

Date Prepared: November 30, 2009
Subject: University of Washington – Space and Capital Resources

With diminishing State capital funding, and limits to the University’s capacity to support debt, it becomes imperative that the UW sustain a cohesive and unified capital plan in alignment with the University’s mission. It is also critical that the planning and capital project delivery processes are lean and agile enough to successfully take advantage of future opportunities, to use our resources most efficiently, and to support the University’s mission.

Background

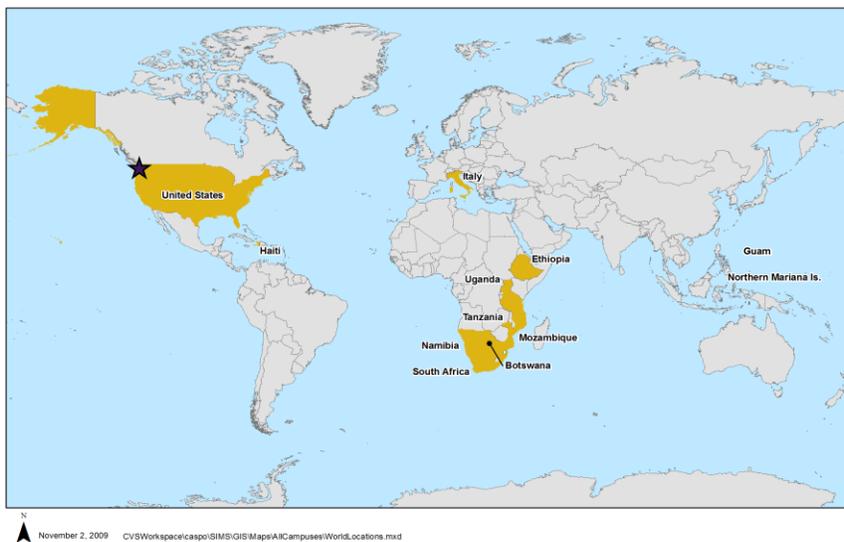
Increasing space needs, concurrent with diminishing state capital and operating resources, require the University of Washington to prioritize our space decisions. Do we build new space? Do we maintain and/or repurpose our existing space resources? To continue effective stewardship of our space resources, UW will realign our capital and space assets to further enhance our teaching, learning, research and administrative missions.

The Office of Planning & Budgeting Capital Resource Planning Group provides university space planning and management services to facilitate integration of our teaching, research and public missions with the University’s long range capital plan. Continued focus on creating a more flexible and informative methodology for representing university space allocation and utilization assists in encouraging efficient use of our space and capital resources.

The Office of Planning & Budgeting has prepared two presentations focusing on capital investment at the University of Washington. The “State of Space” visual presentation at <http://www.washington.edu/admin/pb/home/pdf/briefs/Space-Overview-2009.pdf> provides an informative representation of university space and capital resource utilization over the past decade. The “Capital Plan 2011-2021” presentation at <http://www.washington.edu/admin/pb/home/pdf/briefs/Capital-Plan-Overview-Nov2009.pdf> focuses on the future of capital planning at the University of Washington; the challenges we face and a way forward with one unified capital plan.

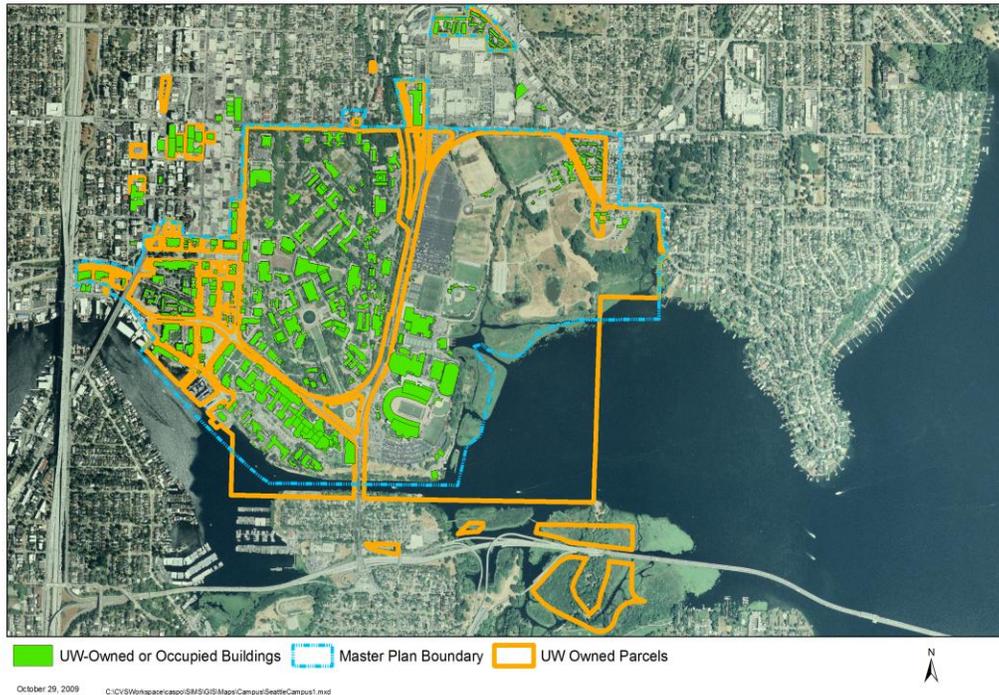
State of Space

The University of Washington owns and leases space in 12 countries, 5 states and the District of Columbia, 3 campuses, 4 major research field stations and other properties for a total portfolio of over 21 million gross square feet¹.



¹ The University of Washington conducts research, teaches, and works jointly in many spaces across the globe. The spaces shown reflect those that are managed through the Office of Planning & Budgeting or the Real Estate Office.

Each University of Washington campus and research field station has a geo-referenced map of owned parcels, buildings, right of ways, and other spatial information. The Geographic Information System (or GIS) is used to understand spatial relationships among the buildings, open spaces, and infrastructure, as well as for many other uses. Buildings and space within buildings are subject to frequent analysis including age, facility condition, functional use, assignment location and allocation, and utilization. UW’s geospatial data is critically important in supporting successful space and capital management/planning.



For example, geospatial analysis of UW Seattle space assignments reveals that some schools and colleges are tightly clustered within discrete neighborhoods or precincts. Others are widely dispersed. Understanding the physical conditions as well as the goals of individual academic programs and university operating units assists the UW’s identification of key opportunities and challenges in our university space and capital planning.

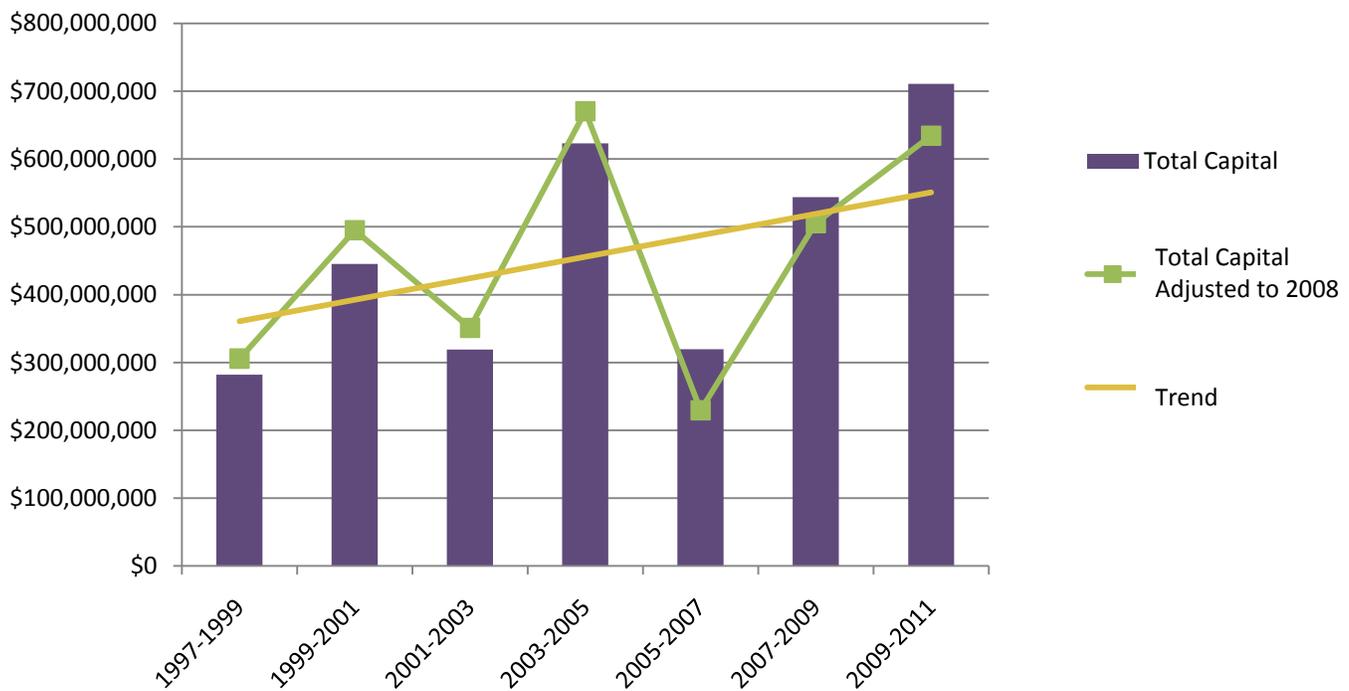
State of Capital Resources

Over the past decade, the University of Washington has utilized multiple fund sources to finance capital investments. For the purposes of this brief, these fund sources are identified in four key categories: State Capital, UW Issued-Debt, Federal Capital, and Local Funds, which includes gift funds and fees, among other sources. From 1997 through the current biennia, over \$3 billion has been directed toward capital investment by the University of Washington, reflecting approximately \$785 million of Local Funds; \$888 million of State capital funds; and \$1.4 billion of UW-Issued Bonds.

As demonstrated in the chart below, total capital investment has trended upward, even after being adjusted to 2008 dollars². Funding from State, Federal and Local Fund sources has trended downward, while the reliance on UW-issued debt has steadily increased. Federal capital funding has essentially ceased as a fund source, except through the UW-Federal-negotiated indirect cost recovery (ICR) rate related to federally-sponsored research³.

² Adjusted using Implicit Price Deflator.

³ Indirect cost recovery (ICR) refers to the reimbursed costs from research grants and contracts. In some instances UW-Federal negotiated ICR may support UW-issued debt when the debt is used solely for the development of federally-sponsored research space. For the purposes of this presentation, debt issued by the UW is considered UW-issued debt, not federal funds. Historically, earmarked federal dollars were provided for capital projects although in the past decade those have only been small dollar amounts.



Approximately 6.5 million gross square feet of University of Washington space has been newly constructed or renovated in the past decade. Over one-third of this capital investment has been devoted to research space, an additional one-third to instructional spaces, with a range of other functional use categories comprising the remainder.

One Capital Plan for Our Future

Throughout its history, the University of Washington has made significant and well-placed capital investments in the Seattle, Tacoma and Bothell campuses, and the UW Field Stations. We will continue to build on the strength of our past investments, even in these times of economic uncertainty, to sustain our competitive position as a great public research university. To accomplish this, we will energize and focus our collective strength by building our future together, enhancing our financial viability by achieving more with our existing resources, and enhancing our mission by creating great and inspired places which sustain our communities every day.

The Office of Planning & Budgeting will lead the capital planning process to balance great creativity at the beginning with extreme economy in capital investment execution. We will optimize the contributions of faculty, staff and student leaders at the earliest stages of each planning process.

For more information, please contact Kateri Schlessmann (kateris@uw.edu or 543-3542) or John Seidelman(seidj@uw.edu or 206-616-0590) in the UW Office of Planning & Budgeting, Capital Resource Planning.