**Programmatic & Academic Vitality Narratives**

*Text submitted within this section will be published to OPB's Annual Budget Development website*

*Where possible, you are encouraged to leverage published materials*

1) Have you made any changes to your unit’s annual budget development process from the response provided last year? If yes, please briefly describe the changes you’ve made to your unit’s annual internal budget development process. If no, please answer with a simple, “no changes.”  

**Word Limit: 500**

No changes

<OPB insert FY20 response below>

Due to ICA’s external reporting to the Board of Regents, our budgeting process takes place in two phases.

1. Long-term Projections for BoR / Treasury reporting: In late fall, we begin the process of updating our long-term projections. Gate revenue (and the seat-related contributions tied with it) cause the most variability in our budget. As football season is winding down, we establish price levels for the coming year and meet numerous times with groups both internal and external to the department to vet assumptions around renewal rates, new season ticket sales, single game sales, etc. With that information, plus updated information around sponsorship revenue, changes to NCAA or conference distributions, or other revenue streams (i.e. souvenir and concession revenue), we finalize our revenue assumptions by mid to late February.

During the same time period, we update our expense projections. The greatest variability in expenses comes from midyear negotiation of coaching contracts (football in particular, which mostly takes place during January). Compound annual growth rates for the prior 5 years are used to project expense growth in areas like travel, maintenance, marketing and student aid. Institutional Overhead expenses are tied to our updated revenue projections. Annual planning for minor CapEx and deferred maintenance expenses are based on a prioritized list of projects, and are timed based on department cash flow (to the best of our ability). The goal is to have all of this information compiled and reviewed by early March, so it can be presented to the Board in spring. It’s important to reiterate that part of our review process involves vetting our projections (and assumptions) with key external stakeholders; this allows the department to receive valuable feedback from local business leaders and maintain a high level of accountability.

2. Internal budget process: The collaborative long-term projection process described above creates financial "guide posts" for the internal budget process, which takes place March through June. ICA’s CFO sends a budget memo to all budget managers which gives them parameters on how to create their operating budget, including department priorities that’ll be used in determining where to allocate resources. They are given roughly five weeks to submit their budget via our online tool (Elevation) and complete their Operating Plan, which describes their goals for the coming year, how they fit in with the overall department priorities, and challenges they may have in achieving those goals.

ICA’s CFO and Controller spends a month meeting individually with every team and administrative unit (roughly 30 distinct groups) to discuss submitted budget requests and Operating Plans. The CFO then leads a series of meetings with ICA’s Executive Team in late May/early June in order to synthesize that information and make recommendations about resource allocation. Ultimately, operating budgets are approved by the Athletic
2) Have you made any changes to your unit’s strategic plan in the past year? If yes, what are 3-5 key elements of your unit’s new/revised strategic plan? If no, please comment on the progress you’ve made in 3-5 key areas of your strategic plan. **Word Limit: 500**

We haven’t changed our strategic plan, however we’ve provided a few key highlights on areas where we’ve seen measurable progress:

*In the area of recruiting, hiring and retaining talent who exhibit our core values of growth mindset, humility, grit and committed service:* in the last twelve months we’ve had 72 contract extensions or renewals across our coaching staff. In addition we had 15 new hires, including two head coaches. Our new football head coach was an assistant under Coach Petersen.

*In the area of strategic relationship building across and within our communities:* we rolled-out a Fan Empowerment initiative, the focus of which was to propel our department to new levels of success behind the strength of a championship fan base (particularly in Football and Men’s Basketball). This initiative included strategic ticket sales initiatives, fan energy and atmosphere improvements, more avenues for intake of fan feedback, and stepping up our programs around fan recognition. As a result, we were $400K over our ticket sale goals for football and men’s basketball, and have had tremendous atmosphere at home games.

*In the area of increasing revenue opportunities and prioritizing resources to invest in the holistic student athlete experience:* we’ve had an incredible success in fundraising for the new Basketball Training / Operations and Health and High Performance Center ($53M from 15 donors as of mid-February).

3) What major obstacles or institutional barriers currently do, or will, hinder execution of your strategic plan? What are you doing to address these challenges? If no changes from your response to either component of this question from last year, please answer “no changes”: **Word Limit: 250**

*Institutional barriers: No changes*

*Local and national policy changes around name, image and likeness can profoundly impact expenses/revenue streams. We are still in the early stages of the NIL policy conversation, so this is still difficult to quantify.*

<OPB insert FY20 response below>

The University of Washington is now the only school in the Pac-12 conference that doesn’t benefit from a student fee for athletics (at other schools, revenue from student fees range from $2.5-10M annually).

Additionally, charges from internal campus units have been difficult to predict and contain. The following are a small sample of costs borne by ICA from campus units, none of which were anticipated at the inception of our ILP loan five years ago:

- Workday implementation for HR/Payroll, which costs ICA approximately $140K/year
- UWPD costs have risen by 35% over the last five years (ICA now pays over $1.2M/year to UWPD for security at ICA events)
- UWTV charges for videoboard operations have increased by 23% over 5 years (this year, ICA anticipates we will have to pay $575K to UWTV for videoboard ops).
Unit Name: [Enter Unit Name Here]

- 5% gift assessment from University Advancement beginning July 1, 2018, which is estimated to cost ICA $250-300K each year. Beginning in July 2019, ICA will be charged roughly $38K annually from the Office of Merchant Services for PCI compliance. ICA is in the middle of a contract with Paciolan for ticket sales and won’t be using the services/products generated by these fees for 3 years, however, we have been told we will not be exempted from paying these fees in the interim
- On top of paying institutional overhead, ICA is charged directly for utilities and for the upkeep of all of our facilities.

Costs associated with these areas have steadily increased as well. It is difficult to gauge what other internal costs are on the horizon. For instance, merit increases for the majority of ICA’s FTE’s are driven by policies set by campus, however ICA receives no central support to offset costs. Also, it is unclear how much the Finance Transformation project will cost ICA. Our projections don’t currently include a placeholder for this expense. Should Workday costs for Finance Transformation be allocated as they are for HR/Payroll, ICA could be assessed over $300K/year for this new system.

In regards to addressing these institutional challenges, ICA continues to strengthen our relationships across campus, fostering a collaborative approach to tackling issues whenever they arise. We also voice concerns to University leadership whenever appropriate. We frankly haven’t made great strides but are very open to suggestions on how to get better in this area.

4) Over the next year, could any of your planned strategic activities result in material changes to revenues or expenditures, faculty or staff workload, or the student experience within your unit/campus and/or another unit/campus? Word Limit: 500

No material changes are anticipated, however there are a few areas which always pose risk:

- Recruiting and retaining great coaches has a direct correlation to our student athletes’ experiences. Coaching changes, particularly in revenue sports, can significantly increase department expenditures.
- On-field and on-court success (or lack thereof) in football and men’s basketball can both have a significant impact on our revenues, which in turn impacts ICA’s ability to fund all other programs in ICA’s portfolio.

5) What is your unit doing to effectively use or redeploy resources in a way that benefits your unit/campus and/or other units/campuses? Word Limit: 500

We take pride in the institutional recognition and support that Husky Athletics brings to the University of Washington. A successful athletic program brings attention to our campus unlike anything else. ESPN’s College GameDay had roughly 1.9 million viewers when hosted on the Seattle campus in November 2016. Our 2016, 2017 and 2018 bowl appearances each had between 11-19M viewers. In addition, in July Husky Athletics launched a new, 10-year apparel partnership with adidas. The launch generated significant national visibility for the University through product and team uniform design and deployment, a brand positioning exercise, and a comprehensive partnership launch celebration.

In regards to fundraising, ICA is one of the only schools in the country to allow campus giving to receive priority points for seating at athletics events. In addition, the 5% gift fee generated by giving to ICA has provided $485K in central funding for UA since the fee’s inception in July of 2018. This does not include gift fees charged on the Basketball Training and Operations / Health and High Performance capital project, which are estimated at $1M.
6) For UW student facing units, what are you doing to improve the experience and outcomes of students on your campus or in your unit? What could the University do to support your efforts? **Word Limit: 500, Leave blank if N/A**

We are proud to share the following stats:

- 21 of 22 teams earned a 3.0 or better during Fall Quarter 2019
- Overall department GPA – 3.27
- Our Husky Leadership Academy provided extensive leadership training to a cohort of 42 student-athletes across 19 sports. This is up from 16 HLA graduates the previous year.
- 4 of 5 student-athletes who were awarded Amazon internships were offered full-time positions. 30 student-athletes are in the application process with Amazon for their summer internships designed specifically for UW student-athletes.
- Our Boundless Futures staff (2 FTE’s) did 125 one-on-one career coaching meetings with student-athletes in 2018-2019 and professional Career Coach Shelly Goetz worked with 50 different student-athletes in to prepare for internships and job interviews.

We also offer study abroad opportunities tailored to the busy schedules of our student athletes. In total, 86 student athletes across 10 sports have traveled abroad through our Purple Passports program since 2013.

We continue to invest in the area student athlete mental health and wellness; further discussion around University support in this area would be appreciated.