

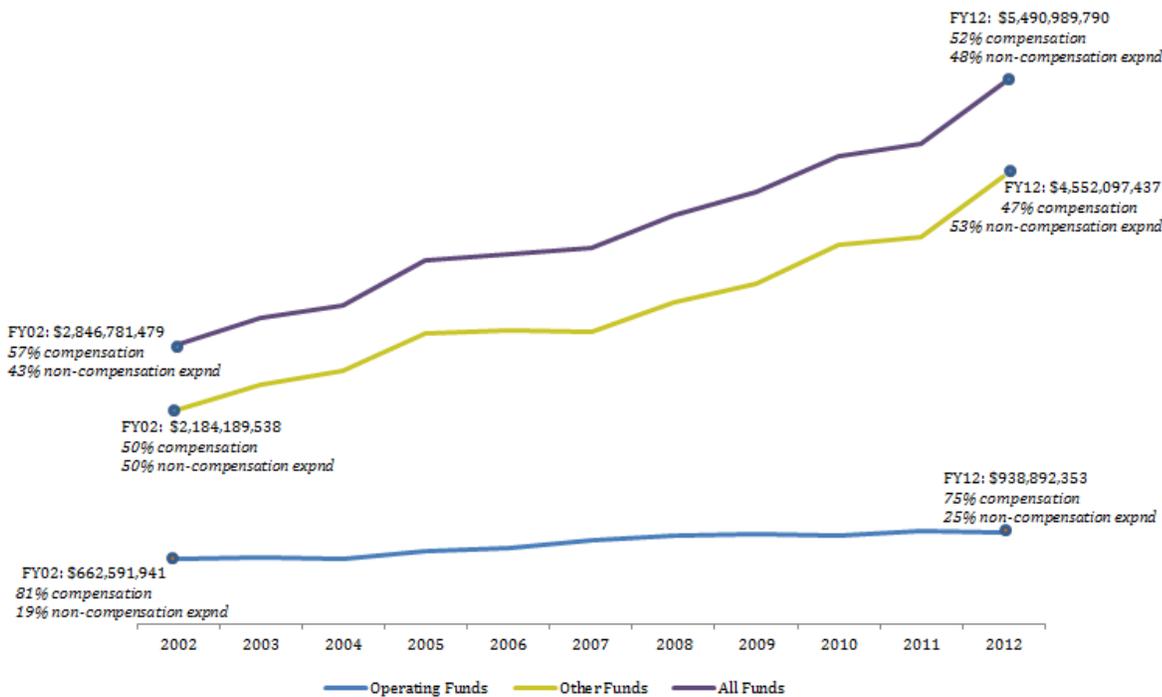
Date: April 10, 2013

Subject: Ten Year Expenditure Trend Data

The University of Washington has weathered numerous cuts to funding levels over the past several years. As the university emerges from this economic storm, it is time to review and evaluate spending patterns in the various fund sources and within different types of units. There have been generalizations reflecting on the amount of administrative expenditures. Data from 2002 through 2012 has been gathered to gain a better view of how and where expenditures occurred and changed within the UW. Budget cuts were implemented and began showing in the data as of 2009 and continue through 2012.

The graph below represents expenditures from all available university fund sources including the operating funds (General Operating Fund/Designated Operating Fund), auxiliary activities, grants, contracts and gifts, medical centers, suspense accounts, and special state allocations. The data indicates that the total expenditures grew from \$2.85B in FY02 to \$5.49B in FY12. In FY02, 81% of the university’s operating funds were spent on compensation (salary and benefits) related expenditures. During the last decade, the expenditures in the non-compensation category have grown whereas the total spending on compensation has declined for both academic units (schools/colleges) and university units (central administrative units).

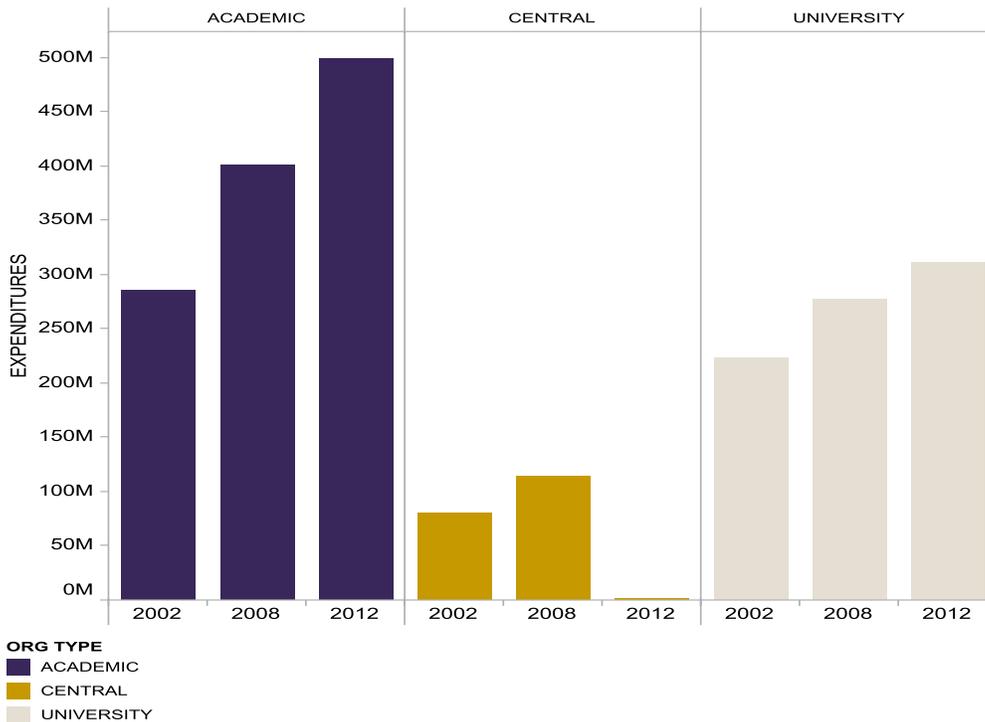
FY02 - FY12 TOTAL UW EXPENDITURES



Note: UW Bothell and UW Tacoma are included in the Total UW Expenditures shown in the chart above.

The chart below represents a snapshot of expenditures in FY02, FY08 and FY12. The academic units (schools/colleges) grew at a much faster pace than the university units (central administrative units). Prior to FY12, benefits were centralized and labeled as “central” expenditures in the chart. The FY12 values for both academic and university units reflect the net change due to the benefit costs transitioning from central to the units as well as any growth or budget reductions.

**FISCAL YEAR VIEW (FY02, FY08, FY12)
OPERATING FUND (GOF/DOF) EXPENDITURES**



Note: UW Bothell and Tacoma are excluded

OPERATING FUND (GOF/DOF) EXPENDITURES

The table below shows the university operating fund (GOF/DOF) expenditures in academic and university units only. Of the total expenditures, those expenditures in academic units increased while university units noticed shrinkage in the total spending.

	FY02	FY08	FY12
ACADEMIC	56%	59%	61%
UNIVERSITY	44%	41%	39%

The table below shows distribution of salary expenditures. The overall makeup of the various staff categories did not change noticeably from FY02 – FY12. Faculty salaries constitute about 40% - 45% of the total spending on salaries in the academic areas of the university. However, the percent of funds spent on salary has increased over time in the academic units from 62% to 71% and declined in university units from 38% to 29%.

	SALARY CATEGORY	FY02	FY08	FY12
ACADEMIC	CLASSIFIED STAFF	6%	5%	6%
	FACULTY COMP.	38%	40%	44%
	OTHER INSTR COMP.	8%	8%	7%
	PROFESSIONAL STAFF	10%	13%	14%
	TOTAL - ACADEMIC	62%	65%	71%
UNIVERSITY	CLASSIFIED STAFF	13%	11%	10%
	FACULTY COMP.	2%	1%	1%
	OTHER INSTR COMP.	3%	2%	2%
	PROFESSIONAL STAFF	19%	20%	16%
	TOTAL - UNIVERSITY	38%	35%	29%

Note: Academic and University units are reflective of UW Seattle campus only.

UNIVERSITY-WIDE PRE AND POST BUDGET CUT OPERATING FUND (GOF/DOF) EXPENDITURES

The data below shows the salary expenditures before and after implementation of budget cuts. The budget cuts resulted in layoffs, non-renewal of faculty contracts, and elimination of vacant positions. The steep decline in state funding during the past few years have put more pressure on the tuition revenue and changed the funding model where the majority of the core education budget was supported by state funds to increased reliance on tuition revenue to support the core education infrastructure.

	FY02	FY08	FY12	Inc/Dec FY02- FY08	Inc/Dec FY08- FY12	Cumul. Inc/dec
CLASSI. STAFF	77,292,207	80,545,571	75,413,242	3,253,364	(5,132,329)	(1,878,965)
FACULTY COMP.	158,758,974	198,451,115	204,522,687	39,692,141	6,071,572	45,763,713
OTHER COMP.	45,079,364	47,995,287	42,579,561	2,915,923	(5,415,726)	(2,499,803)
PROF. STAFF	114,901,913	157,224,760	137,092,891	42,322,847	(20,131,869)	22,190,978
TOTAL:	396,032,458	484,216,733	459,608,381	88,184,275	(24,608,352)	63,575,923

Note: The values above are reflective of academic and university units at the UW Seattle campus.

PRE AND POST BUDGET CUT OPERATING FUND (GOF/DOF) EXPENDITURES -- ACADEMIC AND UNIVERSITY UNITS

		FY02	FY08	FY12	Inc/Dec FY02- FY08	Inc/Dec FY08- FY12	Cumul. Inc/dec
ACADEMIC	CLASSI. STAFF	24,708,300	25,177,789	28,289,511	469,489	3,111,722	3,581,211
	FACULTY COMP.	149,147,600	192,754,752	200,303,796	43,607,152	7,549,044	51,156,196
	OTHER COMP.	32,190,999	36,812,105	34,093,791	4,621,106	(2,718,314)	1,902,792
	PROF. STAFF	37,803,484	60,584,151	63,014,316	22,780,667	2,430,165	25,210,832
					71,478,414	10,372,617	81,851,031
UNIVERSITY	CLASSI. STAFF	52,583,907	55,367,782	47,123,731	2,783,875	(8,244,051)	(5,460,176)
	FACULTY COMP.	9,611,374	5,696,363	4,218,891	(3,915,011)	(1,477,472)	(5,392,483)
	OTHER COMP.	12,888,365	11,183,182	8,485,770	(1,705,183)	(2,697,412)	(4,402,595)
	PROF. STAFF	77,098,429	96,640,609	74,078,575	19,542,180	(22,562,034)	(3,019,854)
					16,705,861	(34,980,969)	(18,275,108)
TOTAL INC/DEC:					88,184,275	(24,608,352)	63,575,923

Note: The values above are reflective of academic and university units at the UW Seattle campus.

Although the university units sought opportunities to eliminate outdated or redundant services while adding new processes to achieve operational efficiencies, operational expenditures are a much smaller portion of the budgets. To address the budget cuts it was necessary to drastically reduce staffing levels. The cuts in the administrative areas adversely affected classified and professional staff positions. During the budget reductions, faculty salaries continued to increase at a moderate rate showing the university’s commitment to retain and to invest in our world-class faculty.

Please contact Mandy Gill at mkgill@u.washington.edu or 206.616.8401 with any questions.