<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>12:00 PM</td>
<td>Welcome &amp; Updates</td>
</tr>
<tr>
<td></td>
<td>- Chancellor's Team and GFO</td>
</tr>
<tr>
<td>12:10 PM</td>
<td>Funds to Leverage: Fee based revenue, RCR</td>
</tr>
<tr>
<td>12:25 PM</td>
<td>Summer Quarter Revenue Distribution</td>
</tr>
<tr>
<td>12:40 PM</td>
<td>Decision Making Processes</td>
</tr>
<tr>
<td>12:55 PM</td>
<td>Break</td>
</tr>
<tr>
<td>1:05 PM</td>
<td>Faculty Metrics</td>
</tr>
<tr>
<td>1:25 PM</td>
<td>Discussion &amp; Next Steps</td>
</tr>
<tr>
<td>1:50 PM</td>
<td>Messaging for Today</td>
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</tbody>
</table>
Steering Feedback

- Need to know our scale, now that we can take the viewpoint of constancy in growth
- Opportunity to reorganize i.e. create shared services, efficiencies, change the way we do what we do well
- Time to reinvest in core mission, possibly
- Absence of growth not necessarily a limiting factor, which is what we assumed
- Need to be intentional about change
Work to Date & Coming Events

- Steering Committee feedback
- Comprehensive Budget and Fund Restriction Overview

Coming:
> Core and Steering, Mar. 6
Fee-Based Program Overview
Fee-Based Programs: Overview

- Housed in UW’s Professional & Continuing Education (PCE) office
- Transcripted curriculum follows the same review process as state-reported programs
- Financially, the program receives no support from state appropriations (in theory) and is expected to be self-sustaining
- Net positive revenue from the program is returned to UW Bothell each fiscal year
- Each year, the school and PCE agree on a program budget for the following year
Fee-Based Programs: Revenue

- Students are charged a flat per-credit rate
- Credit rate is based on the program design
- "Risk Opportunity" rate is charged to gross revenue of the program
  - Rate ranges from 0-6%
  - Fund supports the risk PCE is taking on running self-sustaining programs
- Overhead rate is charged to gross revenue of the program
  - 14.5% overhead rate
  - Half of the overhead rate is allocated to UW Bothell central administration
- Remaining revenue is expected to fund all expenditures associated with the program
Fee-Based Programs: Expenditures

- Expenditures can include, but not be limited to:
  - Faculty
  - Staff
  - Student Workers
  - Scholarships
  - Leased space
  - Other non-salary expenditures

- Gross revenue, less withholdings, should cover the annual expenditures of a program
Fee-Based Programs: Net Revenue

- Positive net revenue
  - 80% is allocated to the school associated with the program
  - 20% is allocated to the Vice Chancellor of Academic Affairs

- Negative net revenue
  - Negative balance is forwarded to the next year’s budget and must be paid off before any revenue is returned to Bothell

- If a program continuously runs a deficit and needs to be closed:
  - If deficits are expected, PCE will cover the costs associated with the closure
  - If deficits are unexpected, deficits are the responsibility of the school or UW Bothell
Fee-Based Programs: UW Bothell

- MS Accounting (Business)
- MA Creative Writing & Poetics (IAS)
- MS Computer Science & Engineering (STEM: CSS)
- MS Cyber Security Engineering (STEM: CSS)
- MS Electrical Engineering (STEM: Eng)
Research Cost Recovery (RCR) Overview
Grants are awarded by external parties to UW Bothell faculty members/Principal Investigator (PI)

Based on the grant, the PI can spend the awarded funds on certain activities in support of their research

Most expenditures associated with a grant are taxed by the UW

- Tax supports university expenditures not directly charged to the grant
- Rate is determined by the type of grant and location of the grant
  - Rate can range from 26-54.5%
Research Cost Recovery (cont.)

- UW Seattle taxes RCR before it returns to UW Bothell
  - Rate ranges from 23-43%
  - Supports
    - General administration
    - Sponsored Projects Administration
    - UW Libraries
- Remaining RCR funds are returned to UW Bothell
  - 60% of remaining funds are allocated to the UWB Office of Research
  - 40% of remaining funds are allocated to the school or center that generated the funds
- RCR is allocated to UW Bothell annually
Research Cost Recovery: Formula

RCR Generation

Expenditures generated by a grant budget
- Expenditures exempt from RCR generation
RCR expenditure base
X RCR Rate
RCR Generated
X (1- Seattle Tax/OH Rate)
RCR Allocated to UW Bothell

RCR Allocated to UW Bothell:
60%- UW Bothell Office of Research
40%- School or Center of record on the grant
### Research Cost Recovery: FY 2016 Activity

<table>
<thead>
<tr>
<th>School/Center</th>
<th>RCR Generated</th>
<th>UW Seattle</th>
<th>UWB: Office of Research</th>
<th>UWB: School or Center</th>
<th>UWB</th>
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<tbody>
<tr>
<td>CEDR</td>
<td>$119,874</td>
<td>$45,490</td>
<td>$44,631</td>
<td>$29,754</td>
<td>$74,385</td>
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<tr>
<td>CRPE</td>
<td>347,869</td>
<td>136,741</td>
<td>126,677</td>
<td>84,451</td>
<td>211,128</td>
</tr>
<tr>
<td>Goodlad</td>
<td>186,200</td>
<td>45,183</td>
<td>84,610</td>
<td>56,407</td>
<td>141,017</td>
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<tr>
<td>Nursing &amp; HS</td>
<td>17,130</td>
<td>4,072</td>
<td>7,835</td>
<td>5,223</td>
<td>13,058</td>
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<tr>
<td>STEM</td>
<td>364,893</td>
<td>97,001</td>
<td>107,157</td>
<td>160,735</td>
<td>267,892</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$1,035,966</strong></td>
<td><strong>$328,487</strong></td>
<td><strong>$370,910</strong></td>
<td><strong>$336,570</strong></td>
<td><strong>$707,480</strong></td>
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<tr>
<td>% of Total RCR Generated</td>
<td>32%</td>
<td>36%</td>
<td>32%</td>
<td>68%</td>
<td></td>
</tr>
</tbody>
</table>
Summer Quarter Overview
Summer Quarter (SQ)

- Per the Washington State legislature, summer quarter (SQ) instructional activity at public universities must be financially self-sustaining.
- SQ is organized and reviewed by UW Continuum College (or PCE).
- Provost office annually approves the budget for all programs, including UW Bothell.
- UW Bothell is viewed as a single entity.
**Summer Quarter: Finances**

- SQ is limited to state-reported curriculum
  - Not fee-based programs
  - Students pay same tuition rates as autumn, winter or spring quarters
- Revenues are collected by PCE
- Expenditures are limited to those supporting SQ instruction
  - Faculty salaries
  - Some staff salaries (e.g. lab and some TLC staff)
  - Some student salaries (e.g. Library workers and tutors)
- Each SQ must **at least** break even, financially
Positive net revenue is returned to UW Bothell once a biennium
  - Funds are allocated in the form of DOF

$2.5M is allocated to central administration for reallocation across the campus

Of the remaining funds:
  - 50% are allocated to the 5 schools and FYPP, proportionally to their activity
  - 20% is allocated to the VCAP
  - 15% is allocated to the VCAA
  - 7.5% is allocated to the Chancellor
  - 7.5% is allocated to the VCAER
## Summer Quarter: Allocation for FY 2014 and 2015

<table>
<thead>
<tr>
<th>Unit</th>
<th>Percentage</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schools</td>
<td>50%</td>
<td>$873,786</td>
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<tr>
<td>BUSINESS</td>
<td>8%</td>
<td>136,662</td>
</tr>
<tr>
<td>FYPP</td>
<td>4%</td>
<td>62,395</td>
</tr>
<tr>
<td>IAS</td>
<td>16%</td>
<td>278,779</td>
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<tr>
<td>NHS</td>
<td>8%</td>
<td>140,547</td>
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<tr>
<td>SES</td>
<td>3%</td>
<td>45,429</td>
</tr>
<tr>
<td>STEM</td>
<td>12%</td>
<td>209,975</td>
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<tr>
<td>VCAP</td>
<td>20%</td>
<td>349,514</td>
</tr>
<tr>
<td>VCAA</td>
<td>15%</td>
<td>262,136</td>
</tr>
<tr>
<td>Chancellor</td>
<td>7.5%</td>
<td>131,068</td>
</tr>
<tr>
<td>VCAER</td>
<td>7.5%</td>
<td>131,068</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td>$1,747,573</td>
</tr>
</tbody>
</table>
Summer Quarter: Change in Revenue

- Washington State legislature reduced undergraduate, resident tuition by 5% and 10% in fiscal year 2016 and 2017, respectively
  - UW received some backfill to offset this reduction, in the form of state appropriations, for the academic year
  - Since SQ must be self-sustaining, there is no backfill for lost SQ revenue
- IPB has not completed the analysis of the impact on revenue sharing, but we do expect the net positive revenue returning to UW Bothell to decrease
  - Based on revenue sharing model, this will directly impact the schools, FYPP, Vice Chancellors and Chancellor directly
Decision Making Processes
Operating Budget – Allocation Process

- Receive budget estimate for next fiscal year – **March**
- Review and corroborate budget estimate – **March-April**
- Start Budget Request Process – **May**
- Determine allocation pool – **June-July**
  - Budget estimate
    - LESS - Budget base (prior year allocation)
    - LESS - New faculty hire funding
    - LESS - Incremental fixed and mandatory cost funding (merit, utility, overhead, rents, etc.)
    - LESS - campus level initiative funding
  - Remaining balance (if any) = Funding Request Allocation Pool
- Review budget requests and determine allocations – **June**
  - Chancellor/VC prioritization and negotiation
- Communicate approved allocations – **July**
- Distributions of Funds – **September**
Operating Budget – New Funding Request Process

- Receive budget estimate for next fiscal year – *March*
- Review and corroborate budget estimate – *March – April*
- Call for new funding request – *May*
  - VC units: call for department requests
  - Departments: compile and prioritize requests
  - Departments: submit requests to VC
  - VC: compile and submit requests for review
- Requests compiled, pending allocation process – *June*
Funding Commitments – Campus Initiatives

- Campus Initiatives include mission centric priorities that evolve or are developed outside of the standard budget allocation process and are determined to be a priority prior to ultimate ownership or funding necessarily being established
  - Examples include: Diversity Center, Campus Master Plan, Safety Corridor, etc.

- Temporary or Permanent funding removed from respective budget allocation pools prior to new funding request addressed

- Funding and Ownership of operation determined through process
Temporary Operating Budget – Allocation Process

- **Historical Practice:**
  - Campus Reserve determined and allocated
  - Unit Designated Operating Funds (DOF) Allocations
    - Remaining balance of prior Biennium DOF funding
    - **PLUS** - Remaining balance of prior Biennium GOF funding
    - **EQUALS** – Allocated Temporary Funding (DOF)
  - Other Temporary Funding
    - Used for temporary operating requirements and strategic one-time funding

- **Most Recent:**
  - Campus Reserve determined and allocated
  - Unit Designated Operating Funds (DOF) Allocations
    - Remaining balance of prior Biennium DOF funding
    - **PLUS** - Remaining balance of prior Biennium GOF funding
    - **LESS** – Carryover “Tax”
    - **EQUALS** – Allocated Temporary Funding (DOF)
  - Other Temporary Funding and retained Carryover “Tax”
    - Used for temporary operating requirements and strategic one-time funding
Hiring Process – Faculty

- Approval Process (18 months prior to start)
  - Units submit hiring plans (new and replacement positions) – May
  - Deans consider/review requests, submit for final hiring plan – June - July
  - Campus and Provost approval – August

- Search Process (1 year prior to start)
  - Search committee created, position posted - Autumn Quarter
  - Receive/review applications, conduct pre-interviews – Winter Quarter
  - Finalists selected, in-person interviews – Spring Quarter
  - Position hired and final BOR approval – Spring-Summer Quarter

- New Faculty Start date – Autumn Quarter
Hiring Process – Staff

- Request/Approval Process
  - New Appointment Checklist
    - Department initiated
    - Reviewers: Applicable VC, Budget Reviewer, Space Reviewer, OE/HR reviewer

- Funding Decisions
  - Replacement position – funding of vacant positions held department budget. Assumes funding sufficient for replacement search
    - Additional funding source (if needed) – Department responsible
  - New Position – Request through yearly budget request process – *May-June*
    - If approved, funding provided from central funds for start of next fiscal year
  - New Position – Not funded through yearly budget request process
    - Funded by departments through re-distribution of existing funds
    - Assumes no new funding from central resources
Other Hiring Processes – Position Funding

- **Vacant Position Funding**
  - Faculty – Funding retained in department budget pending replacement
    - Replacement search subject to standard Faculty hire process
  - Staff – Funding retained in department budget pending replacement

- **Retirements**
  - Faculty – Funding removed from department to central VCAA
    - Subject to standard Faculty hire process
    - Funding distributed back to departments to cover new position only
  - Staff – Funding retained in department budget pending replacement
Faculty Metrics
Faculty Metrics Retreat – February 13th

- **Purpose**: Review metrics and discuss and agree on recommendations for faculty planning metrics and methodologies

- **Participants**: VCAA, VCAP, Academic deans, Director of First Year & Pre-major Programs, and members of Institutional Research, Institutional Planning & Budget, and Division of Enrollment Management
Faculty Metrics Methodologies

Delaware Cost Study (Institutional Research)

- Faculty FTE (full time equivalent) are attributed to the school that pays the faculty member
- Student FTE are attributed to the school who pays the faculty member of record for a course

Faculty Composition Analysis (Institutional Planning & Budget)

- Faculty FTE are attributed to the school that pays the faculty member
- Student FTE are attributed to the school which “owns” the curriculum abbreviation
Faculty Metrics: Student-to-Faculty Ratio

Full-Time Equivalent (FTE) is used, not headcount

- **Student FTE**
  - Undergraduate: 45 student credit hours = 1.0 annualized FTE
  - Graduate: 30 student credit hours = 1.0 annualized FTE

- **Faculty FTE**
  - Date Range: September 16 – June 15
  - FTE = Sum of FTE / 9 months

Student-to-Faculty Ratio = Student FTE / Faculty FTE

- Student FTE: 4539
- Faculty FTE: 260
- Student-to-Faculty Ratio: 17.5:1
Faculty Metrics: Faculty Composition

- 3 major categories of faculty
  - Tenured/tenure-track, full-time lecturer, part-time faculty
- Each category of faculty has different expectations
  - Salary, startup packages, governance, research, teaching expectation, experience, etc.
- Provost directive to reduce utilization of part-time faculty to 15% or lower
  - FY 2016 Composition
    - Tenured/tenure-track: 47%
    - Full-time lecturer: 24%
    - Part-time faculty: 23%
    - Graduate student: 4%
    - Other: 2%
Importance of Metrics

- Student-to-Faculty Ratio (S/F Ratio): Given student FTE, projects the overall size of faculty FTE at the school or campus level.

- Faculty Composition: Given faculty FTE, projects the type of faculty at the school or campus level.

- Student/Faculty Ratio and Faculty Composition together allows projections of:
  - Faculty salaries
  - Faculty startup packages
  - Number of section offerings to meet student FTE targets
  - Faculty offices
  - Administrative support requirements of faculty
## Faculty Metrics: Academic Year 2015–16

<table>
<thead>
<tr>
<th>School/Program</th>
<th>Student FTE</th>
<th>Faculty FTE</th>
<th>S/F Ratio (IR)</th>
<th>Tenured/TT</th>
<th>FT Lecturer</th>
<th>PT Faculty</th>
<th>Graduate Student</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>803</td>
<td>40.6</td>
<td>19.8</td>
<td>57%</td>
<td>15%</td>
<td>26%</td>
<td>1%</td>
<td>0%</td>
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<tr>
<td>Educational Studies</td>
<td>290</td>
<td>18.5</td>
<td>15.7</td>
<td>48%</td>
<td>18%</td>
<td>28%</td>
<td>2%</td>
<td>4%</td>
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<tr>
<td>FYPP</td>
<td>532</td>
<td>20.4</td>
<td>26.1</td>
<td>1%</td>
<td>6%</td>
<td>89%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>IAS</td>
<td>1359</td>
<td>77.8</td>
<td>17.5</td>
<td>50%</td>
<td>27%</td>
<td>12%</td>
<td>10%</td>
<td>2%</td>
</tr>
<tr>
<td>NHS</td>
<td>303</td>
<td>24.2</td>
<td>12.5</td>
<td>60%</td>
<td>23%</td>
<td>17%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>STEM</td>
<td>1252</td>
<td>78.6</td>
<td>15.9</td>
<td>48%</td>
<td>31%</td>
<td>17%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>UW Bothell</td>
<td>4539</td>
<td>260.0</td>
<td>17.5</td>
<td>47%</td>
<td>24%</td>
<td>23%</td>
<td>4%</td>
<td>2%</td>
</tr>
</tbody>
</table>
Faculty Metrics: Academic Year 2015–16

- Student FTE: 4539
- Faculty FTE: 260
  - S/F Ratio of 17.5:1
  - Assuming a S/F Ratio had been 20:1, faculty FTE would have been 227
- Faculty salary funding: $24.4M*
  - Assuming a S/F Ratio of 20:1 and faculty composition of 60/30/10, faculty salary funding would have been approximately $21.2M*
- Section offerings
  - Movement towards a ratio of 20:1 and composition of 60/30/10 projects a reduction in section offering of 8-10%

*Does not include benefits funding
Faculty Metrics Retreat: Decisions and Impacts

- Methodology: Delaware Cost Study
  - Process changes in data organization for faculty FTE and time schedule

- S/F Ratio: Target 20:1 at the school and campus level (pending analysis)
  - Reduction of overall faculty FTE, comparatively

- Faculty Composition: Target 60/30/10 at the school and campus level (pending analysis)
  - Moving faculty FTE from PT faculty to TT and FT lecturer positions

- Institutional Course Releases: Funded centrally at true cost
  - Additional funded required centrally

- Non-Institutional Course Releases and Sabbaticals: Funded within schools and programs
  - Additional analysis support required at the school level
Faculty Metrics: Next Steps

- VCAA engage with general faculty leadership on impact
- Institutional Research (IR) and Institutional Planning & Budget (IPB) perform analysis requests and return to group by first week of March
- IPB and IR engage with school administrations on data organization impacts
- Another meeting is being scheduled for early April
Core Team Next Steps
Messaging for Today