

UNIVERSITY of WASHINGTON
FY2021 Annual Review Narrative Survey

Unit Name: UW Facilities

Programmatic & Academic Vitality Narratives

- 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 FY 20 response below>

UW Facilities was created in 2018 by combining the former Facilities Services (FS) and Capital Planning & Development (CPD) departments. (Note that CPD included UW Real Estate). UW Sustainability and Business Diversity then joined UW Facilities after EVP Jeff Scott's departure. The finance teams from across the newly formed UW Facilities have combined into one cohesive team and are now working together to standardize budget processes and financial forecasts.

The internal budgeting process begins with individual finance managers across UW Facilities determining current state for their areas and then working with senior leaders in their areas to understand and forecast staffing and operational expenses for the coming two bienniums.

Senior financial leadership works with the individual finance managers to review and consolidate all UW Facilities financials. Changes are made as needed to reflect departmental needs and strategic planning priorities and initiatives, such as campus growth and deferred maintenance concerns; mission/value-related commitments, such as employee safety and training; compliance with regulations and policies; equipment replacement policy and any budget items or expenses that have been omitted.

Senior financial leadership reviews the financial analyses from all areas and the consolidated reports with the other UW Facilities senior leaders to strategize and prioritize needs and direction based on funding availability and makes adjustments and decisions as needed. This cycle continues until the budget reflects the goals and decisions made by senior leadership and also presents a workable operating plan for the upcoming two bienniums.

- 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*

UW Facilities is continuing to work on the areas of deferred maintenance, life-cycle stewardship and workforce development while focusing on utilities recapitalization, sustainability and business diversity.

Utilities recapitalization: We are developing a capital plan to divest from steam infrastructure and move the University into a sustainable future. Significant capital funding is also needed to ensure the reliability of the

UNIVERSITY of WASHINGTON
FY2021 Annual Review Narrative Survey

Unit Name: UW Facilities

nearly 100-year-old power plant during the transition, and we are developing a plan for that as well while looking at decarbonization initiatives.

Deferred maintenance and facilities renewal: We are developing a building and infrastructure renewal investment strategy that addresses the need to fully fund annual operations and maintenance expenses for every building. A comprehensive campus-wide facilities condition assessment (FCA) taking place this year, followed by regular reassessments, will inform investment decisions related to renewal of facilities. We are also developing a 15-year strategic capital plan for better long-term planning around growth, renewal, clinical operations and strategic initiatives. This will also inform the 5-year capital plan.

Workforce development: We are working to enhance coordination and relationships with our unions as well as leveraging and developing the capabilities of our trades workforce.

Sustainability: The UW Sustainability Action Plan is launching this year. As Executive Sponsor for this University-wide effort, we will work to establish and implement the plan, including measurable goals that move the University forward.

Life-cycle stewardship: We are incorporating portfolio management principles across all UWF units to drive a full life-cycle approach to the stewardship of the University's physical assets. This will allow us to optimize our resources and more effectively prioritize our work while delivering more efficient services.

Business Diversity & Equity: UW Business Diversity & Equity is launching enterprise Inclusion Planning this year that includes goal setting. As Executive Sponsor for the University-wide effort, we will work with each Department's finance and buying teams to review business processes, identify opportunities and develop equitable best practices that result in increased spending with diverse businesses in our community. We will continue to provide quarterly tracking and refined metrics.

- 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*

Utilities funding model: Our utilities infrastructure relies on a historical funding model that does not meet the current reality. Nor does it meet standard utility funding practices, which include provision for capital reinvestment. Our current funding model does not incentivize savings and does not provide for the ongoing recapitalization of the utilities infrastructure.

Long-term capital plan: We do not currently have the resources to make the capital investments the University needs over the next 15 years to meet the planned growth, renewal, clinical and strategic initiatives. With finite state, donor and debt funding sources, UW Facilities is working with UW Finance and other partners across campus to overcome this challenge.

Deferred maintenance: With the deferred maintenance backlog over \$2 billion for all three campuses, annual operating funds are strained as we approach daily maintenance in a reactive mode. We are often faced with jumping from one failure to another, reducing the effectiveness of our trades and increasing operating costs.

Technical trades recruitment and retention: The labor market in Seattle is very competitive, particularly for the technical trades, which are facing a shortage industry-wide as more people retire than enter the field. The high

UNIVERSITY of WASHINGTON
FY2021 Annual Review Narrative Survey

Unit Name: UW Facilities

cost of living in Seattle also makes it difficult to retain employees. A continued shortage of employees puts pressure on existing staff and makes long-range plans harder to implement.

- 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*

As stewards of the campus, our job is to provide and care for the campus infrastructure in a way that effectively supports the mission of the institution with appropriately configured space and more efficient operations for every unit across the University. Without appropriate investment, however, basic campus standards will fall and the day-to-day experience of faculty, staff and students will be degraded.

We are facing mounting compliance costs to meet new and updated city, state and federal regulations. These are unfunded mandates that require significant investments related to energy, storm water and air quality. In addition, the power plant needs major capital investment to maintain current functionality and avoid the possibility of potentially severe service disruptions.

In addition to seeking the necessary resources to meet these challenges, we will continue to focus on prioritizing projects that deliver higher value, including efficient space utilization and reducing the deferred maintenance backlog. Reducing the backlog will increase the efficiency of academic and administrative units by minimizing day-to-day disruption and lowering frustration. These efforts will also lead to more instructional space and enhanced student experience.

We will also continue our investments in energy conservation and waste diversion, which result in several million dollars in cost avoidance a year.

- 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 --*

Long-term capital planning: UW Facilities is working with the Office of the Provost, UW Finance and key campus stakeholders on a 15-year strategic capital plan. This will inform and align the 5-year capital plan with long-term strategy for institutional investments in support of the University's academic priorities.

Improved prioritization: We are working to improve workload management and customer service within Facilities Operations, so that resources are spent in the areas where they can make the most impact. Robust preventive maintenance for buildings and infrastructure extends the life of our assets and thereby helps reduce the growth in the deferred maintenance backlog.

Space utilization: We are leading efforts to consolidate leases and permanently exit leased space as well as further consolidation of space as new buildings come online. Effective management of the UW's space saves several million dollars annually. We are transitioning to an integrated database with enhanced customer functionality and the ability to identify employee work locations.

Accessibility: We are working closely with Compliance and Risk and Disability Services on a comprehensive accessibility plan for the University. In addition to parking lot improvements, we allocate minor capital funds to

UNIVERSITY of WASHINGTON
FY2021 Annual Review Narrative Survey

Unit Name: UW Facilities

remove barriers to access across campus. We work with the ADA office and all campus units to identify these areas, as well as taking reports directly from the public on our website.

Transportation modernization: We are transforming our parking operations with a centralized customer portal, license plate recognition and new options such as pay by phone. We also continue to offer the popular U-PASS transit program and other commuter efforts. Our parking and transportation demand management programs are focused on meeting the goals outlined in the UW Campus Master Plan, which call for a reduction in parking spaces from 12,000 to 9,000 and a drive-alone rate of 12% by 2028.

Energy conservation: We have reduced the University's utility costs by strategically reinvesting rebates offered by utility companies and this is an area ripe for increased investment in order to capture even higher returns. We will be reviewing our current funding model this year.

In addition to Facilities-centered work, UWF is also the executive sponsor of three key University-wide initiatives related to how resources are planned and spent:

- **Business, Academic & Research Continuity (BARC)**, which supports enterprise-wide planning for continuity of operations following a major disruption or emergency.
- **Business Diversity & Equity**, the effort to increase University spending across local diverse businesses.
- **UW Sustainability Action Plan**, a new blueprint to move the UW to a more sustainable future that is launching this year.

~~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~~