

**BOARD OF REGENTS MEETING**Preliminary FY 2016 Operating and Capital BudgetsINFORMATION ITEM

It is the recommendation of the administration that the Board of Regents, pursuant to its authority under RCW 28B.20.130, the Bylaws of the Board of Regents, and the Board of Regents Standing Order No. 1, consider as preliminary the Fiscal Year 2016 operating budget, tuition rates and capital budget for the University of Washington that are presented in the following text and tables. In this information item, the Board of Regents, in its sole and independent discretion:

1. Reviews the Fiscal Year 2016 Operating Budget;
2. Considers tuition rates for all tuition categories for the 2015-16 and 2016-17 academic years;
3. Affirms selected fees for Fiscal Year 2016;
4. Specifies that academic fee increases that are implemented under authority that the Board of Regents has delegated to the President and Provost that are consistent with the limitations the Board has specified are reasonable and necessary;
5. Reviews the Fiscal Year 2016 Capital Budget; and,
6. Confirms changes to the Ten-Year Capital Plan.

BACKGROUND

Operating and capital budgets for the period July 1, 2015 through June 30, 2016 are presented in this information item. The FY16 operating budget, including proposed two-year tuition rates, and capital budget are being presented in one comprehensive draft.

- The first section of this draft contains information about the primary drivers of the FY16 preliminary operating budget, including a discussion of tuition, financial aid, self-sustaining/auxiliary and state budget information. This section also contains two-year proposals for tuition rates, with the exception of resident undergraduate tuition, which will likely be decided by the 2015 Legislature.

## BOARD OF REGENTS MEETING

### Preliminary FY 2016 Operating and Capital Budgets (continued p. 2)

- The second section of this item contains a summary of all projected revenues and expenditures for the upcoming fiscal year. This section also contains a detailed view of General Operating Funds and Designated Operating Funds.
- The final section of this item contains the draft FY16 Capital Budget, highlights of upcoming major capital projects, and the draft 10 year “One Capital Plan.”

#### *Attachments*

Preliminary FY 2016 Operating and Capital Budgets  
UW 10 Year Capital Plan

# UNIVERSITY Of WASHINGTON

## PRELIMINARY FY 2016 OPERATING AND CAPITAL BUDGETS

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FY 2016 OPERATING BUDGET  
2015-16 & 2016-17 TUITION RATES  
FY 2016 CAPITAL BUDGET & REVISED ONE  
CAPITAL PLAN

### ATTACHMENT 1

## Board of Regents

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### Prepared By

Office of Planning and Budgeting, Division of Planning and  
Management

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# UW Mission & Sustainable Academic Business Plan

The primary mission of the University of Washington is the preservation, advancement, and dissemination of knowledge. The University preserves knowledge through its libraries and collections, its courses, and the scholarship of its faculty. It advances new knowledge through many forms of research, inquiry, and discussion, and disseminates it through the classroom and the laboratory, scholarly exchanges, creative practice, international education, and public service. As one of the nation's outstanding teaching and research institutions, the University is committed to maintaining an environment for objectivity and imaginative inquiry and for the original scholarship and research that ensure the production of new knowledge in the free exchange of facts, theories, and ideas.

**UW Brand:** Together undaunted for a world of good.

## The UW must...

### **Sustain**

- Academic excellence and mission
- Financial stability

### **Compete**

- Attract the best students, faculty, and staff
- Increase and diversify funding

### **Transform**

- Embrace technology and interdisciplinary collaboration to meet the needs of a diverse and dispersed student body
- Invest in people and infrastructure to meet 21st century challenges

### **By...**

- Increasing revenue
- Decreasing costs
- Investing in people
- Investing in infrastructure
- Increasing access

# 2015 Highlights

## Rankings and Economic Impact

- The UW is ranked No. 14 globally by U.S. News & World Report, No. 15 globally by the Academic Ranking of World Universities and No. 7 nationally by Washington Monthly. U.S. News ranks the UW is ranked No. 16 nationally among public universities, or No. 48 among all nationally ranked universities.
- Kiplinger's ranks the UW as the No. 11 best value in the nation for in-state students. Washington Monthly ranks UW Seattle No. 15 and UW Bothell No. 6 in its "Best Bang for the Buck" rankings.
- UW's annual economic impact on the state of Washington is now \$12.5 billion – up from \$9.1 billion just five years ago.

## Access and Affordability

Enrollment grew on all of the UW's campuses in fall of 2014. In addition, applications for freshmen admission continue to grow. This growth occurs alongside an institutional commitment to need-based aid.

- About 57 percent of undergraduates received some type of financial aid in 2014-15, in the form of scholarships, grants, waivers, loans, and work study funded by the federal or state government, the UW, or a variety of private sources. A total of \$424 million was awarded.
- Approximately 32 percent—or about 9,750—of UW undergraduate residents on all three campuses are eligible for the Husky Promise, a program that provides free tuition to students with financial need.

## Infrastructure Growth

- UW Bothell opened Discovery Hall in fall 2014. This building is the home to UW Bothell School of Science, Technology, Engineering, and Math.
- UW Tacoma recently celebrated the opening of its new, award-winning Prairie Line Trail and its new University Y Student Center.
- Supported by tribal communities, individual gifts, corporations and foundations, the University, and the Washington Legislature, UW Seattle opened wəˈtəbʔaltxˈ - Intellectual House in March 2015.

## Preserving and Enhancing Scholarship

- Last year, UW Libraries received \$850,000 to expand access to world-class collections and to support research in emerging fields.
- In FY15, Arts & Sciences and the College of Engineering jointly received \$600,000 in operational support for MicroFab and Molecular Engineering facilities.

## Research and Commercialization

- Though UW researchers and faculty continue to outperform expectations in securing awards, we remain cautious about the future given financial uncertainties with the federal government.
- CoMotion (formerly C4C) expanded its vision to provide mentoring and resources to UW innovators, opening the new MakerSpace in Fluke Hall, which offers workshops and involves over 250 students. So far in FY15, 15 startups have been launched, including one that developed a football helmet to reduce concussions.

## Health and Service

- UW Medicine provided more than \$276 million in charitable care to Washington residents in FY14, the most recent year for which data are available.

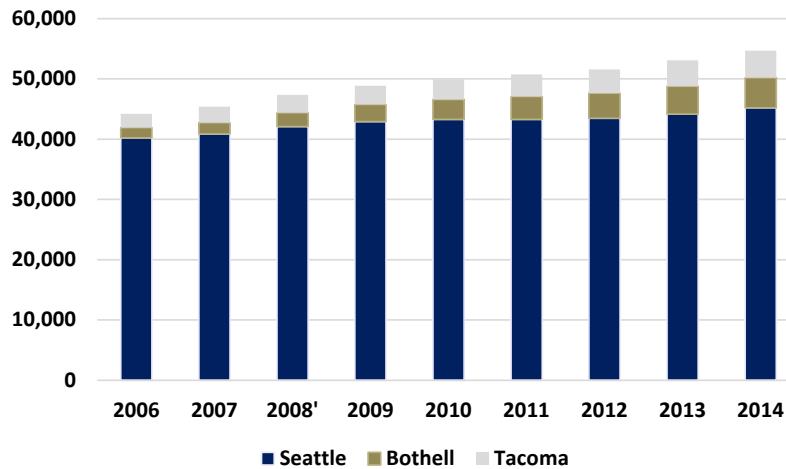


# Student Trends

## Student Enrollment

Chart 1 and Table 1 show overall enrollment growth trends. As shown, enrollment at UW Bothell and UW Tacoma has been growing more rapidly than UW Seattle enrollment.

**Chart 1. Fall Enrollment by UW Campus (headcount)**



**Table 1: Fall Quarter Enrollment By UW Campus**

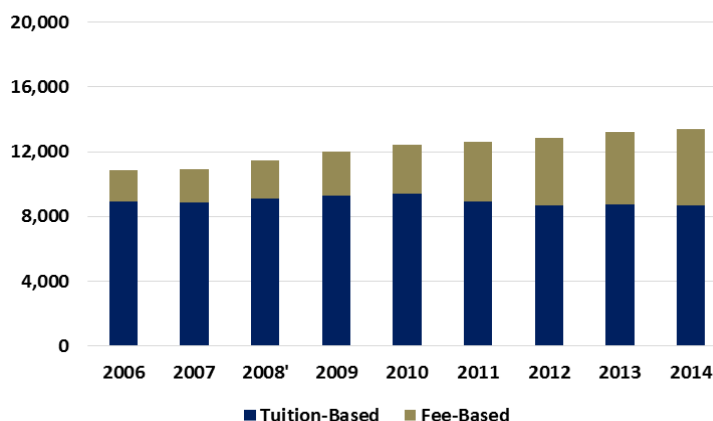
UW Campus	Fall Quarter Enrollment								
	2006	2007	2008'	2009	2010	2011	2012	2013	2014
Seattle	40,220	40,874	42,114	42,925	43,312	43,301	43,481	44,158	45,215
Bothell	1,691	1,889	2,291	2,828	3,277	3,772	4,172	4,606	4,968
Tacoma	2,317	2,647	2,973	3,122	3,346	3,669	3,919	4,310	4,494
<b>Total Enrollment</b>	<b>44,225</b>	<b>45,405</b>	<b>47,377</b>	<b>48,870</b>	<b>49,931</b>	<b>50,738</b>	<b>51,568</b>	<b>53,072</b>	<b>54,670</b>

Note that the sum of enrollments at the three campuses is greater than the UW total, as some students are enrolled at more than one campus.

## Growth in Fee-Based Programs

As shown in Chart 2 and Table 2, enrollment in fee-based graduate programs has also been notable. Although Chart 2 and Table 2 do not show a breakdown by campus, this growth is driven largely by the Seattle campus.

**Chart 2. All Campus Fall Quarter Graduate Student Headcount by Program Type**



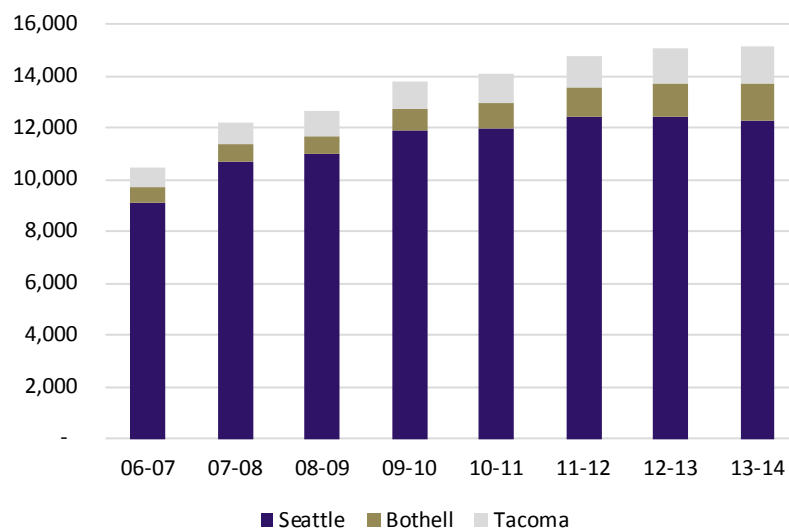
**Table 2: Fall Quarter Graduate Student Headcount by Program Type**

	2006	2007	2008*	2009	2010	2011	2012	2013	2014
Tuition-Based	8,919	8,845	9,078	9,301	9,390	8,894	8,695	8,734	8,684
Fee-Based	1,960	2,070	2,394	2,724	3,035	3,733	4,143	4,501	4,714
<b>Total</b>	<b>10,863</b>	<b>10,899</b>	<b>11,453</b>	<b>11,992</b>	<b>12,388</b>	<b>12,571</b>	<b>12,782</b>	<b>13,177</b>	<b>13,332</b>

Note that the sum of fee-based and tuition-based is greater than the total, since some students can be both.

## Degrees Awarded by Campus

Without disaggregating by degree type or level, it is clear that for the most part, degrees awarded by our three campuses reflect growth in enrollment. The Seattle campus's growth waned in the most recent academic year for which these data are available, reflecting slightly lower class sizes several years ago; however, this decline was a slight aberration and we expect to see consistent enrollment and degree growth over time.

**Chart 3. All Degrees Awarded by Campus****Table 3. All Degrees Awarded by Campus**

UW Campus	Academic Year							
	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14
<b>Seattle</b>	9,141	10,723	11,009	11,913	11,961	12,396	12,444	12,299
<b>Bothell</b>	568	662	685	806	1,016	1,126	1,267	1,413
<b>Tacoma</b>	748	825	936	1,067	1,144	1,263	1,335	1,451
<b>Total Degrees</b>	<b>10,457</b>	<b>12,210</b>	<b>12,630</b>	<b>13,786</b>	<b>14,121</b>	<b>14,785</b>	<b>15,046</b>	<b>15,163</b>

# Key Assumptions for the FY16 Proposed Budget

In each of the sections below, each major component of the FY16 operating budget is defined and changes to the budgeted amounts for the coming fiscal year are explained. As a reminder, the primary sections of the Regents' budget are broken down as follows:

## University Operating Resources

- General Operating Funds
- Designated Operating Funds

## Research Enterprise

## Restricted Funds

- Gift income and endowment distributions
- Restricted appropriations from the State of Washington

## UW Medicine Health System

## Auxiliary/Self-Sustaining Activities

- Auxiliary unit budget projections
- UW Tacoma and UW Bothell self-sustaining revenue projections
- Academic and academic support unit self-sustaining revenue projections

## University Operating Resources

As a reminder, University Operating Resources are derived from state appropriations, net tuition revenue, indirect cost recovery from grants and contracts, institutional overhead charged to self-sustaining budgets and auxiliary units of the University, administrative overhead charged to Bothell and Tacoma, and summer quarter. These revenues are combined into two major budget communities: General Operating Funds (GOF) and Designated Operating Funds (DOF). These budget communities fund our campuses, Seattle schools and colleges, and academic support units.

Each of these primary drivers of revenue is described below. In addition, University Operating Resources are highlighted in a subsequent table, Table 10.

## State Subsidy

There are two operating budgets under consideration by the 2015 Legislature at this time; the two budgets differ significantly. Though we do not know what the final outcome will be, this operating budget information item assumes policy changes and funding levels present in the House engrossed budget. Both engrossed budgets make changes to tuition policy, provide funds for compensation increases (changing both faculty and staff salary assumptions and employee health benefit assumptions), make targeted investments and allocate new revenue to fund research activities. For information purposes, a comparison between the two operating budgets is provided in Table 4.

**Table 4. Detailed Comparison of 2015-17 (FY16 & FY17) Senate & House Floor Budgets (in \$1000s)**

	HOUSE FLOOR BUDGET		SENATE FLOOR BUDGET	
<b>Resident Undergraduate Tuition</b>	FY16: 0% increase FY17: 0% increase		FY16: Op fee = 18% of WA avg wage FY17: Op fee = 14% of WA avg wage	
	FY16	FY17	FY16	FY17
<b>Total 2015-17 Carry Forward Funding:</b>	<b>259,960</b>	<b>259,002</b>	<b>259,960</b>	<b>259,002</b>
<b>Total 2015-17 New Funding:</b>	<b>27,113</b>	<b>49,410</b>	<b>48,807</b>	<b>106,628</b>
Recognized Maintenance Needs	1,066	1,089	1,066	1,089
O&M for UW Bothell's Discovery Hall	881	881	881	881
College Affordability Program	-	-	27,266	68,532
Compensation Increase/Tuition Freeze	12,940	23,749	16,532	33,065
UW's portion of gen. wage incr. (Sec 942)	4,827	7,745	-	-
UW's portion of WFSE funding (Sec 924)	125	199	-	-
UW's portion of SEIU funding (Sec 928)	530	850	-	-
PEBB Rate Adjustment (Sec 720)	(247)	1,278	-	-
Computer Science	1,250	3,000	-	-
WWAMI Reallocation	4,680	4,680	1,250	1,250
Medical Residencies	-	4,900	-	-
Ungulate Predation	511	489	-	-
STEM Enrollment	-	-	2,000	2,000
Latino Health Center	150	150	-	-
Climate Impact group	200	200	-	-
Labor Archives	200	200	-	-
Central Service Tech Adjustment	-	-	(188)	(189)
<b>Total 2015-17 Funding:</b>	<b>287,073</b>	<b>308,412</b>	<b>308,767</b>	<b>365,630</b>

It is important to clarify that over the coming weeks, the 2015 Legislature will be pulling together a compromise budget. We anticipate that the carry forward and maintenance funding levels in both budgets are secure at this stage since both budgets assume the same funding levels. However, it is probable that tuition assumptions for resident undergraduates, compensation funding (salaries/wages and health benefits), and targeted investments in STEM, health sciences, and other areas will change. A subsequent budget item for Regents' consideration in June will highlight these, and other, changes.

## Compensation

The House budget includes funds to increase, by 3 percent in FY16 and 1.8 percent in FY17, faculty and staff salaries in budgeted positions supported by tuition and state funds. The budget provides \$12.39 million in FY16 to accomplish this purpose while freezing tuition, as well as several allocations that, at the time of this item's distribution, were *dedicated* to the University, but not specifically included in the UW's final appropriations. In total, we anticipate that the House budget would provide \$17.767 million for general wage increases. In contrast, the Senate budget provides around \$1,000 per state- and/or tuition-supported employee for wage increases in FY16 and FY17. The total provision for wage increases in the Senate budget is \$16.5 million in FY16.

The House budget provides funds for incremental costs associated with ratified contracts between the University and two of our unions that have GOF-budgeted salary expenses. These FY16 allocations sum to \$655,000 in FY16. The Senate budget rejects these contracts and does not provide funds associated with them.

Both budgets provide language to implement normally-recurring salary and merit increases with local funds.

## Employee Benefits

The House budget proposes to fund Public Employee Benefits Board (PEBB) healthcare benefits at the following levels: \$867 per employee per month in FY16, and \$937 per employee per month in FY17. The monthly employer funding rates are anticipated to maintain PEBB healthcare benefits at their current cost-sharing split between the employer and employee of 85 percent and 15 percent, respectively.

The funding rates in the House budget are lower than those in the Governor's budget (which had shown \$913 in FY16 and \$947 in FY17) due to lower projected healthcare benefits claims for FY15, FY16, and FY17.

The UW's benefit load rates for faculty, classified staff, and professional staff will be adjusted to reflect these employer health benefits contribution levels. For some entities, the increased cost associated with higher per-employee healthcare rates will be a significant incremental expense.

## Tuition Rate Proposals

As noted, this information item includes the House budget assumptions; as such, resident undergraduate tuition rates would be set at 2012-13 levels for both upcoming academic years (2015-16 and 2016-17). Any increases in net tuition revenue from resident undergraduates will be a result of enrollment growth rather than tuition changes.

Tuition rates for nonresident undergraduates and all graduate and professional students remain firmly under the authority of the UW Board of Regents and are presented for review and consideration below. Note that these proposed rates result from many months of collaboration between deans, faculty, students, and staff along with executive and academic leadership.

Revenue resulting from these tuition rates—net of building fee, required financial aid set-aside, and, of course, waivers—is shown below in Table 9, FY16 Proposed Budget, as the "Tuition Operating Fee Revenue" total.

**Table 5. Proposed FY16 (2015-16) and FY17 (2016-17) Tuition Rates**

Unit	Tuition Category		FY 2015	FY 2016		FY 2017	
				Increase	Tuition	Increase	Tuition
	Undergraduate	Resident	Assumed not to increase per ESHB 1106				
		Non-Res	\$32,424	2.0%	\$33,072	2.0%	\$33,732
	Graduate Tier I	Resident	\$15,207	0.0%	\$15,207	0.0%	\$15,207
		Non-Res	\$27,255	0.0%	\$27,255	0.0%	\$27,255
	Graduate Tiers II	Resident	\$15,594	0.0%	\$15,594	0.0%	\$15,594
		Non-Res	\$27,837	0.0%	\$27,837	0.0%	\$27,837
	Graduate Tiers III	Resident	\$15,948	3.0%	\$16,425	3.0%	\$16,917
		Non-Res	\$28,422	3.0%	\$29,274	3.0%	\$30,153
College of Built Environments	College of Built Environments Masters - Construction Mgmt. Landscape Architecture, Urban Design & Planning	Resident	\$15,954	0.0%	\$15,954	0.0%	\$15,954
		Non-Res	\$28,413	0.0%	\$28,413	0.0%	\$28,413
	College of Built Environments Masters - March and MSRE (Real Estate)	Resident	\$16,875	0.0%	\$16,875	0.0%	\$16,875
		Non-Res	\$35,535	0.0%	\$35,535	0.0%	\$35,535

Unit	Tuition Category		FY 2015	FY 2016		FY 2017	
				Increase	Tuition	Increase	Tuition
School of Dentistry	Dental Professional (DDS) Year 1 <sup>1</sup>	Resident	\$38,565	10.0%	\$42,423	10.0%	\$46,665
		Non-Res	\$59,466	10.0%	\$65,412	10.0%	\$71,952
	Dental Professional (DDS) Year 2 <sup>1</sup>	Resident	\$38,565	10.0%	\$42,423	10.0%	\$46,665
		Non-Res	\$59,466	10.0%	\$65,412	10.0%	\$71,952
	Dental Professional (DDS) Year 3 <sup>1</sup>	Resident	\$38,562	10.0%	\$42,417	10.0%	\$46,659
		Non-Res	\$59,466	10.0%	\$65,412	10.0%	\$71,952
	Dental Professional (DDS) Year 4 <sup>1</sup>	Resident	\$35,646	10.0%	\$39,210	10.0%	\$43,131
		Non-Res	\$59,466	10.0%	\$65,412	10.0%	\$71,952
	Graduate Dental - Oral Biology	Resident	\$14,178	4.0%	\$14,745	4.0%	\$15,336
		Non-Res	\$27,381	4.0%	\$28,476	4.0%	\$29,616
	Graduate Dental - Oral Medicine, Pediatric Dentistry, Periodontics, and Prosthodontics	Resident	\$15,747	4.0%	\$16,377	4.0%	\$17,031
		Non-Res	\$28,737	4.0%	\$29,886	4.0%	\$31,080
College of Education	Master of Education and Master in Teaching	Resident	\$15,015	3.0%	\$15,465	3.0%	\$15,930
		Non-Res	\$27,837	3.0%	\$28,671	3.0%	\$29,532
	Doctor of Education and Education PhD	Resident	\$15,015	3.0%	\$15,465	3.0%	\$15,930
		Non-Res	\$27,837	3.0%	\$28,671	3.0%	\$29,532
College of Engineering	Master of Chemical Engineering	Resident	\$19,923	3.0%	\$20,520	3.0%	\$21,135
		Non-Res	\$31,410	3.0%	\$32,352	3.0%	\$33,324
	Masters of Industrial and Systems Engineering	Resident	\$19,923	3.0%	\$20,520	3.0%	\$21,135
		Non-Res	\$31,410	3.0%	\$32,352	3.0%	\$33,324
	Master of Material Science and Engineering	Resident	\$19,923	3.0%	\$20,520	3.0%	\$21,135
		Non-Res	\$31,410	3.0%	\$32,352	3.0%	\$33,324
College of the Environment	Master of Applied Bioengineering	Resident	New category	New category	New category	New category	\$30,000
		Non-Res	New category	New category	New category	New category	\$36,000
	College of the Environment Graduate Programs	Resident	\$15,594	0.0%	\$15,594	0.0%	\$15,594
		Non-Res	\$27,837	0.0%	\$27,837	0.0%	\$27,837
	MS in Earth and Space Sciences: Applied Geosciences	Resident	New category	New category	\$16,764	0.0%	\$16,764
		Non-Res	New category	New category	\$29,925	0.0%	\$29,925
Evans School of Public Affairs	Master of Public Administration (MPA)	Resident	\$19,239	3.0%	\$19,815	3.0%	\$20,409
		Non-Res	\$34,530	3.0%	\$35,565	3.0%	\$36,633

<sup>1</sup> The DDS program has a cohort tuition structure. The tuition increase for a given tuition category should not be confused with the tuition increase that will be faced by students in a given cohort. For example, the rates for third- and fourth year DDS students increase 10% in FY16 and 10% in FY17. This does not mean, however, that the class of 2017 faces a 10% tuition increase each year. Rather, resident students in the Class of 2017 were charged \$38,565 in 2014-15, and they will be charged \$42,417 in 2015-16 and \$43,131 in 2016-17. This represents a 10% increase in 2015-16, but only a 1.7% increase in 2016-17.

Unit	Tuition Category		FY 2015	FY 2016		FY 2017	
				Increase	Tuition	Increase	Tuition
Foster School of Business	MBA Incoming <sup>2</sup>	Resident	\$29,250	3.0%	\$30,129	4.0%	\$31,335
		Non-Res	\$43,086	3.0%	\$44,379	4.0%	\$46,155
	MBA Continuing <sup>2</sup>	Resident	\$27,855	5.0%	\$29,250	3.0%	\$30,129
		Non-Res	\$41,037	5.0%	\$43,086	3.0%	\$44,379
Information School	Master of Library and Information Science (MLIS)	Resident	\$14,778	2.8%	\$15,192	2.7%	\$15,603
		Non-Res	\$28,614	2.8%	\$29,415	2.7%	\$30,210
School of Law	Law (JD)	Resident	\$30,891	0.0%	\$30,891	0.0%	\$30,891
		Non-Res	\$43,932	-2.0%	\$43,053	-2.0%	\$42,192
	Master of Laws (LLM)	Resident	\$17,889	10.0%	\$19,677	10.0%	\$21,645
		Non-Res	\$34,839	3.0%	\$35,883	3.0%	\$36,960
	Law PhD	Resident	\$17,889	3.0%	\$18,426	3.0%	\$18,978
		Non-Res	\$34,839	3.0%	\$35,883	3.0%	\$36,960
School of Medicine	Medical Professional (MD)	Resident	\$31,131	5.0%	\$32,688	5.0%	\$34,323
		Non-Res	\$60,117	5.0%	\$63,123	5.0%	\$66,279
School of Nursing	Nursing Master and Doctor of Nursing Practice	Resident	\$25,461	0.0%	\$25,461	0.0%	\$25,461
		Non-Res	\$45,804	0.0%	\$45,804	0.0%	\$45,804
School of Pharmacy	Doctor of Pharmacy	Resident	\$26,496	3.0%	\$27,291	2.0%	\$27,837
		Non-Res	\$49,215	0.0%	\$49,215	0.0%	\$49,215
School of Public Health	Master of Public Health - 1st Year	Resident	\$16,614	8.0%	\$17,943	8.0%	\$19,377
		Non-Res	\$33,738	0.0%	\$33,738	0.0%	\$33,738
	Public Health PhD Programs	Resident	\$15,948	5.0%	\$16,746	5.0%	\$17,583
		Non-Res	\$28,422	3.0%	\$29,274	3.0%	\$30,153
	Master of Public Health - Continuing	Resident	\$16,614	5.0%	\$17,445	8.0%	\$18,840
		Non-Res	\$33,738	0.0%	\$33,738	0.0%	\$33,738
	Public Health MS and other graduate programs	Resident	\$15,948	5.0%	\$16,746	5.0%	\$17,853
		Non-Res	\$28,422	3.0%	\$29,274	3.0%	\$30,153
School of Social Work	Master of Social Work	Resident	\$16,632	3.0%	\$17,130	3.0%	\$17,643
		Non-Res	\$28,569	3.0%	\$29,427	3.0%	\$30,309
UW Bothell	Bothell - MBA Incoming <sup>2</sup>	Resident	\$22,596	0.0%	\$22,596	0.0%	\$22,596
		Non-Res	\$28,329	0.0%	\$28,329	0.0%	\$28,329
	Bothell - MBA Continuing <sup>2</sup>	Resident	\$22,371	0.0%	\$22,371	0.0%	\$22,371
		Non-Res	\$28,329	0.0%	\$28,329	0.0%	\$28,329
UW Tacoma	Tacoma - Master of Nursing	Resident	\$15,594	0.0%	\$15,594	0.0%	\$15,594
		Non-Res	\$27,837	0.0%	\$27,837	0.0%	\$27,837
	Tacoma - MBA Incoming <sup>2</sup>	Resident	\$20,124	1.0%	\$20,325	1.0%	\$20,529
		Non-Res	\$33,492	1.0%	\$33,828	1.0%	\$34,167
	Tacoma - MBA Continuing <sup>2</sup>	Resident	\$19,536	3.0%	\$20,124	1.0%	\$20,325
		Non-Res	\$32,517	3.0%	\$33,492	1.0%	\$33,828

<sup>2</sup> The MBA programs also have a cohort tuition structure (that is, there are different rates for incoming and continuing students). Again, for these programs, it must be understood that the change in tuition is not applied to students but is applied to the rate for a category. For example, a Seattle MBA resident student who entered in fall 2014 paid tuition of \$29,250. Although the MBA resident continuing rate shows a 5% increase, the increase is applied only to that tuition category; the MBA student entering her/his second year will be charged tuition of \$29,250 for 2015-16.

These requests have been considered by many constituencies and have been evaluated by schools and colleges in terms of how they compare to peer programs at other universities and the revenue base they would support for normal, increasing expenses.

## Tuition and Fees Comparison

As Table 6 elucidates, the UW's tuition and fee rate for resident undergraduates was well below the peer mean and median in 2014-15. If the House approach to tuition policy is enacted, tuition rates for resident undergraduate students will remain at 2012-13 levels. If the Senate budget passes, the operating fee portion of tuition would decrease from \$10,740 to \$9,474 in FY16 and \$7,661 in FY17.

**Table 6: Resident Undergraduate Tuition & Fees Peer Comparison**

Global Challenge State (GCS) Peer Universities	2014-2015	2013-2014	Percent Increase
University of California Davis	\$13,896	\$13,896	0.00%
Rutgers, State University of New Jersey	\$13,813	\$13,499	2.33%
University of California San Diego	\$13,421	\$13,271	1.13%
University of Massachusetts Amherst	\$13,258	\$13,443	-1.38%
University of Virginia	\$13,208	\$12,668	4.26%
University of California Irvine	\$13,179	\$13,149	0.23%
University of California Los Angeles	\$12,701	\$12,697	0.03%
University of Connecticut	\$12,700	\$12,022	5.64%
<b>University of Washington Seattle</b>	<b>\$12,394</b>	<b>\$12,397</b>	<b>-0.02%</b>
University of Colorado Boulder and Denver	\$10,789	\$10,343	4.31%
University of Maryland College Park and Baltimore	\$9,428	\$9,162	2.90%
<b>GCS Group Average</b>	<b>\$12,639</b>	<b>\$12,415</b>	<b>1.95%</b>

**Note:** The GCS group average does not include the UW's rate.

Though our resident undergraduate tuition rate is below that of our peers, Table 7 shows that the UW's graduate Tier I tuition rate is relatively high compared to peers.

**Table 7: Tier 1 Resident Graduate Tuition & Fees Peer Comparison**

Global Challenge State (GCS) Peer Universities	2014-2015	2013-2014	Percent Increase
Rutgers, State University of New Jersey	\$17,922	\$17,515	2.32%
University of Virginia	\$16,678	\$16,260	2.57%
<b>University of Washington Seattle</b>	<b>\$16,296</b>	<b>\$15,303</b>	<b>6.49%</b>
University of Maryland College Park and Baltimore	\$15,938	\$15,198	4.87%
University of Connecticut	\$14,472	\$13,662	5.93%
University of Massachusetts Amherst	\$13,391	\$13,642	-1.84%
University of California Davis	\$13,109	\$13,109	0.00%
University of California Irvine	\$12,962	\$12,962	0.00%
University of California San Diego	\$12,929	\$12,779	1.17%
University of California Los Angeles	\$12,571	\$12,571	0.00%
University of Colorado Boulder and Denver	\$11,974	\$11,510	4.03%
<b>GCS Group Average</b>	<b>\$14,001</b>	<b>\$13,779</b>	<b>1.58%</b>

**Note:** The GCS group average does not include the UW's rate.



## Financial Aid

There are a number of ways in which tuition policy is intertwined with financial aid policy. Tuition increases without compensatory increases in financial aid affect the University's ability to support its mission of providing student access. However, tuition rates for resident undergraduates have not increased since 2012-13. As such, this financial aid section will be more focused on the revenue collected by primary student groups (e.g. resident and nonresident undergraduates and resident and nonresident graduate students) and less focused on incremental funds going to a particular student group.

As background, the State of Washington requires that the UW use an amount equal to five percent of total tuition revenue collected for financial aid. Additionally, UW policy requires that an amount equal to four percent of the total resident portion of tuition charged to all students be used for tuition waivers; three-fourths of these waivers are awarded on the basis of need and one-fourth on the basis of merit. In recent years, given double-digit increases in tuition for undergraduate residents, a portion of incremental tuition generated by those increases was used for financial aid. This budget assumes that these commitments continue. In order to maintain the current level of economic diversity, this budget assumes that additional allocation will continue. In addition, given anticipated enrollment growth among resident undergraduates, these estimates assume an increase of \$648,000 in the aid pool, to cover additional enrollments, as an option for consideration.

Moreover, a small percentage of the incremental revenue generated by domestic non-residents has been used for a pilot program offering scholarships to domestic non-residents. The decision to start this scholarship program was motivated by a desire to maintain our current level of non-resident enrollments given that this population, in effect, subsidizes the financial aid and basic educational costs for resident students.

In addition, waivers that represent foregone revenue help many students pay for tuition. The largest group of these waivers is automatically awarded to students with graduate student service appointments.

A decision was reached between UW administration and Intercollegiate Athletics (ICA) for the 2014-15 academic year that ICA would begin to take over the cost of the ICA gender equity waivers. For 2014-15 and 2015-16, ICA is covering half of the cost of these waivers. The amount to be covered by ICA (which would have represented foregone revenue) will be used as additional aid for undergraduate residents on a temporary basis, to be reviewed annually with Regents.

Given these policies, the lack of an increase in undergraduate resident tuition, and the increases for all other categories, we expect the tuition revenue and financial aid allocations summarized in Table 8.

**Table 8: 2015-16 Gross Tuition, Tuition-Based Aid, and Net Operating Fee Revenue**

2014-15	Undergraduate			Graduate/Professional			Total
	Resident	Nonresident	Total	Resident	Nonresident	Total	
FTE	26,800	8,667	35,467	6,023	5,854	11,877	47,344
Total Tuition Charged (Gross Tuition)	309,862,000	280,832,000	590,694,000	96,839,000	150,321,000	247,160,000	837,854,000
Less Building Fee	15,568,000	12,695,000	28,263,000	3,587,000	5,123,000	8,710,000	36,973,000
Op Fee Charged (Gross Op Fee Rev)	294,294,000	268,137,000	562,431,000	93,252,000	145,198,000	238,450,000	800,881,000
State-Mandated Return to Aid	14,135,000	13,340,000	27,475,000	4,047,000	3,710,000	7,757,000	35,232,000
University of Washington Aid	31,644,000	12,680,000	44,324,000	3,761,000	3,306,000	7,067,000	51,391,000
Waivers - Foregone Revenue <sup>1</sup>	4,513,000	1,786,000	6,299,000	9,330,000	68,405,000	77,735,000	84,034,000
Net Operating Fee Revenue	244,002,000	240,331,000	484,333,000	76,114,000	69,777,000	145,891,000	630,224,000
Total Aid from Group	50,292,000	27,806,000	78,098,000	17,138,000	75,421,000	92,559,000	170,657,000
Aid from Group as % of Gross	17%	10%	14%	18%	52%	39%	21%
Total Aid to Group	65,695,000	10,786,000	76,481,000	25,771,000	68,405,000	94,176,000	170,657,000
Aid to Group as % of Gross	22%	4%	14%	28%	47%	39%	21%

<sup>1</sup>More than 75% of waivers representing foregone revenue are provided to graduate teaching and research assistants as function of their appointment.

As shown, non-resident undergraduates contribute disproportionately to net operating fee revenue; undergraduate residents represent only 18 percent of FTE but contribute 38 percent of total net revenue. Non-resident undergraduates also contribute considerably more financial aid than is awarded to them; they generate \$27.8 million in financial aid funds but are awarded only \$10.8 million.

## Other Significant Changes in University Operating Resources

Tuition and financial aid significantly affect total revenue projections in the University Operating Resources budget, referred to as General Operating Funds and Designated Operating Funds (GOF and DOF). However, the UW's receipt of indirect cost recovery (ICR) from grants and contracts which provide reimbursement for institutional expenses associated with our research activity contributes significantly to central funds.

In the coming year, UW administration projects an increase of \$5 million in ICR over the FY15 value of \$233 million. ICR reimbursements reflect prior awards of grants and contracts and currently, through most of FY15, awards are relatively flat. As such, we believe that current receipts of ICR in FY15 serve as a fair projection for the coming fiscal year. However, we also know that another round of federal sequestration is a possibility. As such, we are budgeting \$238 million of ICR for the coming fiscal year.

## Research Enterprise

Though awards in FY15 continue to trend better than expectations, the administration believes that direct expenditures on grants and contracts in FY16 will be fairly flat. Generally, we remain cautious in regards to growth of direct expenditures on grant and contract budgets as the federal government could, once again, face sequestration in the coming federal fiscal year. As a result, the FY16 proposed budget assumes no change in research enterprise expenditures.

## Restricted Funds

Expenditures for nearly all gifts and state restricted funds can **only be used** for the purposes specified by the granting agency or donor or the Washington State Legislature.

Gift income and endowment distribution revenue presented in the operating budget does not provide a comprehensive view of the future years of endowment support. FY16 revenue is only representative of one year of distribution activity. Based on the Board of Regents' approved endowment distribution policy of 5 percent of average quarter market value, we are projecting an endowment distribution of \$139.7 million (which includes the 1 percent set-aside to offset endowment-related expenses in Treasury and Advancement). Gift income represents anticipated expenditures against "current use" gifts. This year, we project \$120 million in gift income.

The majority of the "state restricted funds" line item is comprised of the Accident and Medical Aid account revenue, which will continue to benefit the School of Public Health for specific activities performed by the Department of Environmental Health in FY16. This category also includes \$196,000 for Shellfish Biotoxin Monitoring, \$775,000 for Ocean Acidification work, and \$411,000 of marijuana account funds for research associated with the effects of marijuana use, in accordance with the language of citizen's Initiative 502.

## UW Medicine Health System

The UW Medicine health system is comprised of several partner entities, hospitals, and other, related, medical operations. The system is comprised of many entities with somewhat different financial relationships to the UW. However, the sum of all proposed budgets for every entity is displayed for information purposes. Recall that leadership from UW Medicine provides a separate annual report to Regents on the health of UW Medicine.

## Auxiliaries / Self-Sustaining Activities

The University's large, self-sustaining auxiliary business enterprises include Educational Outreach, Housing and Food Services, Intercollegiate Athletics, and Parking and Transportation Services. In consultation with experts in these entities, the administration has determined that these entities are all financially stable and modest growth is expected in FY15. Note that the University charges institutional overhead to these units to recover the cost of central services. Recall that each of the primary auxiliary units of the University are separately reviewed and approved by the Board in standalone items.

In addition to the auxiliary units of the University, schools, colleges, and academic support units operate self-sustaining activities. Broadly defined as including those funded by sales of goods and services or by other revenue-generating activities, these budgets are charged overhead in most cases, and are monitored monthly for deficits. Self-sustaining budget activity in schools, colleges, and Bothell and Tacoma is now segregated from the same activity generated by academic support units for ease of review.

Over 380 departments operate self-sustaining activity. Educational Outreach is represented as only one department in this count, though it actually operates 102 departments.

# FY16 Proposed Budget

**Table 9. FY 2016 Proposed Budget - Revenues and Expenditures by Fund and Category**

Revenue and Expenditure by Fund	FY16 Proposed	FY15 Adopted Budget*	Change FY15 to FY16	% Change
<b>University Operating Resources</b>				
<i>General Operating Fund:</i>				
State Appropriations	287,073,000	246,471,000	40,602,000	
Tuition Operating Fee Revenue	630,226,000	608,730,000	21,496,000	
<i>Designated Operating Fund:</i>				
Indirect Cost Recovery	238,000,000	233,000,000	5,000,000	
Institutional Overhead	24,000,000	24,000,000	-	
Remaining DOF	84,096,562	82,035,000	2,061,562	
<b>Total Operating Revenue</b>	<b>1,263,395,562</b>	<b>1,194,236,000</b>	<b>69,159,562</b>	<b>6%</b>
<b>Total Operating Expenditures</b>	<b>1,263,395,562</b>	<b>1,194,236,000</b>		
<b>Research Enterprise</b>				
<b>Total Research Enterprise Revenue</b>	<b>1,114,898,000</b>	<b>1,114,898,000</b>	<b>-</b>	<b>0%</b>
<b>Total Research Enterprise Expenditures</b>	<b>1,114,898,000</b>	<b>1,114,898,000</b>		
<b>Restricted Funds</b>				
Gift Income & Endowment Distributions	259,700,000	243,800,000	15,900,000	
<i>State Restricted Funds</i>				
Biotoxin Acct (Shellfish Monitoring)	196,000	195,000	1,000	
Aquatic Lands Enhancement Account	775,000	350,000	425,000	
Geoduck Aquaculture Acct	0	150,000	(150,000)	
Economic Development Strategic Reserve Acct	1,500,000	1,500,000	-	
Dedicated Marijuana Acct-State	411,000	0	411,000	
Accident Account	3,393,000	3,327,000	66,000	
Medical Aid Account	3,280,000	3,254,000	26,000	
<b>State Restricted Funds Total</b>	<b>9,555,000</b>	<b>8,776,000</b>	<b>779,000</b>	<b>9%</b>
<b>Total Restricted fund Revenue</b>	<b>269,255,000</b>	<b>252,576,000</b>	<b>16,679,000</b>	<b>7%</b>
<b>Total Restricted fund Expenditures</b>	<b>269,255,000</b>	<b>252,576,000</b>		
<b>UW Medicine health system (Preliminary)</b>				
UW Medical Center	1,091,000,000	1,016,000,000	75,000,000	
Harborview Medical Center**	903,000,000	830,000,000	73,000,000	
Valley Medical Center	535,000,000	489,000,000	46,000,000	
NW Hospital	374,000,000	342,000,000	32,000,000	
UW Physicians	282,000,000	269,000,000	13,000,000	
Airlift NW	45,000,000	43,000,000	2,000,000	
UW Neighborhood Clinics	42,000,000	37,000,000	5,000,000	
<b>Total UW Medicine Health System Revenue</b>	<b>3,272,000,000</b>	<b>3,026,000,000</b>	<b>246,000,000</b>	<b>8%</b>
<b>Total UW Medicine Expenditures</b>	<b>3,272,000,000</b>	<b>3,026,000,000</b>		
<b>Auxiliary/ Self-Sustaining Activities</b>				
Housing and Dining (Seattle campus)	112,794,800	99,426,000	13,368,800	
Intercollegiate Athletics	109,510,000	103,886,000	5,624,000	
Educational Outreach	107,209,000	105,900,000	1,309,000	
Parking	39,782,000	37,943,000	1,839,000	
UW Bothell & UW Tacoma	22,600,000	18,500,000	4,100,000	
Additional academic self-sustaining activities	326,250,000	297,704,000	28,546,000	
Additional academic support self-sustaining activities	151,808,000	151,796,000	12,000	
<b>Total Auxiliary/Self-Sustaining Revenue</b>	<b>869,953,800</b>	<b>815,155,000</b>	<b>54,798,800</b>	<b>7%</b>
<b>Total Auxiliary/Self-Sustaining Expenditures</b>	<b>869,953,800</b>	<b>815,155,000</b>		
<b>Total University Revenue</b>	<b>6,789,502,362</b>	<b>6,402,865,000</b>	<b>386,637,362</b>	<b>6%</b>
<b>Total University Expenditure</b>	<b>6,789,502,362</b>	<b>6,402,865,000</b>	<b>386,637,362</b>	<b>6%</b>

\*FY15 adopted represents approved budgeted totals, not actuals. \*\*HMC is managed by UWMC, but appears on King County's financial statement.

# University Operating Resources: Sources and Uses

## Budget Priorities

Last fall, then-Provost Ana Mari Cauce released a letter initiating the Provost Budget cycle, which developed into a lengthy budget development process involving students, faculty, staff, and executive leadership. The correspondence highlighted her priorities for the coming fiscal year; these priorities are now shared and articulated by Interim Provost Gerald Baldasty. These priorities include, *in ranked order*:

1. Provide equitable compensation
2. Fund areas of critical compliance
3. Invest in institutional priorities for students, faculty, and staff
4. Transform and streamline administration

## University Operating Resources Budget

Table 10 highlights the sources of two primary funds, General Operating Funds and Designated Operating Funds. Once we have more information about the compensation, benefits, and tuition assumptions in a final conference budget, we will expand this table to include expenditures.

**Table 10. University Operating Resources Budget for FY16 - Sources**

<b>FY 2016 University Operating Budget (Activity Based Budgeting Rules Apply)</b>					
<b>REVENUE</b>	<b>Seattle</b>	<b>Bothell</b>	<b>Tacoma</b>	<b>FY16 Proposed Budget</b>	<b>FY 15 Adopted Budget</b>
<b>General Operating Fund</b>					
State General Fund	258,563,000	12,320,000	16,190,000	287,073,000	246,471,000
Tuition Operating fee	531,450,000	53,653,000	45,123,000	630,226,000	608,730,000
<b>Total GOF</b>	<b>790,013,000</b>	<b>65,973,000</b>	<b>61,313,000</b>	<b>917,299,000</b>	<b>855,201,000</b>
<b>Designated Operating Fund</b>					
Indirect Cost Recovery	238,000,000			238,000,000	233,000,000
Institutional Overhead	24,000,000			24,000,000	24,000,000
Administrative Overhead	8,103,601			8,103,601	7,144,000
Summer Quarter Tuition	53,199,945			53,199,945	50,570,000
Investment Income	14,367,516			14,367,516	16,067,516
Miscellaneous Fees	8,225,500			8,225,500	7,945,000
Other DOF	200,000			200,000	308,484
<b>Total DOF</b>	<b>346,096,562</b>	<b>0</b>	<b>0</b>	<b>346,096,562</b>	<b>339,035,000</b>
<b>Total GOF/DOFSources</b>	<b>1,136,109,562</b>	<b>65,973,000</b>	<b>61,313,000</b>	<b>1,263,395,562</b>	<b>1,194,236,000</b>

Note that Bothell and Tacoma generate summer quarter tuition revenue, but it is allocated on a temporary basis.

# Capital Budget

The proposed FY16 UW Capital Budget summarizes capital projects to be funded by State of Washington Building Construction bonds, the UW Building Account, UW local funds, and proposed debt.

Major capital projects over \$15 million shown in the capital budget will return to the Board of Regents for approval on an individual project basis.

## One Capital Plan

In preparation for the proposed FY16 Capital Budget, the UW 10 Year Capital Plan has been updated and is provided for information in Appendix 1. The UW Capital Plan summarizes major proposed capital needs and aggregate minor capital needs for all UW enterprises, including UW Seattle, UW Bothell, UW Tacoma, UW Auxiliary Units (Educational Outreach, Housing and Food Services, Intercollegiate Athletics, Parking and Transportation Services), and UW Medicine. The Capital Plan identifies potential projects in the 2015-17 biennium and the next ten years. Projects are presented in four categories: State Funding Priorities, Fundamental Projects, Funding Potential, and Funding Opportunities. The first three categories anticipate potential capital funding within the next 10 years. The last category represents additional capital needs that extend beyond 10 year capital funding expectations.

## Fiscal Year 2016 Capital Budget

The UW Capital Budget identifies fund sources for all UW capital projects including State of Washington Building Construction bonds, UW Building Account funds, UW local funds and proposed UW debt.

The proposed UW FY16 Capital Budget, shown in Table 12, will be modified after the 2015 Legislature has passed, and the Governor signs the 2015-17 State Capital Budget bill. Until then, we are showing the full state funding amounts for each project as requested in the UW capital budget request. State appropriated capital funds continue to be critical to the UW Capital Budget. However, as the state's ability to provide capital funding diminishes, the UW increasingly relies on other fund sources, including UW-issued debt, to finance capital projects at the UW.

### State Appropriated Funds:

As of this date, the State has not yet passed a final 2015-17 capital budget. The proposed House and Senate budgets would appropriate between \$41 million and \$102 million in new funding from the State Building Construction Account. Funding is proposed for requested projects including the Computer Science & Engineering Expansion, New Burke Museum, Health Sciences MHSC T-wing Renovation predesign, Nursing Simulation Learning Lab, and the Interprofessional Education (IPE) Classroom, as well as \$1 million to fund ongoing UW Tacoma Soil Remediation. The proposed budgets do not agree on funding for the Life Sciences Building, UW Tacoma Urban Solutions Center, Lewis Hall Renovation, and UW Bothell Phase 4 - Academic STEM.

The proposed House and Senate Capital Budgets would appropriate \$69 million from the UW Building Account for minor capital preservation (\$43.175 million) and Preventative Facility Maintenance and Building System Repairs (\$25.825 million). The proposed budgets would also appropriate an additional \$116,000 from the UW Building Account to the Office of Financial Management for costs associated with updating Higher Education Preservation Information for UW buildings in the state's comparable framework capital study.

A comparative summary of proposed legislative capital budgets is attached in Table 11.

**Table 11. Comparison of Proposed Capital Budgets**

UW Priority	Requested Projects	2015-17 Request		Governor's Budget 12/18/2014			House Budget Proposal 3/27/2015			Senate Budget Proposal 4/8/2015		
		State Funds	UW Building Account	State Funds	UW Building Account	State Toxics Control Account	State Funds	UW Building Account	State Toxics Control Account	State Funds	UW Building Account	State Toxics Control Account
1	Minor Capital Repair - Preservation	57,800	69,000	-	43,175	-	-	43,175	-	-	43,175	-
2	Health Sciences Education Phase I - T Wing Renovation/Addition	8,000		623	-	-	623	-	-	623	-	-
3	CoE - Computer Science & Engineering Expansion	40,000		40,000	-	-	6,033	-	-	32,500	-	-
4	CAS - Life Sciences Building I	40,000		-	-	-	-	-	-	-	-	-
5	UW Tacoma - Urban Solutions Center - Classroom Building Renovation	18,000		-	-	-	-	-	-	16,000	-	-
6	SON - Nursing Simulation Learning Lab	4,000		4,000	-	-	4,000	-	-	4,000	-	-
7	Health Sciences Interprofessional Education Classroom Phase I	3,000		3,000	-	-	3,000	-	-	2,710	-	-
8	UW Tacoma Campus Development and Soil Remediation	5,000		-	-	1,000	1,000	-	-	-	-	1,000
9	CAS - Lewis Hall Renovation	16,000		16,000	-	-	-	-	-	-	-	-
10	UW Bothell - Phase 4 - Academic STEM	500		-	-	-	500	-	-	-	-	-
-	Burke Museum	46,200	-	16,000	-	-	26,000	-	-	46,200	-	-
21	CoE - Center for Advanced Materials and Clean Energy Technologies	-	-	6,578	-	-	-	-	-	-	-	-
<b>Subtotal:</b>		<b>238,500</b>	<b>69,000</b>	<b>86,201</b>	<b>43,175</b>	<b>1,000</b>	<b>41,156</b>	<b>43,175</b>	<b>-</b>	<b>102,033</b>	<b>43,175</b>	<b>1,000</b>
<b>Other New Appropriations</b>												
	Preventative Facility Maintenance and Building System Repairs	-	-	-	25,825	-	-	25,825	-	-	25,825	-
	Higher Education Preservation Information	-	-	-	-	-	-	116	-	-	116	-
	Clean Energy Research Test Beds	-	-	12,000	-	-	-	-	-	-	-	-
<b>Subtotal:</b>		<b>-</b>	<b>-</b>	<b>12,000</b>	<b>25,825</b>	<b>-</b>	<b>-</b>	<b>25,941</b>	<b>-</b>	<b>-</b>	<b>25,941</b>	<b>-</b>
<b>New 2015-17 Appropriations Total</b>		<b>238,500</b>	<b>69,000</b>	<b>98,201</b>	<b>69,000</b>	<b>1,000</b>	<b>41,156</b>	<b>69,116</b>	<b>-</b>	<b>102,033</b>	<b>69,116</b>	<b>1,000</b>
<b>Reappropriations</b>												
	Denny Hall Renovation	27,590	-	27,590	-	-	27,300	-	-	27,300	-	-
	Minor Capital Repair - Preservation	-	4,200	-	-	-	-	4,200	-	-	4,200	-
	Higher Education Preservation Information	-	-	-	-	-	-	116	-	-	-	-
	UW Tacoma - Urban Solutions Center - Classroom Building Renovation	500	-	500	-	-	500	-	-	500	-	-
	CAS - Lewis Hall Renovation	200	-	200	-	-	150	-	-	150	-	-
	Burke Museum	650	-	650	-	-	650	-	-	650	-	-
<b>Subtotal:</b>		<b>28,940</b>	<b>4,200</b>	<b>28,940</b>	<b>-</b>	<b>-</b>	<b>28,600</b>	<b>4,316</b>	<b>-</b>	<b>28,600</b>	<b>4,200</b>	<b>-</b>
<b>Grand Total:</b>		<b>267,440</b>	<b>73,200</b>	<b>127,141</b>	<b>69,000</b>	<b>1,000</b>	<b>69,756</b>	<b>73,432</b>	<b>-</b>	<b>130,633</b>	<b>73,316</b>	<b>1,000</b>

## Local Funds

The proposed FY16 budget identifies \$249.4 million in local funds, from sources including sponsored research indirect cost recovery, the UW Medical Center, revenue from Auxiliary Units, donations, and grants from partners. The local funds from Auxiliary Units and the UW Medical Center are designated for their highest capital priorities. Funds from sponsored research indirect cost recovery are used to fund improvements to infrastructure, facilities to support research and academic programs, and institution-wide capital planning initiatives.

## Potential Debt

Approximately \$642.7 million of potential debt funding is proposed to implement major capital investments in an expansion of research in life sciences and medicine, student housing, athletics, major parking and infrastructure improvements, and property acquisition and recapitalization.

## Possible FY16 Projects for Upcoming Board of Regents Review

A summary of major capital projects likely to come before the Board of Regents for review and approval in FY16 is provided below; some of these projects may have a component of debt funding. Note that the estimated project costs may change as more information becomes available. Per policy, major capital projects over \$15 million will return to the Board of Regents for approval on an individual project basis.

- **Athletics**

Intercollegiate Basketball Operations and Practice Center, \$60 million

- **Clinic**

UW Medical Center, Northwest Hospital Expansion, \$85 million

- **Housing**

UW Bothell, Student Housing & Dining Phase 2, \$80 million

UW Seattle, Student Housing, North Campus, Phase IVA, \$216 million

UW Seattle, Student Housing, North Campus, Phase IVB, \$157 million

- **Infrastructure**

Enterprise Information System, Student/Financial System Replacement, \$100 million

Major Infrastructure, Electrical Power Distribution Systems, \$61.5 million

Major Infrastructure, Energy Recovery and Distribution Systems, \$65 million

- **Instruction**

Burke Museum, \$75 million

College of Engineering, Computer Science and Engineering Expansion, \$105 million

Evans School, Parrington Hall Remodel, \$38.5 million

Foster School of Business, MacKenzie Hall Replacement, \$85 million

Health Sciences Education Phase 1, MHSC T Wing Renovation/Addition, \$94 million

School of Dentistry, Dental School Building, \$156 million

UW Bothell Phase 4, Academic STEM Building, \$75 million

UW Tacoma, Urban Solutions Center, Classroom Building Renovation, \$35 million

- **Research**

College of Arts & Sciences, Life Sciences Building, \$160.5 million

School of Medicine, South Lake Union Phase 3.2, \$152 million

College of Engineering, Nano Engineering and Sciences – Shelled Lab Build-out, \$26 million



**Table 12. Proposed Capital Budget - FY2016 (Dollars in Thousands)***Prepared with data as of April 24, 2015*

Prepared with data as of April 24, 2015		Fund Source (\$,000)				
Project Name		State Bldg Const Acct	UW Bldg Account	Local Funds	Potential Debt	FY2016 Total
Athletics						
	ICA - Athletics Village WiFi Expansion	-	-	10,000	-	10,000
	ICA - Basketball Operations and Practice Center	-	-	10,000	50,000	60,000
	ICA - Gymnastics Practice Facility	-	-	1,000	7,400	8,400
	ICA - High Performance Training Facility	-	-	-	2,900	2,900
Clinic						
	UW Medicine - IT Core Applications and Infrastructure	-	-	28,000	-	28,000
Housing						
	Student Housing - North Campus - Phase IVa	-	-	11,000	205,000	216,000
	UW Bothell - Student Housing & Dining Phase 2	-	-	-	50,000	50,000
Infrastructure						
	Enterprise Information System - Student/Financial System Replacement	-	-	20,000	-	20,000
	Major Infrastructure - Burke Gilman Trail Development	-	-	6,000	-	6,000
	Major Infrastructure - Electrical Power Distribution Systems	-	-	1,500	-	1,500
	Major Infrastructure - Energy Recovery and Distribution Systems	-	-	5,000	-	5,000
	Metropolitan Tract Acquisition & Recapitalization	-	-	-	50,000	50,000
	Minor Capital Repair - Campus IT Infrastructure	-	10,000	-	-	10,000
	Minor Capital Repair - Classroom Improvements	-	12,000	-	-	12,000
	Minor Capital Repair - Preservation	57,800	47,000	-	-	104,800
	Minor Capital Repair - Program Renewal	-	-	22,000	-	22,000
	Parking - Minor Capital Repair and Improvements	-	-	-	12,200	12,200
	Parking - Plant Services South Parking Lot	-	-	-	2,220	2,220
	Planning - Emergent Planning Studies	-	-	370	-	370
	Planning - UW Seattle Campus Master Plan	-	-	1,000	-	1,000
	UW Bothell - Parking & Transportation Improvements	-	-	-	26,000	26,000
	UW Bothell - Strategic Real Estate Investment	-	-	-	3,000	3,000
	UW Preventative Facility Maintenance	-	-	-	-	-
	UW Seattle Strategic Real Estate Investment	-	-	-	15,000	15,000
	UW Tacoma - Campus Development and Soil Remediation	5,000	-	-	-	5,000
	UWIT - Network Routing Center Upgrades	-	-	1,000	-	1,000
Instruction						
	Burke Museum	46,200	-	25,000	-	71,200
	CAS - Lewis Hall Renovation	16,000	-	-	-	16,000
	CoE - Computer Science & Engineering Expansion	40,000	-	60,000	-	100,000
	CoEduc - Robinson Center for Young Scholars	-	-	500	-	500
	CoEnv - WA Park Arboretum Education Bldg & Café	-	-	600	-	600
	Evans School - Parrington Hall Remodel	-	-	1,000	-	1,000
	Foster School of Business - MacKenzie Hall Replacement	-	-	1,000	-	1,000
	Health Sciences Education Phase I - T Wing Renovation/Addition	8,000	-	-	-	8,000
	Health Sciences Interprofessional Education Classroom Phase 1	3,000	-	-	-	3,000
	School of Dentistry - Dental School Building	-	-	1,000	-	1,000
	SoN - Nursing Simulation Learning Lab	4,000	-	-	-	4,000
	UW Bothell - Phase 4 - Academic STEM	500	-	-	-	500
	UW Libraries - Archival Storage Sand Point Building 5	-	-	850	-	850
	UW Tacoma - Urban Solutions Center - Classroom Building Renovation	18,000	-	15,100	-	33,100
Research						
	CAS - Kincaid Hall Renovation	-	-	500	-	500
	CAS - Life Sciences Building I	40,000	-	25,500	80,000	145,500
	CoEnv - Research Vessel - Barnes Replacement	-	-	1,000	-	1,000
	SoM - South Lake Union Phase 3.2	-	-	-	139,000	139,000
Student Life						
	Childcare Center Expansion	-	-	500	-	500
		238,500	69,000	249,420	642,720	1,199,640

UW 10 Year Capital Plan - Proposed Projects by Tier and Program Use							DRAFT FOR DISCUSSION ONLY					UW Office of Planning and Management				
Tier / Program Use		State Budget Priority	Gross Square Feet	Estimate Range (+/-)	Total Funding (\$,000)	Prior Biennium	Proposed Capital 2015-2017 by Fund Source					Potential Capital 2017 and Beyond by Fund Source				
Line	Project Name						State	BldgAcct	Local	Donor	Debt	State	BldgAcct	Local	Donor	Debt

S STATE CAPITAL BUDGET REQUEST - 10 YEAR PLAN

Infrastructure																
1	UW Preventative Facility Maintenance		-	0%	129,650	51,650	-	-	-	-	-	-	78,000	-	-	-
2	Minor Capital Repair - Campus IT Infrastructure	1	-	0%	47,000	-	-	10,000	-	-	-	37,000	-	-	-	-
3	Minor Capital Repair - Classroom Improvements	1	-	0%	65,500	5,500	-	12,000	-	-	-	-	48,000	-	-	-
4	Minor Capital Repair - Preservation	1	-	0%	682,162	91,362	57,800	47,000	-	-	-	210,000	276,000	-	-	-
5	UW Tacoma - Campus Development and Soil Remediation	8	-	0%	100,000	10,000	5,000	-	-	-	-	85,000	-	-	-	-
6	Major Infrastructure - Electrical Power Distribution Systems	17	-	20%	83,350	21,850	-	-	1,500	-	-	36,000	-	24,000	-	-
7	UW Bothell - Major Infrastructure Projects	18	-	0%	16,000	-	-	-	-	-	-	16,000	-	-	-	-
Instruction																
8	Health Sciences Education Phase I - T Wing Renovation/Addition	2	120,000	20%	94,000	-	8,000	-	-	-	-	86,000	-	-	-	-
9	CoE - Computer Science & Engineering Expansion	3	130,000	15%	104,600	4,600	40,000	-	-	60,000	-	-	-	-	-	-
10	UW Tacoma - Urban Solutions Center - Classroom Building Renovation	5	40,000	15%	35,000	1,900	18,000	-	15,100	-	-	-	-	-	-	-
11	SoN - Nursing Simulation Learning Lab	6	10,000	20%	4,000	-	4,000	-	-	-	-	-	-	-	-	-
12	Health Sciences Interprofessional Education Classroom Phase I	7	5,430	20%	3,250	250	3,000	-	-	-	-	-	-	-	-	-
13	Health Sciences Interprofessional Education Classroom Phase II	7	5,430	20%	3,700	-	-	-	-	-	-	3,700	-	-	-	-
14	CAS - Lewis Hall Renovation	9	23,220	10%	20,065	4,065	16,000	-	-	-	-	-	-	-	-	-
15	UW Bothell - Phase 4 - Academic STEM	10	105,000	20%	75,000	-	500	-	-	-	-	74,500	-	-	-	-
16	UW Libraries - Archival Storage Sand Point Building 5	11	100,000	20%	14,900	150	-	-	850	-	-	13,900	-	-	-	-
17	CoEnv - Anderson Hall Renovation	14	35,900	20%	23,750	200	-	-	-	-	-	23,550	-	-	-	-
18	CoEduc - Miller Hall Renovation	15	72,655	20%	54,000	-	-	-	-	-	-	54,000	-	-	-	-
19	School of Dentistry - Dental School Building	20	163,500	20%	156,000	-	-	-	-	1,000	-	30,000	-	-	94,000	31,000
20	UW Libraries - Engineering Library Renovation	22	33,669	20%	15,000	-	-	-	-	-	-	7,500	-	-	7,500	-
21	SPH - School of Public Health Building	23	480,000	20%	375,000	-	-	-	-	-	-	50,000	-	20,000	275,000	30,000
22	Interdisciplinary Classroom Building - Central Campus	25	90,000	20%	60,000	-	-	-	-	-	-	60,000	-	-	-	-
23	CoE - Classroom & Research Building Renovation	26	26,800	20%	13,400	-	-	-	-	-	-	13,000	-	400	-	-
24	UW Bothell - Phase 5 - Academic Life Sciences	27	75,000	20%	60,000	-	-	-	-	-	-	60,000	-	-	-	-
25	CAS - Eagleson Hall Renovation	29	18,966	20%	13,300	-	-	-	-	-	-	13,300	-	-	-	-
26	Health Sciences Education Phase II - T Wing Renovation	30	162,400	20%	89,000	-	-	-	-	-	-	49,000	-	-	-	40,000
27	CoE - Academic Building Renovation	31	60,000	20%	30,000	-	-	-	-	-	-	30,000	-	-	-	-
28	Health Sciences Education Phase III - T Wing Renovation	32	150,000	20%	82,500	-	-	-	-	-	-	82,500	-	-	-	-
29	Burke Museum	99	110,000	10%	75,000	3,800	46,200	-	5,000	20,000	-	-	-	-	-	-
Research																
30	CAS - Life Sciences Building I	4	187,000	15%	160,500	15,000	40,000	-	-	25,500	80,000	-	-	-	-	-

Tier / Program Use							Proposed Capital 2015-2017 by Fund Source					Potential Capital 2017 and Beyond by Fund Source				
Line	Project Name	State Budget Priority	Gross Square Feet	Estimate Range (+/-)	Total Funding (\$,000)	Prior Biennium	State	BldgAcct	Local	Donor	Debt	State	BldgAcct	Local	Donor	Debt
31	CoE - Center for Interdisciplinary Research & Education - Phase I	13	220,000	20%	160,000	-	-	-	-	-	-	27,000	-	50,000	54,000	29,000
32	CoE - Innovation Collaboration Center	16	300,000	20%	225,000	-	-	-	-	-	-	7,000	-	91,200	100,000	26,800
33	CoE - Center for Advanced Materials and Clean Energy Technologies	21	220,000	20%	220,000	-	-	-	-	-	-	70,000	-	-	100,000	50,000
34	Health and Life Sciences - Hitchcock West	24	150,000	20%	173,400	-	-	-	-	-	-	15,000	-	-	80,000	78,400
35	CAS - Guthrie Hall Addition	28	80,000	20%	60,000	-	-	-	-	-	-	60,000	-	-	-	-
SubTotal:			3,466,227		3,524,027	210,327	238,500	69,000	22,450	106,500	80,000	1,213,950	402,000	185,600	710,500	285,200

I FUNDAMENTAL PROJECTS

Clinic

36	UW Medicine - IT Core Applications and Infrastructure		-	0%	149,500	29,500	-	-	28,000	-	-	-	-	92,000	-	-
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Infrastructure

37	Enterprise Information System - Student/Financial System Replacement		-	20%	100,000	-	-	-	20,000	-	-	-	-	30,000	-	50,000
38	Major Infrastructure - Energy Recovery and Distribution Systems		-	20%	65,000	-	-	-	5,000	-	-	30,000	-	-	-	30,000
39	Metropolitan Tract Acquisition & Recapitalization		-	0%	100,000	50,000	-	-	-	-	50,000	-	-	-	-	-
40	Minor Capital Repair - Program Renewal		-	0%	151,628	41,628	-	-	22,000	-	-	-	-	88,000	-	-
41	Planning - Emergent Planning Studies		-	0%	2,770	400	-	-	370	-	-	-	-	2,000	-	-
42	Planning - UW Seattle Campus Master Plan		-	0%	2,700	700	-	-	1,000	-	-	-	-	1,000	-	-
43	UW Bothell - Strategic Real Estate Investment		-	0%	30,000	-	-	-	-	-	3,000	22,000	-	-	-	5,000
44	UW Seattle Strategic Real Estate Investment		-	0%	65,000	35,000	-	-	-	-	15,000	-	-	-	-	15,000
45	UWIT - Data Center Infrastructure Upgrades		-	20%	7,000	-	-	-	-	-	-	7,000	-	-	-	-
46	UWIT - Network Routing Center Upgrades		-	0%	4,000	3,000	-	-	1,000	-	-	-	-	-	-	-

Student Life

47	Childcare Center Expansion		20,000	20%	9,000	-	-	-	500	-	-	-	-	4,000	-	4,500
SubTotal:			686,728		686,598	160,228	-	-	77,870	-	68,000	59,000	-	217,000	-	104,500

II PROPOSED PROJECTS - FUNDING POTENTIAL

Athletics

48	ICA - Athletics Village WiFi Expansion		-	20%	10,000	-	-	-	10,000	-	-	-	-	-	-	-
49	ICA - Basketball Donor Room		11,405	20%	4,200	-	-	-	-	-	-	-	-	-	4,200	-
50	ICA - Basketball Operations and Practice Center		93,000	20%	60,000	-	-	-	-	10,000	50,000	-	-	-	-	-
51	ICA - Conibear Shellhouse Training Table		4,023	20%	3,000	-	-	-	-	-	-	-	-	2,000	-	1,000
52	ICA - Graves Hall Roof Replacement		-	20%	2,000	-	-	-	-	-	-	-	-	2,000	-	-
53	ICA - Gymnastics Practice Facility		15,500	20%	8,400	-	-	-	-	1,000	7,400	-	-	-	-	-
54	ICA - High Performance Training Facility		13,750	20%	2,900	-	-	-	-	-	2,900	-	-	-	-	-
55	ICA - Landscape and Wayfinding Improvements		120,000	20%	9,130	-	-	-	-	-	-	-	-	9,130	-	-
56	ICA - Nordstrom Tennis Center Roof Replacement		25,000	20%	4,200	-	-	-	-	-	-	-	-	4,200	-	-
57	ICA - Sand Volleyball Facility		38,400	20%	2,200	-	-	-	-	-	-	-	-	2,200	-	-

Tier / Program Use		State Budget Priority	Gross Square Feet	Estimate Range (+/-)	Total Funding (\$,000)	Prior Biennium	Proposed Capital 2015-2017 by Fund Source					Potential Capital 2017 and Beyond by Fund Source				
Line	Project Name						State	BldgAcct	Local	Donor	Debt	State	BldgAcct	Local	Donor	Debt
58	ICA - Scoreboards - New and Replacement		-	20%	3,000	-	-	-	-	-	-	-	-	3,000	-	-
59	ICA - Soccer Stadium Grandstand and Support Facilities		32,800	20%	25,000	-	-	-	-	-	-	-	-	-	25,000	-
60	ICA - Softball Indoor Training Facility		7,380	20%	5,000	-	-	-	-	-	-	-	-	5,000	-	-
61	ICA - Softball Press Box and Stadium Roof		612	20%	3,000	-	-	-	-	-	-	-	-	-	3,000	-
62	ICA - Track and Field Grandstands		30,925	20%	14,500	-	-	-	-	-	-	-	-	-	2,000	12,500
	Clinic															
63	UW Medicine - Northwest Hospital Expansion		150,000	20%	85,000	-	-	-	-	-	-	-	-	-	-	85,000
	Housing															
64	Student Housing - North Campus - Phase IVa		515,000	15%	216,000	-	-	-	11,000	-	205,000	-	-	-	-	-
65	STudent Housing - North Campus - Phase IVb		293,000	15%	164,000	-	-	-	-	-	-	-	-	9,000	-	155,000
66	UW Bothell - Student Housing & Dining Phase 2		140,000	20%	50,000	-	-	-	-	-	50,000	-	-	-	-	-
67	UW Bothell - Student Housing Phase 3		110,000	20%	55,000	-	-	-	-	-	-	-	-	-	-	55,000
68	UW Tacoma - Student Housing Acquistion		110,000	20%	23,000	-	-	-	-	-	-	-	-	-	-	23,000
69	UW Tacoma - Student Housing Development		125,000	20%	15,000	-	-	-	-	-	-	-	-	-	-	15,000
	Infrastructure															
70	Major Capital Repair - Bagley Hall Roof Replacement		41,559	20%	7,100	-	-	-	-	-	-	7,100	-	-	-	-
71	Major Capital Repair - C-wing Courtyard Membrane Replacement		-	20%	4,500	-	-	-	-	-	-	4,500	-	-	-	-
72	Major Capital Repair - Health Sciences Roof Replacement F, G and J Win		32,171	20%	8,350	-	-	-	-	-	-	8,350	-	-	-	-
73	Major Capital Repair - Olympic Natural Resource Center (ONRC) Roof Re		42,581	20%	3,800	-	-	-	-	-	-	3,800	-	-	-	-
74	Major Infrastructure - Burke Gilman Trail Development		-	20%	28,400	6,000	-	-	6,000	-	-	2,200	-	14,200	-	-
75	Major Infrastructure - Campus Entry at Grant Lane		-	20%	7,000	-	-	-	-	-	-	-	-	7,000	-	-
76	Major Infrastructure - Campus Landscape Improvements		-	20%	40,000	-	-	-	-	-	-	-	-	40,000	-	-
77	Major Infrastructure - Pend Oreille Improvements		-	20%	10,950	-	-	-	-	-	-	10,950	-	-	-	-
78	Major Infrastructure - Rainier Vista Corridor Improvements		-	20%	26,000	4,000	-	-	-	-	-	-	-	11,000	11,000	-
79	Parking - E1 Parking Lot Replacement		-	20%	46,000	-	-	-	-	-	-	-	-	-	-	46,000
80	Parking - Lighting Systems Replacement		-	20%	2,700	2,700	-	-	-	-	-	-	-	-	-	-
81	Parking - Minor Capital Repair and Improvements		-	20%	24,500	-	-	-	-	-	12,200	-	-	-	-	12,300
82	Parking - North Campus Garage		-	20%	15,000	-	-	-	-	-	-	-	-	-	-	15,000
83	Parking - Plant Services South Parking Lot		72,000	20%	2,220	-	-	-	-	-	2,220	-	-	-	-	-
84	Parking - S-1 Garage structural maintenance and repairs		270,000	20%	9,500	-	-	-	-	-	-	-	-	1,000	-	8,500
85	Parking - South Campus S1 Garage Replacement		270,000	20%	40,000	-	-	-	-	-	-	-	-	-	-	40,000
86	Parking - UW Tower Garage Replacement		229,000	20%	24,000	-	-	-	-	-	-	-	-	-	-	24,000
87	Parking Mgmt Systems Procurement & Implementation		-	10%	7,100	7,100	-	-	-	-	-	-	-	-	-	-
88	UW Bothell - Parking & Transportation Improvements		-	20%	26,000	-	-	-	-	-	26,000	-	-	-	-	-
89	UW Tacoma - Campus Parking Structure		150,000	20%	16,000	-	-	-	-	-	-	-	-	2,000	-	14,000

Tier / Program Use		State Budget Priority	Gross Square Feet	Estimate Range (+/-)	Total Funding (\$,000)	Prior Biennium	Proposed Capital 2015-2017 by Fund Source					Potential Capital 2017 and Beyond by Fund Source				
Line	Project Name						State	BldgAcct	Local	Donor	Debt	State	BldgAcct	Local	Donor	Debt
Instruction																
90	CAS - Gowen and Raitt Halls Renovation I		117,000	20%	18,200	-	-	-	-	-	-	18,200	-	-	-	-
91	CAS - Hutchinson Hall Renovation		55,164	20%	37,200	-	-	-	-	-	-	37,200	-	-	-	-
92	CoEduc - Haring Center for Education Research and Teaching		75,000	20%	30,000	-	-	-	-	-	-	-	-	-	30,000	-
93	CoEduc - Robinson Center for Young Scholars		10,000	20%	5,500	-	-	-	500	-	-	-	-	5,000	-	-
94	CoEnv - Friday Harbor Labs Education Center		4,500	20%	3,500	-	-	-	-	-	-	-	-	-	3,500	-
95	CoEnv - WA Park Arboretum Education Bldg & Café		8,000	20%	6,000	-	-	-	-	600	-	-	-	-	5,400	-
96	Evans School - Parrington Hall Remodel		58,755	20%	38,500	-	-	-	-	1,000	-	12,500	-	-	12,500	12,500
97	Foster School of Business - MacKenzie Hall Replacement		90,000	20%	85,000	-	-	-	-	1,000	-	-	-	-	64,000	20,000
98	Information School Building - Renovation		61,000	20%	38,000	-	-	-	-	-	-	20,000	-	3,000	15,000	-
99	Law School - William H. Gates Hall Lobby Remodel		13,955	20%	5,000	-	-	-	-	-	-	-	-	-	5,000	-
100	McMahon Hall Renovation - Repurpose		258,000	0%	130,000	-	-	-	-	-	-	-	-	12,000	-	118,000
101	School of Dentistry - Clinic and Research Lab Renovation		121,280	20%	72,500	-	-	-	-	-	-	46,000	-	-	26,500	-
102	SoN - School of Nursing Building		120,000	20%	100,000	-	-	-	-	-	-	49,000	-	1,000	20,000	30,000
103	SSW - School of Social Work Expansion		60,833	20%	38,000	-	-	-	-	-	-	38,000	-	-	-	-
104	SSW - SSW Research Commons Remodel		9,000	20%	3,000	-	-	-	-	-	-	-	-	3,000	-	-
105	UW Educational Outreach - Community Gateway Building		100,000	20%	50,000	-	-	-	-	-	-	-	-	10,000	-	40,000
106	UW Libraries - Fine Arts Library		93,000	20%	60,000	-	-	-	-	-	-	20,000	-	-	40,000	-
107	UW Libraries - Odegaard Undergraduate Learning Center Phase 2		70,000	20%	25,000	-	-	-	-	-	-	25,000	-	-	-	-
108	UW Tacoma - Campus Services Building		20,000	20%	6,000	-	-	-	-	-	-	-	-	6,000	-	-
109	UW Tacoma - Innovation Partnership Zone - School of Business		60,000	20%	30,000	-	-	-	-	-	-	10,000	-	5,000	5,000	10,000
110	UW Tacoma - Swiss / Wilde Renovation		34,000	20%	10,000	-	-	-	-	-	-	8,000	-	-	2,000	-
111	UW Tacoma - Tioga Renovation		20,000	20%	8,000	-	-	-	-	-	-	8,000	-	-	-	-
Research																
112	Applied Physics Laboratory Research Building		150,000	20%	120,000	-	-	-	-	-	-	-	-	12,000	28,000	80,000
113	CAS - Bagley Hall Renovation		233,700	20%	120,000	-	-	-	-	-	-	120,000	-	-	-	-
114	CAS - Guthrie Hall Renovation		67,802	20%	40,000	-	-	-	-	-	-	40,000	-	-	-	-
115	CAS - Hitchcock Hall Renovation		116,416	20%	60,000	-	-	-	-	-	-	60,000	-	-	-	-
116	CAS - Kincaid Hall Renovation		85,000	20%	49,000	-	-	-	500	-	-	48,500	-	-	-	-
117	CoE - Nano Engineering and Sciences (NanoES) Lab Build-Out		65,000	20%	26,000	-	-	-	-	-	-	-	-	26,000	-	-
118	CoEnv - Atmospheric Sciences-Geophysics Building Renovation		65,735	20%	30,000	-	-	-	-	-	-	-	-	-	30,000	-
119	CoEnv - Research Vessel - Barnes Replacement		-	20%	13,500	-	-	-	-	1,000	-	12,500	-	-	-	-
120	CoMotion - UW Innovation Center		50,000	20%	40,000	-	-	-	-	-	-	-	-	20,000	20,000	-
121	Core Research Facilities - Neurophysiological Laboratory Alterations I Wi		10,385	20%	13,000	-	-	-	-	-	-	-	-	1,000	-	12,000
122	Core Research Facilities - WaNPRC Cagewash Upgrade		5,000	20%	5,900	-	-	-	-	-	-	-	-	5,900	-	-

Tier / Program Use		State Budget Priority	Gross Square Feet	Estimate Range (+/-)	Total Funding (\$,000)	Prior Biennium	Proposed Capital 2015-2017 by Fund Source					Potential Capital 2017 and Beyond by Fund Source				
Line	Project Name						State	BldgAcct	Local	Donor	Debt	State	BldgAcct	Local	Donor	Debt
123	Health Sciences Freezer Farm		6,000	20%	5,500	-	-	-	-	-	-	-	-	5,500	-	-
124	SoM - South Lake Union Phase 3.2		171,000	15%	152,000	13,000	-	-	-	-	139,000	-	-	-	-	-
125	SoM - South Lake Union Phase 3.3		262,000	20%	197,700	-	-	-	-	-	-	-	-	15,400	-	182,300
126	SoM - South Lake Union Rosen Remodel		60,375	15%	6,000	-	-	-	-	-	-	-	-	6,000	-	-
Student Life																
127	Health Sciences Diversity Center		5,000	20%	2,500	-	-	-	-	-	-	-	-	2,500	-	-
128	OMAD - Center for Student Success - Instructional Center Renovation &		30,000	20%	19,500	-	-	-	-	-	-	14,000	-	-	5,500	-
129	Student Life - Rec Sports Campus Swimming Pool		45,000	20%	22,500	-	-	-	-	-	-	-	-	2,000	-	20,500
130	Student Life - Waterfront Activities Center Renovation		16,400	20%	7,400	-	-	-	-	-	-	-	-	7,400	-	-
131	UW Bothell - Student Activity Center Phase 2		30,000	20%	18,000	-	-	-	-	-	-	-	-	-	-	18,000
SubTotal:			2,861,695		2,861,550	32,800	-	-	28,000	14,600	494,720	623,800	-	260,430	357,600	1,049,600
III PROPOSED PROJECTS - FUTURE FUNDING OPPORTUNITIES																
Instruction																
132	CAS - Communications Building Renovation I		80,000	20%	21,000	-	-	-	-	-	-	21,000	-	-	-	-
133	CAS - Fine Arts Center		189,000	20%	150,000	-	-	-	-	-	-	50,000	-	-	100,000	-
134	CAS - Padelford Hall Renovation		138,555	20%	22,000	-	-	-	-	-	-	22,000	-	-	-	-
135	CAS - School of Music Performance Hall		100,000	20%	75,000	-	-	-	-	-	-	50,000	-	-	25,000	-
136	CAS - Smith Hall Renovation		86,339	20%	25,800	-	-	-	-	-	-	25,800	-	-	-	-
137	CAS - Thompson Hall Renovation		62,687	20%	50,000	-	-	-	-	-	-	50,000	-	-	-	-
138	Health Sciences Education Phase IV - T Wing Renovation		120,000	20%	44,000	-	-	-	-	-	-	25,000	-	-	-	19,000
139	UW Bothell - Phase 6 - Academic Building		60,000	20%	50,000	-	-	-	-	-	-	50,000	-	-	-	-
Research																
140	CoE - Center for Interdisciplinary Research & Education - Phase II		150,000	20%	150,000	-	-	-	-	-	-	50,000	-	-	50,000	50,000
141	CoE - Center for Interdisciplinary Research & Education - Phase III		150,000	20%	150,000	-	-	-	-	-	-	-	-	-	150,000	-
142	CoEnv - UW/NOAA/Partners Building		250,000	20%	250,000	-	-	-	-	-	-	-	-	-	250,000	-
143	Core Research Facilities - ARCF II		60,000	20%	92,500	-	-	-	-	-	-	-	-	2,500	-	90,000
Student Life																
144	House of Knowledge Longhouse - Phase II		8,432	15%	7,000	-	-	-	-	-	-	-	-	-	7,000	-
SubTotal:			1,087,300		1,087,300	-	-	-	-	-	-	343,800	-	2,500	582,000	159,000
Total All Tiers:			8,101,950		8,159,475	403,355	238,500	69,000	128,320	121,100	642,720	2,240,550	402,000	665,530	1,650,100	1,598,300

# PRELIMINARY FY 2016 BUDGET

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Paul Jenny, Planning & Management

Sarah Norris Hall, Planning & Budgeting

John Seidelmann, Capital Planning

# AGENDA

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## FY2016 Preliminary

### Operating & Capital Budget Information

- > FY 2016 OPERATING & NON-OPERATING BUDGETS
- > 2015-16 & 2016-17 TUITION RATE PROPOSAL
- > FY 2016 CAPITAL BUDGET & REVISED ONE CAPITAL PLAN



# UW Mission and Brand

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The primary mission of the University of Washington is the preservation, advancement, and dissemination of knowledge.


Brand: Together undaunted for a world of good.

We must sustain, compete and transform by:

- increasing revenue;
- decreasing costs;
- investing in people;
- investing in infrastructure; and,
- increasing access.



# BUDGET OVERVIEW



The UW budget item is a record of allocations, or a spending plan resulting from a collaborative process. This includes detailed planning and analysis on both a central and de-centralized basis as budgets are developed throughout the University's colleges, schools, divisions and auxiliaries.

The UW budget process provides Regents opportunities to

- Alter tuition rates
- Change allocations
- Consider capital projects
- Prioritize central efforts and allocations



# BUDGET OVERVIEW

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## BUDGET

Allocates projected revenues

Projects revenues and expenditures

Incorporates values in financial decisions

## ANNUAL REPORT

Summarizes prior activity

Accounts for revenues and expenditures

Evaluates financial health



# **FY2016**

# **Preliminary**

# **Operating Budget**

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# **UW BUDGET – ALL SOURCES**

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## **University Operating Resources**

- General Operating Funds
- Designated Operating Funds

## **Research Enterprise**

## **Restricted Funds**

- Gift Income and Endowment Distributions
- Restricted Appropriations from the State of Washington

## **UW Medicine Health System**

## **Auxiliary/Self-Sustaining Activities**

- Auxiliary unit budget projections
- UW Tacoma and UW Bothell self-sustaining revenue projections
- Academic and academic support unit self-sustaining revenue projections



# FY 2016 BUDGETS



- FY 2016 General University budget has been developed based on the most current information available regarding revenue projections.
- Below stated are the revenue assumptions of various sources of the university's budget.

# PROCESS NOTE



## SPECIAL SESSION CONTINUES...

- Tuition for resident undergraduates
- Assumptions about compensation (salary and benefits)
- List of Provost Reinvestment Funds
- Other expenses against GOF/DOF

# KEY REVENUE ASSUMPTIONS: General Operating Funds

## General Operating Funds

- State Appropriations
- Tuition Revenue
- Financial Aid

	HOUSE FLOOR BUDGET		SENATE FLOOR BUDGET	
	FY16	FY17	FY16	FY17
<b>Total 2015-17 Carry Forward Funding:</b>	\$ 259,960	\$ 259,002	\$ 259,960	\$ 259,002
<b>Total 2015-17 New Funding:</b>	\$ 27,113	\$ 49,410	\$ 48,807	\$ 106,628
Recognized Maintenance Needs	\$ 1,066	\$ 1,089	\$ 1,066	\$ 1,089
O&M for UW Bothell's Discovery Hall	\$ 881	\$ 881	\$ 881	\$ 881
College Affordability Program	\$ -	\$ -	\$ 27,266	\$ 68,532
Compensation Increase	\$ 12,940	\$ 23,749	\$ 16,532	\$ 33,065
UW's portion of general wage incr. (Sec 942)	\$ 4,827	\$ 7,745	\$ -	\$ -
UW's portion of WFSE funding (Sec 924)	\$ 125	\$ 199	\$ -	\$ -
UW's portion of SEIU funding (Sec 928)	\$ 530	\$ 850	\$ -	\$ -
PEBB Rate Adjustment (Sec 720)	\$ (247)	\$ 1,278		
Computer Science	\$ 1,250	\$ 3,000	\$ -	
WWAMI Reallocation	\$ 4,680	\$ 4,680	\$ 1,250	\$ 1,250
Medical Residencies	\$ -	\$ 4,900	\$ -	\$ -
Other	\$ 1,061	\$ 1,039	\$ 1,812	\$ 1,811
<b>Total 2015-17 Funding</b>	<b>\$ 287,073</b>	<b>\$ 308,412</b>	<b>\$ 308,767</b>	<b>\$ 365,630</b>





# KEY REVENUE ASSUMPTIONS: General Operating Funds

## General Operating Funds

See Table 5, pg. 11, for rate proposals

- State Appropriations
- **Tuition Revenue**
- Financial Aid

**Resident undergraduate** rate likely set by 2015 Legislature

- Below mean and median peer rates

**Nonresident undergraduate** rate would increase 2% per year

- Establish UW's place right above the peer mean and median

Resident (and nonresident) **Tier 1** (PhD) rate would not increase

- Continue UW's place above peer mean and median

**Other categories** would increase between 0 and 10%



# KEY REVENUE ASSUMPTIONS: General Operating Funds

## General Operating Funds

See Table 5, pg. 11, for rate proposals

- State Appropriations
- **Tuition Revenue**
- Financial Aid

<b>GOF (Net Tuition)</b>	<b>FY16 Proposed*</b>	<b>FY15 Adopted</b>
Seattle	531,450,000	514,158,000
Bothell	53,653,000	50,035,000
Tacoma	45,123,000	44,537,000
<b>TOTAL</b>	<b>630,226,000</b>	<b>608,730,000</b>

\*Includes \$811,000 true-up of FY15 projection



# KEY REVENUE ASSUMPTIONS: General Operating Funds

## General Operating Funds

See Table 8, pg. 16, for details

- State Appropriations
- Tuition Revenue
- **Financial Aid**

**Resident and nonresident undergraduates contribute 77% of total net operating fee revenue.**

- Nonresident undergraduates contribute \$27.8 million to aid, but consume only \$10.7 million
- Resident undergraduates contribute \$50.2 million to aid, but consume \$65.7 million

**Graduate and professional students** contribute \$145.9 million of net operating fee, though the gross contributions total \$238 million. The difference is largely attributed to tuition waivers.



# KEY REVENUE ASSUMPTIONS: Designated Operating Funds

## Designated Operating Funds

- Indirect Cost Recovery
- Institutional Overhead
- Summer Quarter
- Investment Income
- Other (Administrative Overhead, Misc. Fees)

DOF	FY16 Proposed	FY15 Adopted
ICR	238,000,000	233,000,000



# KEY REVENUE ASSUMPTIONS: Designated Operating Funds

## Designated Operating Funds

- Indirect Cost Recovery
- Institutional Overhead
- Summer Quarter
- Investment Income
- Other (Administrative Overhead, Misc. Fees)

DOF	FY16 Proposed	FY15 Adopted
Summer Quarter	53,199,945	50,570,000
Investment Income	14,367,516	16,067,516



# KEY REVENUE ASSUMPTIONS: Designated Operating Funds

## Designated Operating Funds

- Indirect Cost Recovery
- Institutional Overhead
- Summer Quarter
- Investment Income
- Other (Administrative Overhead, **Misc. Fees**)

DOF	FY16 Proposed	FY15 Adopted
Misc Fees	8,103,600	7,144,000

## Misc. Fees

- Application fee increase proposed
  - Domestic undergraduates: \$60 to \$70
  - International undergraduates: \$75 to \$80



**FY 2016**

**Preliminary Non –  
Operating Budget**

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# KEY REVENUE ASSUMPTIONS: Research Enterprise

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Direct Expenditures – Grants & Contracts  
Projection: Flat

Research	FY16 Proposed	FY15 Adopted
Direct Expenditures	1,114,898,000	1,114,898,000





# KEY REVENUE ASSUMPTIONS:

## Restricted *(by Use)*

Restricted Funds	FY16 Proposed	FY15 Adopted
Gift Income	120,000,000	115,000,000
Endowment Distributions	139,700,000	128,800,000
State Restricted Funds*		
Biotoxin Acct. (Shellfish Monitoring)	196,000	195,000
Aquatic Lands Enhancement Acct.	775,000	350,000
Geoduck Aquaculture Acct.	0	150,000
Economic Development Strategic Reserve	1,500,000	1,500,000
Dedicated Marijuana Acct. - State	411,000	0
Accident Acct.	3,393,000	3,327,000
Medical Aid Acct.	3,280,000	3,254,000
<b>Total Restricted Fund Revenue</b>	<b>269,255,000</b>	<b>252,576,000</b>

\*Incorporates House budget appropriations



# KEY REVENUE ASSUMPTIONS: UW Medicine

As projected by UW Medicine

Restricted Funds	FY16 Proposed	FY15 Adopted
UW Medical Center	1,091,000,000	1,016,000,000
Harborview Medical Center*	903,000,000	830,000,000
Valley Medical Center	535,000,000	489,000,000
NW Hospital	374,000,000	342,000,000
UW Physicians	282,000,000	269,000,000
Airlift NW	45,000,000	43,000,000
UW Neighborhood Clinics	42,000,000	37,000,000
<b>Total UW Medicine Health System Revenue</b>	<b>3,272,000,000</b>	<b>3,026,000,000</b>

\*Harborview is managed by UWMC, but appears on King County's financial statement



# KEY REVENUE ASSUMPTIONS: Auxiliary/Self-Sustaining

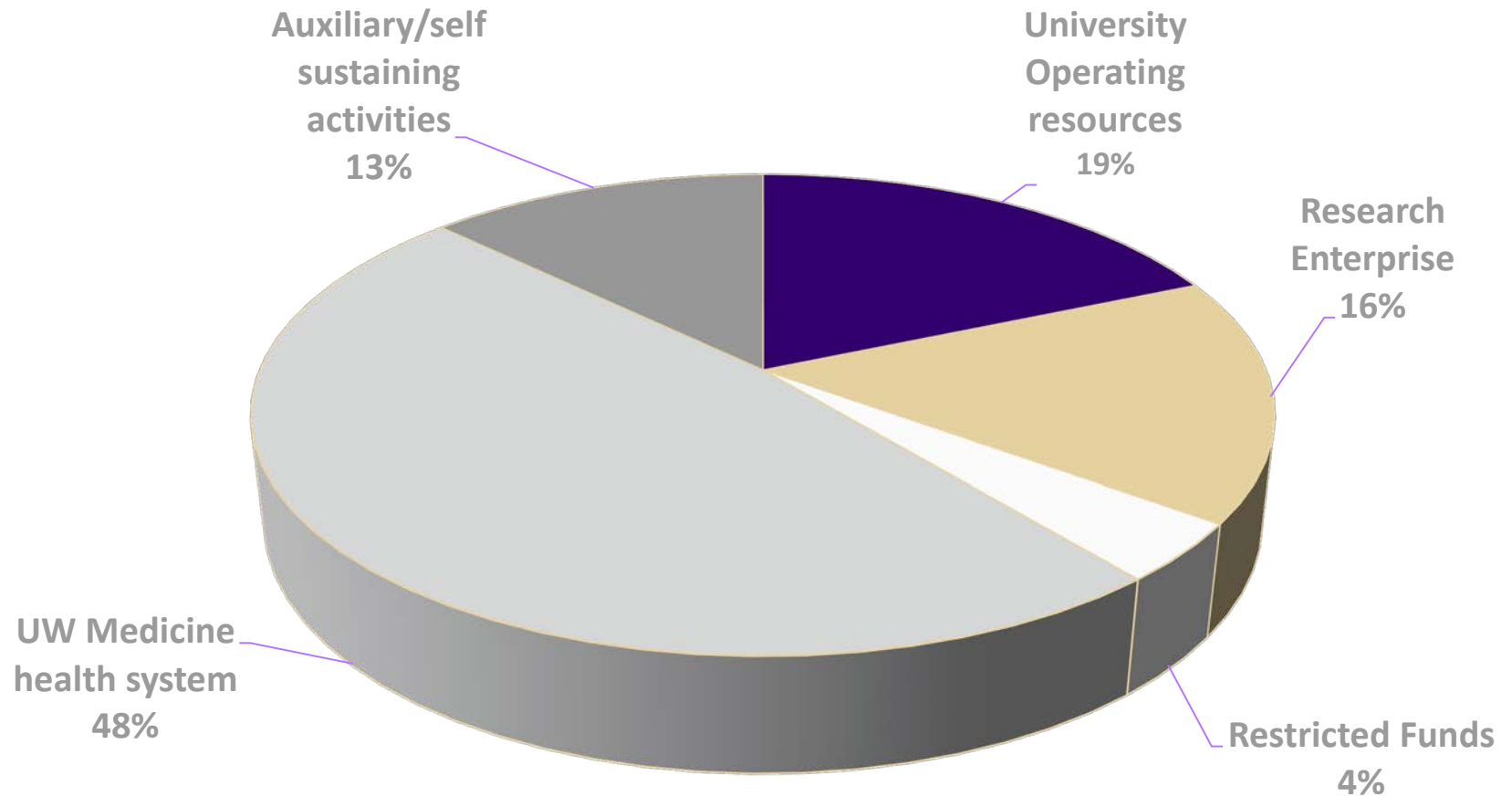
As Projected by Campus Partners

Auxiliary/Self-Sustaining	FY16 Proposed	FY15 Adopted
Housing and Dining (Seattle campus)	112,794,800	99,426,000
Intercollegiate Athletics	109,510,000	103,886,000
Educational Outreach	107,209,000	105,900,000
Parking	39,782,000	37,943,000
UW Bothell & UW Tacoma	22,600,000	18,500,000
Academic Self-Sustaining Activities	326,250,000	297,704,000
Administrative Self-Sustaining Activities	151,808,000	151,796,000
<b>Total Auxiliary/Self-Sustaining Revenue</b>	<b>869,953,800</b>	<b>815,155,000</b>



# FY 2016 UW BUDGET – SUMMARY

**Total – \$6.789 billion**



**FY2016**

**Preliminary Capital  
Budget**

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# 10 YEAR CAPITAL PLAN

- Current FY Capital Budget and view of next 10 Years
- Projects identified by Unit proposals and institutional planning
- Updated with best project information available
- Project prioritization by Tier based on:
  - Urgency of need
  - Institutional support
  - Funding availability (State, Donor, Debt)
- Tier III - Future Funding Opportunities beyond 10 year funding expectations




# 2015 CAPITAL PLAN UPDATE

- Request for proposals sent to all Schools, Colleges and Administrative Units
  - 140 project proposals received
  - 41 new projects added
  - 36 projects removed
- Administrative review of program requirement, type, square feet, and validation of cost estimates
- Institutional review by Schools, Colleges and Units, Faculty and Student representatives



# CAPITAL BUDGET OVERVIEW



The FY16 Capital Budget identifies fund sources for all UW capital projects including State of Washington Building Construction bonds, UW Building Account funds, UW local funds, and proposed UW debt.

- Major capital projects over \$15 million will return to the Board of Regents for approval on an individual project basis.
- The UW Capital Budget will be modified after the 2015-17 State Capital Budget appropriations amounts are determined. Until then, full state funding amounts shown as requested in the UW capital budget request.





# PROPOSED FY16 CAPITAL BUDGET

Potential Fund Sources (dollars in millions)

Funds by Source	
State Funds	238.5
UW Building Account	69
UW Local	79.3
UW Auxiliary Enterprise	49
Donor	121
Debt	642.7
	<b>\$1.2 B</b>



# STATE CAPITAL BUDGET REQUEST

Comparison of House and Senate Capital Budgets (\$M)

Requested Projects/Funding	UW Request	House	Senate
Minor Preservation	126.8	43.2	43.2
Preventative Facility Mtce	0	25.8	25.8
Mid-Size Projects	12	8	7.7
Major Projects >\$15M	114	6	48.5
PreDesign/Design	8.5	1.1	.6
Burke Museum	46.2	26	46.2
	<b>\$307.5</b>	<b>\$110</b>	<b>\$172</b>

