipeline Analysis & Communications
Partnership for Learning/Washington Roundtable

This research project sets out to understand and address the barriers to postsecondary credential attainment for Washington students. The research will identify and prioritize evidence-based policy enhancements that will lead to the greatest credential attainment gains. It will strengthen the case and provide a platform for advocacy and communications aimed at raising the postsecondary credential attainment rate for Washington students.

The research will use quantitative and qualitative data to demonstrate, at a statewide level, how Washington compares to the rest of the U.S. at each stage of the education pipeline; what we could achieve with a "U.S. leading" system; and what specifically we need to do at each stage of the P-16 education pipeline to meet the 70 percent credential attainment goal for Washington students by 2030.

Specifically, the research will:

- Assess the largest leaks in Washington's education pipeline and examine the primary factors affecting credential attainment for Washington students – such as preparation, affordability, access/awareness, retention, and postsecondary capacity.
- Identify and prioritize policy enhancements that will lead to the greatest credential attainment gains. This includes investigation of interventions aimed at improving early learning; raising performance at low-performing schools; increasing the number of career and college ready high school graduates; improving postsecondary capacity and completion; providing and promoting Guided Pathways and transfer efficiency; and improving recovery and reengagement programs for opportunity youth.
- Directly inform development of an intermediate- and long-term policy agenda that will result in consistent increases in credential attainment for Washington students.

Student Engagement Networks
Independent Colleges of Washington

The purpose of this project is to establish Student Engagement Networks, a well-informed, self-sustaining group of students on public and private, four and two-year college campuses to activate the student voice in a cohesive unified manner where and when it is needed most. The primary outcome is to engage student constituents with policymakers regularly in the district and annually during the legislative session to address the need of greater focus on higher education in Washington.

The Student Engagement Networks (SEN) of the Coalition will work with a cross-sector steering committee of partners to impact funding for the State Need Grant, higher education in Washington, increase educational attainment, and advance equity.

These student leaders will receive guidance about the higher education issues, the legislative process, and best practices in building coalitions of diverse students on campus. Empowered with this new knowledge, they will develop interactive content and engagement tools to mobilize students on their campuses to engage with policymakers—regularly in the district, and annually during the legislative session—via centrally organized events/communications, but most importantly through testimonials and self-generated activities on each campus that emphasize the importance of higher education for all Washingtonians.

College Promise Coalition

Coalition Projects

Research

- Washington Roundtable/Partnership for Learning policy roadmap
- UW Regional Education-to-Workforce Pathways
- Opinion Research

Organizing & Advocacy

- Student Engagement Network
- Washington Student Achievement Council: Conversations in Our Regional Economic Centers
- Alumni organizing
- Coalition expansion

Communications

- Social media
- Earned media

2018 Legislature

- Legislative session focus: State Need Grant, DACA students/College Bound
- Laying groundwork for 2019 budget
- Regents & Trustees Day
- Social media

Exploring Views of Higher Education in Washington State

Key Findings from Focus Group Sessions
Conducted December 11-12, 2017

Fairbank, Maslin, Maullin, Metz & Associates
FM3

DAVE METZ & MIRANDA EVERITT

Focus Group Methodology

- Six two-hour focus groups were held in suburban areas of Washington in December 2017.
- In each location, participants in one group all held a college degree, and the other set did not.
- Participants were recruited to reflect a mix of party identification, age, ethnicity and socioeconomic status; no more than four with a child in or about to be in college participated in any one group. Strong partisans were screened out.

Non-four year degree participant quotes are in red bubbles.

Four-year degree participant quotes are in blue bubbles.

Date	Location	Profile
Dec. 5, 2017	Spokane	In each city, one group without four-year college degrees, and one with them.
Dec. 11, 2017	Bothell	
Dec. 12, 2017	Tacoma	

CAUTION

- Qualitative research like focus groups does not measure directly the frequency by which opinions and attitudes may exist within a particular universe of people.
- Accordingly, the results of these focus groups may be considered suggestive of the attitudes of Washington swing voters, but cannot be considered to represent their views with any kind of statistical precision – even on questions where their views are quantified.
- However, they do provide helpful insights into language, core values and the "why" behind voter opinions.
- Findings from these sessions will help to guide the design of an upcoming survey early this year.

Higher education did not stand out as a top-of-mind concern for participants.

- ✓ The rising cost of living was a prominent concern, driven mainly by housing costs.
- ✓ For those with kids around college age, higher education was a part of the mix.
- ✓ When higher education did come up in these initial issue discussions, the focus was on cost.

My kids are 22 and 24, both went to college, and they can't afford to live on their own. They can't offer a competitive wage that will allow them to afford housing. ***– Bothell Woman***

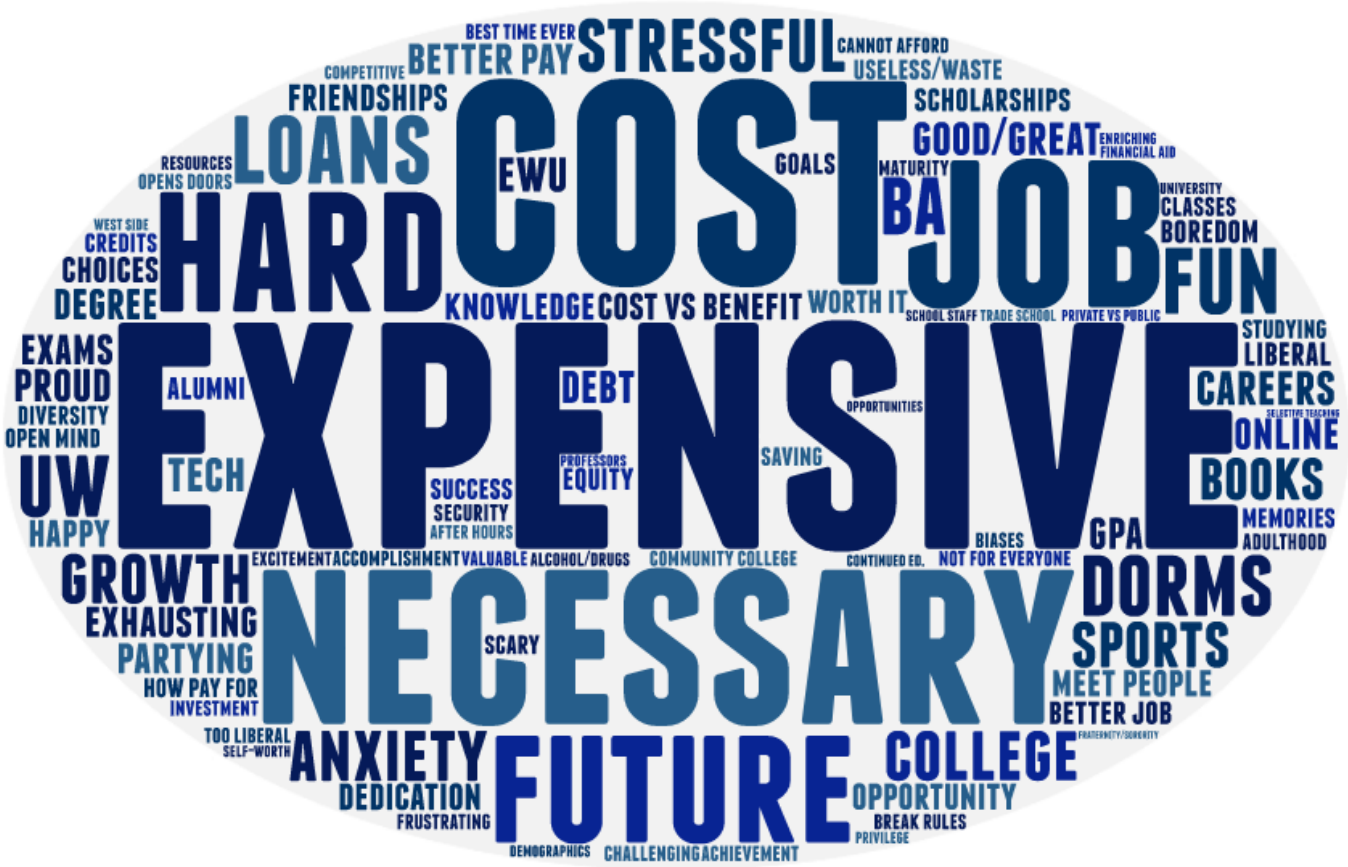
Amazon has brought a lot of transplants. It's driven up housing prices and rent prices. It can be good for the economy, but it's pushing people out, too. ***– Bothell Man***

Cost of living is going up, but my paycheck isn't. ***– Tacoma Woman***

Higher education is very, very expensive and it's not going down, it just keeps continuing to go up. ***– Spokane Man***

For most, "higher education" invoked a concerns about cost.

An initial "mind-mapping" activity asked participants to write down any associations they had with the phrase "Higher Education." Some of the most common language they used is shown below with the font reflecting the frequency with which it was used.



Few had a clear sense of the performance of the state's public system of higher education.

- ✓ Participants were asked to grade the overall performance of the state's public system of higher education on a scale of A, B, C, D or F.
- ✓ Most defaulted to a B or C grade, largely pleading ignorance of the performance of the system.

Group	Modal Grade
1) Spokane Non-College	**C**
2) Spokane College+	**B**
3) Bothell Non-College	**C**
4) Bothell College+	**C**
5) Tacoma Non-College	**C**
6) Tacoma College+	**B**

- ✓ Only a handful faulted colleges for having a liberal agenda or teaching impractical material.

When asked to rank the benefits of education beyond high school, participants focused on improving economic opportunity.

(Times Ranked in Top Three, by Session)

Benefit	Spokane <4	Spokane 4+	Bothell <4	Bothell 4+	Tacoma <4	Tacoma 4+	TOTAL
Helping people get good-paying jobs with benefits that can support a family	10	5	5	6	7	7	**40**
Training workers for growing industries like healthcare, education, and the sciences	4	10	4	3	5	6	**32**
Producing well-rounded, informed citizens who make our communities strong	7	2	4	8	5	5	**31**
Providing a pool of qualified workers to attract and retain Washington businesses	2	6	3	5	5	4	**25**
Reducing the need for Washington businesses to look outside the state to recruit skilled workers in fields like technology and computer science	5	4	6	3	4	3	**25**
Ensuring that people who grow up in Washington are qualified for the jobs of the future	0	2	2	2	3	1	**10**
Preparing people for rewarding careers	2	1	0	3	1	1	**8**

On the wall you'll see some pieces of paper listing different benefits of higher education. Using your three dots, indicate which benefits you think are <u>most</u> important.

Most who had obtained a four-year degree thought it was worth it – those without one debated the cost/benefit tradeoff.

- ✓ Those with less than a four-year degree saw its primary benefits as economic – and thus matched the increased earning power provided a degree against the cost of associated debt.
- ✓ Those with a four-year degree talked about college's role learning how to learn, establishing friendships, discovering new intellectual interests, and becoming a well-rounded citizen.

… But the friendships I made, the things I learned. I have a drama degree. I'm not doing drama, but how I use what I learned later in life was absolutely invaluable.
– Bothell Woman

Hopefully it will increase my wage opportunity but I also see it as an opportunity to find out what is important to me.
– Spokane Woman

There are some people that literally it took everything they could to get through college. I am not going to encourage my kid to go into $125,000 debt because I think they might work in HR as a secretary or something like that.
– Bothell Woman

The Future of Education Beyond High School

There was a general consensus that some education beyond high school would become necessary for success – but not necessarily a four-year degree.

We may not think [a B.A. is] important. People who are hiring think it's important. ***– Bothell Woman***

You can wash dishes with a high school diploma. That's about it. ***– Tacoma Woman***

- ✓ Participants drew distinctions between the education one would need for a "job" and a "career;" most felt it would be increasingly hard to get a job without education beyond high school, and to start a career without a four-year degree.
- ✓ Beyond its value in preparation for a job or career, many felt education beyond high school helped students discover their talents and interests, and give them direction.
- ✓ Many noted that while a Bachelor's may not be directly relevant to a specific job, it was a criterion employers used when deciding who to hire in a crowded field.
- ✓ A few felt strongly that military training should be considered a valuable type of education beyond high school.

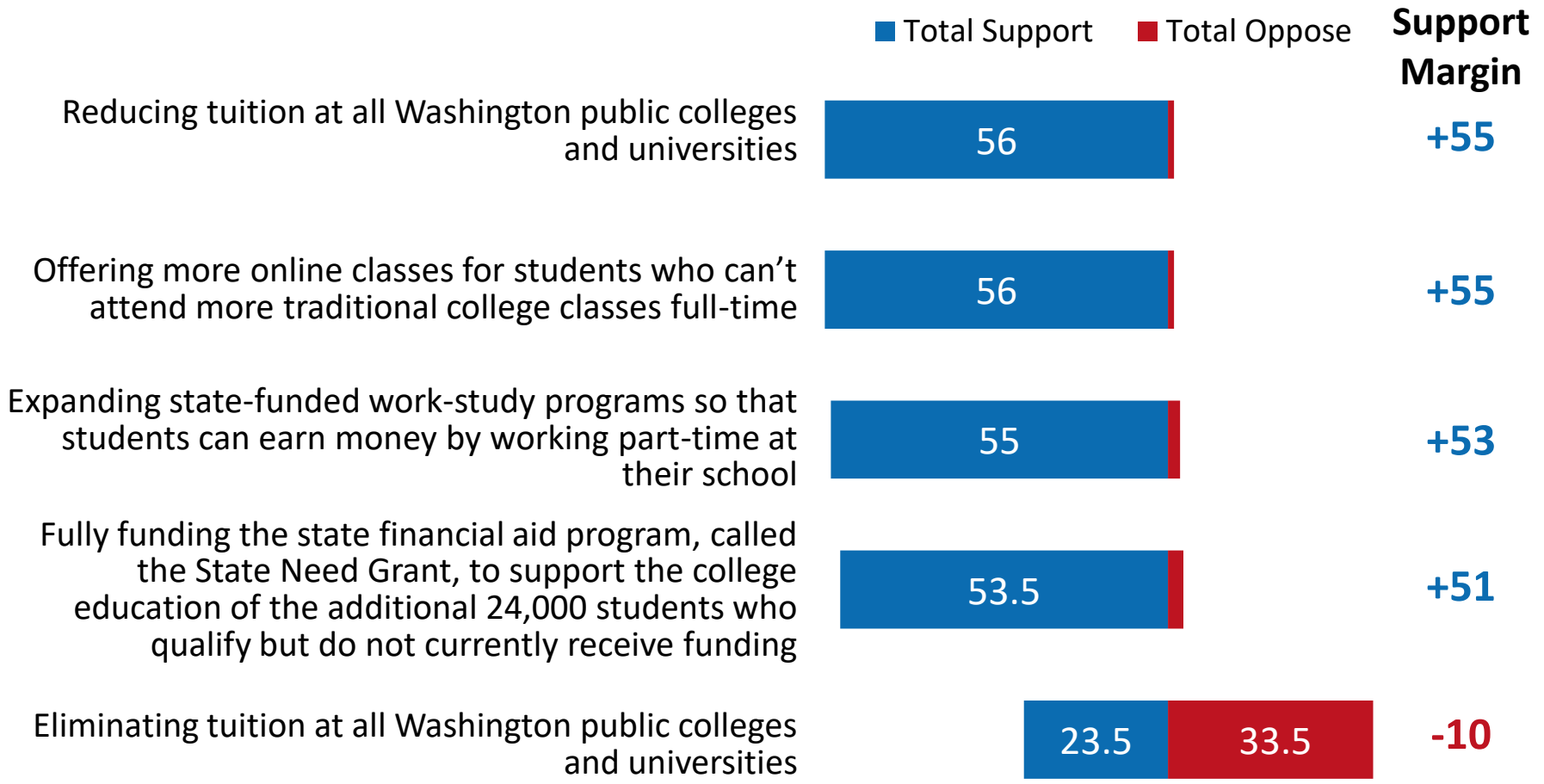
Participants saw the Attainment Goal as worthwhile but challenging.

- ✓ The mean guess at the state's current share of adults with higher education was 51% - very accurate on average –but ranged widely, from 18% to 85%.
- ✓ Participants overwhelmingly supported the Attainment Goal, but with two conditions:
  1. That it explicitly include all forms of higher education beyond a four-year degree, and
  2. That no student would be forced to take on education beyond high school if they lacked the desire or ability to do so.

I think by using technology more efficiently … being flexible … we can open up the door and get to the goal we want.
– Spokane Man

It's an admirable goal, but not necessary, because what if students don't want to continue their education? What if they are tired of sitting in the classroom?
– Bothell Man

Other than completely eliminating tuition, participants overwhelmingly supported a variety of options for expanding access to higher ed.



On the next page in your booklet, you'll see a short list of policy ideas that could help make it easier for people to get higher education. I'd like you to read through them, and mark whether you strongly support, somewhat support, somewhat oppose or strongly oppose each one.

Participants liked the idea of increasing aid or reducing tuition – but not eliminating it.

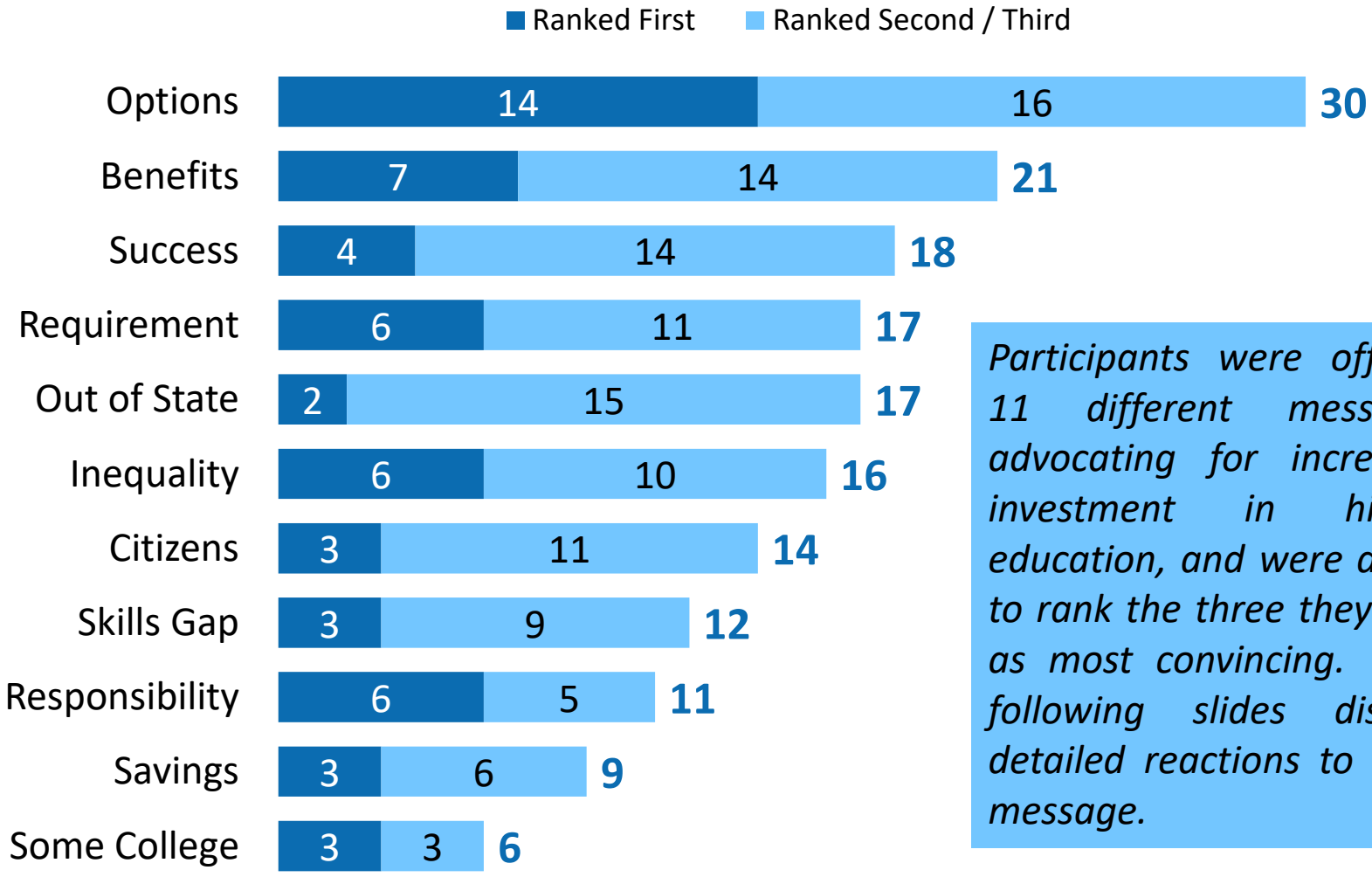
- ✓ Respondents had no idea about ratio of cost-sharing between students and taxpayers for public higher education.
- ✓ Participants' instinct, however, was that participants are likely paying more than they should.
- ✓ At the same time, respondents overwhelmingly believed students should have "skin in the game" (and nearly always used this metaphor).
- ✓ Having to pay for at least some of their education would ensure that students are attending because they *want* to, and that they will work hard once they are there.

People are going to go [to college] if they have skin in the game. It's a check that people are interested enough to be there. ***– Bothell Man***

I think by using technology more efficiently … being flexible … we can open up the door and get to the goal we want. ***– Spokane Man***

Messaging Themes

A message encompassing the full range of post-secondary options for all types of students was clearly the best-performing.



Participants were offered 11 different messages advocating for increased investment in higher education, and were asked to rank the three they saw as most convincing. The following slides discuss detailed reactions to each message.

Mentioning nontraditional students resonated.

Q

30 Times in Top 3

(OPTIONS) Just as working a 40-hour week for 40 years to secure a pension is no longer the standard work experience; 18-year-olds headed to a four-year college right after high school is no longer the standard higher education experience. More than half of today's students are parents, single parents, working, older, part-time, married, or independent students. Post-high school education has grown to include credential and certificate programs, lower-cost community college options, online college, vocational school, and two-year programs. In Washington, we need to invest to ensure that there more options for students starting higher education, and that there are more options to make sure they finish a degree once they get there.

They have certificates up their sleeve, which allows you to go on and do other things. It sounds like a good jumping start for 18-year-olds.

It doesn't have to be University of Washington. It can be many things, we're not all the same. We don't all think the same. That's important for society to think differently.

- This message resonated with non-college participants, who drew on experience from their own lives and that of friends and family who are returning to school.
- The breadth of the opportunities listed also appealed – "it touched on everybody."

The diverse benefits of higher education were convincing and credible.

P

21 Times in Top 3

(BENEFITS) Americans' belief in the value of higher education is well-placed: in key indicators, earning an education after high school gives people a strong foundation and a leg up in tough times. From increased pay to being able to get and keep a job even in an economic downturn, to advancing to a new job, higher education is critical. College graduates earn 56% more than those with a high school degree; have lower unemployment rates; are more likely to have their own children go to college; and have lower rates of chronic diseases.

Even when the economy gets rough, educated people have a better time retaining their jobs … you're creating a legacy that helps build up our culture.

You're on welfare, you think that's OK so your kids are on welfare, so the cycle is hard to break. Well, let's build the cycle the other way.

- This message emphasized the "trickle down" or generational impact of higher education.
- Overall, participants found the long-term benefits of higher ed, as described, to be believable.
- The chronic disease connection was harder to believe for one respondent (though one connected it to the likelihood to have health insurance).

A path to higher earnings was important.

N

18 Times in Top 3

(SUCCESS) College and career training are the keys to giving Washington's kids the opportunities they need to be successful. Studies show that the more education students have, the more they can earn when they enter the workforce – setting them on a lifelong path for higher earnings and more opportunity. Supporting higher education pathways ensures kids have the chance to succeed regardless of their family circumstances.

When they're successful in the workforce it gives them a better outlook to themselves, a positive attitude; it gives them the ability to make an income, take care of a family, help others.

It's not just that four years out of high school, it's a lifelong learning that puts them on that path.

- "Give them a chance" resonated, especially in a non-college groups.
- Participants appreciated the explicit reference to career training.
- Many referred to their own personal experience of obtaining a degree or additional training explicitly to get an increase in pay.
- The generational and "positive cycle" aspects of this message appealed to many respondents as well.

The sense that training after high school is a requirement for jobs now rang true.

G

17 Times in Top 3

(REQUIREMENT) Four decades ago, only one in four jobs required education beyond high school. In the next five years, nearly two-thirds of jobs will require some education beyond high school. We need to help make sure that all Washington students have a chance at education after their diploma – their future depends on it.

It's different now than when I went to college and even different from my parents. Looking forward it's college, the training, all of it.

- This message expressed urgency, paired with straightforward facts.
- Participants found the statistics, both looking backwards and forwards, to be believable.
- As with another popular message, "have a chance" resonated.
- Some noted that even hands-on jobs require more training than they did in the past (such as car mechanics who now need to understand software).

A message about workers coming from other states drew a middling response.

H

17 Times in Top 3

(OUT OF STATE) Washington state is projected to have 740,000 job openings over the next 5 years – but only half of adults here have a post-secondary education. If we don't train and educate our students here at home, companies will bring in workers from out-of-state, or move away to where the talent is.

If we don't skill our workforce and educate them there's going to be a lot of people coming from out of state or businesses will move elsewhere. That affects our economy huge.

Homegrown talent!

- Several respondents had, at the beginning of the discussion, talked about how too many job opportunities in Washington are going to workers coming from out of state.
- Respondents liked the idea of training and equipping Washington's own students (and many had noted the influx of new workers in tech especially), but this was not a top message.
- A few noted that the message implies giving businesses a taxpayer subsidy by offering additional training to their workers.

Messages on citizenship and income inequality also fell in the middle of the pack.

L

16 Times in Top 3

(INEQUALITY) Growing income inequality is one of the biggest challenges we face in Washington today, and lack of access to a higher education contributes to the widening gap between rich and poor. Higher education – whether it's a training program or a four-year degree – will help ensure Washington students in need are not left behind.

The rich get richer, but this could slow it down.

This one here is what we see glaringly out in front of us now because it is happening every day with the high prices.

J

14 Times in Top 3

(CITIZENS) Having a strong college and university system is critical to producing the kind of well-rounded, informed citizens we need to make our communities strong. Investing in higher education strengthens the fabric of our communities.

We don't do enough on this [east] side of our state for our people or our students and I think we need Spokane to be strong. We're not building ourselves up very well.

When you have people who are well-educated, -informed and well-rounded, they are more likely to be engaged citizens.

The focus on important skills in healthcare and the sciences was important.

K

12 Times in Top 3

(SKILLS GAP) There are currently 25,000 unfilled jobs in Washington – primarily in the sciences and health care – because our state's workforce does not have the right skills to fill those jobs. We need to produce more highly-skilled workers in these fields to reduce the unemployment rate, save the state money, and get our economy moving again.

Science and healthcare, those are the occupations that support people. I think it's important to have quality people in those positions.

- To those who ranked this message highly, it was important to equip today's workers for the jobs that help others.
- Most agreed that health care and the sciences are the growing sectors of the state's economy.
- The main deficiency of the message is that it approaches the issue from the perspective of the economy overall – which participants saw as being in good shape – and not workers themselves.
- In addition, none seemed to latch onto the idea of saving the state money; they were more concerned with the shorter-term benefit of filling jobs in needed fields.

Preparing different people for the variety of jobs needed for the future yielded passive agreement.

O

11 Times in Top 3

(RESPONSIBILITY) The jobs of today and the future require education after high school – whether that's a four-year college degree or career training or certification. The state must invest in future generations and the economy in the long-term – and that means funding higher education for all of our students.

We're going to need lots of blue-collar jobs, lots of hands-on training, infrastructure, obviously medical as we have an aging population.

We need electricians, we need plumbers – not just cranking out four-year degree kids or no education at all.

- Participants generally agreed with the thrust of this message, but saw little that they found highly persuasive.
- The message lacked some of the detail and specific benefits for workers and students offered by some of the other messages.
- This message resonated slightly more among those with a college degree or more, who thought about the wider context for these jobs of the future.

The long-run savings argument was relatively less persuasive, inspiring no strong reactions.

M

9 Times in Top 3

(SAVINGS) Funding higher education through programs like the State Need Grant saves us money in the long run. Studies show that the more states invest in higher education, the more tax revenue they generate and the less they have to spend on the corrections system and health care for the poor.

Building up our economy by training a better population and creating people that are less stressed out because they enjoy what they do and can be successful. That's a good place to start.

- This message inspired no strong reactions.
- The themes of improved life outcomes were more persuasively stated in other messages.
- Again, framing the message from the perspective of the state budget rather than from the perspective of families, students and workers made it less relevant for participants.
- The widespread lack of familiarity with the State Need Grant (except among parents of current or recent students) likely also hindered the message's reach.

A message focused on returning students did not rank as highly as others.

I

6 Times in Top 3

(SOME COLLEGE) About 700,000 of Washington's working-age adults have earned some college credit, but haven't completed a degree. Supporting these students when they choose to return to finish their education provides them the opportunity to increase their earning power for a lifetime.

Some like myself have earned some college credits but they haven't completed their degree … but when they do, if they can, they'll be able to make more money and start putting more away for retirement and a better quality of life.

- While participants appreciated the reference to returning students, the "options" message seemed more inclusive of different types of students and different pathways they could take.
- In addition, the message did not specify the potential benefits to returning students; for many, completing a degree was not necessarily a high-priority goal in the absence of some other clear benefit.

Conclusions

Ideas Participants Said Would Stick with Them

We need to make education more accessible and cheaper for kids. Looking to the future our state and our businesses have jobs to fill. Let's invest in our children.

There was a decided concern for developing well-rounded, creative citizens that enrich others and society in general. Is this really available now in higher education?

Everyone should have the opportunity to attend college or trade school without breaking the bank.

If only 31% are attaining higher education, proven needed for future jobs, where will Washington be in 15 years? Who will be employed in our state and what quality?

Education of some kind after high school is necessary if we want our students to be competitive. We need to invest in our future by students need to invest in their future too.

Higher education makes for stronger society. It allows for expanded salary options and opens doors.

Continuing education is important. Hard to find a way to make it affordable. Taxes can't be the only answer.

"Education" does not necessarily mean "college." When people think post-high school education, they don't often think of technical school, internships, apprenticeships, etc.

Glad to see recognition that there are options beyond four-year colleges.

Conclusions

- ✓ Overall, participants placed a high value on education beyond high school.
  - Most saw it as increasingly essential for getting a good job, and certainly for developing a career.
  - Participants heavily emphasized the importance of encouraging students to pursue a wider range of post-secondary education, including two-year degrees, vocational and trade school, credentials and certificates, and apprenticeships.
  - Few seemed to view the higher education system as ideologically liberal.
  - Most supported a range of steps to increased in vestment in higher education to expand access.
- ✓ At the same time, numerous concerns were evident.
  - There was broad concern about the rising cost of higher education, and about student loan debt.
  - As a result, the prevailing emotions that participants connected with higher education were anxiety and worry.
  - Very few knew much about the public system of higher educated, and none had a clear idea of how it was funded.
- ✓ Respondents generally agreed that the Attainment Goal was a good idea, but worried about how practical it was. It was very important to them that the goal 1) explicitly include options beyond a four-year college, and 2) not *require* students to get education beyond high school, as not all students want to attend or are suited to do so.
- ✓ While participants backed increasing financial aid or reducing tuition, eliminating tuition entirely was relatively unpopular – respondents wanted students to have "skin in the game."
- ✓ The strongest messages for increased investment built on participants' existing perceptions: the need for more higher education options to serve an increasingly diverse range of students, and the benefits that accrue to workers – from higher wages to better health – as a result of higher education.

BOARD OF REGENTS MEETING

Diversity, Equity, and Inclusion (DEI) 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.

Committee Members

Name		***Term***
Joanne Harrell	Regent, Committee Chair	10/1/17 to 9/30/18
Rogelio Riojas	Regent, Committee Vice Chair	10/1/17 to 9/30/18
Constance Rice	Regent	10/1/17 to 9/30/18
Mari Clack	Community Member	10/1/16 to 9/30/19
William Covington	Professor, UW School of Law	10/1/16 to 9/30/19
Joshua Dawson	UW Student	10/1/17 to 9/30/18
Colleen Fukui-Sketchley	UW Foundation Board	10/1/16 to 9/30/19
Norma Zavala	Community Member	10/1/16 to 9/30/19
Ana Mari Cauce	University President	*ex officio*

UNIVERSITY of WASHINGTON

Associated Students of the University of Washington – Seattle

FEBRUARY REPORT

OSMAN SALAHUDDIN

ASUW PRESIDENT

FEBRUARY 8, 2018

OVERVIEW OF MONHTLY ACTIVITIES, EVENTS, ENGAGEMENTS

January Recap We're already a month into 2018 and student groups have already done so much amazing work together. Last Monday, a group of over 70 students from UW drove down to Olympia for Huskies on the Hill to talk to legislators and lobby for higher education issues. I also drove down to Olympia the next day with just a few UW students who were undocumented to speak to legislators in a private and closed setting. Moreover, last week ASUW Arts and Entertainment brought Bobby Hundreds to talk to students about his unique approach in the clothing industry, intertwining activism with art.

Winter Quarter Forecast It's going to be hard to top these great events, but luckily the ASUW has some amazing events planned for the rest of Winter quarter. Some of these include the Blank Monologues on February 8th, 9th, and 10th, the Everybody Every Body Fashion Show on February 10th, Middle Eastern Student Commission Culture Fest on February 16th, and programming from the Black Student Commission for Black History Month. Also, ASUW elections are coming up in Spring and there are a lot of informational sessions upcoming to get more students interested and engaged. We also have an ASUW Rebrand Committee that is exploring the possibility of rebranding the Association to create a fresh start with students on campus. Along with this, we have also relaunched the ASUW Office of the President Facebook page where I can be a lot more transparent with UW students and share what I'm doing with them.

OVERVIEW OF YEARLY GOALS, PROGRESS TOWARDS GOALS, CHALLENGES

Main Focuses of the Year I have spoken about my main focuses this year at a few meetings, but I wanted to cover some goals that I have for the rest of the year. I am just over halfway done with my term and it has gone great so far. Now I want to focus more on getting the ASUW to be more widely known on campus and emphasizing student wellbeing at UW. This aspect of wellbeing can be broken down into two areas:

- **Student Safety** Many students have been concerned about their safety on and around campus as of late (with rumors of a possible serial killer spreading rapidly across campus last week). Especially in these cold and dark nights, it is imperative that students are looking out for each other but staff and administrators along with UWPD are also ensuring student safety every single day.

- **Mental Health** Winter quarter is often referred to as the most dreary and dismal quarter at UW, and it has definitely shown in the students as I have spoken to many of them. To assess wellbeing, we just established the Student Wellness and Access Task Force, and for the next several weeks it will be looking at mental health and mental health resources on campus for students.

STUDENT PROFILE

Alvin Benavides, Senior, Marketing (Michael G. Foster School of Business) Alvin is a senior in Foster (freshman direct admit) who has excelled both inside the classroom and out. He grew up in Seattle and attended Ballard High School, and he has truly found a welcoming community at the University of Washington. Alvin is currently in his second year as the Outreach Coordinator in ASUW Arts & Entertainment as well as a Mentor at Young Executives of Color. His passion for the arts, photography, and social media led him to be an intern at Complex Magazine last summer. I have had the pleasure of knowing Alvin since freshmen year when we both participated in the UW Leaders program, and I can truly say that he is one of the most dedicated individuals I have ever met.

UNIVERSITY of WASHINGTON

GRADUATE & PROFESSIONAL STUDENT SENATE

2018 February REPORT

Soh Yeun (Elloise) Kim

GPSS President

February 8th, 2018

Overview of January 2018

Huskies on the Hill

On January 29th, UW students had the annual Huskies on the Hill lobby day in Olympia to advocate for higher education. It was a successful day that allowed WA legislators to learn about critical issues for our students and challenging experiences for the higher education community. Many of our students had the opportunity to meet with their district legislators, as well as other legislators from across the state. This year a larger number of graduate and professional students participated, which reflects heightened concerns about graduate education among students. Highlights of the day include meet-and-greets with the Secretary of State and the Lieutenant Governor, and a conversation with Governor Jay Inslee. It was a positive experience for the attendees to see the impact of this year's Huskies on the Hill in Olympia.

Lobbying Focuses

The top lobbying priorities for GPSS relate to student loans, tuition and fees, mental health, and support and accessibility for student caregivers. With respect to student loans, we are advocating for the Student Loan Bill of Rights (SB 6029); the Student Opportunity, Assistance, and Relief Act (HB 1169); and the matched student loan repayment program for rural medical doctors (HB 2598). With respect to tuition and fees, we are advocating for decoupling of services and activities fees (HB 1433/SB 5592) and a conditional grant program for fee-based programs at the UW (HB 1651). With respect to mental health, we are advocating for the student veterans' mental health counselor (HB 1737/SB 5525) and for established suicide prevention and behavioral health programs and resources in higher education (HB 2513/SB 6514). With respect to support and accessibility for student caregivers, we are advocating for a collaborative child care task force (HB 2367), and various bills that work to eliminate the working requirement of the Working Connections Child Care subsidy program for student parents (HB 2764 and SB 6100). While we have worked on other bills, these are our main focuses in this session.

President Ana Mari Cauce at GPSS Senate

President Cauce was invited to the GPSS Senate on January 24. Her conversation with the Senate covered a wide range of topics, and many questions came from the floor about the vision and practice of our university to support graduate education. The discussion included topics such as a political climate regarding higher education and University's advocacy effort at the both state and federal level, a budgetary sustainability plan for the College of Arts and Sciences, sexual harassment prevention and remedial measures, protection of international students and DACA students affected by the federal government's policies, housing cost, and WorkDay errors.

Upcoming Programs

Climate Policy: How Do We Move Forward Together?

February 13th (Tue), 7-8 P.M., Kane 120
Organized by UAW4121, GreenEvans, GPSS Science & Policy Committee, and Program on Values and Society

Winter Social

February 22nd (Thu), 7-10 P.M., HUB Games Area

Communicating with Faculty – A Workshop for International Graduate Students

February 27th (Tue), 3:30-5 P.M., HUB 314
This is the 3rd year of hosting this workshop series in collaboration with Core Programs, Graduate School, to help understanding of communication strategies in various academic contexts.

Adaurennaya Chidinma Onyewuenyi is a doctoral candidate in Learning Sciences and Human Development at the College of Education. Her dissertation studies how race, ethnicity, immigration, cultural norms and discrimination influence the academic trajectories of Black American and African immigrant high school students. As a daughter of the Nigerian immigrant family, she is interested in the issues of Black American and Nigerian adolescents in the United States. Recently Ada received an American Educational Research Association Minority Dissertation Fellowship.

UNIVERSITY of WASHINGTON

Associated Students of the University of Washington Tacoma

February REPORT

Arwa Mohamed Dubad
ASUWT President

Thursday, February 8, 2018

OVERVIEW OF MONHTLY ACTIVITIES, EVENTS, ENGAGEMENTS

Since our last meeting in January, ASUWT has concluded the Assistant Chancellor for Equity and Inclusion Search along with administrators, staff and faculty. Currently we have one board member who sits on the Executive Vice Chancellor for Academic Affairs search committee. We have participating in our Annual MLK Unity Breakfast, this year theme was Stand up, Speak out. I, Arwa, had the honor of introducing the Keynote speaker Roslyn Brock, chairman emeritus of the NAACP National Board of Directors.

ASUWT welcomed Regent Benoliel, who spent a full day at UW Tacoma engaging with our students and listening to their various concerns and suggestions. The students were very much pleased with his visit and are looking forward to more visit by other regents as well. Last week, ASUWT attended Huskies on the Hill, we had a record number of students participating in the event. Last Wednesday, January 31, ASUWT unanimously approved a resolution in support of expanding the Center for Equity and Inclusion into a bigger space so as to accommodate heavy student use. In our public support of the center, we urged administrators to move the center to Tioga Library 4th floor. Following our approval of the resolution, we had an on-campus protest, where we demanded the space by June 2018. Administrators, staff, faculty, and students were present at the protest, the chancellor engaged ASUWT and we came to an agreement. The students received the desired space and the center will open in Tioga by fall of 2018.

Currently, we are working on Court 17 housing rates, the proposed rates affect our student's ability to live on campus and makes it difficult to make the ends meet. We are trying to figure out a way to support Court 17 which is a self-sustaining building with no outside financial support while also making sure that our students are not going into further debt. ASUWT's biggest project of the quarter is the Late-Night Study Space Access; we have surveyed the student population and got more than 10% of the student's response. A team of senators are putting together the numbers and creating graphs. We have been invited to the Executive Budget Committee at UW Tacoma and hope to share the numbers with the Regents in the coming months. The biggest takeaway from the survey is that about 80% of the students are expressing a need for a study space on campus. Our library closes at 10 pm Monday- Thursday and 5pm Friday-Sunday. That leaves our students a couple of options, 1. To drive to UW Seattle campus and study at Odegaard, to trespass UPS campus and get there before they close their doors to the public, which is at 9 pm. It's unfortunate that our campus does not accommodate our students' need to study individually or in groups, and we hope to change that.

OVERVIEW OF YEARLY GOALS, PROGRESS TOWARDS GOALS, CHALLENGES

This year our goal was to slowly move the needle in the right direction when it comes to our campus view on Equity and Inclusion. We wanted to implement an Equity and Inclusion vision in every department, so that not one center works on this but everyone shares a load. One way of doing that was supporting the only center that advocates, implements and holds everyone on campus accountable when it comes to this work. ASUWT made it clear that we are standing beside the center and slowly administration and the campus community recognized it and responded as such. We are proud of the strides being made by everyone to support the center.

Another goal of this year's team was to work with administrators to make sure that ASUWT had some autonomy and funds. Both goals were accomplished by January 2018. Currently ASUWT does not fall under any department, we are very own organization and closely work with admins on all level. Our last goal is the Late-Night Study Space Access, and we are working hard to accomplish this goal by Spring Quarter.

STUDENT PROFILE

My name is Omer Adam, and I'm a junior majoring in Information Technology with a concentration in Info Assurance. I have been very involved on campus I was the Directory of Internal communications and Affairs in ASUWT. And I'm currently the president of Muslim Student Association (MSA). Moreover, I was selected as a Charles Rangel Scholar in the 2015-2016 school year out of 500 nationwide, making me the second from UW Tacoma. I chose to attend UW Tacoma because of the small class size and the tight community that it offers its students. My short-term aspiration is to become a Network Security Engineer. My long-term aspiration is to become a CEO of a major technology company. One of my concern is finding an internship in the Networking area just because many companies do not want to hire someone who has no experience. Furthermore, the lack of opportunities and access to these internships makes it very difficult for me as a student at UW Tacoma.

UNIVERSITY of WASHINGTON

ASUW Bothell

February REPORT

Dominick Juarez
Bothell President
8 February 2018

OVERVIEW OF MONHTLY ACTIVITIES, EVENTS, ENGAGEMENTS

Space

- **On campus our space is limited, and we have been working to find veterans a space on campus. An announced space has raised concerns and conversations are developing to find a solution, as the proposed space was next to a space utilized by students known to be refugees.**

Incidents

- **There has been a lot of speculation regarding our reflection room, and the feces that was left behind in it. It has become apparent to me that our messages to the campus can be misleading when they don't come from the source, and a lot of opinion is placed upon them.**

OVERVIEW OF YEARLY GOALS, PROGRESS TOWARDS GOALS, CHALLENGES

Parking & Food:

- **Due to the recent increases in our population to our institution and the partnership with Cascadia College has our population at about 10k students attending our campus. We have increased parking to an off campus lot at Seattle Times with a free (to users) shuttle. Efforts include:**
  - **Providing transparency to our students regarding the parking increase and advertising**
  - **We have achieved getting more food options on campus with providing access to Peach**
  - **We are currently working on developing an app for our student discounts**

Health Services:

- **Students have had many concerns about our access to immediate health care options. Stories from students needing to see a nurse, or doctor have been raised with the concern that the nearest hospital is in the next city over, with about a 15 minute drive, and 40 minute bus ride.**
  - **Chancellor's Health Services Task Force Report has been released**
  - **Our Director of Student Advocacy has been working to establish a meeting with our new Dean of Health Studies and Director of Counseling Center to work on the next steps**

Student Involvement:

- **We have really aspired to gain momentum in involving more students in general, but more so in ASUWB related activities.**
  - **Bought cardboard cut outs of each member to raise awareness about whom ASUWB members are**
  - **Have been going to classes and providing face to face interaction with our first year students**
  - **Developing an on-going leadership volunteer group**

Save SAEF:

- **SAEF, Student Academic Enhancement Fund, provides an opportunity for students at UW Bothell to enhance their academic learning off campus. This provides allocations to present research around the world, or attain knowledge from a conference that is hosted locally or nationally, specifically by providing accommodation and travel costs, but not per diem allowances. Due to recent policy changes concerning travel it has been suspended.**
  - **We have been adjusting the language use for university sponsored travel**
  - **Working with the AG to make sure what is necessary is in compliance**
  - **Recommending caution be taken by providing best practices when traveling**