UNIVERSITY of WASHINGTON

Activity Based Budgeting Steering Committee

DRAFT ABB Phase III Evaluation and Recommendations

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INTRODUCTION

The primary mission of the University of Washington (UW) is the preservation, advancement, and dissemination of knowledge. The University preserves and advances knowledge through its libraries and collections, its courses, the scholarship of its faculty and students, and the support of its staff. It advances new knowledge through many forms of research, scholarship, inquiry, and discussion, and disseminates knowledge through the classroom and the laboratory, scholarly exchanges, creative practice, international education, and public service. As one of the nation's outstanding research and teaching institutions, the University is committed to maintaining an environment for robust and imaginative inquiry, and for the original scholarship and research that ensures the production of new knowledge in the free exchange of facts, theories, and ideas.

The UW's mission statement is multi-faceted, broad, and deep – expressed and enlivened by its faculty, staff, and students in their respective schools, colleges, campuses, and administrative units. Mission-driven scholarship, teaching, work, and inquiry requires resources. As we pursue excellence in the political, economic, and regional milieu of the UW, resources will always be constrained. The method by which the University allocates its core resources, in the form of general operating fund and designated operating fund revenues, matters. Cyclical, communal tending to our budget method also matters, particularly as it must be responsive to mission, milieu, and strategy. The method must be flexible enough to accommodate shifts beyond the UW's control, but provide enough consistency and transparency to enable planning at the consolidated level, as well as the secondary and tertiary, organizational levels.

Reviews of the method bring to light many criticisms of it, which are welcome, as they motivate improvements and maturation the model over time. However, many of the criticisms levied at our method are the very reasons for its existence. Increasing transparency, allowing for some predictability, enhancing planning, and driving some revenues to where expenses are generated were the primary reasons for the shift to ABB in 2012.

Reviewing the method by which the UW allocates its scare resources compels us to consider theoretical questions such as, how do we allow for each school and college to have an equal shot at excellence? How do we align the method utilized to best support the University's overall mission, without complicating the planning efforts and financial health of its units? Additional questions were raised by Provost Richards, in Figure 1, as well as the many faculty and staff involved in this thorough review of the methodology. Questions arose around the delicate balance of cross-subsidy in operating funding (i.e., the supplement) and capital funding (i.e., the relative cost for space in health sciences, engineering and natural sciences compared to non-lab space), subvention for interdisciplinary work, and central vs. decentral cost escalation and resource mismatch.

Ultimately, many of these questions can be addressed empirically over time, but resources will always be constrained, and the method must be responsive to both the need for incremental improvements and the sheer knowledge that we will always have to make hard choices with and without data.

ABB's implicit assumption is that resource planning is a shared governance responsibility. Thus, the work to review the current method was prompted, scoped, evaluated, evolved, and concluded over a two-year time horizon involving many constituencies. Moreover, the work will never be complete.

This report begins with a short primer on the history, goals, formulae, and affected fund types of the method. A short summary of our charge and scope follows. Finally, each primary area of scope is presented by topical areas. Recommendations are ensconced in each section of the report.

We would like to recognize the enormous effort put forth by the members of each subcommittee, and their leadership, in pursuing their mandates, and in a very short period, concluding their valuable recommendations.

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ABB PRIMER

Activity Based Budgeting (ABB) is a method of distributing incremental revenues. Of the $1.4 billion of FY20 core university resource budget authority in FY20, roughly 60 percent is distributed according to measurable activity. The remainder is allocated on the basis of prior budget authority. ABB neither generates revenue, nor does it substitute for human intervention; rather, it is a formulaic method of allocating some core operating revenues, all of which are defined in subsequent paragraphs.

ABB's goals are to:

1. Enable greater local planning and accountability and create incentives for units to more efficiently manage resources and expenditures;
2. Provide some control of resources generated from activities;
3. Create incentives to set priorities and develop new activities consistent with the overall mission and strategic goals of the institution; and,
4. Align some, but not all, instructional and research costs with allocations of incremental revenue.

ABB is a resource allocation methodology under which budget allocations are associated with expected activity levels. ABB allocates net tuition revenue to the unit(s) that conduct the teaching activity and generate the revenue, providing greater alignment between activities and costs, business practice improvement, and budget process transparency. This model has been in use at the UW since FY10, with a soft launch in FY12 and full implementation in FY13. The UW's ABB model was developed during a time of enrollment growth, tuition increases, and flat compensation. Since then, the UW has experienced relatively flat enrollments, expenditures growing faster than revenues, and undergraduate shifts in major of study area and class level. Because of these changes, revisiting and adjusting the model is key for our shared successes across the University.

When ABB was fully adopted, a commitment was made to leave the basic elements in place for five years to provide an opportunity to understand the impacts of ABB as it was initially structured. In the meantime, an ABB review committee was formed to monitor and review the model and to provide recommendations about possible changes. Recommendations from the ABB Phase II Committee, which examined and sought to remedy concerns that had been expressed by stakeholders, were approved by the Provost in FY17 went into effect in FY18. The next formal review process, ABB Phase III, will reach its conclusion after the Provost and President determine whether, and if so how, to move forward with the ABBSC's recommendations. Preparations, scoping, and planning for this effort began in January 2019. Below are brief descriptions of the budget policies that guide our distribution of incremental operating resources throughout the University.

PROVOST REINVESTMENT FUNDS

The UW's Provost Reinvestment Fund (PRF) was adopted concurrently with the implementation of ABB. PRF is primarily comprised of formulaic allocations of tuition revenues, indirect cost recovery, and institutional overhead. Under ABB, these central resources are allocated directly to the unit responsible for the activity; but first, a tax is taken to fund central administrative operations, strategic investments in student and faculty experience, and critical compliance efforts—shared expenses that would otherwise have no direct source of funds. The tax is part of the funds that the administration uses to address President and Provost priorities for the University. Deployment of these funds is the result of a lengthy and highly consultative budget development cycle.

The sources of PRF are as follows:

- 30 percent of net tuition operating fee revenue generated by Seattle units
- 30 percent of miscellaneous fees
- 65 percent of indirect cost recovery
- 100 percent of interest income, after fees and distributions of basis points to specific units
- 100 percent of administrative overhead
- 100 percent of institutional overhead
- 100 percent of debt service recapture

These allocations are pooled by source fund type. State support for compensation, benefits, and tuition backfill funding are also included in PRF, but they are distributed out to units in alignment with other policies. OPB has refined the process by which campus schools, colleges, and units request funds from central, by implementing an online request portal and enhancing the types of information collected from campus units. This process improvement provided a threshold for investment, such as alignment with unit strategic plans, required matching funds provided by units, and furnished detail on the intended use of funds by the unit.

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GENERAL OPERATING FUND (GOF) DISTRIBUTION UNDER ABB

State Appropriations: The University distributes state appropriations to campuses, schools, colleges, and administrative units, in accordance with state policies and directions. While most state funding comes to the UW in the form of "provisos," which are directed to specific programs or efforts during the timeframe of the appropriations bill, some funding (e.g. funding for compensation) is available for broader distribution. *Distribution under ABB:* State funds with no current legislative directive are available to support the strategic priorities of the University and are distributed by the Provost and President, in consultation with academic and administrative leadership.

Tuition Operating Fee Revenue: The University allocates new, net tuition revenue to the unit(s) that conduct the activity generating the new revenue. Net tuition revenue is the total of all operating fees charged to students, after subtracting waivers, grants, certain fees, and a risk pool. By statute, the "building fee" portion of tuition is credited to the UW Building Account and is to be used exclusively for constructing, altering, and maintaining buildings; these funds are appropriated by the legislature. *Distribution under ABB:* 70 percent of the net tuition operating fee revenue generated at UW Seattle is distributed to Seattle schools and colleges, and 30 percent is retained by the Provost for basic university functions and strategic investments. Increasingly, the amount retained centrally is used to fund compensation expenses in units. Tuition revenue generated at UW Bothell and UW Tacoma is distributed to those campuses.

DESIGNATED OPERATING FUND (DOF) DISTRIBUTION UNDER ABB

Indirect Cost Recovery: Several negotiated rates of allowable facilities and administrative overhead fees govern the receipt of indirect cost recovery (ICR) revenue collected on federal grants and contracts.
Distribution under ABB: Units currently receive 35 percent of ICR they generate from the 12-month period ending March 31 of every year. In this case, a large portion of the funds retained by central administration are used for debt service, building operations and maintenance, and utilities costs. UW Bothell and UW Tacoma receive the ICR revenue generated by their respective campus, less certain rate components associated with functions centralized on the Seattle campus (i.e., Libraries, Sponsored Programs, Administration).

Institutional Overhead: A percentage of self-sustaining units' revenue from the sale of goods and services is charged to recover costs for building use, physical plant operations and maintenance, and institutional support at the Seattle campus. The institutional overhead rate is applied to revenue associated with these activities. The UW has two main institutional overhead rate categories: on-campus and off-campus, determined by the location of the preponderance of effort by each entity. FY19 rates continued at 15.60 percent for on-campus and 6.85 percent for off-campus activities.
Distribution under ABB: Institutional overhead charges are received as revenue into the DOF pool of funds and is allocated back out to units via the Provost Reinvestment Fund process.

Remaining DOF: This includes investment income, Seattle summer quarter tuition, the Internal Lending Program risk fund, and administrative overhead charges to UW Bothell and UW Tacoma.

- *Seattle summer quarter:* Most summer quarter programs are operated by Continuum College. There is no state support for summer quarter activities and, historically, it has not been part of the ABB model. FY20 marks the first year that a "net revenue share" program will be piloted with the College of Arts & Sciences, to be followed by a shift in the overall operating model for summer quarter in Summer 2020, which straddles FY20 and FY21. Distribution of incremental summer quarter tuition revenue to the School of Medicine and the School of Dentistry (which are run outside of Continuum College) will continue.
- *Administrative overhead:* These charges reflect a share of centralized administrative services provided by Seattle to UW Bothell and UW Tacoma and are calculated as 10 percent of GOF revenue for each campus, excluding funds for salary increases and funds for operations and maintenance. *Distribution under ABB:* Remaining DOF revenues are distributed back to units as part of the budget process, via the Provost Reinvestment Fund process.

SUPPLEMENT DISTRIBUTION: When ABB was fully implemented, leadership on the Seattle campus reached a "hold harmless" agreement. For the transition year, no unit was to receive less permanent GOF and DOF than it had in the previous year. The difference between the GOF and DOF base from the prior year and the calculated tuition (after financial aid and tax) and indirect cost recovery (after tax) was distributed to units as "supplement." Each year since, investments in unit supplements have been spelled out in annual allocation tables. Investments were categorized as "supplement," because they were not formula-driven tuition or indirect cost recovery. This includes funding from the state to tuition backfill, compensation, and provisos, and allocations from PRF. For purposes of digesting this report, recommendations are focused on changes to the "hold harmless" calculation alone, and we refer to these figures as "cutover funding".

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ABBSC CHARGE, PROCESS AND OBSERVATIONS

Improving ABB is an ongoing task. This year, the ABB Steering Committee (ABBSC) and its three subcommittees were charged with a scope of work responsive to concerns and shortfalls of the model gleaned from surveys and working sessions. The primary focus of the work was to evaluate three areas of ABB; notably, tuition formulae and taxation levels; supplement modifications; and, research support. Provost Richards furnished guiding questions to ABBSC, available in Figure 1. Work centered on ensuring that each subcommittee charged with specific areas of scope (i.e., tuition formulae and taxation; supplement; and, research support) developed comprehensive assessments after reviewing peer models. Steering committee members were to evaluate findings to balance proposed changes in terms of overall academic excellence and school/college level needs. Finally, report development was to occur in a timely manner to inform stakeholders and solicit feedback for consideration before submitting final recommendations.

Figure 1. Guiding Questions

- How can we adjust the model to align to the values, vision and strategy of the University?
- How can we address demands for incremental funding in a relatively flat cost recovery or revenue generating environment? Should we shift the taxation levels and formulae of the current model to modify the incentive structures inherent in its framework?
- Finally, now that the "discretionary" components of the supplement artifact are parsed out for review and awareness, how can we modify supplement funding to ensure that schools and colleges do not face windfalls and shortfalls of dramatic proportions?

[Provost Richards' Letter to ABBSC, Dated August 23, 2019]

What follows is a preliminary report that summarizes findings and recommendations related to each subcommittee report. When evaluating each report, the ABBSC focused on areas requiring further exploration and research. Moving forward, it is proposed that the Office of Planning & Budgeting (OPB) engage subject matter experts and responsible parties across the administration to address the gaps and issues not fully addressed during ABB Phase III, due to data insufficiencies, a lack of time for full proposal development, etc.

The ABBSC, and each subcommittee observed many of the same needs across the various areas of scope. These observations, detailed below, influenced the final recommendations of the steering committee to the Provost and President, included throughout the remainder of this document.

Our observations and "state of the ABB model"

1. Overhead and taxation methodologies need a thorough review. For this work to be done well, it needs to be prioritized and resourced appropriately. Our recommendations provide an organized, phased approach for this work over the next several years.

2. Data availability and integrity precluded work in several important areas of scope. The ABBSC acknowledges that in addition to the need for sufficient data to analyze before making recommendations for change there is a need for a communal values statement about the relative prioritization of administrative services. In fact, our recommendations focus first on data assembly, integrity and sharing as a precursor to overhead and taxation reform.

3. Generally speaking, the ABBSC and subcommittees found that the model was more or less working as intended, and that a wholesale reconstitution of the UW's core operating budget model was not warranted.

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TUITION FORMULAE AND TAXATION

I. SUBCOMMITTEE REPORT SUMMARY

The Tuition Formulae and Taxation Subcommittee (TFTS) report is available for review as Appendix 1. The report provided a framework for future taxation conversations, as well as an evaluation of the formulae shift enacted in FY18. TFTS did not evaluate current tuition taxation levels due to a dearth of data and insufficiency of time. TFTS made the following recommendations:

1. Do not shift to a simple taxation formulae (i.e., $/student credit hours (SCH); $/degree) since it inappropriately applies too much risk and responsibility to central. The current hybrid model was preferred.
2. Continue to allow the previous shift in undergraduate and graduate formulae[1] to play out over time and regularly evaluate it.
3. Adopt the Appendix 1 framework by which a shift in taxation levels could be contemplated.

These findings were justified by a review of impact of the change in tuition formulae from Phase II recommendations, as well as subcommittee discussions with regard to impacts of potential changes, which did not merit the time and effort it would take to implement change.

II. ABBSC RECOMMENDATIONS

1. OPB should continue to monitor trends and patterns that shift activity away from the schools/colleges that do not have support of a large supplement, and publish ABB dashboards to facilitate unit-level monitoring as well.
    a. OPB has already begun development of dashboards relating to student activity by tuition category to school/college organization levels. Further development should be prioritized and material changes elevated for leadership in conjunction with our recommendations around the Supplement.
    b. OPB should monitor professional school tuition revenue trends particularly for schools that have smaller supplement levels, and less graduate student credit hour activity coming into their schools.

2. The Administration should prioritize a multi-year assessment and potential overhaul of the taxation model and conduct a phased process to transform the overall tax and overhead structure at UW to enable:
    a. Clarity of documentation regarding how revenues from taxes are used in overhead support of central services;
    b. A defined baseline service level for areas of central administration;
    c. An understanding of the service levels covered by central administration compared to services covered by Decanal, Vice President, Vice Provost, and Chancellor units;
    d. A mechanism that easily prioritizes administrative investments in support of the UW's mission (i.e. UW prioritizes funding world-class research administrative services in-house versus pursuing standard services elsewhere);
    e. A focused connection between values and use of funds to invest in academic program growth and other related academic strategies.
    f. Reward candor, cooperation, and transparency to promote alignment of action to achieve UW's mission through equitable practices rather than "gaming the system".

In order to pursue these recommendations, we suggest that the Administration prioritize an overhaul to its taxation and overhead framework through a phased approach.

- **Phase I (CY 2020):** OPB will work with other administrative units, including Finance, UW Information Technology (UWIT), Facilities, and Human Resources to inventory tax rates and bases. Assembling this inventory requires that we survey our landscape and collect necessary data to inform a holistic analysis.
- **Phase II (CY 2021):** A Steering Committee will be charged by the Provost and President to provide information and transparency about services enabled through various taxation and overhead rate pools. Phase II would involve peer benchmarking and significant engagement with outside consultant bodies, such as the Education Advisory Board (EAB). In addition, the Steering Committee would consider different models, such as "single tax for all", "small number of taxes,

[1] In FY18, tuition formulae changed for both graduate/professional and undergraduate tuition categories. Formulae shifted from 60% SCH/40% degrees to 80% SCH/20% degrees at the undergraduate level. At the graduate/professional level, formulae shifted from 80% major enrollments/20% percent SCH to the inverse.

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but more than one", or "no change", with pros and cons. Task force recommendations will be considered advisory to the Provost and President.

- **Phase III (CY 2022):** OPB will then change its policies with regard to institutional and administrative overhead rates, as well as ABB taxation levels. Other administrative units would follow suit, depending on the final recommendations of the Steering Committee and decisions of the President and Provost.

SUPPLEMENT

III. SUBCOMMITTEE REPORT SUMMARY

The Supplement Subcommittee (SSC) report is available as Appendix 2. The SSC was broadly charged with suggesting, and evaluating, models that would serve to meet the objective of shifting discretionary supplement funding to support and align better with UW mission-critical activities, in conjunction with the tuition taxation work of the first subcommittee.

1. SSC assessed six models to modify the distribution of supplement funding, and the ABBSC was charged with evaluating each model, including each models' projected impact from various perspectives.
2. Over time, the overall supplement category has increased, as state funding, and allocations of institutional tax resources have increased. However, the cutover amount, also known as the original "hold harmless" has not changed.
3. As noted in the SSC report, many task forces and committees have struggled with the supplement as a construct and potential changes to the construct. None have disputed that the Provost could make a change to supplement funding levels, but suggested mechanisms to do so have varied over time.
4. Now that we have sufficient data to isolate the cutover amount, e.g., $125 million excluding the College of Arts & Sciences, we have a basis to make a shift to address a clear problem statement.

Figure 2. Supplement Model Overview

Provost 1:	Redistribute Cutover funds to A&S by multiplying growth in Natural Sciences Division Undergraduate Student Credit Hours (UG-SCH) since ABB went into effect by the average Cutover funds per UG-SCH on campus. Doing so would withhold (remove) 1.9% of Cutover funds from all units except A&S.
Provost 2:	Redistribute Cutover funds to A&S by multiplying growth in Natural Sciences Division Undergraduate Student Credit Hours (UG-SCH) since ABB went into effect by the Cutover funds per UG-SCH for the Colleges of Environment or Engineering. Doing so would withhold 3-6% of Cutover funds from all units except A&S.
Provost 3:	Withhold 100% of the Cutover from all schools that produce more than 2% of UG-SCH, and redistribute to these units in proportion to current UG-SCH.
SSC A:	Withhold *X*% of the Cutover and redistribute to support strategic reinvestment.† Reinvestment decisions would be made by the Provost with the advice of the Senate Committee on Planning and Budgeting (SCPB) similar to the Provost Reinvestment Funds process.
SSC B:	Withhold *X*% of the Cutover and redistribute to each unit proportional to FY20 activity as measured by the sum of the formulaic components of ABB (Tuition + ICR).†
SSC C:	Withhold *X*% of the Cutover and redistribute a fraction *f* according to model SSC A and (1–*f*) according to SSC B.†

† Initial recommendations are that *X* should be less than 3%, and that the process be phased in over 2 years, although the value of *X* should be determined by the Steering Committee in conjunction with any change in taxation rates on tuition and ICR. For all three SSC models, the process of withholding *X*% could continue in subsequent years as appropriate, with the value of *X* possibly varying with time.

IV. ABBSC RECOMMENDATIONS

Problem Statement: Having considered the SSC report and engaged in weeks of dialogue and evaluation, ABBSC proposes better balance between the formulaic portion of ABB and the discretionary one. ABBSC contends that ABB partially evolve from an entirely "formulae/status quo" approach to a more "formulae/values-based" approach. The ABBSC would like to see cutover funding shift to cover values-based investments, such as new and interdisciplinary academic programs.

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While values-based funding components would be decided by the Provost and President, decisions would be informed by transparent consultation with students, faculty, staff and academic leadership. Values-based funding will enable the Provost to redistribute supplement funding in a flexible manner, rapidly redeploying cutover funds to address academic problems or to invest in new academic programs considered of high value.

Our values-based funding pool would be allocated **to academic units** on the basis of criteria, such as:

- Starting/transitioning new academic programs (i.e., start up for program before ABB allocations catch up);
- Strategic faculty hiring to meet university priorities;
- Differential costs of critical/foundational programs/supporting academic units that are not able to thrive under formulaic allocations that are connected back to values (i.e., languages, basic sciences); or,
- Sudden shifts in student activity or research funding.

In addition, SCPB has a framework for value-based decision making with regard to new investments. That framework is attached as Appendix 4.

ABBSC recommends that the Provost and President implement a model to shift more cutover funds to be used in a sustainable and non-formulaic way, consistent with values and strategies of the University. In doing so, the Provost will be better equipped to react to shifting external and internal conditions, such as student demand, enrollment, and changes in tuition policy. Failure to act will allow persistent views to continue and exacerbate a failure of the model. Currently, there is relatively little flexibility where required to hedge against factors over which we have no flexibility, as noted above.

ABBSC recommends that 2 percent of the cutover related GOF and DOF permanent funding be redistributed to the Provost according to the following parameters, Items A through G, and only after the mitigations below have been fully contemplated and put into practice.

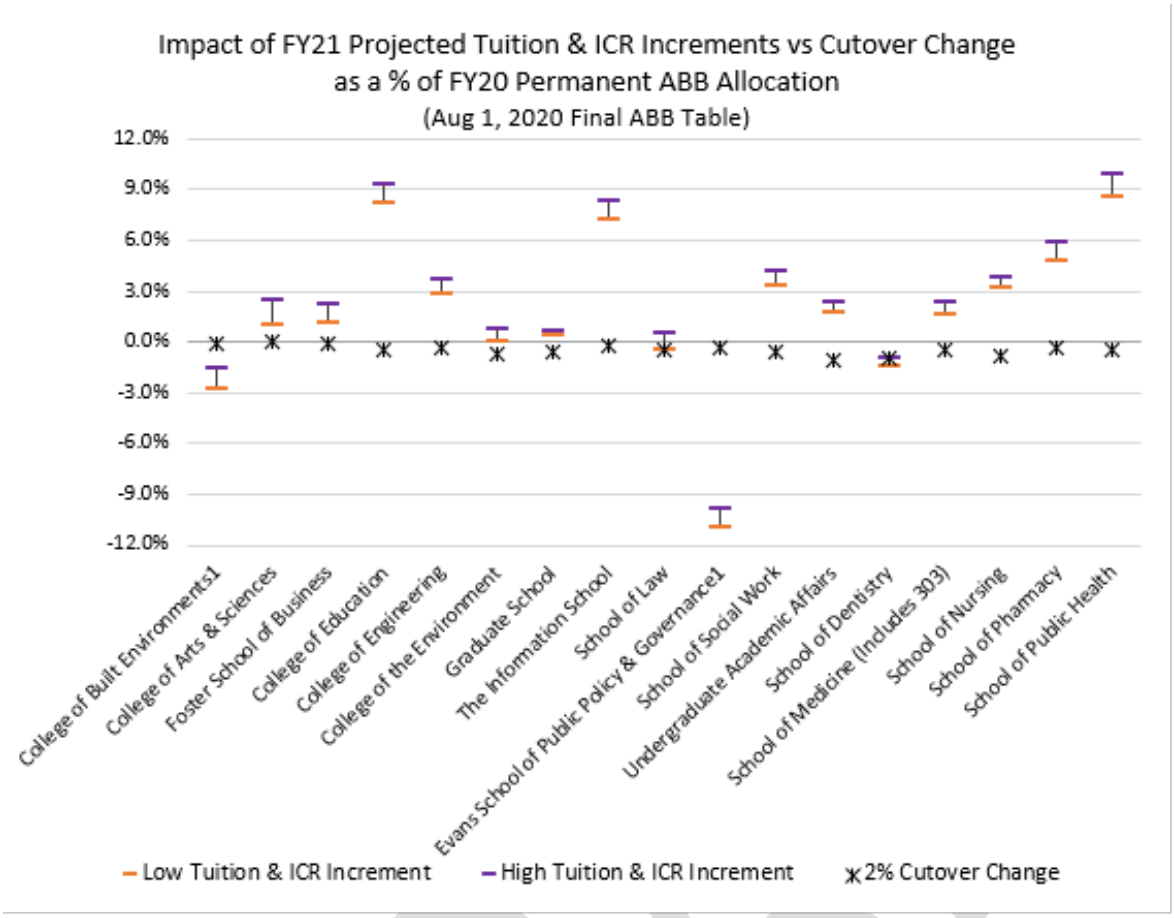
ABBSC submits the following parameters for a shift in cutover funding:

1. Redistribution should only affect cutover component of supplement funds (i.e., $125 million of the supplement total), and not change the distribution of supplement funding that has occurred since FY13.
2. For each unit, a 2 percent redeployment of cutover funds would occur in FY21, a further 2 percent reduction would occur in FY22, and a final 2 percent reduction would occur in FY23.
3. At the beginning of FY23, OPB would initiate a review of the supplement cutover redistribution model.
4. The implementation should be on the basis of share of cutover, rather than student, or faculty, FTE.
5. The model selected will ultimately be up the Provost and President; however, the ABBSC recommends that the funding generated from taxing 2 percent of cutover funds should not be distributed formulaically, unless so deemed by the Provost and President.
6. The funding should be allocated at the discretion of the Provost, to support our values, and in consultation with the Faculty Senate Committee on Planning & Budgeting, BODC and PACS. While the ABBSC reviewed each model in detail, it ultimately agreed that the mechanism offered by SSC through its model A provided a permanent mechanism to address issues flexibly over time.
7. For FY21, we recommend that the Provost distribute this funding to academic programs that meet the above criteria.

ABBSC required that OPB run unit-level forecasts of ICR and tuition projections for FY21, based on fall census for student activity, and year-to-date activity for ICR against each unit's share of cutover cuts at a 2 percent level (Figure 3). Those data indicate that units facing financial concerns related to pre-existing declines in student activity would be further challenged by a reduction of cutover funds. However, most units would see a range of increases in overall funding, even after a 2 percent reduction in cutover funds, given increases in tuition revenue, at flat enrollment levels, as well as ICR increases.

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FIGURE 3. SUPPLEMENT MODEL OVERVIEW



1. In the chart above, the FY20 tuition true up is the primary driver of the negative % change range displayed for FY21 projected tuition and ICR increments

ABBSC reviewed these data, after having composed parameters for redistribution. In addition, the ABBSC submits a number of ideas to ensure that potential problems, concerns, or threats to unit budgets are mitigated.

Mitigations

ABBSC agreed that implementing such a model requires the following mitigations:

1. Transparency into both the decision-making process and the ultimate allocations of such funds to avoid a reversion to "black box budgeting"
2. Detailed information by College/School including fund basis for redistribution, projection of withheld funds every annual review cycle, process for annual waiver, etc.
3. Publicize a process, and criteria, for allocation of cutover funds to mitigate concerns about a lack of transparency, and to encourage academic units to submit new ideas for subvention.
4. Initiate this change while tuition and ICR is projected to increase.

RESEARCH SUPPORT

V. SUBCOMMITTEE REPORT SUMMARY

The Research Support Subcommittee (RSS) report is available as Appendix 3. The RSS tackled questions related to the adequacy of research indirect cost recovery (ICR) funding held centrally by creating a data model to run a variety of scenarios. The RSS considered questions related to further taxation of heavy users (e.g., heavy users of environmental health and safety, or office of sponsored projects) as well as issues related to current state model implications for interdisciplinary research.

The vision and mission were agreed upon by the subcommittee – the UW is a world class research university and research support is and should be a major priority of the university. The ICR should be used primarily to support research and not for general university functions. It is also acknowledged that the University does not recover its investment in sponsored research through ICR. Thus, while ICR may feel like a boon to central and departmental budgets, it also raises a fundamental question about the focus on sponsored research during an era of declining recovery returns.

Rising costs, stagnant indirect cost recovery rates, and capped administrative cost rates mean there is not enough money either in the 65% going to central or in the 35% going to the units. Data were not available to fully explore any alternative models to the status quo. The distribution of the 65% of ICR that is kept centrally was opaque and could not be easily tracked, nor was it clear which services were intended to be provided by these funds. The lack of clarity of the services to be covered in the UW ICR model and general lack of transparency on the actual expenses covered by the 65% ICR distribution to central significantly complicated the subcommittee work. Additionally, connecting ICR and research expenditures in general to the space where the research occurs (and the cost of that space) could not be easily addressed due to lack of current space data (and changes over time).

The RSS ultimately found that the data availability constraints prevented them from validating the sufficiency or adequacy of funding. However, the RSS was able to parse out shares of ICR and other DOF revenues by unit, which illuminated the relative reliance of each unit on ICR allocations. Further, the RSS was able to assemble several primary recommendations, including:

1. Maintain the current ICR distribution formula
2. Do not charge "heavy users" for additional research infrastructure costs
3. Improve space utilization and assignment data
4. Maintain current interdisciplinary research arrangements since they seem to be working adequately
5. Overhaul the current taxation system holistically, i.e. taking into account all taxes (on ICR, on tuition, etc.) and all services provided centrally.

VI. ABBSC RECOMMENDATIONS

There is not currently enough evidence to recommend a change to the ICR distribution formulae. A broader effort is needed to improve data resources and holistically assess central services and taxation levels. Any eventual shift in ICR distribution should be phased in over time and should acknowledge that ICR be used primarily to support the research enterprise and not the general functions of the University. This applies to both the portion of ICR held centrally and the portion distributed to units.

1. **Establish enterprise objectives to inform a phased approach** with the goal to construct an ICR revenue distribution model that allocates revenue to more closely align to associated costs of research (effectively overhauling the University's multi-faceted and relatively confusing overhead system) including areas supported by separate taxes, such as ABB taxes. As a first order, the ABBSC recommends that the administration work with academic and administrative leadership to derive a series of objectives, which should follow from our values.

2. **Prioritize a holistic review of central overhead expenses** including finance, facilities, and administrative services in order to refine, consolidate and simplify the tax structures of our University's operations. The ABBSC acknowledges that even if we had all of the data that we currently do not, and it pointed in a certain direction, we still might not make a change unless it was in line with a communal values statement about the relative prioritization of administrative services.

CONCLUSION

The UW's mission is expressed and enlivened by its faculty, staff, and students in their respective schools, colleges, campuses, and administrative units. Mission-driven scholarship, teaching, work and inquiry requires resources, and those resources will always be constrained at lag our aspirations. This fundamental constraint requires ingenuity, human intervention and predictability, where possible. However, we need not be constrained by lack if we are clear about where and how we invest.

The method by which the University allocates its core resources matters. Cyclical, communal tending to our budget method also matters, particularly as it must be responsive to mission, milieu, and strategy. The method must be flexible enough to

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accommodate shifts beyond the UW's control, but provide enough consistency and transparency to enable planning at the consolidated level, as well as the secondary and tertiary, organizational levels.

Reviews of the method bring to light many criticisms of it, which are welcome, as they motivate improvements and maturation the model over time. However, many of the criticisms levied at our method are the very reasons for its existence. Increasing transparency, allowing for some predictability, enhancing planning, and driving some revenues to where expenses are generated were the primary reasons for the shift to an ABB model in the first place.

Overall, the ABB model is working as it is intended to work. However, there is room for improvement. Left to mechanical allocations alone, it will insufficiently provide for core foundational academic enterprises. Thus, this committee recommends a shift of a component of the non-formulaic allocation (i.e., the supplement cutover) to invest in the University's values, while focusing on a large-scale and holistic review of taxation and overhead to ensure that our scarce dollars are invested wisely and intentionally.

DRAFT

APPENDIX 1

December 31, 2019

Activity Based Budgeting Steering Committee

Lou Cariello, Vice President, Facilities
Renee Cheng, Dean, College of Built Environments
Hilary Godwin, Dean, School of Public Health
Suzanne Hawley, Divisional Dean, Natural Sciences, College of Arts and Sciences
Mary Lidstrom, Vice Provost, Research
Sarah Norris Hall, Vice Provost, Planning and Budgeting
Philip Reid, Vice Provost, Academic and Student Affairs
George Sandison, Chair, Senate Committee on Planning and Budgeting

Dear ABB Steering Committee:

In August 2019, the Provost charged this steering committee with responsibility for the overall work plan, project scope, and deliverables for the third formal review of the Activity Based Budgeting (ABB) construct during the academic year 2019 – 2020. In addition to outlining the charge and suggested timeline for work, the Provost also directed the work of three subcommittees to provide preliminary analysis and recommendations to the steering committee during the Fall quarter. The work outlined for these subcommittees was based on areas of focus identified during the scoping and planning process. The subcommittee areas of focus are as follows:

- Supplement Subcommittee
- Tuition Taxation and Formulae Subcommittee
- Research Support Subcommittee

In the charge, the Provost outlined the scope of work for each subcommittee, which includes completion of a report that supports the steering committee's efforts to make recommendations for changes to the ABB construct. The specific scope of work for the Tuition Taxation and Formulae Subcommittee was narrowly focused to address the following:

Regarding Tuition Tax

- Are we taxing tuition too little, given demands for central coverage of administrative services and compensation funding?
- Are our tuition taxation levels prompting a reaction to undergraduate programmatic growth and competition that is unhelpful?

Regarding the Distribution Parameters

- Are the formulae changes introduced in 2018 still serving the University well?
- If we shifted to a $/SCH or $/degree model over time, would the administrative efficiency gains outweigh the benefits of our granular, current-state methodology?
    - Would a change of this sort allow for better cross-university cost comparisons?
- Is a formula shift needed to better align the model to the institution's values, vision and mission?
- Should we shift the taxation levels and formulae of the current model to modify the incentive structures inherent in its framework?

Over the past three months, our subcommittee explored these questions and attempted to provide guidance for the steering committee. The attached report details our analysis and assessment of the current taxation level and impact of the ABB distribution parameter changes.

Thank you for directing our subcommittee with this important work. We hope that these proposals are helpful to you and the campus.

Sincerely,

Wendy Barrington, Associate Professor, School of Nursing
Michelle Griffin, Assistant Dean for Finance and Facilities, Foster School of Business
Erin Guthrie, Assistant Vice Provost, Office of Planning & Budgeting
Jason Johnson, Senior Associate Dean and Associate Vice Provost Undergraduate Academic Affairs
Linda Rose Nelson, Associate Dean, Finance and Administration, College of Arts & Sciences
Dan Turner, Associate Dean, Masters Programs, Foster School of Business

Tuition Taxation and Formulae Subcommittee Report

Executive Summary

Over the past three months, the Tuition Taxation and Formulae Subcommittee convened regular meetings, discussed the topics included in our charge, and analyzed data to inform the following recommendations:

1. The subcommittee could not make a determination about the tuition tax level without further analysis of costs incurred by the activities supported by the tax. Instead, the subcommittee focused more broadly on taxes incurred by units from a variety of sources and found that questions of taxation are currently being discussed across taxation streams (i.e. rather than within just this model). The subcommittee recognizes that this work is out of scope for the ABB Phase III review and recommends a new working group be charged to build a holistic framework for a taxation model. This framework would allow for cyclical inventorying and review of all institutional taxation and the services provided by assessed taxes. This cyclical review process could provide space to explore a more informed recommendation regarding changing the tuition tax. A suggested foundation for this work is provided in more detail below.
2. Regarding formulae changes, the subcommittee finds similar patterns and trends as the projected outcomes in Phase II reports. Peer institution comparisons and industry research indicate that the University's decision to move closer to "following the activity" is aligned with best practices[1].
3. The subcommittee reiterates the recommendation of the Phase II oversight committee that OPB continue to monitor trends and emerging patterns that shift activity away from the small professional schools, specifically those without the support of a large supplement. These schools may need a subvention as they experience revenue loss from the change in distribution parameters.
4. The subcommittee did not address a model shift of any kind at this time. With respect to administrative gains, the subcommittee felt that a change was both premature and shortsighted due to the unpredictable impact of both Strategic Enrollment Management (SEM) and Finance Transformation (FT) on the model. Similarly, a shift to a $/SCH or $/degree model would not allow for better cross-university cost comparisons. This work is currently underway outside of the revenue model.
5. A $/SCH model would shift risk and inefficiency away from units and to central administration. The subcommittee recommends keeping the hybrid activity-based model and parameter changes intact until the larger campus initiatives of SEM and FT are complete.

[1] For more information regarding activity based budgeting models as peer institutions, please see the Education Advisory Board's Compendium of Budget Model Profiles report published in the Business Affairs Forum.

Assessing the Impact of ABB Formulae Changes in FY18

Background

At the onset of ABB model implementation, the formulaic distribution of net operating fee revenue was as follows: 60 percent of undergraduate tuition distributed on the basis of SCH and 40 percent distributed on the basis of degree majors (i.e. 60/40); for graduate tuition, 20 percent was distributed on the basis of SCH and 80 percent on the basis of major enrollments (i.e. 20/80).

The Phase II Review Committee was asked to revisit the distribution rules based on the following:

- There is a perception on campus that there is a disincentive to teach graduate level courses that attract students in majors outside of a unit (that is, there is a disincentive to engage in interdisciplinary teaching at the graduate level).
- It has been suggested that if ABB were to weigh SCH much more heavily in the distribution of graduate tuition, the disincentive would be removed.
- Emphasizing SCH over major enrollments would address the model's inadequate treatment of revenue sharing for dual degree programs.

Phase II Analysis and Recommendations

The committee analyzed the potential impact of this change and found that the change in revenue distribution to units was minor, even after five years. Looking at current and past distributions of SCH and degree majors/major enrollments, it was noted that the percentage of SCH generated and degree majors/major enrollments in each school as a percent of the total were quite close.

Further, the committee felt it important to make this change to remove the perceived barrier to offering graduate courses that attract students from across the institution, which affects interdisciplinary programs. Given the small effect on overall distributions, the cost associated with making this change incurred by units appeared to be low.

The committee did caveat this recommendation with a slight modification for interdisciplinary graduate programs run out of the Graduate School. The committee recognized that existing and new interdisciplinary graduate degree programs based in the Graduate School depend on the current 20/80 distribution for survival and thus recommended that current distribution percentages for these programs remain unchanged.

Additionally, given the recommendation that ABB move to an 80 percent SCH/20 percent major enrollment distribution for graduate tuition revenue, the Phase 2 committee also looked at the possible effect of achieving ABB simplicity by using an 80 percent SCH/20 percent degree major formula for undergraduate tuition revenue.

Once again, the committee examined scenarios in which the base was initially reset, looking at the incremental tuition distribution moving forward and assuming a 2 percent increase each year over a five-year time span. The revenue distribution change was minor; the loss or gain relative to the current distribution rules expressed as a percentage of total distributions was zero for 16 of the 18 schools. Based on review of the ABB schedules, it was noted that the underlying metrics (the percent of SCH and degrees earned for each school as a percent of the total) were close.

Moreover, it was noted that the current distribution approach for undergraduate tuition revenue provided a disincentive to undergraduate program development. When a school or college creates a new degree program, there are costs that must be borne in the initial four years before the degrees have an impact in the revenue distribution (and given that degree data are lagged, this means a five- or six-year lag before revenue is realized). A change in the formula would reduce this lag effect.

FY18 Changes in Distribution Percentages

Leadership approved the above changes to the distribution percentages with the expectation that this new distribution would encourage more interdisciplinary teaching and academic collaboration. In addition, the recommendation to keep interdisciplinary graduate programs at the current distribution rates was approved. Leadership also authorized a change in undergraduate distribution percentages to match the new graduate percentages. The expectation for this change, in addition to simplifying the calculations and model, was that this new methodology might discourage potentially duplicative degree creation, encourage course creating and interdisciplinary teaching, and support schools and colleges that contribute significant SCH to external majors.

For FY18, a hold harmless provision was put in place. In other words, if a unit's FY18 tuition revenue would be reduced by the policy changes, then the unit's supplement will be increased by a commensurate amount, and vice versa.

Current Impact Assessment

FY19 was the first non-hold harmless period for the distribution changes. As projected by the Phase II committee, the impact of the changes for most schools and colleges was minimal. Overall, no school or college saw a greater than .8 to -.7 percentage change in the total portion of revenue distributed[2]. In terms of total GOF/DOF budget dollar amounts, Undergraduate Academic Affairs did receive a significant increase (about $750K) while The Graduate School saw the most significant drop (about $480K). These units, however, also had mapping changes during the same time, likely effecting these numbers. Outside of these two, no school or college saw a more than 2 percent total revenue change (for details, see Appendix A.).

[2] Total GOF/DOF budget shifts and increases in ICR and Supplement funding do show a greater percentage change during FY18-19. These shifts are unrelated to the tuition parameter changes, however.

At the undergraduate level, no school or college saw a greater than -1 to 1 percentage change in total portion of revenue distribution. On the high end, the College of Arts & Sciences received .82 percent greater share of undergraduate revenue distributed. On the low end, Foster School of Business lost 1 percent of its share. Both outcomes match the work of the Phase II committee when making the recommendations to change (for details, see Appendix B.). The change provides units the revenue they would receive for growth much sooner than the previous model (i.e. one year after said growth as compared to a lagging four to six years).

For graduate programs, as projected, professional tuition categories saw more shifts than graduate tuition categories. Engineering, Nursing, Pharmacy, and Social Work saw shifts ranging from -4 to -9 percent. Given the smaller amounts of revenue distributed for graduate programs, the percentage changes are in line with the projections. As projected, smaller professional schools saw a greater negative impact while the College of Arts & Sciences and the School of Medicine saw greater increases. For some of these programs, there are arrangements in place with the school or college taking on the external activity. For example, much of the Engineering activity shifting to the School of Medicine is part of a dual degree program between the two schools. An invoicing and payment mechanism outside of the model accounts for some of this shift. In other instances, when the dual degree program is set up within the system, credit hour activity is attributed to both schools/colleges.

Model Shifts to New Framework Assessment

The charge letter also asked that the Tuition and Taxation Subcommittee contemplate a shift in the formula framework. The specific questions asked for analysis and insight in to whether a broader shift to the framework is warranted.

If we shifted to a $/SCH or $/degree model over time, would the administrative efficiency gains outweigh the benefits of our granular, current-state methodology?

Given the recent change in distribution parameters, and the current broader conversations and work towards a comprehensive Strategic Enrollment Management Plan, the committee did not find value in contemplating a shift in the budget model of this kind. The shift to a $/SCH or $/degree model could help units better plan for revenue changes by providing greater predictability in the distribution amounts; however, this model would not address the current unpredictable nature of changes in student demand and enrollment growth. In addition, this type of model shifts a significant amount of risk to central administration. A legislatively-mandated tuition reduction or drastic downward trends in enrollment would impact central administration's ability to allocate the agreed-upon $/SCH or $/Degree funding. The subcommittee concluded that this shift should not be contemplated until a more comprehensive Strategic Enrollment Management Plan is implemented.

Would a change of this sort allow for better cross-university cost comparisons?

Analyses on the above shift in the distribution framework yielded no indication that this alternative model would allow for better cross-university cost comparisons. This work is better

suited outside of the model, and perhaps could be addressed when we have better data on the cost side[3].

Is a formula shift needed to better align the model to the institution's values, vision and mission?

The tuition side of the ABB model follows the activity generated by a school or college. This formula speaks to the teaching mission of the University. Together with the ICR and Supplemental components, the budget model mirrors the institution's values of teaching, research and public service. The subcommittee did not directly address alternative formulae to better align the model to the institution's values, vision, and mission.

The subcommittee spent most of our time assessing the impact of the distribution percentage changes and less time on contemplating the questions related to a shift in the framework. The consensus from the subcommittee was that, given other major campus initiatives, this would not be a strategic time to make a drastic shift in the formulaic approach to distributing tuition revenue.

Subcommittee Recommendation

At this time, the subcommittee's assessment of the change in the formulae for distribution leads us to conclude that the impact is immaterial when compared to overall GOF/DOF budgets. Additionally, since the formulae changes have only recently taken effect, the subcommittee does not have enough longitudinal data to make a recommendation to roll back or make further changes at this time. A future oversight committee may want to revisit the shifts with some analysis of alternative funding for smaller professional schools; however, the subcommittee felt that we needed a few more years of data to make any such decision.

The current distribution formulae align with best practices, according to the Education Advisory Board (EAB) presentation. The subcommittee concludes that a drastic change to the formulae is neither feasible nor desirable at this time. It is our recommendation that the formulae and the framework be reviewed annually, both in the context of potentially addressing any issues of alignment to the mission and in conjunction with changes to the supplemental, non-formulaic side of the model.

Assessing the Current Tuition Taxation Level

Background

Under the current ABB model, net operating fee revenue is formulaically distributed on the basis of revenue generation, as measured by student credit hours (SCH) and enrollments. These formulae allow for support to flow where the teaching effort occurs. Essentially, the activity unit receives the revenue and bears the cost associate with the activity that generates the

[3] For more information regarding optimizing revenue allocation models, please see EAB's Optimizing Budget Models report in the Business Affairs Forum.

revenue. Costs that are not directly linked to revenue-producing activity are paid centrally, funded through the taxes.

At the outset of ABB, the University established taxes that direct a share of the revenues into a pool of funds that is allocated centrally in order to provide funds for central administration, provide cross subsidies between units, and fund University initiatives. Initially, tax rates were set up to maintain consistent shares of permanent core operating budget authority between administration and academic units.

It was assumed and recommended that the initial tax rates established for ABB be reviewed and changed, as necessary, but any change must be evaluated against the value of keeping these rates stable to facilitate long-range planning by the units.

Under the current model, 30 percent of net tuition operating fee revenue (after waivers and financial aid) is retained by the Provost and used to support basic University functions, such as strategic academic initiatives, utility costs, employee compensation, administrative activities, and other shared services.

Current Tuition Taxation Level Assessment

The current FY20 ABB budget for Seattle is about $1.16 billion. The majority (63 percent) continues to be held by academic units, while the remainder (37 percent) is held by administrative units. This ratio has held constant since FY16. Further, Academic units continue to experience more budget growth than administrative units, both in terms of real dollars and proportionate growth (55 percent versus 38 percent). These numbers are in line with UW's continued commitment to prioritizing academic activities.

The ABB Steering Committee charge letter and description of work for the Tuition and Taxation Subcommittee outlined two specific questions related to tuition taxation. The subcommittee set out to address these questions:

Are we taxing tuition too little, given demands for central coverage of administrative services and compensation funding? Are our tuition taxation levels prompting a reaction to undergraduate programmatic growth and competition that is unhelpful?

The subcommittee began digging into the first of these questions, "Are we taxing too little?" by identifying the data and type of analysis needed to assess whether the 30 percent tax was too high or too low. The beginning conversations led to many more questions than answers.

As the committee dove into the intent of the 30 percent tuition revenue taxation, we discovered this was one of many taxes assessed on revenue sources. An illustrative unit example of the myriad of taxes incurred by a unit can be found in Appendix D. This example demonstrates the need to better inventory and understand the rates, fund sources, and activities these taxes support. With a more comprehensive view of the various taxes assessed, we would be equipped to assess what kind of impact a shift in the tuition tax rate might have across the units.

There was also a desire by subcommittee members to trace these various taxes to the activities they support, in order to assess and evaluate the need to increase or decrease the tax rate. Given the scope of this charge (i.e. the 30 percent tuition tax), the short timeline for delivery of this report, and the small subcommittee working on this task, a more substantial 'deep dive' into taxation was not feasible.

The subcommittee considered possible criteria that could be used to inform a change to the tax rate on the tuition component and felt stymied by the inter-relatedness of the revenue sources and the University's mission of teaching, research and service. Without this more holistic analysis and assessment of central taxation, the subcommittee felt a percentage change in the current 30 percent tuition taxation would be arbitrary.

The subcommittee believes that this topic – how to support 'common good' across the institution and its revenue sources (including tuition) – requires a larger effort. The subcommittee's contribution toward this "next step" larger effort is a Proposed Framework for Taxation Inventory and Review; essentially, a budget system that would guide the budget model.

Proposed Framework for Taxation Inventory and Review

The proposed Framework for Taxation Inventory and Review would identify gaps in institutional need and funding support (e.g., M&O, Lab Safety). It would both establish a threshold for when a service/activity should be supported by an institutional tax as well as when an activity/service is more 'niche' or 'targeted' and its operating expenses could be covered locally (at the unit level). The Framework would ideally define activities supported by units that are funded, at least in part, by taxes.

The subcommittee identified four main activities that could inform such a framework. These activities are: 1) Inventory 2) Evaluate 3) Adjust 4) Implement. One larger or multiple smaller groups could be charged to build out each of these areas.

Inventory

As part of a formal review of taxation across the University, a necessary first step in this process includes inventorying all the current taxes. This inventorying would include capturing details outside of any one data system. In addition, it could serve as a foundation for a new data source that would capture this information systematically. Within this activity, a working group would take inventory of all the various institutional taxes currently assessed across campus. Specific data elements that might be worth collecting are as follows:

- Current tax rates
- Funds/Sources
- Supported Activities
- Cost Pool Category

We recommend that the inventorying of institutional taxes culminate in an evaluation of each tax for two purposes: First, are the supported activities mandated activities, and thus not part of the evaluation? Or, are the supported activities "should have" activities that could be further evaluated based on this framework? Second, are these supported activities defined as "institutional goods or services" that should have an assessment (i.e. tax)? Once this inventory has been collected, the funding mechanisms for these "institutional goods or services" can be ranked and evaluated based on an agreed-upon set of criteria.

Evaluate

To evaluate both the activities as well as the tax rate assessed to cover the activity costs, a simple and transparent evaluation mechanism should be used. The Provost could charge a working group to build this mechanism based on a set of criteria. Examples include:

- Risk – (financial, political, and economic)
- Opportunity Cost
- ROI
- Efficiency of centralization/loss of specialization
- Institutional Priorities
- Concentration of Benefits

At this point, the working group could create a matrix that identifies current state central and decentralized funding support for 'common good' activities/services and identity if any should move from central to local or vice versa.

Adjust

Based on this new framework for identifying and evaluating taxes and the services covered, a committee (new or existing) would be better informed to recommend tax rate changes. Any adjustment to a tax rate would need to be examined within the context of larger institutional planning and budgeting.

Implement

Finally, as part of this framework, an implementation schedule should be established to ensure financial sustainability. Should a tax rate change recommendation get approved, a phased-in approach to such change may be warranted.

Moreover, an adoption of a framework to inventory, evaluate, and adjust taxation rates should not be a one-time task. This framework should serve as a cyclical holistic review that aligns with strategic planning efforts underway.

Finally, the subcommittee recognizes that such a framework will require significant additional work as well as ongoing review and maintenance. We recommend incorporating this process into the university's current work streams in the following ways:

- Build the maintenance process into existing structures (e.g., SCPB)

- Align the cycle for review with other strategic review cycles (e.g., Dean Reviews, Faculty 2050, other strategic planning measures)

The subcommittee understands that the steering committee will integrate information and recommendations from this and the other two subcommittee reports. The result of this integration may lead to different conclusions from our narrowly focused analysis. As such, additional details and background information to support the larger efforts are available in the appendices attached.

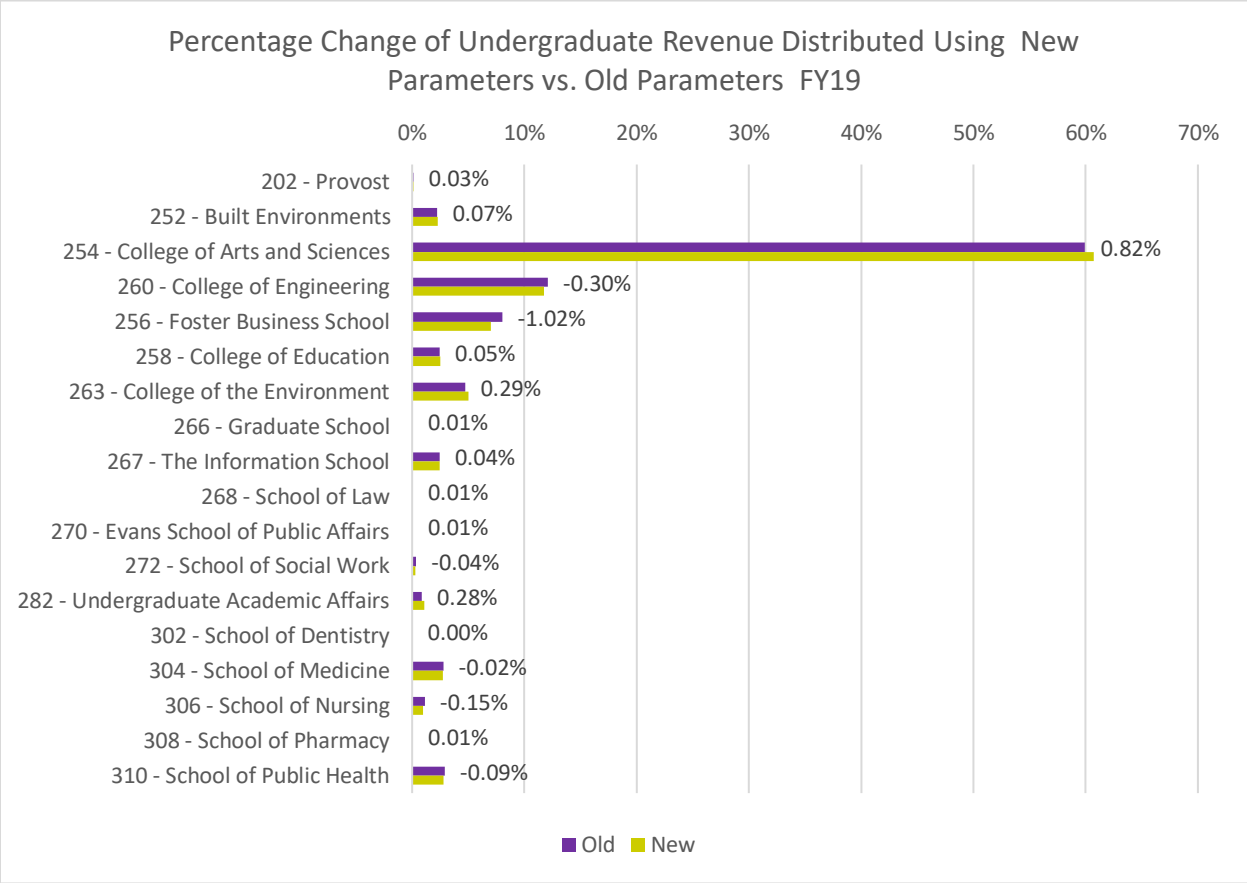
Appendix A

FY19 Total GOF/DOF Budget Comparison (New vs. Old Distribution Parameters)*

FY19	Total Budget (Old)	Total Budget (New)	Difference	% Change
College of Built Environments	$13,258,331	$13,257,627	-$704	0.0%
College of Arts & Sciences	$205,518,681	$207,071,164	$1,552,483	0.8%
Foster School of Business	$34,103,098	$34,040,257	-$62,842	-0.2%
College of Education	$18,367,736	$18,351,248	-$16,488	-0.1%
College of Engineering	$99,995,879	$99,471,523	-$524,356	-0.5%
College of the Environment	$47,535,579	$47,425,576	-$110,003	-0.2%
The Information School	$10,007,789	$9,797,226	-$210,563	-2.1%
School of Law	$16,532,944	$16,505,094	-$27,850	-0.2%
Evans School of Public Policy & Gov	$7,279,175	$7,259,774	-$19,401	-0.3%
School of Social Work	$10,100,096	$10,050,401	-$49,695	-0.5%
School of Dentistry	$18,809,237	$18,795,969	-$13,268	-0.1%
School of Medicine (Includes 303)	$168,570,371	$168,501,658	-$68,714	0.0%
School of Nursing	$13,759,369	$13,678,224	-$81,145	-0.6%
School of Pharmacy	$13,849,205	$13,760,077	-$89,128	-0.6%
School of Public Health	$24,743,580	$24,686,023	-$57,557	-0.2%
President	$3,310,335	$3,310,335	$0	0.0%
Attorney General	$4,637,842	$4,637,842	$0	0.0%
Provost	$40,290,309	$40,306,923	$16,614	0.0%
Graduate School	$10,921,683	$10,441,520	-$480,163	-4.4%
Undergraduate Academic Affairs	$7,403,129	$8,151,836	$748,708	10.1%

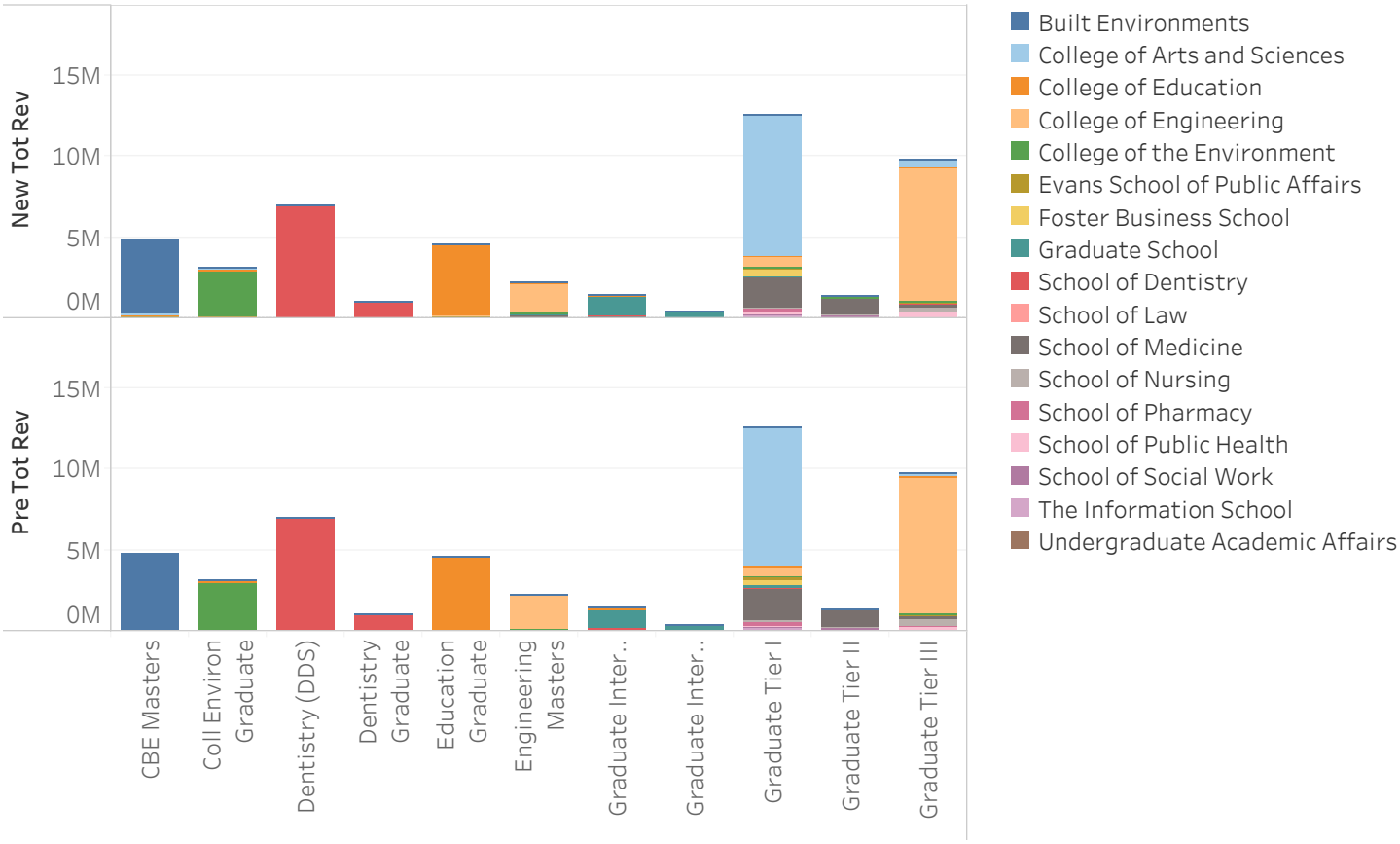
*FY19 “Old” numbers are calculated using the pre-FY18 parameter rules for both FY18 and FY19. For FY19 “New” numbers, the ABB Allocation table is used.

Appendix B


Percentage Change of Undergraduate Revenue Distributed Using New Parameters vs. Old Parameters FY19
0%
10%
20%
30%
40%
50%
60%
70%
202 - Provost
252 - Built Environments
254 - College of Arts and Sciences
260 - College of Engineering
256 - Foster Business School
258 - College of Education
263 - College of the Environment
266 - Graduate School
267 - The Information School
268 - School of Law
270 - Evans School of Public Affairs
272 - School of Social Work
282 - Undergraduate Academic Affairs
302 - School of Dentistry
304 - School of Medicine
306 - School of Nursing
308 - School of Pharmacy
310 - School of Public Health
0.03%
0.07%
0.82%
-0.30%
-1.02%
0.05%
0.29%
0.01%
0.04%
0.01%
0.01%
-0.04%
0.28%
0.00%
-0.02%
-0.15%
0.01%
-0.09%
Old
New

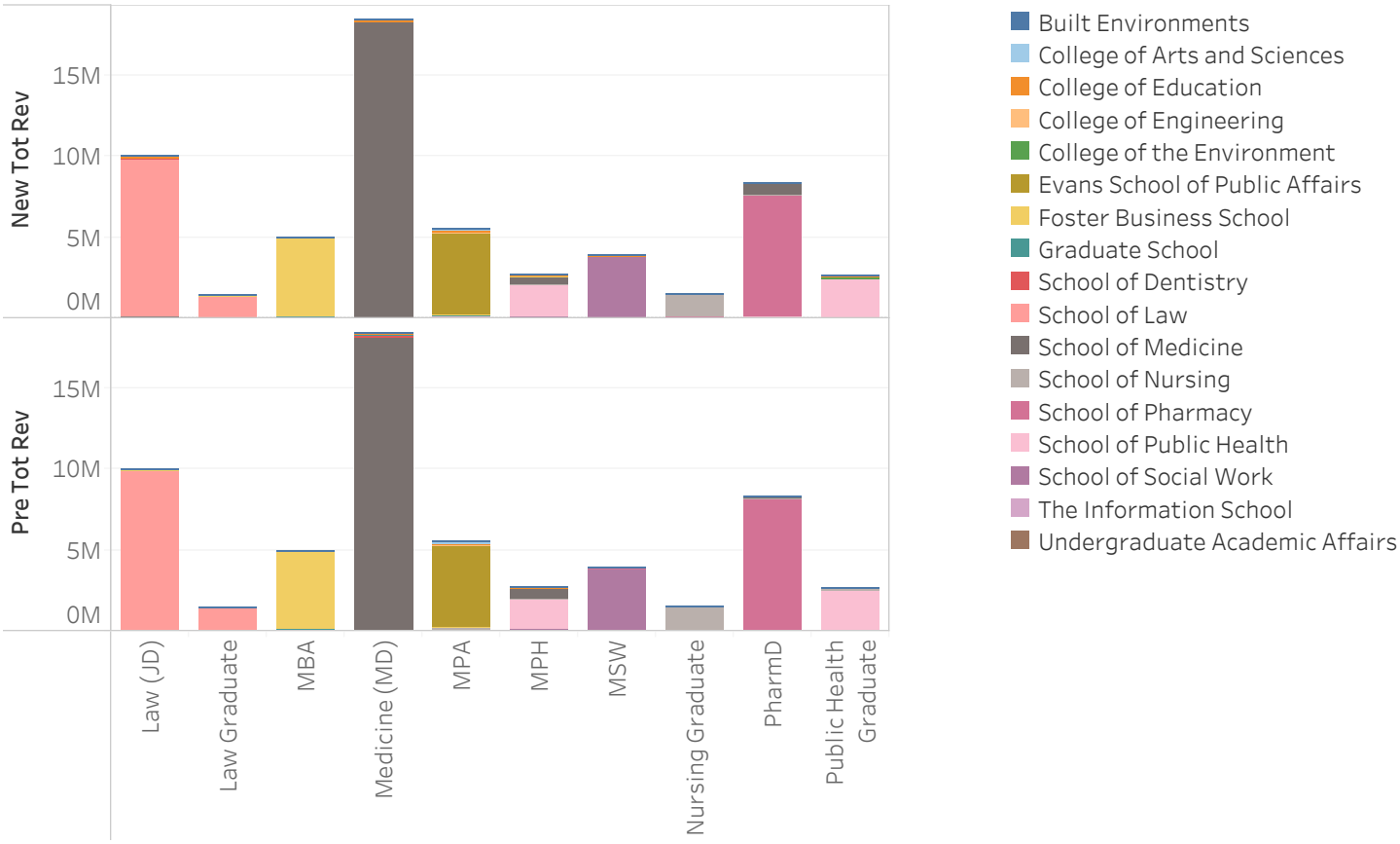
Appendix C

Comparisons of Revenue from Graduate Activity (old vs. new parameters)



Sum of New Tot Rev and sum of Pre Tot Rev for each Tuition Group Name. Color shows details about Coll Name. The data is filtered on Academic Fiscal Yr and College. The Academic Fiscal Yr filter keeps 2019. The College filter excludes 202 - Provost and 255 - Continuum College. The view is filtered on Tuition Group Name, which excludes Undergraduate.

Comparisons of Revenue from Graduate Activity (old vs. new parameters)



Sum of New Tot Rev and sum of Pre Tot Rev for each Tuition Group Name. Color shows details about Coll Name. The data is filtered on Academic Fiscal Yr and College. The Academic Fiscal Yr filter keeps 2019. The College filter excludes 202 - Provost and 255 - Continuum College. The view is filtered on Tuition Group Name, which excludes Undergraduate.

Comparisons of Revenue from Graduate Activity (old vs. new parameters)

Tuition Group Name	Coll Name	Pre Tot Rev	New Tot Rev
CBE Masters	Built Environments	4,774,051	4,579,456
	College of Arts and Sciences	19,263	77,053
	College of Education	140	560
	College of Engineering	10,437	41,749
	College of the Environment	17,442	69,768
	Evans School of Public Affairs	4,973	19,894
	Foster Business School	3,783	15,131
	Graduate School	140	560
	School of Dentistry	0	0
	School of Law	210	841
	School of Medicine	771	3,082
	School of Nursing	0	0
	School of Pharmacy	0	0
	School of Public Health	7,075	28,300
	School of Social Work	0	0
	The Information School	0	0
	Undergraduate Academic Af..	0	0
Coll Environ Graduate	Built Environments	1,425	5,701
	College of Arts and Sciences	77,912	126,075
	College of Education	523	2,093
	College of Engineering	7,194	28,775
	College of the Environment	3,028,333	2,916,382
	Evans School of Public Affairs	6,888	27,554
	Foster Business School	262	1,046
	Graduate School	785	3,139
	School of Dentistry	0	0
	School of Law	1,003	4,011
	School of Medicine	174	698
	School of Nursing	131	523
	School of Pharmacy	131	523
	School of Public Health	2,267	9,068
	School of Social Work	87	349
	The Information School	392	1,570
	Undergraduate Academic Af..	0	0
Dentistry (DDS)	Built Environments	0	0
	College of Arts and Sciences	0	0
	College of Education	0	0
	College of Engineering	0	0
	College of the Environment	0	0
	Evans School of Public Affairs	0	0
	Foster Business School	0	0
	Graduate School	0	0
	School of Dentistry	6,965,116	6,960,463
	School of Law	0	0
	School of Medicine	970	3,878
	School of Nursing	0	0
	School of Pharmacy	0	0
	School of Public Health	582	2,327

Pre Tot Rev and New Tot Rev broken down by Tuition Group Name and Coll Name. The data is filtered on Academic Fiscal Yr and College. The Academic Fiscal Yr filter keeps 2019. The College filter excludes 202 - Provost and 255 - Continuum College. The view is filtered on Tuition Group Name, which excludes Undergraduate.

Comparisons of Revenue from Graduate Activity (old vs. new parameters)

Tuition Group Name	Coll Name	Pre Tot Rev	New Tot Rev
Dentistry (DDS)	School of Social Work	0	0
	The Information School	0	0
	Undergraduate Academic Af..	0	0
Dentistry Graduate	Built Environments	0	0
	College of Arts and Sciences	932	3,728
	College of Education	0	0
	College of Engineering	155	621
	College of the Environment	0	0
	Evans School of Public Affairs	0	0
	Foster Business School	0	0
	Graduate School	233	932
	School of Dentistry	1,002,269	978,387
	School of Law	0	0
	School of Medicine	2,757	11,029
	School of Nursing	0	0
	School of Pharmacy	0	0
	School of Public Health	3,883	15,533
	School of Social Work	0	0
	The Information School	0	0
	Undergraduate Academic Af..	0	0
Education Graduate	Built Environments	217	869
	College of Arts and Sciences	18,803	75,214
	College of Education	4,499,844	4,348,203
	College of Engineering	1,124	4,496
	College of the Environment	5,518	22,074
	Evans School of Public Affairs	12,008	48,031
	Foster Business School	0	0
	Graduate School	1,993	7,971
	School of Dentistry	0	0
	School of Law	409	1,635
	School of Medicine	51	204
	School of Nursing	5,774	23,096
	School of Pharmacy	0	0
	School of Public Health	511	2,044
	School of Social Work	2,964	11,854
	The Information School	1,175	4,701
	Undergraduate Academic Af..	0	0
Engineering Masters	Built Environments	0	0
	College of Arts and Sciences	13,370	53,480
	College of Education	443	1,771
	College of Engineering	2,145,048	1,875,700
	College of the Environment	974	3,896
	Evans School of Public Affairs	354	1,417
	Foster Business School	5,313	21,250
	Graduate School	3,807	15,229
	School of Dentistry	0	0
	School of Law	0	0
	School of Medicine	62,777	251,109

Pre Tot Rev and New Tot Rev broken down by Tuition Group Name and Coll Name. The data is filtered on Academic Fiscal Yr and College. The Academic Fiscal Yr filter keeps 2019. The College filter excludes 202 - Provost and 255 - Continuum College. The view is filtered on Tuition Group Name, which excludes Undergraduate.

Comparisons of Revenue from Graduate Activity (old vs. new parameters)

Tuition Group Name	Coll Name	Pre Tot Rev	New Tot Rev
Engineering Masters	School of Nursing	0	0
	School of Pharmacy	266	1,063
	School of Public Health	1,948	7,792
	School of Social Work	0	0
	The Information School	443	1,771
	Undergraduate Academic Af..	89	354
Graduate Interdisciplinary Tier I	Built Environments	14,326	14,326
	College of Arts and Sciences	23,420	23,420
	College of Education	350	350
	College of Engineering	3,620	3,620
	College of the Environment	1,129	1,129
	Evans School of Public Affairs	2,647	2,647
	Foster Business School	623	623
	Graduate School	1,251,868	1,251,868
	School of Dentistry	0	0
	School of Law	0	0
	School of Medicine	129,367	129,367
	School of Nursing	0	0
	School of Pharmacy	0	0
	School of Public Health	2,725	2,725
	School of Social Work	117	117
	The Information School	623	623
	Undergraduate Academic Af..	0	0
Graduate Interdisciplinary Tier III	Built Environments	0	0
	College of Arts and Sciences	1,779	1,779
	College of Education	73	73
	College of Engineering	10,493	10,493
	College of the Environment	182	182
	Evans School of Public Affairs	0	0
	Foster Business School	0	0
	Graduate School	360,590	360,590
	School of Dentistry	0	0
	School of Law	0	0
	School of Medicine	6,046	6,046
	School of Nursing	0	0
	School of Pharmacy	218	218
	School of Public Health	871	871
	School of Social Work	0	0
	The Information School	0	0
	Undergraduate Academic Af..	0	0
Graduate Tier I	Built Environments	98,706	82,041
	College of Arts and Sciences	8,498,335	8,624,812
	College of Education	9,594	38,375
	College of Engineering	621,756	671,940
	College of the Environment	86,385	99,104
	Evans School of Public Affairs	107,994	100,237
	Foster Business School	393,150	359,384
	Graduate School	91,925	64,398

Pre Tot Rev and New Tot Rev broken down by Tuition Group Name and Coll Name. The data is filtered on Academic Fiscal Yr and College. The Academic Fiscal Yr filter keeps 2019. The College filter excludes 202 - Provost and 255 - Continuum College. The view is filtered on Tuition Group Name, which excludes Undergraduate.

Comparisons of Revenue from Graduate Activity (old vs. new parameters)

Tuition Group Name	Coll Name	Pre Tot Rev	New Tot Rev
Graduate Tier I	School of Dentistry	0	0
	School of Law	1,810	7,240
	School of Medicine	2,052,339	1,882,626
	School of Nursing	963	3,854
	School of Pharmacy	336,123	301,885
	School of Public Health	25,474	101,896
	School of Social Work	1,378	5,512
	The Information School	257,641	239,132
	Undergraduate Academic Af..	117	467
Graduate Tier II	Built Environments	173	690
	College of Arts and Sciences	7,133	28,531
	College of Education	575	2,301
	College of Engineering	1,323	5,292
	College of the Environment	0	0
	Evans School of Public Affairs	0	0
	Foster Business School	345	1,381
	Graduate School	0	0
	School of Dentistry	0	0
	School of Law	284	1,134
	School of Medicine	1,081,777	1,105,489
	School of Nursing	575	2,301
	School of Pharmacy	0	0
	School of Public Health	2,723	10,893
	School of Social Work	265,101	201,307
	The Information School	230	920
	Undergraduate Academic Af..	0	0
Graduate Tier III	Built Environments	5,338	21,351
	College of Arts and Sciences	237,836	470,875
	College of Education	26,803	39,648
	College of Engineering	8,491,410	8,222,993
	College of the Environment	12,731	35,908
	Evans School of Public Affairs	4,432	17,729
	Foster Business School	1,653	6,613
	Graduate School	6,400	25,602
	School of Dentistry	0	0
	School of Law	3,405	13,619
	School of Medicine	267,553	229,390
	School of Nursing	407,923	317,907
	School of Pharmacy	13,145	7,538
	School of Public Health	286,614	335,666
	School of Social Work	992	3,968
	The Information School	3,543	14,171
	Undergraduate Academic Af..	47	189
Law (JD)	Built Environments	549	2,198
	College of Arts and Sciences	9,065	36,261
	College of Education	0	0
	College of Engineering	1,740	6,959
	College of the Environment	0	0

Pre Tot Rev and New Tot Rev broken down by Tuition Group Name and Coll Name. The data is filtered on Academic Fiscal Yr and College. The Academic Fiscal Yr filter keeps 2019. The College filter excludes 202 - Provost and 255 - Continuum College. The view is filtered on Tuition Group Name, which excludes Undergraduate.

Comparisons of Revenue from Graduate Activity (old vs. new parameters)

Tuition Group Name	Coll Name	Pre Tot Rev	New Tot Rev
Law (JD)	Evans School of Public Affairs	39,914	15,816
	Foster Business School	7,325	29,302
	Graduate School	5,494	21,976
	School of Dentistry	0	0
	School of Law	9,915,088	9,844,665
	School of Medicine	2,015	8,058
	School of Nursing	0	0
	School of Pharmacy	0	0
	School of Public Health	11,600	5,304
	School of Social Work	824	3,296
	The Information School	6,593	26,372
	Undergraduate Academic Af..	0	0
Law Graduate	Built Environments	0	0
	College of Arts and Sciences	10,781	43,124
	College of Education	305	1,220
	College of Engineering	0	0
	College of the Environment	0	0
	Evans School of Public Affairs	6,543	26,172
	Foster Business School	0	0
	Graduate School	305	1,220
	School of Dentistry	0	0
	School of Law	1,436,479	1,378,100
	School of Medicine	610	2,441
	School of Nursing	0	0
	School of Pharmacy	0	0
	School of Public Health	610	2,441
	School of Social Work	305	1,220
	The Information School	0	0
	Undergraduate Academic Af..	0	0
MBA	Built Environments	0	0
	College of Arts and Sciences	41,372	36,628
	College of Education	0	0
	College of Engineering	0	0
	College of the Environment	681	2,726
	Evans School of Public Affairs	89,623	57,817
	Foster Business School	4,753,675	4,797,120
	Graduate School	0	0
	School of Dentistry	0	0
	School of Law	104,404	95,464
	School of Medicine	0	0
	School of Nursing	0	0
	School of Pharmacy	0	0
	School of Public Health	0	0
	School of Social Work	0	0
	The Information School	0	0
	Undergraduate Academic Af..	0	0
Medicine (MD)	Built Environments	0	0
	College of Arts and Sciences	15,408	3,852

Pre Tot Rev and New Tot Rev broken down by Tuition Group Name and Coll Name. The data is filtered on Academic Fiscal Yr and College. The Academic Fiscal Yr filter keeps 2019. The College filter excludes 202 - Provost and 255 - Continuum College. The view is filtered on Tuition Group Name, which excludes Undergraduate.

Comparisons of Revenue from Graduate Activity (old vs. new parameters)

Tuition Group Name	Coll Name	Pre Tot Rev	New Tot Rev
Medicine (MD)	College of Education	0	0
	College of Engineering	25,680	6,420
	College of the Environment	0	0
	Evans School of Public Affairs	0	0
	Foster Business School	0	0
	Graduate School	155,786	45,337
	School of Dentistry	0	0
	School of Law	0	0
	School of Medicine	18,169,053	18,324,008
	School of Nursing	0	0
	School of Pharmacy	0	0
	School of Public Health	46,797	33,108
	School of Social Work	0	0
	The Information School	0	0
	Undergraduate Academic Af..	0	0
MPA	Built Environments	120,656	93,403
	College of Arts and Sciences	104,875	141,486
	College of Education	29,370	34,075
	College of Engineering	2,913	11,651
	College of the Environment	53,604	47,607
	Evans School of Public Affairs	5,005,582	5,009,501
	Foster Business School	13,491	53,964
	Graduate School	307	1,226
	School of Dentistry	0	0
	School of Law	1,456	5,826
	School of Medicine	86,353	53,495
	School of Nursing	0	0
	School of Pharmacy	230	920
	School of Public Health	119,019	100,755
	School of Social Work	36,275	19,992
	The Information School	0	0
	Undergraduate Academic Af..	77	307
MPH	Built Environments	14,505	12,522
	College of Arts and Sciences	45,945	70,031
	College of Education	145	581
	College of Engineering	823	3,292
	College of the Environment	629	2,518
	Evans School of Public Affairs	5,858	23,432
	Foster Business School	97	387
	Graduate School	484	1,937
	School of Dentistry	48	194
	School of Law	1,205	4,820
	School of Medicine	622,460	518,216
	School of Nursing	7,277	6,358
	School of Pharmacy	336	1,344
	School of Public Health	1,936,277	2,019,818
	School of Social Work	71,100	41,740
	The Information School	0	0

Pre Tot Rev and New Tot Rev broken down by Tuition Group Name and Coll Name. The data is filtered on Academic Fiscal Yr and College. The Academic Fiscal Yr filter keeps 2019. The College filter excludes 202 - Provost and 255 - Continuum College. The view is filtered on Tuition Group Name, which excludes Undergraduate.

Comparisons of Revenue from Graduate Activity (old vs. new parameters)

Tuition Group Name	Coll Name	Pre Tot Rev	New Tot Rev
MPH	Undergraduate Academic Af..	0	0
MSW	Built Environments	200	801
	College of Arts and Sciences	5,878	23,510
	College of Education	0	0
	College of Engineering	0	0
	College of the Environment	0	0
	Evans School of Public Affairs	7,815	31,258
	Foster Business School	668	2,672
	Graduate School	267	1,069
	School of Dentistry	0	0
	School of Law	0	0
	School of Medicine	6,078	24,312
	School of Nursing	3,540	14,160
	School of Pharmacy	0	0
	School of Public Health	4,597	18,386
	School of Social Work	3,885,227	3,798,101
	The Information School	0	0
	Undergraduate Academic Af..	0	0
Nursing Graduate	Built Environments	0	0
	College of Arts and Sciences	436	1,746
	College of Education	262	1,048
	College of Engineering	0	0
	College of the Environment	0	0
	Evans School of Public Affairs	349	1,397
	Foster Business School	0	0
	Graduate School	87	349
	School of Dentistry	0	0
	School of Law	0	0
	School of Medicine	7,489	29,955
	School of Nursing	1,462,630	1,381,403
	School of Pharmacy	9,297	37,188
	School of Public Health	8,730	34,918
	School of Social Work	426	1,702
	The Information School	0	0
	Undergraduate Academic Af..	0	0
PharmD	Built Environments	0	0
	College of Arts and Sciences	897	3,589
	College of Education	0	0
	College of Engineering	2,313	9,251
	College of the Environment	0	0
	Evans School of Public Affairs	0	0
	Foster Business School	558	2,233
	Graduate School	0	0
	School of Dentistry	0	0
	School of Law	0	0
	School of Medicine	190,362	761,448
	School of Nursing	19,997	79,989
	School of Pharmacy	8,145,053	7,450,754

Pre Tot Rev and New Tot Rev broken down by Tuition Group Name and Coll Name. The data is filtered on Academic Fiscal Yr and College. The Academic Fiscal Yr filter keeps 2019. The College filter excludes 202 - Provost and 255 - Continuum College. The view is filtered on Tuition Group Name, which excludes Undergraduate.

Comparisons of Revenue from Graduate Activity (old vs. new parameters)

Tuition Group Name	Coll Name	Pre Tot Rev	New Tot Rev
PharmD	School of Public Health	16,668	66,671
	School of Social Work	239	957
	The Information School	399	1,595
	Undergraduate Academic Af..	0	0
Public Health Graduate	Built Environments	529	2,117
	College of Arts and Sciences	30,618	122,472
	College of Education	328	1,313
	College of Engineering	3,667	14,669
	College of the Environment	1,217	4,869
	Evans School of Public Affairs	1,720	6,878
	Foster Business School	318	1,270
	Graduate School	3,989	7,448
	School of Dentistry	24	96
	School of Law	635	2,541
	School of Medicine	20,169	46,647
	School of Nursing	318	1,270
	School of Pharmacy	3,970	15,879
	School of Public Health	2,592,256	2,431,524
	School of Social Work	255	1,019
	The Information School	0	0
	Undergraduate Academic Af..	0	0

Pre Tot Rev and New Tot Rev broken down by Tuition Group Name and Coll Name. The data is filtered on Academic Fiscal Yr and College. The Academic Fiscal Yr filter keeps 2019. The College filter excludes 202 - Provost and 255 - Continuum College. The view is filtered on Tuition Group Name, which excludes Undergraduate.

Appendix D

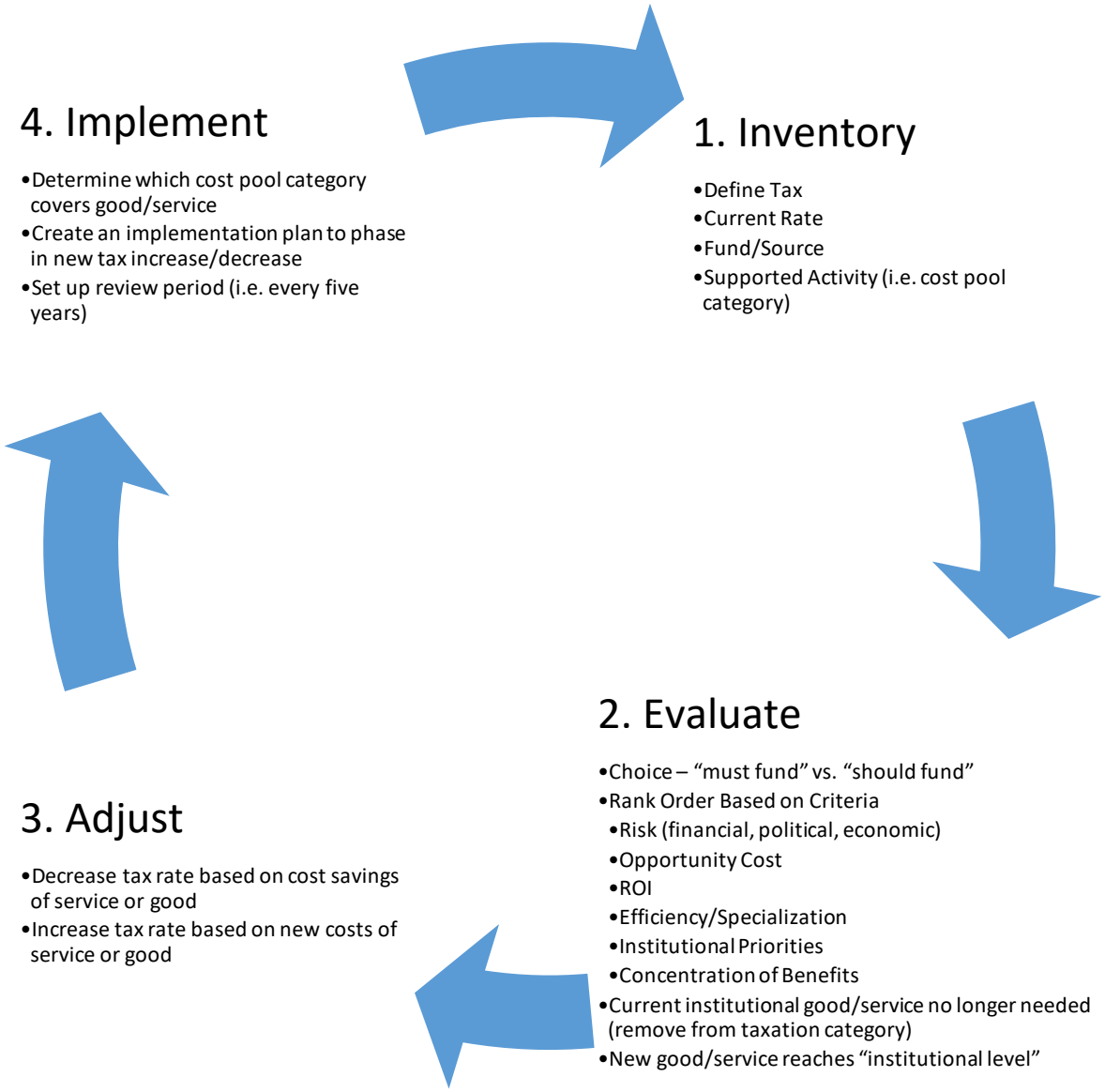
Example: Inventory of Institutional Taxes and Charges to Academic Units

Taxes and Fees Overview: FY19 Impacts

						Unit														
						Seattle Academic Unit														
Tax/Fee	Rate	Fund Source	Data Source	Source Detail	Supports	Built Environment	Arts & Sciences	Foster	Engineering	Enviroment	Ischool	Law	Evans	Social Work	Dentistry	Medicine	Nursing	Pharmacy	Publc Health	Total
Tuition Revenue	30.00%	State/GOF	EDW		Central Admin															-
Indirect Cost Recovery	65.00%	State/DOF	EDW		Central Resear			88,880												**88,880**
Fee-Based Revenue On-Campu	15.60%	Self-Sust.	EDW		Central Admin															-
Fee-Based Revenue Off-Campu	6.85%	Self-Sust.	EDW		Central Admin															-
Continuum College Fee	1.00%	Self-Sust.	EDW		Continuum Col															-
Gift Fee (current use)	5.00%	Gifts	Advance	Assessments vs	Central Advanc			165,180												**165,180**
Total						-	-	**254,060**	-	-	-	-	-	-	-	-	-	-	-	**254,060**
Direct Bill	**Rate**	**Fund Source**	**Data Source**	**Source Detail**	**Supports**															
HR/P Workday-Ongoing	N/A	N/A	Manual		Workday			65,133												**65,133**
Tech Recharge (Academic/Adm	$ 57.28	N/A	Manual		Techology			227,620												**227,620**
Tech Recharge (Medical Center	$ 52.20	N/A	Manual		Techology			-												-
Total						-	-	**292,753**	-	-	-	-	-	-	-	-	-	-	-	**292,753**
Policy Change Impact	**Description**																			
Endowment Distribution	Change from 4% to 3.92% (FY20) to 3.76% to 3.60% (FY22)																			-
ABB Model Change																				-
																				-
																				-
Total						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total						-	-	**546,813**	-	-	-	-	-	-	-	-	-	-	-	**546,813**

Appendix E

Proposed Framework for Inventory and Review of Taxation Model
Conceptual Summary



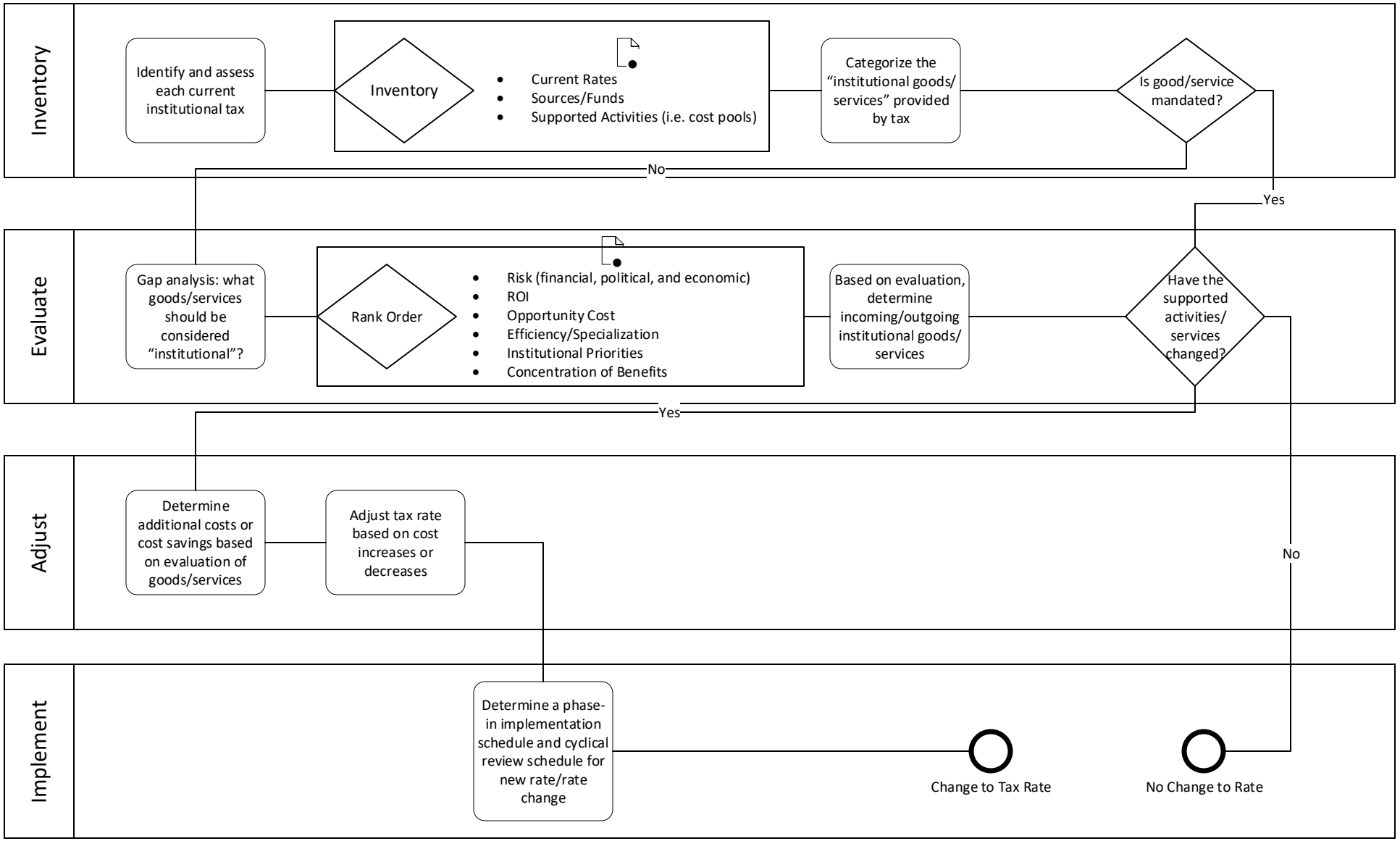

Inventory
Identify and assess each current institutional tax
Inventory
Current Rates
Sources/Funds
Supported Activities (i.e. cost pools)
Categorize the "institutional goods/ services" provided by tax
Is good/service mandated?
No
Yes
Evaluate
Gap analysis: what goods/services should be considered "institutional"?
Rank Order
Risk (financial, political, and economic)
ROI
Opportunity Cost
Efficiency/Specialization
Institutional Priorities
Concentration of Benefits
Based on evaluation, determine incoming/outgoing institutional goods/ services
Have the supported activities/ services changed?
Yes
No
Adjust
Determine additional costs or cost savings based on evaluation of goods/services
Adjust tax rate based on cost increases or decreases
Implement
Determine a phase-in implementation schedule and cyclical review schedule for new rate/rate change
Change to Tax Rate
No Change to Rate

ABB Phase III Supplement Subcommittee Report

Submitted 31 December 2019.

Subcommittee Membership:

Marjorie Olmstead, Professor, Department of Physics (co-chair)
Erin Guthrie, Assistant Vice Provost, Office of Planning and Budgeting (co-chair)
JoAnn Taricani, Professor, Department of Music
Dan Grossman, Professor, Paul G. Allen School of Computer Science & Engineering
Steve Majeski, Professor, Department of Political Science & Assoc. Dean, College of A&S
David Green, Chief Financial Officer, School of Medicine
Kojay Pan, Sr. Director of Finance and Administration, College of Engineering
GPSS and ASUW Representatives were invited to participate, but did not.

Executive Summary

This report focuses on the subset of GOF/DOF funds known as the Supplement as it connects to the ABB Phase III review and its strategic redeployment to better reflect current budget priorities. Any model for redistributing funds among units requires both a *source* of funds and a mechanism for determining their *distribution*.

Source: Reapportioning a small fraction of Cutover each year is a reasonable way to realign spending with current budgetary priorities while minimizing disruption to individual units.

- The Cutover (non-formulaic budget distribution to units in FY12, previously referred to as "hold harmless") is based on historic budgetary decisions that are at least 9 years old.
- ABB Formula and New Supplement reflect current revenue-generating activity (instruction and research) and recent legislative directives, strategic reinvestments, and internal reallocation of responsibilities. They are thus more closely aligned with current activities and priorities than the Cutover.
- Previous committees and task forces have determined that the initial FY12 Supplement was not intended to be permanent and that its redistribution is at the discretion of the Provost.

Distribution: A general mechanism is required to support investment in new initiatives and maintain excellence in areas that do not directly generate enough revenue to sustain themselves, while also directing sufficient funds to support current revenue-producing activities.

- A long-term, workable model for redistribution of Cutover funds will be nimble over time and not a technical solution to a current, specific problem.
- For strategic investments, a viable model exists in the Provost Reinvestment Fund process, whereby individual units make annual requests that are reviewed and acted upon by the Provost in consultation with the Senate Committee for Planning and Budgeting.
- For funds that follow current activity, the total revenue generated by instruction and research is considered to be the most appropriate (though clearly approximate) measure of activity.

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Provost 1: Redistribute Cutover funds to A&S by multiplying growth in Natural Sciences Division Undergraduate Student Credit Hours (UG-SCH) since ABB went into effect by the average Cutover funds per UG-SCH on campus. Doing so would withhold (remove) 1.9% of Cutover funds from all units except A&S..... 6

Provost 2: Redistribute Cutover funds to A&S by multiplying growth in Natural Sciences Division Undergraduate Student Credit Hours (UG-SCH) since ABB went into effect by the Cutover funds per UG-SCH for the Colleges of Environment or Engineering. Doing so would withhold (remove) 3-6% of Cutover funds from all units except A&S. 7

Provost 3: Withhold 100% of the Cutover from all schools that produce more than 2% of UG SCH, and redistribute proportional to current undergraduate student credit hours. 7

SSC A: Withhold *X*% of the Cutover and redistribute to support strategic reinvestment. Reinvestment decisions would be made by the Provost with the advice of the Senate Committee on Planning and Budgeting similar to the Provost Reinvestment Funds process. 8

SSC B: Withhold *X*% of the Cutover and redistribute to each unit proportional to FY20 activity as measured by the sum of the formulaic components of ABB (Tuition + ICR). 9

SSC C: Withhold *X*% of the Cutover and redistribute a fraction *f* according to model SSC A and a fraction (1–*f)* according to SSC B. 9

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Introduction and Context

In August 2019, the Provost charged a steering committee responsible for the overall work plan, project scope, and deliverables of the third formal review of the Activity Based Budgeting (ABB) construct during the academic year 2019 – 2020. In addition to outlining the charge and suggested timeline for work, the Provost also directed the work of three subcommittees to provide preliminary analysis and recommendations to the steering committee during Autumn quarter. The work of these subcommittees was based on areas of focus identified during the scoping and planning process. The subcommittees' areas of focus are as follows:

- Tuition Taxation and Formulae Subcommittee
- Supplement Subcommittee
- Research Support Subcommittee

In the charge, the Provost outlined the scope of work for each subcommittee, instructing the subcommittees to complete their reviews with a report that would support the steering committee's efforts to make recommendations for changes to the ABB construct. The specific scope of work for the Supplement Subcommittee was narrowly focused to assess the implementation of 2-3 models, and to consider shifts in discretionary supplement funding in conjunction with the tuition taxation work of the first subcommittee.

Over the past three months, a subcommittee of faculty and staff met to review the Provost's suggested models, and to suggest alternative models that would serve to meet the objective of shifting discretionary supplement funding to provide support for and better alignment with the University's mission critical activities. The following report outlines the subcommittee's analysis and assessment.

Multiple committees and task forces have reviewed the Supplement over the past few years. Previous committees have established that (*i*) unit supplements can and should be adjusted at the discretion of the Provost, and (*ii*) Cutover funding was not intended to be permanent. The Winter 2018 Joint Task Force recommended that Supplement redistribution be carried out in conjunction with a holistic unit review that includes the differential cost of programs and that the Supplement (at that time the Cutover and subsequent additions were not separated) be taxed up to 4% to allow for strategic reinvestment. This general framework guided our work. Differential cost information is currently being gathered as part of the Delaware Study, but will not be available on the time scale of this report.

Note: This report primarily focuses on model options to redistribute a small portion of the original "calculated base at cutover" portion of the supplement. For background and historical information on the supplement and its components, please refer to the Supplement Overview in Appendix 1.

Subcommittee Charge

The ABB Phase III Supplement Subcommittee (SSC) was encouraged to consider "strategically adjusting supplement levels [as] a mechanism to ensure that areas of relative financial constraint on the activity side are supported adequately over a longer time horizon." However, the specific charge to this subcommittee is as follows:

> *The work of this subcommittee is narrowly focused on assessing the implementation of perhaps just 2-3 models, and considering shifts in discretionary supplement funding in conjunction with the tuition taxation work of the first subcommittee.*

Subsequent input from the ABB Phase III Steering Committee requested that the SSC also address implementation of any proffered recommendations.

Supplement Redistribution Models

The Provost suggested three redistribution mechanisms for OPB to model and the subcommittee to review. The SSC reviewed these, discussed several others in general, and reviewed 3 additional models. Details of the reviewed models are in Appendix 2.

Brief Description of Models

Provost 1: Redistribute Cutover funds to A&S by multiplying growth in Natural Sciences Division Undergraduate Student Credit Hours (UG-SCH) since ABB went into effect by the average Cutover funds per UG-SCH on campus. Doing so would withhold (remove) 1.9% of Cutover funds from all units except A&S.

Provost 2: Redistribute Cutover funds to A&S by multiplying growth in Natural Sciences Division Undergraduate Student Credit Hours (UG-SCH) since ABB went into effect by the Cutover funds per UG-SCH for the Colleges of Environment or Engineering. Doing so would withhold 3-6% of Cutover funds from all units except A&S.

Provost 3: Withhold 100% of the Cutover from all schools that produce more than 2% of UG-SCH, and redistribute to these units in proportion to current UG-SCH.

SSC A: Withhold *X*% of the Cutover and redistribute to support strategic reinvestment.† Reinvestment decisions would be made by the Provost with the advice of the Senate Committee on Planning and Budgeting (SCPB) similar to the Provost Reinvestment Funds process.

SSC B: Withhold *X*% of the Cutover and redistribute to each unit proportional to FY20 activity as measured by the sum of the formulaic components of ABB (Tuition + ICR).†

SSC C: Withhold *X*% of the Cutover and redistribute a fraction *f* according to model SSC A and (1–*f*) according to SSC B.†

† Initial recommendations are that *X* should be less than 3%, and that the process be phased in over 2 years, although the value of *X* should be determined by the Steering Committee in conjunction with any change in taxation rates on tuition and ICR. For all

three SSC models, the process of withholding *X*% could continue in subsequent years as appropriate, with the value of *X* possibly varying with time.

Source of Funds to be Redistributed

Any model for redistribution of funds among units requires both a source of funds and a means for determining how they will be distributed. Of the various components of unit revenue (see Fig. 1 and Table 1 in Appendix 3), the *SSC views Cutover as the element most appropriate for the source of these funds*, and not the total Supplement.

"New" Supplement Considerations: The Supplement disaggregation generated by OPB (Fig. 1) shows that over one-third of the New Supplement is distributed proportional to tuition or to compensation as a result of tuition backfill and fund-split allocations from the State budget. The remainder of the New Supplement is the result of recent documented, conscious budget decisions by the Provost, changes in responsibility for previously funded activities, and specific provisos from the State. It may be appropriate to establish a long-time-scale review process to periodically reassess these decisions to determine whether and when any of these funds should be returned to a strategic reinvestment pool; however, the decisions leading to the New Supplement are sufficiently recent that the primary source for redistribution should be Cutover.

Cutover Considerations: As detailed in Appendix 1, Cutover is a major component of the cross-subsidization among academic units that is essential to a comprehensive world-class university. It also encompasses support for resources that benefit the entire university but are historically managed by a particular unit, such as the Arboretum or Hall Health Pharmacy. In addition, Cutover includes historical distributions allocated in a similar manner to New Supplement, for example the legislative proviso for the Family Medicine Residency Network, but the ability to identify specific provisos or provost-directed allocations depends on the institutional memory of the schools and colleges, as this information was not specifically retained by OPB. There are also schools and colleges with annual operational deficits whose specific budget agreements may limit re-allocation of Cutover funds. Nevertheless, the SSC recommends that the Cutover be the source of funds for redistribution, with the advice that the Provost keep in mind the financial status of schools and colleges such that re-distribution does not create major financial challenges for schools and colleges identified for supplement reduction.

Mechanisms for Determining Cutover Redistribution

The Provost models redistribute Cutover based on undergraduate student credit hours (UG-SCH) and/or full-time undergraduate students (FTE). The SSC discussed several alternate activity measures as possible bases for redistribution of the Cutover, as well as non-formulaic strategic reinvestment. *Total ABB Formulaic revenue was regarded as the most appropriate measure of current activity*, should a formulaic redistribution be considered.

Activity Measures: Figure 2 (Appendix 3) shows the result if various measures of activity were to form the basis of redistribution of the entire (positive) Cutover ($125M, red), including total ABB formula revenue (tuition plus ICR, gray/purple), undergraduate SCH (green), upper division and graduate SCH (blue), and ladder faculty plus full-time lecturers (brown). *Total ABB revenue*

is proportional to current revenue generating activity, including both instruction and research, and is incentivized by the current ABB formulae. *Undergraduate activity*, which is the largest source of revenue and the subject of the Provost models, is the factor with the largest variance among the schools and colleges, being nearly absent from 5 schools and predominantly located in A&S. *Upper division and graduate activity* is often regarded as more costly per student credit hour than lower-division activity, although we note that lower division courses often involve a large number of graduate teaching assistants, and these assistantships enable many graduate programs, so the two activities are inextricably linked. The distribution of *full-time tenure/ tenure-track and lecture faculty* among schools largely tracks total activity, with the main outliers being schools with clinical faculty who were not included in the faculty total.

Undergraduate SCH is the basis of the Provost models, while total ABB revenue is the basis of SSC B; these are discussed further below. A model based on upper division and graduate activity was rejected, since, without additional information from the Delaware Study, there is no way of knowing how well the 20% ABB tuition component that is proportional to the number of degrees mitigates these differential costs. The measure of faculty numbers used omits research, WOT, clinical, and part-time faculty, of whom many, but not all, are supported on non-state budgets; it was thus deemed less robust than the total ABB formulaic revenue.

Model Assessment

Below, we list each reviewed model with its positive and negative points. Full descriptions of each model are in Appendix 2.

Provost 1: Redistribute Cutover funds to A&S by multiplying growth in Natural Sciences Division Undergraduate Student Credit Hours (UG-SCH) since ABB went into effect by the average Cutover funds per UG-SCH on campus. Doing so would withhold (remove) 1.9% of Cutover funds from all units except A&S.

Pro:

1. Withholding and redistributing a small percentage of the Cutover is a sensible approach that avoids taxing more recent growth and commitments.
2. The overall amount this model takes from units could be implemented on a short (e.g. two-year) timescale.

Con:

1. The model presupposes that Natural Sciences/A&S requires a revenue increase without considering if any other (sub)units may have competing needs. Our subcommittee was provided no information regarding the current A&S budget distribution among its divisions to inform this presupposition.
2. The model presupposes that Natural Sciences drives the need for an A&S revenue increase, but the issue could equally well be framed that the Arts, Humanities, and Social Sciences have experienced a decrease in student credit hours and majors at a rate

that is not sustainable without central investment to preserve activities that are vital to the university as a whole.

3. The methodology is based on the assumption that the entire Cutover is related to undergraduate teaching (cost per undergraduate SCH), which is inaccurate overall and disproportionately inaccurate for some units; this re-allocates historical support for non-teaching activity (e.g., research, non-tuition generating educational activities, facilities) across campus into teaching in a particular college.
4. The choice of the initial/final state for calculating SCH growth is somewhat arbitrary. The STEM proportion of SCH started to rise before 2012 without proportionate increases in faculty lines, and growth in Natural Science undergraduate majors has recently been capped due to lack of resources.
5. This model is a one-time fix for a specific problem, and does not address long-term redistribution of Cutover; the model's dependence on change since ABB implementation makes the mechanism difficult to repeat.
6. The uniform tax rate across units does not account for ongoing commitments covered by Cutover funds nor specifically consider the financial status of the Schools and Colleges receiving a reduction in their current Cutover funds.

Provost 2: Redistribute Cutover funds to A&S by multiplying growth in Natural Sciences Division Undergraduate Student Credit Hours (UG-SCH) since ABB went into effect by the Cutover funds per UG-SCH for the Colleges of Environment or Engineering. Doing so would withhold (remove) 3-6% of Cutover funds from all units except A&S.

Pro:

1. This model acknowledges that undergraduate instructional costs in Natural Sciences are above average in a way similar to other STEM disciplines on campus.

Con:

The 6 Con points for Provost 1 also apply to model Provost 2.

7. The premise of this model is that the share of new Natural Sciences instructional cost supported by Cutover should be the same as in Engineering or Environment. While they are all STEM disciplines, there are likely significant details in the distribution of activities and their costs in these units. We do not have sufficient information to evaluate these comparisons.
8. Should the College of the Environment value of redistributing 5.8% of Cutover be adopted, this is larger than can easily be implemented in two years.

Provost 3: Withhold 100% of the Cutover from all schools that produce more than 2% of UG SCH, and redistribute proportional to current undergraduate student credit hours.

Pro:

1. This model highlights the fraction of unit budgets that continue to be dependent on the original Cutover.

Con:

1. It has already been communicated to us and BODC that this was not a viable proposal due to its dramatic impact on individual units.
2. This model assumes that the entire original purpose of Cutover funds should be replaced by undergraduate SCH activity, ignoring units that are research- or clinically-focused rather than tuition-dependent, as well as legacy commitments to expensive activities outside of traditional academic-activity measures.
3. This model moves far too much money too quickly.

SSC A: Withhold *X*% of the Cutover and redistribute to support strategic reinvestment. Reinvestment decisions would be made by the Provost with the advice of the Senate Committee on Planning and Budgeting similar to the Provost Reinvestment Funds process.

Pro:

1. Withholding and redistributing a small percentage of the Cutover is a sensible approach that avoids taxing more recent growth and commitments.
2. The model builds on established processes for faculty input on budget decisions through which faculty should be given useful information for providing guidance.
3. The model does not recommend particular recipients of withheld Cutover based on information that is not accessible to the subcommittee.
4. The model clarifies that the Provost has the authority to redistribute supplement funds strategically and takes responsibility for those decisions.
5. The model allows the Provost discretion to effectively alter the fraction of Cutover withheld from each unit as opposed to imposing a uniform tax.
6. The model enables inclusion of information on differential cost of instruction, once it becomes available from the Delaware Study, to inform a strategic distribution that augments ABB formulaic funds.
7. The model can be repeated in subsequent years to continue redistributing Cutover funds towards current strategic priorities.

Con:

1. The model requires a transparent way to determine and communicate strategic reinvestment priorities to avoid being seen as a reversion to the pre-ABB “black box” incremental model.
2. The model does not exhibit a clear connection to current revenue-generating activity or unmet student demand.
3. The uniform tax rate across units does not account for ongoing commitments covered by Cutover funds nor specifically consider the financial status of the Schools and Colleges receiving a reduction in their current Cutover funds. This is mitigated by Pro bullet 5.

SSC B: Withhold *X*% of the Cutover and redistribute to each unit proportional to FY20 activity as measured by the sum of the formulaic components of ABB (Tuition + ICR).

Pro:

1. Withholding and redistributing a small percentage of the Cutover is a sensible approach that avoids taxing more recent growth and commitments.
2. The formulaic redistribution of funds is simple to implement and need not be justified by per-unit exceptionalism.
3. This model bases redistribution on both primary sources of activity-based income: instruction and research. This equalizes its impact on units with disparate distributions between the two income sources and recognizes that Cutover initially supported both instruction and research.
4. This model accelerates the initial intention that, over time, the fraction of unit budgets from formulaic income would increase while that from the constant-dollar Cutover would decrease.
5. Each unit will receive some fraction of the withheld Cutover back as income, so that no units will experience the full X% budget decrease; the incentives to increase a unit's share of Cutover parallel those that increase ABB revenue.
6. The model focuses on current revenue generating activity, and not on the historical (and difficult to document) relationship between FY12 activity and Cutover.
7. The model can be repeated in subsequent years to continue redistributing Cutover funds towards current revenue-generating activities.

Con:

1. As a purely formulaic redistribution, this model does not provide discretionary reinvestment funds.
2. The model does not incorporate the inherent distribution of differential costs of instruction or the need for institutional cross-subsidization.
3. The model co-mingles education (tuition-based) and research (ICR) funding, which reduces clarity in budget modeling.
4. An increase in the fraction of revenue distributed formulaically may counteract or exacerbate changes in tuition or ICR taxation rates, and is thus the purview of the Steering Committee.

SSC C: Withhold *X*% of the Cutover and redistribute a fraction *f* according to model SSC A and a fraction (1–*f)* according to SSC B.

Pro:

1. This model avoids the extremes of models SSC A and SSC B while maintaining all 12 of the distinct positive aspects of these models.
2. The ratio of strategic to formulaic investments can be set to balance flexibility with predictability.

3. This model provides a way to combine any potential changes in taxation formulae for tuition and ICR with increased strategic investment into a single change to the current ABB distributions.

Con:

1. This model requires a process to choose the appropriate fraction *f*, the ratio of strategic to formulaic investments, and the appropriate value of *X*, the percentage of Cutover to be redistributed in a given year.
2. The model requires a transparent way to determine and communicate strategic reinvestment priorities to avoid being seen as a reversion to the pre-ABB "black box" incremental model.
3. The model co-mingles education (tuition-based) and research (ICR) funding, which reduces clarity in budget modeling.

Summary and General Outlook

Given recent budget stresses, all units would benefit from a small increase in their Supplement funds, and all units would be negatively impacted by a decrease. The large variance among units both in total budgets and in the fraction of those budgets funded by Cutover (Table 1) means the impact of redistributing the Cutover will vary among individual units. Nevertheless, the most reasonable source of funds for strategic redistribution is the Cutover portion of the Supplement. Other potential sources of funds for redistribution more closely follow current activity (tuition and ICR) and recent strategic and budgetary decisions (New Supplement). Cutover funds, though also the product of strategic and budgetary decisions, were not intended to be permanent and are generally agreed to be subject to redistribution at the Provost's discretion. Care should be taken to ensure that the net benefits to the university due to Cutover redistribution outweigh the negative impacts. In particular, the total changes to any unit budget, whether from Cutover redistribution, taxation rate changes or central fee assessments, should be kept below 3 percent effected over a two-year period, a level which would enable units to plan and make sustainable changes.

It is important to develop a general mechanism for investment in initiatives and maintaining excellence in areas that do not directly generate enough revenue to sustain themselves, while also directing sufficient funds to support current revenue-producing activities. A long-term, workable model will be nimble over time and not a technical solution to a current, specific problem. This subcommittee does not have enough information about internal budget decisions in Arts and Sciences to make specific recommendations on the appropriate redistribution of funds towards the Division of Natural Sciences. In addition, the subcommittee recognizes that it does not have uniform representation across different units, and believes there are likely other units in need of reinvestments of which we are unaware. We look forward to the results of the Delaware Study, which will give UW disaggregated information on instructional costs and their comparison with peer institutions. In the meanwhile, Cutover is a reasonable source to increase support for a combination of current revenue-generating activity,

strategic investment in areas that are ripe for growth, and cross-subsidization of units with declining revenues that are vital to the university's mission, Any provost-initiated investments should be pursued in consultation with the Senate Committee on Planning and Budgeting.

Appendix 1. Supplement Overview

Funding Sources and Scope: Academic units on the UW Seattle Campus receive their core GOF/DOF funding from three primary sources: tuition and fees, indirect cost return from sponsored research, and what is generally referred to as "Supplement," which contains both tuition and state monies. This report addresses the Supplement component, while two other ABB Phase III Subcommittees are addressing tuition and research (indirect cost return) funding, including the formulas that control their distribution to units. For simplicity, the category "Tuition" is used below for the sum of the ABB categories (i) academic year tuition, (ii) summer quarter and (iii) miscellaneous fees. This report focuses on Seattle Academic Units, since UW Bothell and UW Tacoma have their own mechanisms for revenue distribution. There was no representation from the Bothell or Tacoma campuses on the Supplement Subcommittee (SSC).

Supplement Components: What is commonly referred to as "Supplement" has several components. Initially, Supplement funding consisted of 2012 "Cutover" monies (previously referred to as "Hold Harmless") that prevented large changes in budgets during the switch from incremental budgeting to activity-based budgeting (ABB). Cutover allocations were 25% of the total GOF/DOF budget in academic units for 2012 and ranged from negative 7% of the total budget in Arts and Sciences (A&S) to +60% of the total budget in Dentistry. Since that time, additional funding has been allocated within the category "Supplement," including legislative provisos to specific schools and colleges, tuition backfill when the state decreased tuition, compensation/benefits backfill when the state changed its fund-split, funding that followed administrative reorganizations from one college to another, "in-year adjustments" that that followed administrative reorganizations between central and unit control, and central strategic investments commonly known as provost reinvestment funds. These additions, or "New" Supplement, total slightly more than the original Cutover, about $140 M in FY20. Together, the total Supplement (New plus Cutover) is just over one third of the total FY20 GOF/DOF budget distributed to Seattle academic units ($756 M). Only A&S (-5%), Business (6%) and Built Environments (7%) receive less than 15% of their budget from the Cutover; Nursing and Dentistry receive over 40% of their budgets from Cutover. An overview of the FY20 GOF/DOF budget and its source breakdown for the Seattle academic units is in Figure 1 and Table 1.

Tuition history: When the transition from incremental to activity-based budgeting was implemented, tuition was growing at double digit rates (undergraduate resident tuition increased 21.5% in 2011, 17.1% in 2012), primarily to offset reduced state funding. The state responded to these increases by instituting limits on tuition-setting ability that resulted in tuition being frozen in 2013, decreased in 2015 and 2016, and now having a cap that limits growth to an inflation index that has been below 3% for the past four years and is expected to remain so for the foreseeable future. The current sum of Cutover plus Provost Reinvestment Funds ("Central Investments" in Fig. 1) remains about 25% of total tuition income in FY20.

Cutover history: The Cutover distribution among the diverse academic units is the result of multiple budgetary decisions over the decades preceding the advent of ABB in 2012 that

resulted in most unit budgets exceeding the revenue generated by 70% of tuition dollars and 30% of sponsored research indirect cost returns (ICR). These budgetary decisions included historical provost budget decisions and funding allocations to, for example, support program expansions, recognize different needs and cost differentials among Schools and Colleges, and operate general facilities, as well as state legislative allocations.

Cross-subsidization: The Cutover is a major component of the cross-subsidization among academic units that is essential to a comprehensive world-class university. This cross-subsidization enables engineering students to take art, business students to take calculus, geography students to take climate science, and everyone to benefit from scholarly research and societal engagement across the University. Each academic unit has a unique mix of instructional, research, and service activities leading to unique budgetary situations. For example, each unit has a different mix of upper division laboratories and graduate research supervision relative to large introductory lectures, a different distribution of classroom vs. practicum teaching loads per faculty member, as well as a different balance of ladder vs. non-ladder faculty. There are also discipline-dependent requirements for capital investments associated with new faculty hires ("start-up" funds) or instructional facilities.

Historical budget responsibilities: Besides instructional cross-subsidization, the Cutover also encompasses support for resources that benefit the entire university but are historically managed by a particular unit. Examples include the Hall Health Pharmacy, located in the School of Pharmacy, and the Arboretum, located in the College of the Environment. There are also unit allocations resulting from legislative provisos prior to 2012, for example support for South Lake Union facilities in the School of Medicine.[*] It is not possible to identify all the differential costs and activities that led to the initial distribution of the Cutover. However, the concept that about a quarter of tuition revenue should be distributed non-formulaically is not unreasonable. The issue before us is how that distribution should be determined.

Changes since ABB Implementation: Several factors drive the redistribution of costs and activities over time: growth/decline of revenue generating activities, growth/decline of activities that support revenue generating activities, and creation/rescaling/retirement of activities that are not directly related to revenue. The formulaic portion of ABB (tuition + ICR) follows the growth or decline in revenue generating activities. However, instructional growth may require prior investment in "start-up" packages for new faculty, and decline in student

[*] The School of Medicine (SoM) outlined $13.6M (35% of Cutover) in state allocations which the SoM tracks and uses exclusively per the state legislative intent and includes facilities support for South Lake Union and Harborview Research and Training building (the SoM is responsible to fund debt service and operations and maintenance for these buildings), residency program support (Non-tuition based program) which includes state funding for the Family Medicine Residency Network (FMRN) which are funds distributed to programs across the state of Washington per legislative direction (not used by SoM). The State has expanded the funding to the FMRN since 2012 due to physician shortages in state of Washington, which also demonstrates historical allocations are not all 100% fungible. The SoM did request these allocations be excluded from any re-allocation of the supplement calculations and that other schools have the opportunity to identify similar historical allocations for non-tuition based activities.

credit hours (SCH) does not eliminate the need to teach key classes (which may be smaller) or to support tenured faculty in those disciplines. Even in programs that remain a constant size, ongoing costs of instruction and research, as well as supports such as student services and technical infrastructure, do not necessarily equal the ABB formula. Increasing the fraction of revenue that follows growth in revenue-generating activities clearly helps those areas grow, but it does not establish a pool for strategic investment in new activities or for supporting areas that have seen a decline in revenue.

Appendix 2. Model Details

Provost 1

Model Provost 1 relates the calculated base at cutover to SCH, student FTE, and major enrollments to establish a "per student share" of funding. Then, these "per student shares" are multiplied by the corresponding change in activity for the Natural Sciences Division in the College of Arts and Sciences to generate a "new supplement" for the College of Arts and Sciences. With this model, we would need to tax other units at a rate of 1.9% to generate this dollar amount.

$$"New\ Supplement"_{Nat.Sciences} = \frac{Supplement_{all12}}{Activity_{all,19}} * (Activity_{Nat\ Sciences19} - Activity_{Nat\ Sciences12})$$

	SCH	FTE	Major Enrollments[†]
Total Calculated Base at Cutover	$125,058,323	$125,058,323	$125,058,323
Total Activity (FY2019)	1,273,754	28,351	32,981
True Supplement (hold harmless) per student as of FY2019	$98	$4,411	$3,792
Increase in the Natural Sciences since ABB cutover	24,484	543	(-460)
"New supplement" for A&S	$2,403,861	2,395,252	$(1,744,241)
Total Hold Harmless supplement	$125,058,323	$125,058,323	$125,058,323
% tax to get "new supplement"	1.92%	1.92%	(n/a)

The logic used in Model 1 suggests that the ABB and the supplement acted relatively "rationally" since implementation, and the funding disparity between the College of Arts and Sciences Natural Sciences Division and other colleges could be resolved through a small (<2%) tax on the other units to generate the almost $2.2M required to fund growth in Natural Sciences at the average rate across the University.

[†] Although student credit hours and full-time enrollments have increased, major enrollments for Natural Sciences have actually declined since the inception of ABB (in 2012), partially due to departments instituting prerequisite criteria that reduce the number of years students spend as a major.

Provost 2

Model Provost 2 functions in the same way as Provost 1, but accounts for variation between the College of Arts and Sciences and the College of Engineering and the College of the Environment in terms of relative tuition revenue growth by applying these units' "per student share" to Arts and Sciences' enrollment growth in Natural Sciences.

$$"New\ Supplement"_{Dept./College} = \frac{Supplement}{Activity_{19}} * (Activity_{Dept./College19} - Activity_{Dept./College12})$$

	SCH	FTE	Major Enrollments‡
1. College of the Environment Calculated Base at Cutover (FY2019)	$ 18,045,120	$ 18,045,120	$ 18,045,120
2. College of the Environment Activity (FY2019)	67,534	1,504	1,153
3. Estimate the New Calculated Base at Cutover per Environment student as of FY2019	$ 267	$ 11,995	$ 15,651
4. Estimate the increase in the number of natural sciences majors since ABB was created	24,484	543	(-460)
5. Compute a new supplement for A&S that is the product of #3 and #4	$ 6,542,183	$ 6,513,417	$ (7,199,267)
Total Calculated Base at Cutover	*$ 125,058,323*	*$125,058,323*	*$ 125,058,323*
% Set Aside to get #5	5.2%	5.2%	(n/a)
1. College of the Engineering Calculated Base at Cutover (FY2019)	$ 20,111,569	$ 20,111,569	$ 20,111,569
2. College of the Engineering Activity (FY2019)	146,136	3,262	5,170
3. Estimate the New Calculated Base at Cutover per Engineering student as of FY2019	$ 138	$ 6,165	$ 3,890
4. Estimate the increase in the number of natural sciences majors since ABB was created	24,484	543	(-460)
Compute a new supplement for A&S that is the product of #3 and #4	$ 3,369,544	$ 3,347,818	$ (1,789,424)
Total Calculated Base at Cutover	*$ 125,058,323*	*$ 125,058,323*	*$ 125,058,323*
% Set Aside to get #5	2.7%	2.7%	(n/a)

‡ Although student credit hours and full-time enrollments have increased, major enrollments for Natural Sciences have declined since the inception of ABB (in 2012), partially due to departments instituting prerequisite criteria for major declaration.

The logic used in Model 2 suggests that the ABB and the supplement acted relatively "rationally" since implementation, and the funding disparity between the College of Arts and Sciences Natural Sciences Division and the College of Engineering could be resolved through a small (3-6%) tax on the other units to fund growth in Natural Sciences at the same rate as Engineering or the College of the Environment.

Provost 3

Model Provost 3 divides the total Cutover by the total FY19 UG-SCH across each unit with more than 2% share of SCH in the undergraduate tuition bracket. Then, this "per SCH share" is multiplied by the UG-SCH of each unit to generate a "new supplement" for each unit. Finally, we calculate the difference between the sum of this "new supplement" + FY19 tuition revenue and the supplement at cutover + FY19 tuition revenue.

$$\Delta = \left(\left(\frac{\Sigma Supplement}{\Sigma SCH_{19}} * SCH_{19}\right) + Tuition_{19}\right) - (Tuition_{19} + Supplement)$$

School/ College	College of Arts & Sciences	Foster School of Business	College of Built Envir.	The Info. School	College of Educ.	School of Public Health	College of Engr.	College of the Envir.	School of Medicine
Baseline Supplement at Cutover	$(11.4M)	$2.2M	$1.0M	$1.8M	$4.8M	$5.6M	$20.1M	$18.0M	$38.9M
FY19 SCH	784154	76359	29962	31851	32387	34640	146136	67534	34829
Supplement funding level/SCH	$70.1M	$6.8M	$2.7M	$2.8M	$2.9M	$3.1M	$13.1M	$6.0M	$3.1M
FY19 Actuals	$189.7M	$26.0M	$11.6M	$7.6M	$11.8M	$13.5M	$45.80	$18.0M	$31.5M
Tuition + cutover	$178.3M	$28.3M	$12.6M	$9.4M	$16.6M	$19.2M	$65.0M	$36.1M	$70.4M
Tuition + supplement funding/SCH	$259.8M	$32.9M	$14.3M	$10,4M	$14.7M	$16.60	$58.8M	$24.1M	$34.7M
Δ	$81.5M	$4.6M	$1.6M	$1.0M	$ (1.9M)	$ (2.5M)	$(7.0M)	$ (12.0M)	$ (35.7M)
% change	46%	16%	13%	11%	-11%	-13%	-11%	-33%	-51%
Per year, over 3 years	$27,154,574	$1,525,640	$543,953	$346,086	($634,976)	($842,272)	($2,348,843)	($4,002,472)	($11,916,081)
Per year, over 5 years	$16,292,745	$915,384	$326,372	$207,652	($380,986)	($505,363)	($1,409,306)	($2,401,483)	($7,149,648)

The logic used in Model 3 mirrors Model 2, but allows us to make comparisons beyond just the Natural Sciences Division/College of Engineering; Model 3 provides a point for comparison across each unit with more than 2% of SCH[§] in the undergraduate tuition bracket. Based on the logic employed in this model, the units being "shorted" by the combination of ABB and Cutover are the College of Arts and Sciences, the Foster School of Business, the College of Built Environments, and the Information School; the inclusion of The Information School in this group may seem counterintuitive based on the hypothesis that schools who respond to the ABB's model incentive structure consume vital tuition revenue from Arts and Science.

[§] Refer to Figure 2 (green bar) for information on *all* units (regardless of SCH share)

SSC A

Model SSC A withholds X% of the Cutover and redistributes it to support strategic reinvestment. Reinvestment decisions would be made by the Provost with the advice of the Senate Committee on Planning and Budgeting (SCPB) similar to the existing Provost Reinvestment Funds process.

> **Example:** 2% of the (positive) Cutover would yield $2,501,166 available for Provost Reinvestment Funds; If A&S is included, the total is $2,274,007.

Seattle Academic Units	Original Calculated Base at Cutover	Base Reduction	Current FY20 Total GOF DOF Budget	Proposed New FY20 Total GOF/DOF Budget	Difference	% Diff.
Medicine (Includes 303)	$38,862,097	$777,242	$172,692,618	$171,915,376	-$777,242	-0.5%
Environment	$18,045,120	$360,902	$47,827,681	$47,466,779	-$360,902	-0.8%
Dentistry	$9,342,403	$186,848	$20,181,238	$19,994,390	-$186,848	-0.9%
Engineering	$20,111,569	$402,231	$108,478,540	$108,076,308	-$402,231	-0.4%
Nursing	$5,424,841	$108,497	$13,138,944	$13,030,448	-$108,497	-0.8%
UG Acad Affairs	$4,485,804	$89,716	$8,663,867	$8,574,151	-$89,716	-1.0%
Grad School	$2,719,036	$54,381	$13,745,357	$13,690,976	-$54,381	-0.4%
Education	$4,800,424	$96,008	$19,806,642	$19,710,633	-$96,008	-0.5%
Social Work	$2,995,541	$59,911	$10,833,345	$10,773,434	-$59,911	-0.6%
Law	$3,801,791	$76,036	$16,236,907	$16,160,871	-$76,036	-0.5%
Public Health	$5,623,750	$112,475	$26,225,807	$26,113,332	-$112,475	-0.4%
Pharmacy	$2,524,977	$50,500	$14,254,306	$14,203,807	-$50,500	-0.4%
Information	$1,809,318	$36,186	$10,306,351	$10,270,165	-$36,186	-0.4%
Evans School	$1,214,982	$24,300	$7,565,085	$7,540,785	-$24,300	-0.3%
Built Environ.	$1,046,856	$20,937	$14,416,741	$14,395,804	-$20,937	-0.1%
Business	$2,249,814	$44,996	$36,106,590	$36,061,593	-$44,996	-0.1%
Arts & Sciences	-$11,357,946	-$227,159	$217,153,094	$217,380,253	$227,159	0.1%

The logic used in SSC-A reflects a review and redistribution process for funds based on budgetary decisions that are on the order of a decade old (or more). Priorities that remain could receive those funds again, while those that have shifted may have their funds redeployed. Strategic reinvestment would build on the existing process already established for Provost Reinvestment Funds, including consultation with SCPB.

SSC B

Model SSC B withholds X% of the Cutover and redistributes it to each unit proportional to FY20 activity as measured by the sum of the formulaic components of ABB (Tuition + ICR).

$$\Delta_u = \left(\frac{X}{100}\right) * \left\{\left[\sum Cutover * \frac{(Formulaic\ ABB)_u}{\sum Formulaic\ ABB}\right] - (Cutover)_u\right\}$$

Where $Formulaic\ ABB = Tuition + Summer\ Quarter + Fees + ICR$

Example: 2% of the (positive) Cutover would yield redistribution of $2,501,166. The table below illustrates the impact of redistribution at the school or college level. Note the net redistribution is only about half the total due to all units receiving monies back.

Seattle Academic Units	withheld (from SSC-A table)	Total FY 20 Formulaic ABB	SSC-B Distribution	Net Δ_B	% Diff. of Total GOF/DOF
Medicine (Includes 303)	$777,242	$85,164,867	$386,879	($390,363)	-0.23%
Environment	$360,902	$23,873,462	$108,450	($252,452)	-0.53%
Dentistry	$186,848	$9,560,454	$43,430	($143,418)	-0.71%
Engineering	$402,231	$56,701,659	$257,579	($144,652)	-0.13%
Nursing	$108,497	$5,593,871	$25,411	($83,086)	-0.63%
UG Acad Affairs	$89,716	$3,349,390	$15,215	($74,501)	-0.86%
Grad School	$54,381	$4,028,650	$18,301	($36,080)	-0.26%
Education	$96,008	$13,183,585	$59,889	($36,119)	-0.18%
Social Work	$59,911	$5,978,204	$27,157	($32,754)	-0.30%
Law	$76,036	$11,451,004	$52,019	($24,017)	-0.15%
Public Health	$112,475	$20,810,445	$94,536	($17,939)	-0.07%
Pharmacy	$50,500	$10,257,414	$46,596	($3,904)	-0.03%
Information	$36,186	$7,894,516	$35,862	($324)	0.00%
Evans School	$24,300	$5,806,383	$26,377	$2,077	0.03%
Built Environ.	$20,937	$11,656,179	$52,951	$32,014	0.22%
Business	$44,996	$26,674,745	$121,176	$76,180	0.21%
Arts & Sciences	-$227,159	$198,598,958	$902,177	$1,129,336	0.52%

The logic used in SSC-B reflects that both instruction and research are supported by the current Cutover, and hence both should be included in its redistribution. ABB Tuition + ICR reflects current revenue generating activity, realigning Cutover toward the current mission.

SSC C

Model SSC C withholds *X*% of the Cutover and redistributes a fraction f according to model SSC A and $(1-f)$ according to SSC B.

This model withholds from each unit $\frac{X}{2}$ times the Base Reduction in the previous two models, with $fX(\$1.25\ M)$ available for strategic reinvestment (Provost Reinvestment Funds) and each unit receiving back $\frac{(1-f)X}{2}$ times the value SSC-B Distribution to support current revenue-generating activity.

The logic used in SSC-C reflects that a combination of strategic investment and support for current revenue generating activities will enable Cutover funds to support aspects of the entirety of the University's mission.

Appendix 3. Table and Figures

Table 1. Fiscal 2020 GOF/DOF allocations to Seattle Academic Units (in millions of dollars).** Cutover refers to the initial supplement in 2012, while New Supplement includes additions to the Supplement since that time. Titles include the total. The Cutover total of $114M is the sum of $125M in positive distributions to 16 Schools and Colleges and the negative contribution from Arts and Sciences.

School	Cutover $125 M ($114 M)	ABB Tuition $411 M	ABB ICR $88	New Supp. $143 M	Total Budget $756 M	Cutover Frac. of Tot. Bud. 17%
Arts & Sciences	-11.36	190.82	7.78	29.91	217.15	-5%
Medicine	38.86	34.51	50.65	48.67	172.69	23%
Engineering	20.11	46.20	10.50	31.67	108.48	19%
Environment	18.05	18.13	5.74	5.91	47.82	38%
Business	2.25	26.64	0.03	7.18	36.10	6%
Education	4.80	11.95	1.23	1.82	19.80	24%
Information	1.81	7.62	0.27	0.60	10.30	18%
Social Work	3.00	5.21	0.77	1.86	10.84	28%
Law	3.80	11.32	0.13	0.98	16.24	23%
Built Environments	1.05	11.55	0.11	1.71	14.42	7%
Evans -Public Aff.	1.21	5.59	0.21	0.54	7.56	16%
Dentistry	9.34	9.31	0.25	1.28	20.18	46%
Pharmacy	2.52	8.21	2.05	1.47	14.26	18%
Public Health	5.62	13.65	7.16	-0.21	26.23	21%
Nursing	5.42	4.73	0.86	2.12	13.13	41%
Graduate Sch.	2.72	1.90	0.04	7.00	11.65	23%
U'grad Acad. Aff.	4.49	3.30	0.04	0.83	8.66	52%

** FY20 Data from FY-2020-ABB-Allocation-Table-For-Distribution-08.01.19, Base FY20 columns; Cutover is from Supplement-Breakdown-Final (Column F).

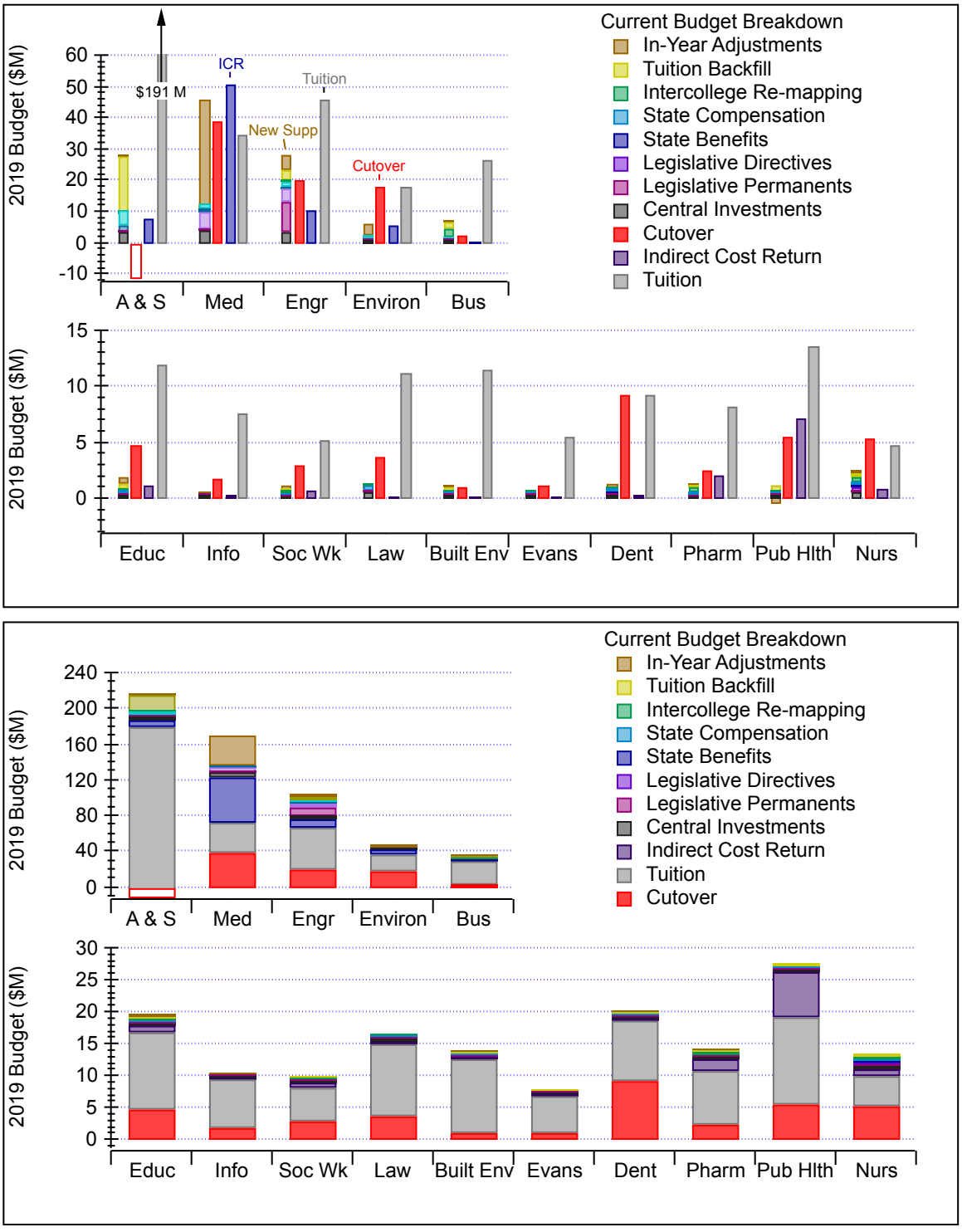


Figure 1. Graphical representation of Budget Components for Seattle Academic Units in Fiscal Year 2020. Top: Budgets separated into categories New Supplement (multicolored), Cutover Supplement (red), Indirect Cost Return (purple), and Tuition and Fees (gray). Bottom: Same information, summed to show total FY20 GOF/DOF budgets.

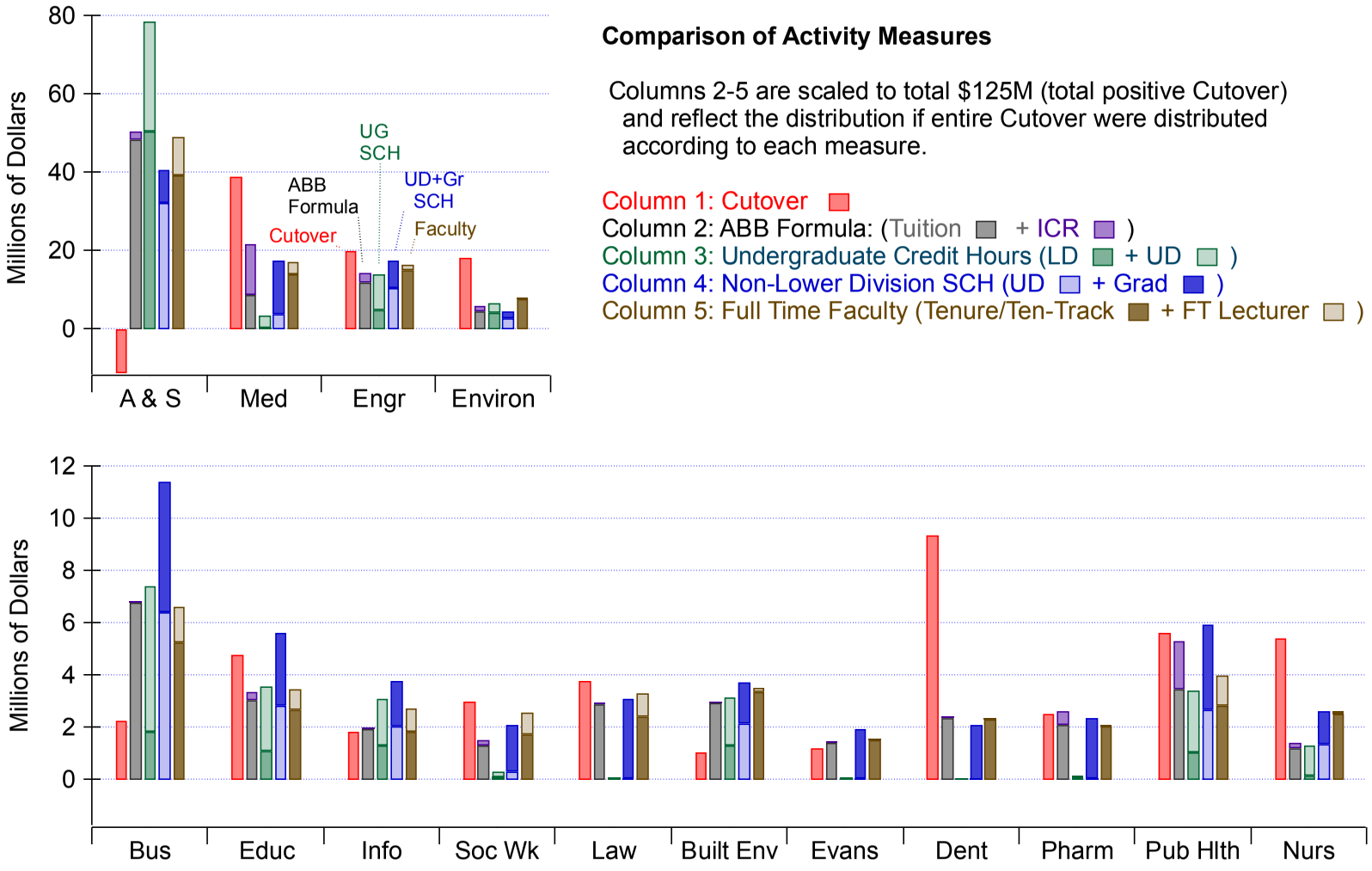


Figure 2. Various measures of activity scaled to the total (positive) Cutover. Bars represent the funds that would be distributed to various units if the entire Cutover were distributed based on the value of that measure. Green bars reflect model Provost 3. Gray/Purple bar would reflect model SSCB if X = 100.

Note: ABB Formula is FY20; SCH are AY19; Faculty are AY18 (most recent years available).

December 30, 2019

Activity Based Budgeting Steering Committee
Lou Cariello, Vice President, Facilities
Renee Cheng, Dean, College of Built Environments
Hilary Godwin, Dean, School of Public Health
Suzanne Hawley, Divisional Dean, Natural Sciences, College of Arts and Sciences
Mary Lidstrom, Vice Provost, Research
Sarah Norris Hall, Vice Provost, Planning and Budgeting
Phil Reid, Vice Provost, Academic and Student Affairs
George Sandison, Chair, Senate Committee on Planning and Budgeting

Dear colleagues:

In August 2019, Provost Richards formally launched the Activity Based Budgeting (ABB) Phase Three review, charging a Steering Committee and directing the creation of three subcommittees to conduct a scheduled review of the UW's ABB resource distribution model.

The Research Support subcommittee was charged with providing a written report to the Steering Committee responsive to three questions associated with the distribution of Indirect Cost Recovery (ICR) funds as well as any recommendations that may result from the subcommittee's work. The three questions asked of the subcommittee were:

1. Does the 65 percent tax adequately provide for the costs of the research enterprise?
2. Should more research related costs be direct-billed to heavy users?
3. As the University emphasizes cross-disciplinary research organizations and proposals, how might ICR allocations shift to support this evolution?

The subcommittee organized in early September and was comprised of representatives from a cross section of UW Seattle units (four faculty and five staff). The subcommittee met over the last four months to review historical data, contemplate "what if" scenarios and discuss values and principles associated with the ICR distribution parameters in the context of the questions posed by the Provost. A summary of our resulting recommendations to the Steering Committee, followed by our approach and response to each of the questions is presented on the following pages, supported by detailed appendices.

Summary of Recommendations

The Research Subcommittee, having completed several months of analysis, collaboration and consideration, advances the following recommendations relevant to the ICR component of the ABB model:

1. We recommend maintaining the current ICR distribution parameters - 65 percent of total ICR allocated to the Provost and 35 percent of total ICR allocated to the generating school, college or administrative unit on an April 1st – March 31st calculation period.

2. We recommend *against* considering direct billing "heavy users" for research costs and we recommend further defining the scope of services intended to be covered under the existing centrally retained ICR funding.

3. We recommend aligning future reviews of ICR distribution parameters with the federal ICR base year calculation period to ensure that a full and accurate accounting of the UW's cost pools has occurred. This will allow accurate and complete financial data to be used to underpin recommendations that would potentially alter ICR distribution parameters.

4. We recommend the development of institution-wide policies and procedures that ensure that the UW's space management software is updated on, at least, an annual basis, if not more frequently as material changes to the UW's physical footprint occurs and as facility occupancy levels and tenants change.

5. We recommend exploring opportunities to optimize appropriate and allowable indirect cost recovery, including development of key performance indicators such as indirect cost recovery relative to space and rates and a review of institutional policies and principles associated with waiving, reducing or otherwise forgoing the recovery of indirect costs from externally funded activities.

6. We recommend *against* utilizing the ICR distribution parameters to shift funding between central administration and campus units (or vice versa) for purposes of covering costs not borne in proportion to the generation of ICR. For the purposes of purely putting the crux of this recommendation into context, Workday HRP expenditures would be a *representative example* of a cost not borne in proportion to the generation of ICR.

Subcommittee Approach and Data Resources

In order to take a data driven approach to the work, the subcommittee spent a significant portion of the first several meetings reviewing data compiled by the subcommittee members which included:

1) The development of a designated operating fund (DOF) "source pooling" methodology and model intended to segregate the allocation of indirect cost recovery funds from the six other revenue sources that underpin the UW's DOF pool (Appendix 1).

2) The production of interactive data models the committee utilized to conduct detailed analysis of the sources of indirect cost recovery (Appendix 2):
   - The effective indirect cost recovery, by campus unit and fiscal year
   - The weighted average indirect cost recovery rate, by location and fiscal year
   - The relative concentration of direct costs by indirect cost recovery rate
   - The incremental impact of a 1% shift in the indirect cost recovery distribution rate
   - Indirect cost recovery overlaying assignable square footage to derive a "space efficiency" proxy

3) A review of sponsored research metrics (Appendix 3):
   - Proposal counts and amounts, by organization and fiscal year
   - Award counts and amounts, by organization and fiscal year
   - Grant associated budget number counts, by organization and fiscal year

4) A summary scan of ICR distribution methodologies employed by research peer institutions (Appendix 4)

5) An attempt at recreating components of the FY2013 federal base year cost study using FY2019 data*

   *The subcommittee began work to recreate components of the FY2013 facilities and administrative

expenditure base year cost study with the intent of updating the calculated rates to a more current fiscal year (FY2019), but discovered significant data quality issues. Unfortunately, the data quality issues prevented this work from being completed in a manner that would produce reliable data for analysis and decision making, thus the effort was abandoned mid-way through October. These difficulties directly informed the **recommendation of the subcommittee to align future reviews of the ICR distribution parameters with the completion of a federal ICR base year (recommendation #3)** and the **recommendation to develop and implement institution-wide policies requiring the regular updating of the UW's space utilization system (SIMS) (recommendation #4).**

Absent current and reliable cost study data, high level revenue and expenditure trends were reviewed. While this approach offered less granularity than a full cost study, generally, the committee concurred with the notion referenced within the charge letter that the cost of research compliance and cost of research facilities are escalating at a rapid rate, but also noted that demands for administrative services in support of the research enterprise are increasing within the schools and colleges as well as central administration.

With a review of these data elements complete after the first several meetings, the committee focused the remainder of its time on discussing the specific questions posed by in the charge letter in the context of the available information and impacts observed over time by subcommittee members.

Does the 65 percent tax adequately provide for the costs of the research enterprise?

A substantial amount of subcommittee time was dedicated to unpacking and discussing the concept of "funding adequacy" in the context of the UW's research enterprise in order to derive an approach to answering this question.

Fundamentally, the answer to whether funding is adequate in a zero-sum environment differs based on one's role within the organization and the set of services or functions that they value. As the subcommittee members represented a good cross-section of UW stakeholders, it was natural that healthy discussion was also held around whether the 35% share allocated to campus units was sufficient to provide for the costs of the research enterprise borne by schools and colleges. On one hand, given the success of the UW's research enterprise, one can argue that the current distribution has adequately supported this level of success over much of the last seven years from the inception of ABB. On the other hand, considering our aging infrastructure, the increasing complexities of research and the rising administrative workload on principal investigators and support staff, both within and outside of the schools and colleges, perhaps this distribution is not sufficient to provide for the sustained costs of the research enterprise over the long term.

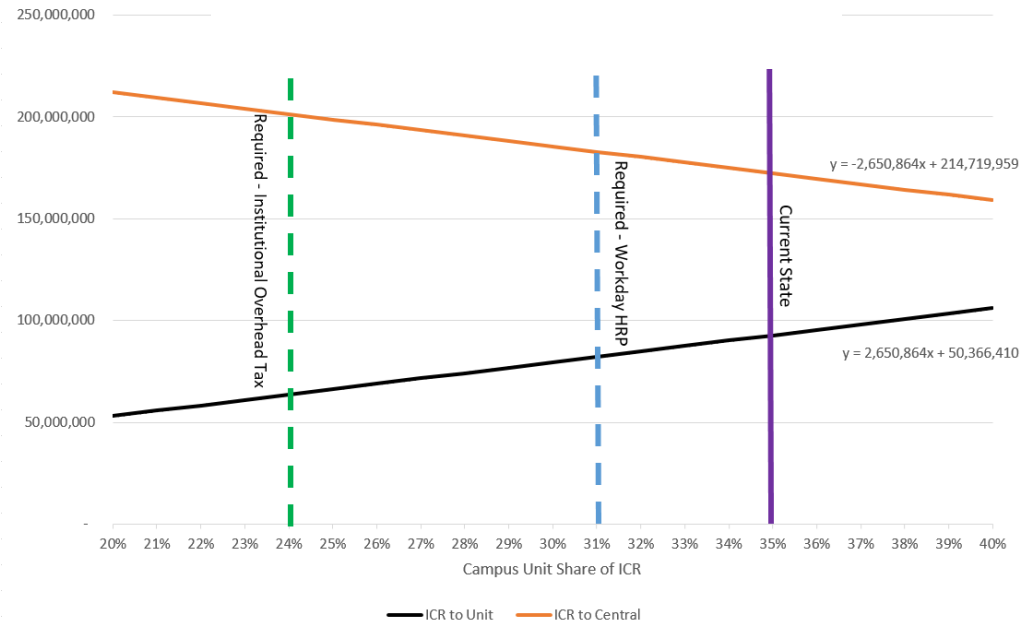
To more accurately and empirically approach this question, particularly in light of the subcommittee's difficulty obtaining the aforementioned necessary data elements, **we recommend aligning future reviews of ICR distribution parameters with the federal ICR base year (recommendation #3).** While the subcommittee was not charged to evaluate opportunities to increase the size of this resource pool, we recognized that a review of costs in itself does not resolve the zero-sum nature of a distribution. The subcommittee believes there may be opportunity to optimize the recovery of allowable indirect costs within the current research funding base and we **recommend exploring opportunities to optimize appropriate and allowable indirect cost recovery from externally funded activities (recommendation #5)**.

With a limited amount of time to conduct this review and formulate a response to this weighty and value-based question, the subcommittee, at the suggestion of the steering committee, evaluated several "what if" scenarios in an attempt to elucidate the degree of change necessary within the distribution parameters to "solve for x".

This exercise was conducted for purposes of providing the Steering Committee "degree of magnitude proxies", and illustrate the downstream effects of a change to the distribution parameter across the Seattle campus.

Figure 1, The present distribution compared with the required shift in distribution parameters necessary to solve for two common "assessments" levied on campus units – institutional overhead and Workday HRP costs. Again, these examples are merely proxies for the relative scale of change required to the ICR distribution to fully eliminate each "assessment" and should be used as examples of magnitude only.

Figure 1. Relative impacts of ICR Distribution Parameter Shift



Using the FY20 ABB ICR distribution as a base case, a 1% shift in the distribution parameter equates to $2.7M shift in funding, with $2.3M of that shift directly impacting the five largest ICR generating units, School of Medicine (1.4M), College of Engineering (272k), College of Arts and Sciences (210k), School of Public Health (190k), and College of the Environment (164k). Further detail, including unit level impacts, is available in Appendix 5.

The two examples selected for use in this modeling brought forth substantial subcommittee dialogue regarding the appropriate use of ICR to fund activities that may not occur in proportion to research expenditures, for example, Workday HRP costs. As the downstream unit-level impacts show, any shift in the distribution parameters to fund expenditures that do not impart a benefit proportionally to the generation of ICR have outsized impacts on the larger, particularly the five largest, research expenditure generating units. A review of this context informed the **recommendation *against* utilizing the ICR distribution parameters to shift funding between central administration and campus units for purposes of covering costs not borne in proportion to the generation of ICR, by campus units (recommendation #6).**

In formulating guidance for distribution of limited ICR in the future, members of the subcommittee posited that it would be useful to articulate a set of principles and priorities to which the University would adhere. These would include an emphasis on recruiting and retaining the highest quality faculty, an endeavor that is becoming increasingly costly. Similarly, building and laboratory maintenance and provision of resources to meet maintenance expenses in new research buildings and to protect infrastructure (e.g., laboratory) investments should have high priority. It is also important that increased central research costs not be shifted to schools, colleges or departments, as this would result in fewer support personnel and increase the administrative burden on faculty. Adherence to these priorities will help to ensure faculty excellence and productivity.

Should more research related costs be direct-billed to heavy users?

The subcommittee found it difficult to determine the difference or defining line between services the schools and colleges should expect to receive for the existing 65% of ICR retained centrally *vs* services that would be

considered above and beyond ICR funding retained centrally. We generally agreed with the notion that research "costs" are not equally born across all disciplines, types of research or the career stage of researcher. We are also concerned that defining "heavy users" either by discipline or volume of activity would have an outsized impact on early career researchers in disciplines that would be deemed "heavy use". This would, in turn, have a direct impact on the schools and colleges responsible for providing monetary (in the form of startup packages, "valued up" to incorporate direct charged services) and non-monetary support (reduction of administrative infrastructure within the unit in order to fund direct charged services) to researchers at all career stages.

Hypothetically, if a uniform understanding of a "heavy user" were to be widely adopted, the institution would likely need to expend a significant amount of personnel resources to ensure that the establishment and ongoing administration of new direct charge mechanisms are compliant with federal uniform guidance. Further, the expenditures of services associated with many of the research support functions are already factored into the existing F&A rate structure, and, are either ineligible to be directly charged to grants or, upon renegotiation of the F&A rate, would place downward pressures on the rates themselves. While the latter risk could be potentially offset through the incorporation of eligible directly charged services within grant proposals, this may impact the competitiveness of proposals – again, with a potentially outsized impact on early career researchers in "heavy use" disciplines.

The subcommittee agreed that in many or most instances, the University has outstanding research facilities and capabilities because "heavy users" have contributed significantly to their establishment, which has allowed "medium" and "light" users access to services and facilities to which they would otherwise not have access. The ICR distribution principles under ABB are directly proportional to activity, and thus the subcommittee believes that, using financial activity as a proxy, "heavy users" already proportionally bear many of the associated costs of the research enterprise. We note that the Department of Environmental Health and Safety has recently started billing users of specialized services. These are not necessarily "heavy users" and the approach that EH&S is taking may be appropriate as long this department adheres to federal guidelines.

The aforementioned considerations formed the basis of the subcommittee's **recommendation to not implement a practice of direct billing "heavy users", and rather further consider the types of services that should or should not be covered by the existing central ICR distribution (recommendation #4)**.

As the University emphasizes cross-disciplinary research organizations and proposals, how might ICR allocations shift to support this evolution?

In the current state, each award has one or more grant budget numbers associated with one or more 3-digit organization codes and the proportionate share of ICR generated by each grant budget is allocated to that respective 3-digit organization. In cases where cross-unit research occurs, Deans/VPs (or those with authority to commit resources on behalf of their Dean/VP), may formally or informally agree to ICR revenue sharing agreements, continuing the practice endorsed by the ABB Phase II Committee and currently outlined on the Office of Research's website.

The committee discussed several formulaic methods for distributing ICR either directly or indirectly (via a Dean or VP) to cross-disciplinary research organizations, however, difficulty was encountered in identifying when and where cross-disciplinary research activity and proposal submissions occurred. The Office of Research's Guidelines for Sharing RCR for Collaborative Research document, drafted in 2014, offers a simple, manual, workaround to this challenge via the association of sub-budgets with multiple 3-digit organizations, thus imparting the benefit of ICR generated to multiple campus units. The subcommittee believes these guidelines

continue to be relevant, helpful and offer Deans/VP the autonomy and flexibility to make strategic decisions around the use of their allocated resources.

Absent a consistent method of flagging cross-disciplinary activity on a per-award or per-proposal basis within the existing UW data systems, the subcommittee does not believe a *formulaic* method can be employed at this time. Further, the subcommittee has concerns that layering an additional formula on top of the current distribution formula would not directly and transparently lead to additional support for cross-disciplinary research efforts beyond what exists today. Formulaic treatment may limit the flexibility Deans/VPs have to make strategic arrangements across business units in support of cross-disciplinary research.

Echoing the recommendation brought forth within ABB Phase II Committee report, the Research Support subcommittee supports advancing the notion that a dedicated pool of permanent resources intended to specifically support cross-disciplinary research may be the most effective tool for enhancing the UW's support of cross-disciplinary research efforts, rather than attempting to formulaically solve for additional support within the ABB construct.

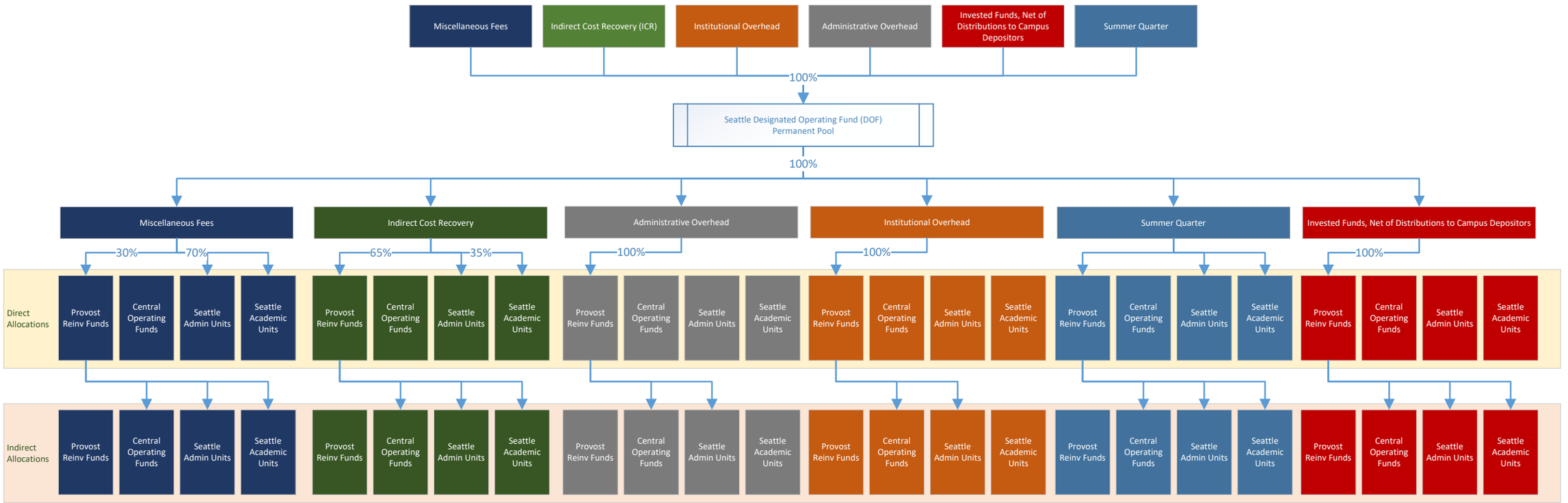
In closing, after careful consideration of the aforementioned data points, a review of our distribution methodology against that of peer institutions, and the content of the discussions the subcommittee held related to the charge questions posed, we **recommend maintaining the current ICR distribution parameters (recommendation #1)**.

Thank you for the opportunity to provide input to this important work and please do not hesitate to reach out to the subcommittee should you require additional data models or points of information not included within the appendices or available on the shared working folder.

Sincerely,

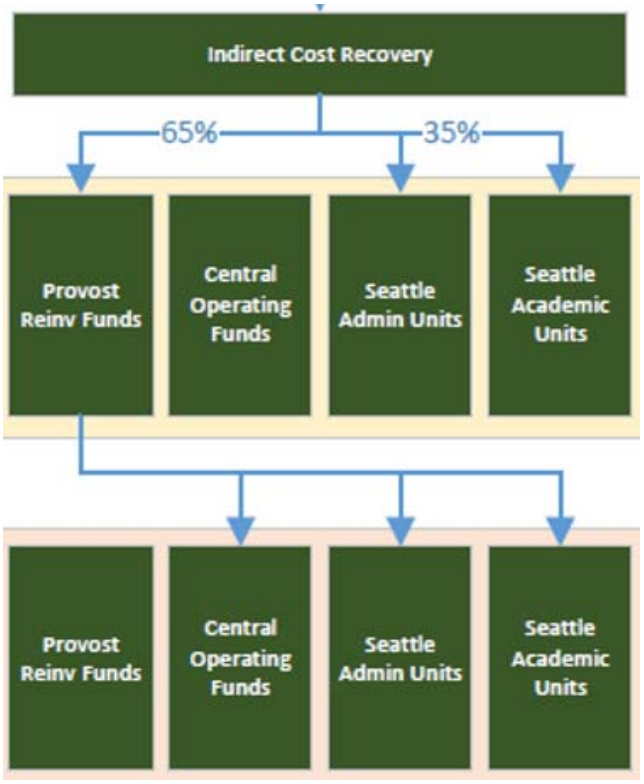
Christian Adams, Associate Director, Financial Analysis & Budget Strategy, Office of Planning & Budgeting
Jeffery Babauta, Director of Finance & Reporting, Office of Research
Jason Campbell, Assistant Vice Provost, Planning & Budgeting, Office of Planning & Budgeting, **Co-chair**
Ted Hanson, Administrator, Civil & Environmental Engineering, College of Engineering
Carrie Harwood, Associate Vice Provost, Research, Office of Research, Gerald and Lyn Grinstein Professor of Microbiology, School of Medicine, **Co-chair**
D. Michael Heinekey, Professor and Chair, Department of Chemistry, College of Arts & Sciences
Mary Fran Joseph, Associate Dean, Finance & Administration, School of Medicine
Ben Marwick, Associate Professor, Anthropology, College of Arts & Sciences, Chair, Faculty Council on Research
Bruce Nelson, Professor, Earth & Space Sciences, College of the Environment

Appendix 1
Designated Operating Fund (DOF) Source Pooling Methodology


Miscellaneous Fees
Indirect Cost Recovery (ICR)
Institutional Overhead
Administrative Overhead
Invested Funds, Net of Distributions to Campus Depositors
Summer Quarter
100%
Seattle Designated Operating Fund (DOF)
Permanent Pool
100%
Miscellaneous Fees
Indirect Cost Recovery
Administrative Overhead
Institutional Overhead
Summer Quarter
Invested Funds, Net of Distributions to Campus Depositors
30%
70%
65%
35%
100%
100%
100%
100%
Direct Allocations
Indirect Allocations
Provost Reinv Funds
Central Operating Funds
Seattle Admin Units
Seattle Academic Units

Current ICR Distribution under ABB

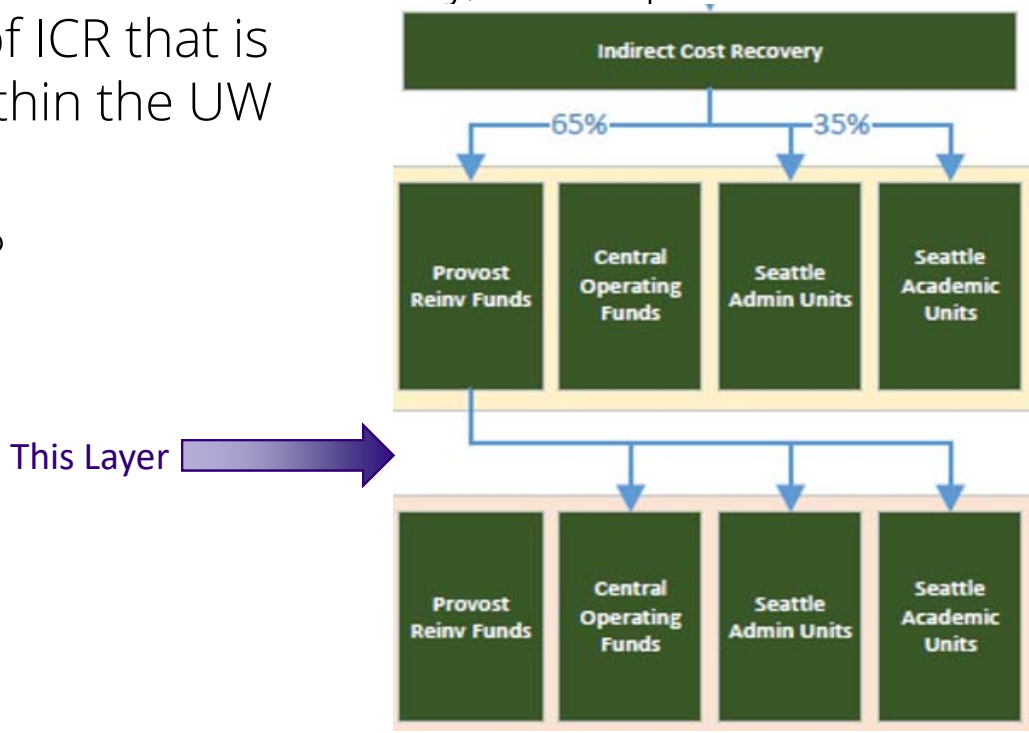
- Calculate total ICR generated between April 1 – March 31
- Distribute 35% to Dean/Vice President/Vice Provost
- Distribute remaining 65% to Provost
- Provost distributes his/her 65% share back out to campus units & central operating funds



So Where's the Rest? (the 65%)

- Limitations in the existing systems and the historical design of the financial chart of accounts, layered over time mean….Essentially, it is impossible to definitively say where each dollar of ICR that is not directly distributed is sitting within the UW

- Why and how do we solve for that?



“Untangling the Source”

An Exercise in Mapping Revenue to DOF Budget Authority

- Essentially, utilize costing principles and apply similar methodologies to the revenue source side
- Numerous possible outcomes – this approach was one way to rationalize in a 5 step process

Step	Type	Name	Methodology
1	Direct	Directly Allocated Under ABB	Map relevant DOF revenue source pools to permanent budget authority directly allocated to campus units under ABB
2	Indirect	Indirectly Allocated - Supporting Function	Map relevant DOF revenue source pools to permanent budget authority directly related to supporting the revenue source function. Institutional and Administrative Overhead allocated to directly benefiting units pro-rata based on permanent DOF budget authority base
3	Indirect	Indirectly Allocated -Distribution of “Unrestricted” Funds	Map DOF revenue sources pools with a greater relative degree of restriction freedom to campus units that are furthest from the direct generation of revenue sources within the DOF pool.
4	Indirect	Indirectly Allocated -ICR to Institutional Infrastructure and Research & Innovation Categories	Map remaining ICR revenue source pool to units with functions directly or tangentially related to supporting the generation of ICR and where permanent DOF budget authority has not already been fully allocated within steps 1 -3, above
5	Indirect	Indirectly Allocated - Pro-Rata Remaining Funds	Map remaining DOF revenue source pools pro-rata to campus units. This allocation step is the furthest from a direct attribution of revenue source to a generating campus unit.

Source Pool Allocation Output - FY19 Perm DOF

		Miscellaneous Fees	Indirect Cost Recovery	Institutional Overhead	Administrative Overhead	Invested Funds, Net	ILP Risk Fund	Summer Quarter	Total Permanent DOF
	Permanent DOF Budget (FY19)	**8,601,000**	**267,224,000**	**26,130,000**	**9,193,690**	**9,000,000**	**2,100,000**	**58,230,737**	**380,479,427**
	Seattle Academic Units	**291,877**	**104,544,728**	**-**	**-**	**-**	**-**	**16,069,790**	**120,906,395**
252	College of Built Environments	-	149,994	-	-	-	-	25,541	175,535
254	College of Arts & Sciences	-	7,212,589	-	-	-	-	(165,461)	7,047,128
256	Foster School of Business	-	53,828	-	-	-	-	5,440	59,268
258	College of Education	-	1,603,484	-	-	-	-	320,420	1,923,904
260	College of Engineering	-	10,343,905	-	-	-	-	759,376	11,103,281
263	College of the Environment	-	7,986,383	-	-	-	-	2,041,115	10,027,498
267	The Information School	-	587,760	-	-	-	-	199,191	786,951
268	School of Law	82,717	164,366	-	-	-	-	(21,829)	225,254
270	Evans School of Public Policy & Governance	-	273,759	-	-	-	-	8,028	281,787
272	School of Social Work	-	1,094,671	-	-	-	-	322,696	1,417,367
302	School of Dentistry	147,127	595,076	-	-	-	-	295,698	1,037,901
304	School of Medicine (Includes 303)	49,239	63,852,319	-	-	-	-	11,782,080	75,683,638
306	School of Nursing	-	1,043,549	-	-	-	-	87,388	1,130,937
308	School of Pharmacy	12,794	2,474,781	-	-	-	-	10,547	2,498,122
310	School of Public Health	-	7,108,263	-	-	-	-	399,561	7,507,824
	Seattle Administrative Units	**8,309,123**	**120,133,909**	**26,130,000**	**9,193,690**	**9,000,000**	**-**	**3,280,178**	**176,046,900**
	Institutional Infrastructure	**5,332,342**	**67,088,851**	**26,130,000**	**9,193,690**	**9,000,000**	**-**	**-**	**116,744,883**
200	President*	-	5,973,411	2,310,964	813,100	-	-	-	9,097,475
201	Attorney General	-	170,928	66,128	23,267	-	-	-	260,322
202	Provost	2,593,444	2,858,428	2,109,194	742,108	-	-	-	8,303,174
205	UW Facilities*	-	28,669,010	11,091,328	3,902,420	-	-	-	43,662,758
208	UW Finance*	364,892	13,398,155	5,324,581	1,873,423	-	-	-	20,961,052
209	UW HR*	-	3,450,422	1,334,883	469,671	-	-	-	5,254,976
210	UW IT*	-	9,045,900	3,499,634	1,231,326	-	-	-	13,776,860
214	External Affairs	-	1,016,575	393,288	138,376	-	-	-	1,548,239
215	Advancement	2,374,006	2,506,021	-	-	9,000,000	-	-	13,880,027
312	Medical Centers - State Appropriation	-	-	-	-	-	-	-	-
	Instructional & Student Support	**2,934,305**	**3,810,701**	**-**	**-**	**-**	**-**	**3,280,178**	**10,025,184**
206	Office of Minority Affairs & Diversity	-	441,349	-	-	-	-	274,296	715,645
212	Student Life	751,055	1,836,473	-	-	-	-	1,670,471	4,257,999
255	Continuum College	-	603,177	-	-	-	-	547,036	1,150,213
266	Graduate School	2,183,250	543,230	-	-	-	-	461,923	3,188,403
282	Undergraduate Academic Affairs	-	386,471	-	-	-	-	326,453	712,924
	Research & Innovation	**42,476**	**49,234,357**	**-**	**-**	**-**	**-**	**-**	**49,276,833**
207	Libraries	42,476	10,377,815	-	-	-	-	-	10,420,291
216	Research	-	24,842,372	-	-	-	-	-	24,842,372
217	CoMotion	-	1,699,742	-	-	-	-	-	1,699,742
301	Health Sciences Administration	-	12,314,428	-	-	-	-	-	12,314,428
403	**Central Operating Funds**	**-**	**10,379,940**	**-**	**-**	**-**	**2,100,000**	**8,723,744**	**21,203,684**
	Debt Service & Transfers	**-**	**32,165,424**	**-**	**-**	**-**	**-**	**30,157,024**	**62,322,448**
Total		**8,601,000**	**267,224,000**	**26,130,000**	**9,193,690**	**9,000,000**	**2,100,000**	**58,230,737**	**380,479,427**

* unit was consolidated in "Finance & Administration" during FY19. The effect of a retrospective disaggregation into component units is displayed here.

Detailed Allocation of Revenue Source Pools to Permanent DOF Budget Authority
By Unit

		Miscellaneous Fees	Indirect Cost Recovery	Institutional Overhead	Administrative Overhead	Invested Funds, Net	ILP Risk Fund	Summer Quarter	Total Permanent DOF
	Total Amount to Allocate	**8,601,000**	**267,224,000**	**26,130,000**	**9,193,690**	**9,000,000**	**2,100,000**	**58,230,737**	**380,479,427**
	Step 1: Assign Revenue Pools as Directly Allocated Under ABB to Units								
	Map relevant DOF revenue source pools to permanent budget authority directly allocated to campus units under ABB								
	Seattle Academic Units	**(291,877)**	**(86,911,539)**	**-**	**-**	**-**	**-**	**-**	**(87,203,416)**
252	College of Built Environments		(121,968)						(121,968)
254	College of Arts & Sciences		(7,394,147)						(7,394,147)
256	Foster School of Business		(47,859)						(47,859)
258	College of Education		(1,251,890)						(1,251,890)
260	College of Engineering		(9,510,651)						(9,510,651)
263	College of the Environment		(5,746,693)						(5,746,693)
267	The Information School		(369,190)						(369,190)
268	School of Law	(82,717)	(188,319)						(271,036)
270	Evans School of Public Policy & Governance		(264,951)						(264,951)
272	School of Social Work		(740,580)						(740,580)
302	School of Dentistry	(147,127)	(270,611)						(417,738)
304	School of Medicine (Includes 303)	(49,239)	(50,923,983)						(50,973,222)
306	School of Nursing		(947,660)						(947,660)
308	School of Pharmacy	(12,794)	(2,463,207)						(2,476,001)
310	School of Public Health		(6,669,830)						(6,669,830)
	Seattle Administrative Units	**(5,935,117)**	**(5,126,386)**	**-**	**-**	**-**	**-**	**-**	**(11,061,503)**
	Institutional Infrastructure	**(2,958,336)**	**(25,106)**	**-**	**-**	**-**	**-**	**-**	**(2,983,442)**
200	President								-
201	Attorney General								-
202	Provost	(2,593,444)	(2,751)						(2,596,195)
205	UW Facilities*								-
208	UW Finance*	(364,892)							(364,892)
209	UW HR*								-
210	UW IT*		(22,355)						(22,355)
214	External Affairs								-
215	Advancement								-
312	Medical Centers - State Appropriation								-
	Instructional & Student Support	**(2,934,305)**	**(211,400)**	**-**	**-**	**-**	**-**	**-**	**(3,145,705)**
206	Office of Minority Affairs & Diversity		(140,368)						(140,368)
212	Student Life	(751,055)	(3,486)						(754,541)
255	Continuum College		(2,920)						(2,920)
266	Graduate School	(2,183,250)	(36,368)						(2,219,618)
282	Undergraduate Academic Affairs		(28,258)						(28,258)
	Research & Innovation	**(42,476)**	**(4,889,880)**	**-**	**-**	**-**	**-**	**-**	**(4,932,356)**
207	Libraries	(42,476)	(143,037)						(185,513)
216	Research		(2,590,390)						(2,590,390)
217	CoMotion		(1,755)						(1,755)
301	Health Sciences Administration		(2,154,698)						(2,154,698)
403	**Central Operating Funds**		**(807,480)**				**(2,100,000)**		**(2,907,480)**
	Debt Service & Transfers	**-**	**(32,165,424)**	**-**	**-**	**-**	**-**	**(30,157,024)**	**(62,322,448)**
Total		**(6,226,994)**	**(125,010,829)**	**-**	**-**	**-**	**(2,100,000)**	**(30,157,024)**	**(163,494,847)**
	Sources	8,601,000	267,224,000	26,130,000	9,193,690	9,000,000	2,100,000	58,230,737	380,479,427
	Direct Allocations	(6,226,994)	(125,010,829)	-	-	-	(2,100,000)	(30,157,024)	(163,494,847)
	Total Not Allocated	**2,374,006**	**142,213,171**	**26,130,000**	**9,193,690**	**9,000,000**	**-**	**28,073,713**	**216,984,580**
	Proportion of Total	1.1%	65.5%	12.0%	4.2%	4.1%	0.0%	12.9%	100.0%

* unit was, or had a component unit that was, consolidated in "Finance & Administration" during FY19. The effect of a retrospective disaggregation into component units is displayed here.

Detailed Allocation of Revenue Source Pools to Permanent DOF Budget Authority
By Unit

		Miscellaneous Fees	Indirect Cost Recovery	Institutional Overhead	Administrative Overhead	Invested Funds, Net	ILP Risk Fund	Summer Quarter	Total Permanent DOF
Step 2: Allocate Revenue Pools to Units that Perform a Function that Directly or Indirectly Supports the Revenue Generation									
Map relevant DOF revenue source pools to permanent budget authority directly related to supporting the revenue source function. Institutional and Administrative Overhead allocated to directly benefiting units pro-rata based on permanent DOF budget authority base									
	Seattle Academic Units	-	-	-	-	-	-	-	-
252	College of Built Environments								-
254	College of Arts & Sciences								-
256	Foster School of Business								-
258	College of Education								-
260	College of Engineering								-
263	College of the Environment								-
267	The Information School								-
268	School of Law								-
270	Evans School of Public Policy & Governance								-
272	School of Social Work								-
302	School of Dentistry								-
304	School of Medicine (Includes 303)								-
306	School of Nursing								-
308	School of Pharmacy								-
310	School of Public Health								-
	Seattle Administrative Units	-	**(59,965,409)**	**(26,130,000)**	**(9,193,690)**	-	-	-	**(95,289,099)**
	Institutional Infrastructure	-	**(36,213,750)**	**(26,130,000)**	**(9,193,690)**	-	-	-	**(71,537,440)**
200	President*			(2,310,964)	(813,100)				(3,124,064)
201	Attorney General			(66,128)	(23,267)				(89,394)
202	Provost			(2,109,194)	(742,108)				(2,851,302)
205	UW Facilities*		(28,669,010)	(11,091,328)	(3,902,420)				(43,662,758)
208	UW Finance*		(7,544,740)	(5,324,581)	(1,873,423)				(14,742,745)
209	UW HR*			(1,334,883)	(469,671)				(1,804,554)
210	UW IT*			(3,499,634)	(1,231,326)				(4,730,960)
214	External Affairs			(393,288)	(138,376)				(531,664)
215	Advancement								-
312	Medical Centers - State Appropriation								-
	Instructional & Student Support	-	-	-	-	-	-	-	-
206	Office of Minority Affairs & Diversity								-
212	Student Life								-
255	Continuum College								-
266	Graduate School								-
282	Undergraduate Academic Affairs								-
	Research & Innovation	-	**(23,751,659)**	-	-	-	-	-	**(23,751,659)**
207	Libraries			-	-				-
216	Research		(22,251,982)	-	-				(22,251,982)
217	CoMotion			-	-				-
301	Health Sciences Administration		(1,499,677)	-	-				(1,499,677)
403	**Central Operating Funds**								-
	Debt Service & Transfers	-	-	-	-	-	-	-	-
Total		-	**(59,965,409)**	**(26,130,000)**	**(9,193,690)**	-	-	-	**(95,289,099)**
	Sources	8,601,000	267,224,000	26,130,000	9,193,690	9,000,000	2,100,000	58,230,737	380,479,427
	Direct Allocations	(6,226,994)	(125,010,829)	-	-	-	(2,100,000)	(30,157,024)	(163,494,847)
	Indirect Allocation - Supporting Function	-	(59,965,409)	(26,130,000)	(9,193,690)	-	-	-	(95,289,099)
	Total Not Allocated	**2,374,006**	**82,247,762**	-	-	**9,000,000**	-	**28,073,713**	**121,695,481**
	Proportion of Total	2.0%	67.6%	0.0%	0.0%	7.4%	0.0%	23.1%	100.0%

* unit was, or had a component unit that was, consolidated in "Finance & Administration" during FY19. The effect of a retrospective disaggregation into component units is displayed here.

Detailed Allocation of Revenue Source Pools to Permanent DOF Budget Authority
By Unit

		Miscellaneous Fees	Indirect Cost Recovery	Institutional Overhead	Administrative Overhead	Invested Funds, Net	ILP Risk Fund	Summer Quarter	Total Permanent DOF
Step 3: Allocate Revenue Pools without Restriction (implied by policy or accounting principle) to Advancement									
Map DOF revenue sources pools with a greater relative degree of restriction freedom to campus units that are furthest from the direct generation of revenue sources within the DOF pool (Advancement).									
	Seattle Academic Units	-	-	-	-	-	-	-	-
252	College of Built Environments								-
254	College of Arts & Sciences								-
256	Foster School of Business								-
258	College of Education								-
260	College of Engineering								-
263	College of the Environment								-
267	The Information School								-
268	School of Law								-
270	Evans School of Public Policy & Governance								-
272	School of Social Work								-
302	School of Dentistry								-
304	School of Medicine (Includes 303)								-
306	School of Nursing								-
308	School of Pharmacy								-
310	School of Public Health								-
	Seattle Administrative Units	**(2,374,006)**	-	-	-	**(9,000,000)**	-	-	**(11,374,006)**
	Institutional Infrastructure	**(2,374,006)**	-	-	-	**(9,000,000)**	-	-	**(11,374,006)**
200	President*								-
201	Attorney General								-
202	Provost								-
205	UW Facilities*								-
208	UW Finance*								-
209	UW HR*								-
210	UW IT*								-
214	External Affairs								-
215	Advancement	(2,374,006)				(9,000,000)			(11,374,006)
312	Medical Centers - State Appropriation			-	-				-
	Instructional & Student Support	-	-	-	-	-	-	-	-
206	Office of Minority Affairs & Diversity			-	-				-
212	Student Life			-	-				-
255	Continuum College			-	-				-
266	Graduate School			-	-				-
282	Undergraduate Academic Affairs			-	-				-
	Research & Innovation	-	-	-	-	-	-	-	-
207	Libraries			-	-				-
216	Research			-	-				-
217	CoMotion			-	-				-
301	Health Sciences Administration			-	-				-
403	**Central Operating Funds**								-
	Debt Service & Transfers	-	-	-	-	-	-	-	-
Total		**(2,374,006)**	-	-	-	**(9,000,000)**	-	-	**(11,374,006)**

	Sources	8,601,000	267,224,000	26,130,000	9,193,690	9,000,000	2,100,000	58,230,737	380,479,427
	Direct Allocations	(6,226,994)	(125,010,829)	-	-	-	(2,100,000)	(30,157,024)	(163,494,847)
	Indirect Allocation - Supporting Function	-	(59,965,409)	(26,130,000)	(9,193,690)	-	-	-	(95,289,099)
	Indirect Allocation - Non-Exclusionary Funds	(2,374,006)	-	-	-	(9,000,000)	-	-	(11,374,006)
	Total Not Allocated	**-**	**82,247,762**	**-**	**-**	**-**	**-**	**28,073,713**	**110,321,475**
	Proportion of Total	0.0%	74.6%	0.0%	0.0%	0.0%	0.0%	25.4%	100.0%

* unit was, or had a component unit that was, consolidated in "Finance & Administration" during FY19. The effect of a retrospective disaggregation into component units is displayed here.

Detailed Allocation of Revenue Source Pools to Permanent DOF Budget Authority
By Unit

		Miscellaneous Fees	Indirect Cost Recovery	Institutional Overhead	Administrative Overhead	Invested Funds, Net	ILP Risk Fund	Summer Quarter	Total Permanent DOF
Step 4: Allocate Remaining ICR Revenue to Institutional Infrastructure and Research & Innovation Categories (Secondary Supporting Function)									
Map remaining ICR revenue source pool to units with functions directly or tangentially related to supporting the generation of ICR and where permanent DOF budget authority has not already been fully allocated within steps 1 -3, above									
	Seattle Academic Units	-	-	-	-	-	-	-	-
252	College of Built Environments								-
254	College of Arts & Sciences								-
256	Foster School of Business								-
258	College of Education								-
260	College of Engineering								-
263	College of the Environment								-
267	The Information School								-
268	School of Law								-
270	Evans School of Public Policy & Governance								-
272	School of Social Work								-
302	School of Dentistry								-
304	School of Medicine (Includes 303)								-
306	School of Nursing								-
308	School of Pharmacy								-
310	School of Public Health								-
	Seattle Administrative Units	-	**(51,442,813)**	-	-	-	-	-	**(51,442,813)**
	Institutional Infrastructure	-	**(30,849,995)**	-	-	-	-	-	**(30,849,995)**
200	President*		(5,973,411)						(5,973,411)
201	Attorney General		(170,928)						(170,928)
202	Provost		(2,855,677)						(2,855,677)
205	UW Facilities*		(0)						(0)
208	UW Finance*		(5,853,415)						(5,853,415)
209	UW HR*		(3,450,422)						(3,450,422)
210	UW IT*		(9,023,545)						(9,023,545)
214	External Affairs		(1,016,575)						(1,016,575)
215	Advancement		(2,506,021)						(2,506,021)
312	Medical Centers - State Appropriation								-
	Instructional & Student Support	-	-	-	-	-	-	-	-
206	Office of Minority Affairs & Diversity								-
212	Student Life								-
255	Continuum College								-
266	Graduate School								-
282	Undergraduate Academic Affairs								-
	Research & Innovation	-	**(20,592,818)**	-	-	-	-	-	**(20,592,818)**
207	Libraries		(10,234,778)						(10,234,778)
216	Research		-						-
217	CoMotion		(1,697,987)						(1,697,987)
301	Health Sciences Administration		(8,660,053)						(8,660,053)
403	**Central Operating Funds**								-
	Debt Service & Transfers	-	-	-	-	-	-	-	-
Total		-	**(51,442,813)**	-	-	-	-	-	**(51,442,813)**

	Sources	8,601,000	267,224,000	26,130,000	9,193,690	9,000,000	2,100,000	58,230,737	380,479,427
	Direct Allocations	(6,226,994)	(125,010,829)	-	-	-	(2,100,000)	(30,157,024)	(163,494,847)
	Indirect Allocation - Supporting Function	-	(59,965,409)	(26,130,000)	(9,193,690)	-	-	-	(95,289,099)
	Indirect Allocation - Non-Exclusionary Funds	(2,374,006)	-	-	-	(9,000,000)	-	-	(11,374,006)
	Indirect Allocation - ICR to II and R&I	-	(51,442,813)	-	-	-	-	-	(51,442,813)
	Total Not Allocated	-	30,804,949	-	-	-	-	28,073,713	58,878,662
	Proportion of Total	0.0%	52.3%	0.0%	0.0%	0.0%	0.0%	47.7%	100.0%

* unit was, or had a component unit that was, consolidated in "Finance & Administration" during FY19. The effect of a retrospective disaggregation into component units is displayed here.

Detailed Allocation of Revenue Source Pools to Permanent DOF Budget Authority
By Unit

		Miscellaneous Fees	Indirect Cost Recovery	Institutional Overhead	Administrative Overhead	Invested Funds, Net	ILP Risk Fund	Summer Quarter	Total Permanent DOF
Step 5: Allocate Remaining Revenue Pools Pro-Rata									
Map remaining DOF revenue source pools pro-rata to campus units. This allocation step is the furthest from a direct attribution of revenue source to a generating campus unit.									
	Seattle Academic Units	**-**	**(17,633,189)**	**-**	**-**	**-**	**-**	**(16,069,790)**	**(33,702,979)**
252	College of Built Environments	-	(28,026)	-	-	-	-	(25,541)	(53,567)
254	College of Arts & Sciences	-	181,558	-	-	-	-	165,461	347,019
256	Foster School of Business	-	(5,969)	-	-	-	-	(5,440)	(11,409)
258	College of Education	-	(351,594)	-	-	-	-	(320,420)	(672,014)
260	College of Engineering	-	(833,254)	-	-	-	-	(759,376)	(1,592,630)
263	College of the Environment	-	(2,239,690)	-	-	-	-	(2,041,115)	(4,280,805)
267	The Information School	-	(218,570)	-	-	-	-	(199,191)	(417,761)
268	School of Law	-	23,953	-	-	-	-	21,829	45,782
270	Evans School of Public Policy & Governance	-	(8,808)	-	-	-	-	(8,028)	(16,836)
272	School of Social Work	-	(354,091)	-	-	-	-	(322,696)	(676,787)
302	School of Dentistry	-	(324,465)	-	-	-	-	(295,698)	(620,163)
304	School of Medicine (Includes 303)	-	(12,928,336)	-	-	-	-	(11,782,080)	(24,710,416)
306	School of Nursing	-	(95,889)	-	-	-	-	(87,388)	(183,277)
308	School of Pharmacy	-	(11,574)	-	-	-	-	(10,547)	(22,121)
310	School of Public Health	-	(438,433)	-	-	-	-	(399,561)	(837,994)
	Seattle Administrative Units	**-**	**(3,599,301)**	**-**	**-**	**-**	**-**	**(3,280,178)**	**(6,879,479)**
	Institutional Infrastructure	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
200	President*	-	-	-	-	-	-	-	-
201	Attorney General								-
202	Provost								-
205	UW Facilities*								-
208	UW Finance*								-
209	UW HR*								-
210	UW IT*								-
214	External Affairs								-
215	Advancement								-
312	Medical Centers - State Appropriation								-
	Instructional & Student Support	**-**	**(3,599,301)**	**-**	**-**	**-**	**-**	**(3,280,178)**	**(6,879,479)**
206	Office of Minority Affairs & Diversity		(300,981)					(274,296)	(575,277)
212	Student Life		(1,832,987)					(1,670,471)	(3,503,458)
255	Continuum College		(600,257)					(547,036)	(1,147,293)
266	Graduate School		(506,862)					(461,923)	(968,785)
282	Undergraduate Academic Affairs		(358,213)					(326,453)	(684,666)
	Research & Innovation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
207	Libraries								-
216	Research								-
217	CoMotion								-
301	Health Sciences Administration								-
403	**Central Operating Funds**	-	(9,572,460)	-	-	-	-	(8,723,744)	**(18,296,204)**
	Debt Service & Transfers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total		**-**	**(30,804,949)**	**-**	**-**	**-**	**-**	**(28,073,713)**	**(58,878,662)**

	Sources	8,601,000	267,224,000	26,130,000	9,193,690	9,000,000	2,100,000	58,230,737	380,479,427
	Direct Allocations	(6,226,994)	(125,010,829)	-	-	-	(2,100,000)	(30,157,024)	(163,494,847)
	Indirect Allocation - Supporting Function	-	(59,965,409)	(26,130,000)	(9,193,690)	-	-	-	(95,289,099)
	Indirect Allocation - Non-Exclusionary Funds	(2,374,006)	-	-	-	(9,000,000)	-	-	(11,374,006)
	Indirect Allocation - ICR to II and R&I	-	(51,442,813)	-	-	-	-	-	(51,442,813)
	Indirect Allocation - Pro-Rata Remaining	-	(30,804,949)	-	-	-	-	(28,073,713)	(58,878,662)
	Total Not Allocated	-	-	-	-	-	-	-	-
	Proportion of Total	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

* unit was, or had a component unit that was, consolidated in "Finance & Administration" during FY19. The effect of a retrospective disaggregation into component units is displayed here.

Appendix 2
Interactive Data Model Output – ABB FY2020 Values

University of Washington

Weighted Average Applicable vs Actual IDC Rate, by Unit

2013	2014	2015
2016	2017	2018
2019	2020	2021

Data Type

- ABB Year
- UW Fiscal Year

UW Weighted Average Applicable IDC	UW Weighted Average Actual IDC	UW Variance STD to Actual
43.81	31.96	(11.85)

Org Code	Org Code Name	Total Direct Cost	Weighted Average Applicable IDC Rate*	Weighted Average Actual IDC Rate*	Variance - Weighted Average IDC Rate Actual to Applicable
304	SCHOOL OF MEDICINE	504,141,226	46.9	35.3	(11.7)
310	SCH OF PUBLIC HEALTH	108,672,254	39.9	28.7	(11.2)
260	COLLEGE OF ENGINEERING	91,161,627	52.9	43.6	(9.4)
263	COLLEGE OF ENVIRONMENT	82,847,069	44.8	27.8	(17.1)
254	COLL ARTS & SCIENCES	73,173,044	50.2	38.5	(11.6)
216	VICE PROVOST-RESEARCH	57,406,170	19.0	14.7	(4.3)
301	HEALTH SCIENCES ADMIN	27,526,588	36.3	22.5	(13.8)
258	COLLEGE OF EDUCATION	21,710,711	35.1	18.3	(16.8)
308	SCHOOL OF PHARMACY	15,039,156	55.0	46.8	(8.2)
206	VP MINORITY AFFAIRS	11,266,375	33.3	10.2	(23.1)
266	GRADUATE SCHOOL	10,711,720	6.2	1.2	(5.0)
272	SCHOOL OF SOCIAL WORK	10,285,659	36.8	25.3	(11.5)
306	SCHOOL OF NURSING	10,187,711	44.3	29.8	(14.5)
500	UW Bothell	5,915,730	38.1	26.3	(11.8)
202	PROVOST	5,870,407	0.6	0.1	(0.5)
207	DEAN OF LIBRARIES	4,632,714	48.9	11.3	(37.5)
270	EVANS SCH PUBPOL & GOV	3,808,914	42.9	16.7	(26.2)
302	SCHOOL OF DENTISTRY	3,689,329	37.9	21.8	(16.1)
268	SCHOOL OF LAW	3,286,742	39.5	11.4	(28.1)
600	UW Tacoma	3,060,817	38.8	28.1	(10.6)
267	THE INFORMATION SCHOOL	2,301,645	51.9	43.7	(8.3)
252	BUILT ENVIRONMENTS	1,575,925	44.8	19.9	(24.9)
282	UNDERGRAD ACAD AFFAIRS	854,304	47.4	14.8	(32.6)
256	FOSTER BUSINESS SCHOOL	578,790	44.9	16.6	(28.3)
217	COMOTION	196,067	31.2	10.0	(21.2)
212	VP STUDENT LIFE	64,345	21.1	10.0	(11.1)
205	UW FINANCE & ADMIN	12,145	55.5	54.5	(1.0)

* Weighted average calculated by weighting the applicable and actual IDC rates by grant by the total direct cost of each grant relative to the total direct cost, by campus unit

University of Washington

Effective ICR Rate and Distribution Amount, by Unit Vs a Hypothetical Change in ABB ICR Distribution Rate

2013	2014
2015	2016
2017	2018
2019	2020
2021	

Data Type

- ABB Year
- UW Fiscal Year

ICR Distribution Variables		
	To Unit	To Central
Current ICR Share	35%	65%
Hypothetical ICR Share	34%	66%

Grand Totals - Current Distribution

Total to All Units	Effective Recovery to Unit (% of MTDC)	Total to Central	Effective Recovery to Central (% of MTDC)
92,780,229	12.0%	172,306,140	22.4%

Total Differential value of a -1.00% Change in Unit Distrubition

Differential Amount to All Units	Differential Effective Recovery - Unit (% MTDC)	Differential Value to Central	Differential Effective Recovery - Central (% MTDC)
(2,650,864)	-0.3%	2,650,864	0.3%

Org_College	Org College Name	Total Direct Costs (TDC)	Modified Total Direct Costs (MTDC)	Indirect Costs (IDC)	Effective IDC as a % of TDC	Effective IDC as a % of MTDC	Amount to Unit	Effective Recovery to Unit (% of MTDC)	Amount to Central	Effective Recovery to Central (% of MTDC)	Differential Amount to Unit	Differential Recovery to Unit (% of MTDC)	Differential Amount to Central	Differential Effective Recovery to Central (% of MTDC)	% of Total Change Impact
304	SCHOOL OF MEDICINE	504,141,226	385,843,677	144,740,430	28.7%	37.5%	50,659,150	13.1%	94,081,279	18.7%	(1,447,404)	-0.4%	1,447,404	0.4%	54.6%
260	COLLEGE OF ENGINEERING	91,161,627	66,513,988	30,000,647	32.9%	45.1%	10,500,226	15.8%	19,500,420	21.4%	(300,006)	-0.5%	300,006	0.5%	11.3%
254	COLL ARTS & SCIENCES	73,173,044	53,728,509	22,229,043	30.4%	41.4%	7,780,165	14.5%	14,448,878	19.7%	(222,290)	-0.4%	222,290	0.4%	8.4%
310	SCH OF PUBLIC HEALTH	108,672,254	69,189,206	20,440,590	18.8%	29.5%	7,154,207	10.3%	13,286,384	12.2%	(204,406)	-0.3%	204,406	0.3%	7.7%
263	COLLEGE OF ENVIRONMENT	82,847,069	58,848,371	16,410,151	19.8%	27.9%	5,743,553	9.8%	10,666,598	12.9%	(164,102)	-0.3%	164,102	0.3%	6.2%
216	VICE PROVOST-RESEARCH	57,406,170	40,441,245	7,128,000	12.4%	17.6%	2,494,800	6.2%	4,633,200	8.1%	(71,280)	-0.2%	71,280	0.2%	2.7%
301	HEALTH SCIENCES ADMIN	27,526,588	24,279,118	5,956,818	21.6%	24.5%	2,084,886	8.6%	3,871,932	14.1%	(59,568)	-0.2%	59,568	0.2%	2.2%
308	SCHOOL OF PHARMACY	15,039,156	12,052,437	5,852,990	38.9%	48.6%	2,048,547	17.0%	3,804,444	25.3%	(58,530)	-0.5%	58,530	0.5%	2.2%
258	COLLEGE OF EDUCATION	21,710,711	18,531,352	3,523,212	16.2%	19.0%	1,233,124	6.7%	2,290,088	10.5%	(35,232)	-0.2%	35,232	0.2%	1.3%
306	SCHOOL OF NURSING	10,187,711	7,485,455	2,471,113	24.3%	33.0%	864,889	11.6%	1,606,223	15.8%	(24,711)	-0.3%	24,711	0.3%	0.9%
272	SCHOOL OF SOCIAL WORK	10,285,659	8,455,074	2,201,196	21.4%	26.0%	770,419	9.1%	1,430,778	13.9%	(22,012)	-0.3%	22,012	0.3%	0.8%
267	THE INFORMATION SCHOOL	2,301,645	1,899,748	784,719	34.1%	41.3%	274,652	14.5%	510,068	22.2%	(7,847)	-0.4%	7,847	0.4%	0.3%
302	SCHOOL OF DENTISTRY	3,689,329	2,053,839	728,527	19.7%	35.5%	254,985	12.4%	473,543	12.8%	(7,285)	-0.4%	7,285	0.4%	0.3%
270	EVANS SCH PUBPOL & GOV	3,808,914	3,404,317	612,538	16.1%	18.0%	214,388	6.3%	398,150	10.5%	(6,125)	-0.2%	6,125	0.2%	0.2%
206	VP MINORITY AFFAIRS	11,266,375	5,351,480	487,859	4.3%	9.1%	170,751	3.2%	317,108	2.8%	(4,879)	-0.1%	4,879	0.1%	0.2%
207	DEAN OF LIBRARIES	4,632,714	4,334,714	467,987	10.1%	10.8%	163,795	3.8%	304,191	6.6%	(4,680)	-0.1%	4,680	0.1%	0.2%
268	SCHOOL OF LAW	3,286,742	2,701,951	369,417	11.2%	13.7%	129,296	4.8%	240,121	7.3%	(3,694)	-0.1%	3,694	0.1%	0.1%
252	BUILT ENVIRONMENTS	1,575,925	1,445,274	312,844	19.9%	21.6%	109,495	7.6%	203,349	12.9%	(3,128)	-0.2%	3,128	0.2%	0.1%
282	UNDERGRAD ACAD AFFAIRS	854,304	820,386	126,238	14.8%	15.4%	44,183	5.4%	82,054	9.6%	(1,262)	-0.2%	1,262	0.2%	0.0%
266	GRADUATE SCHOOL	10,711,720	1,863,462	106,100	1.0%	5.7%	37,135	2.0%	68,965	0.6%	(1,061)	-0.1%	1,061	0.1%	0.0%
256	FOSTER BUSINESS SCHOOL	578,790	550,883	95,849	16.6%	17.4%	33,547	6.1%	62,302	10.8%	(958)	-0.2%	958	0.2%	0.0%
217	COMOTION	196,067	195,342	19,596	10.0%	10.0%	6,859	3.5%	12,738	6.5%	(196)	-0.1%	196	0.1%	0.0%
202	PROVOST	5,870,407	86,637	7,456	0.1%	8.6%	2,610	3.0%	4,847	0.1%	(75)	-0.1%	75	0.1%	0.0%
205	UW FINANCE & ADMIN	12,145	12,145	6,619	54.5%	54.5%	2,317	19.1%	4,302	35.4%	(66)	-0.5%	66	0.5%	0.0%
212	VP STUDENT LIFE	64,345	64,345	6,428	10.0%	10.0%	2,250	3.5%	4,178	6.5%	(64)	-0.1%	64	0.1%	0.0%

University of Washington

Weighted Average Applicable vs Actual IDC Rate, by Location

2013	2014	2015
2016	2017	2018
2019	2020	2021

Data Type

ABB Year

UW Fiscal Year

UW Weighted Average Standard IDC	UW Weighted Average Actual IDC	UW Variance STD to Actual
43.8	32.0	(11.8)

Location	Total Direct Cost	Weighted Average Standard IDC Rate	Weighted Average Actual IDC Rate	Variance - Weighted Average IDC Rate Actual to Standard
ON CAMPUS	615,716,635	50.5	36.6	(13.8)
OFF CAMPUS-OTHER	277,778,748	25.9	16.2	(9.7)
LAKE UNION ON CAMPUS	63,766,774	74.4	64.4	(10.1)
SPECIAL LOCATION-APPLIED PHYSICS LAB	55,418,823	19.0	14.6	(4.4)
OFF CAMPUS-HARBORVIEW MEDICAL CENTER	18,558,055	53.8	46.8	(7.1)
SPECIAL LOCATION-PRIMATE CENTER CORE	15,150,361	38.1	25.1	(13.0)
SPECIAL LOCATION-PRIMATE CENTER "B"	7,667,712	83.0	78.9	(4.1)
OFF CAMPUS-VETERANS' HOSPITAL	5,399,245	25.1	7.9	(17.2)
OFF CAMPUS-BOTHELL/WOODINVILLE CAMPUS	314,045	38.6	13.5	(25.1)
COMPOSITE LOCATIONS	136,549	55.5	22.2	(33.3)
OFF CAMPUS-JOINT CENTER FOR GRAD STUDY	50,244	54.6	8.3	(46.4)
OFF CAMPUS-TACOMA CAMPUS	19,990	56.1	88.6	32.5

* Weighted average calculated by weighting the applicable and actual IDC rates by grant by the total direct cost of each grant relative to the total direct cost, by location

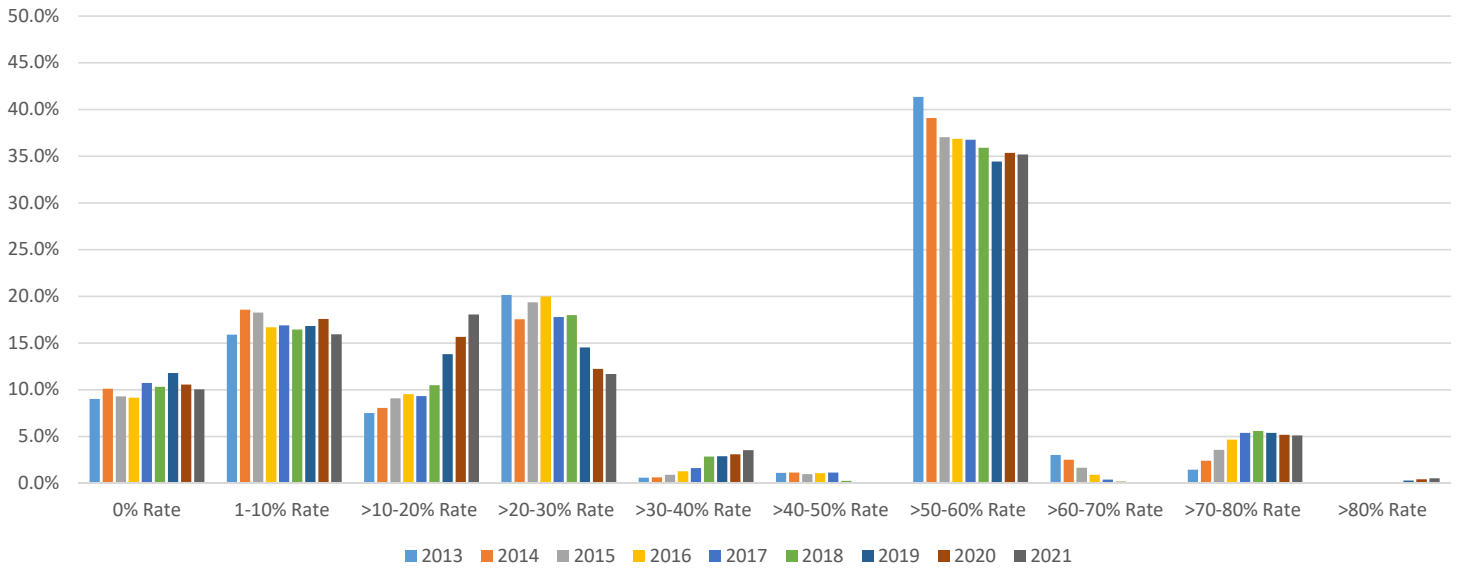
University of Washington

% Distribution of Total Direct Costs, by Actual IDC Rate Groupings, by Fiscal Year

Data Type

ABB Year | UW Fiscal Year

Row Labels	2013	2014	2015	2016	2017	2018	2019	2020	2021
0% Rate	9.0%	10.1%	9.3%	9.1%	10.7%	10.3%	11.8%	10.5%	10.0%
1-10% Rate	15.9%	18.6%	18.3%	16.7%	16.9%	16.4%	16.8%	17.6%	15.9%
>10-20% Rate	7.5%	8.1%	9.1%	9.5%	9.3%	10.5%	13.8%	15.6%	18.0%
>20-30% Rate	20.1%	17.5%	19.3%	20.0%	17.8%	18.0%	14.5%	12.2%	11.7%
>30-40% Rate	0.6%	0.6%	0.9%	1.3%	1.6%	2.9%	2.9%	3.1%	3.5%
>40-50% Rate	1.1%	1.1%	1.0%	1.0%	1.1%	0.2%	0.1%	0.0%	0.0%
>50-60% Rate	41.3%	39.1%	37.0%	36.8%	36.8%	35.9%	34.4%	35.3%	35.2%
>60-70% Rate	3.0%	2.5%	1.6%	0.9%	0.4%	0.2%	0.0%	0.0%	0.0%
>70-80% Rate	1.4%	2.4%	3.5%	4.7%	5.4%	5.6%	5.4%	5.2%	5.1%
>80% Rate	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.3%	0.4%	0.5%



University of Washington

Weighted Average Applicable vs Actual IDC Rate, by Actual IDC Rate Grouping

2013	2014
2015	2016
2017	2018
2019	2020
2021	

Data Type

- ABB Year
- UW Fiscal Year

UW Weighted Average Standard IDC	UW Weighted Average Actual IDC	UW Variance STD to Actual
43.8	32.0	(11.8)

IDC Rate Grouping	% of Direct Costs	Weighted Average Applicable IDC	Weighted Average Actual IDC	Variance - Standard Rate Greater(Less) Than Actual Rate
0% Rate	10.5%	31.4	0.0	(31.4)
1-10% Rate	17.6%	38.5	7.8	(30.7)
>10-20% Rate	15.6%	29.6	16.7	(12.9)
>50-60% Rate	35.3%	55.7	55.0	(0.7)
>70-80% Rate	5.2%	76.1	75.2	(0.9)
>20-30% Rate	12.2%	32.0	26.0	(5.9)
>40-50% Rate	0.0%	52.6	42.2	(10.4)
>30-40% Rate	3.1%	41.0	37.1	(3.9)
>60-70% Rate	0.0%	76.0	66.0	(10.0)
>80% Rate	0.4%	81.9	83.1	1.2

* Weighted average calculated by weighting the applicable and actual IDC rates by grant by the total direct cost of each grant relative to the total direct cost, by rate grouping

Global Data Footnotes

1) BGT stores fiscal year end budget number to org code assignments, while the ABB ICR year spans April - March (crossing fiscal years). This results in variances to published ABB reports when historical data is pulled at a time other than March month end. While generally the data is directionally correct, the movement of budget numbers between organization codes during the April 1 - June 30 timeframe of a given fiscal year can create a variance against the published ABB ICR distribution reports. The ABB ICR distribution reports are considered the final source document.

Appendix 3
Research Proposal, Award and Budget Count Metrics

Proposal Counts - by FY, Campus, and College

Notes
1) Exclues non-competing renewals (RPPRs), but includes Non-Award Agreements
2) Data from RAD Cube

Proposal Count		Fiscal Year				
Campus Reporting Name	**College Research Reporting Name**	**2015**	**2016**	**2017**	**2018**	**2019**
Seattle Campus	School of Medicine	2,652	2,753	2,695	2,838	3,156
Seattle Campus	College of Engineering	684	723	782	844	801
Seattle Campus	College of Arts and Sciences	564	561	636	615	576
Seattle Campus	College of the Environment	500	518	521	489	490
Seattle Campus	School of Public Health	367	364	346	340	405
Seattle Campus	Office of Research	222	230	218	218	238
Seattle Campus	School of Pharmacy	98	99	112	116	101
Seattle Campus	School of Social Work	94	99	79	72	66
Seattle Campus	School of Nursing	89	81	91	66	82
Seattle Campus	College of Education	80	87	80	71	75
Seattle Campus	College of Built Environments	27	40	40	74	49
Seattle Campus	School of Dentistry	44	45	44	41	42
Seattle Campus	The Information School	34	37	34	56	40
Seattle Campus	Health Sciences Administration	42	52	47	30	28
Seattle Campus	Graduate School	23	31	29	21	40
Seattle Campus	Evans School of Public Policy & Governance	34	14	15	22	21
Seattle Campus	School of Law	11	8	7	8	4
Seattle Campus	Dean of Libraries	6	5	4	8	6
Seattle Campus	Undergraduate Academic Affairs	3	5	2	6	6
Seattle Campus	Office of Minority Affairs & Diversity	6	9	7		
Seattle Campus	Foster Business School	4	5	5	4	2
Seattle Campus	CoMotion	2	4	3	5	5
Seattle Campus	UW Student Life	1	1	1	4	2
Seattle Campus	Continuum College		1	1	1	2
Seattle Campus	Vice President for Minority Affairs				1	2
Seattle Campus	UW Finance and Facilities	2				
Seattle Campus	Medical Centers			1		
Seattle Campus	Vice President for Development	1				
Seattle Campus	Office of the Provost				1	
Seattle Campus	Educational Outreach	1				
Bothell Campus	UW Bothell	58	76	86	92	60
Tacoma Campus	UW Tacoma	56	74	56	48	42
Grand Total		**5,705**	**5,922**	**5,942**	**6,091**	**6,341**

Proposal Counts by Fiscal Year, College, and Department - % of Fiscal Year Total

Notes
1) Exclues non-competing renewals (RPPRs), but includes Non-Award Agreements
2) Data from RAD Cube

% of Proposal Count		Fiscal Year				
Campus Reporting Name	College Research Reporting Name	2015	2016	2017	2018	2019
Seattle Campus	School of Medicine	46.5%	46.5%	45.4%	46.6%	49.8%
Seattle Campus	College of Engineering	12.0%	12.2%	13.2%	13.9%	12.6%
Seattle Campus	College of Arts and Sciences	9.9%	9.5%	10.7%	10.1%	9.1%
Seattle Campus	College of the Environment	8.8%	8.7%	8.8%	8.0%	7.7%
Seattle Campus	School of Public Health	6.4%	6.1%	5.8%	5.6%	6.4%
Seattle Campus	Office of Research	3.9%	3.9%	3.7%	3.6%	3.8%
Seattle Campus	School of Pharmacy	1.7%	1.7%	1.9%	1.9%	1.6%
Seattle Campus	School of Social Work	1.6%	1.7%	1.3%	1.2%	1.0%
Seattle Campus	School of Nursing	1.6%	1.4%	1.5%	1.1%	1.3%
Seattle Campus	College of Education	1.4%	1.5%	1.3%	1.2%	1.2%
Seattle Campus	College of Built Environments	0.5%	0.7%	0.7%	1.2%	0.8%
Seattle Campus	School of Dentistry	0.8%	0.8%	0.7%	0.7%	0.7%
Seattle Campus	The Information School	0.6%	0.6%	0.6%	0.9%	0.6%
Seattle Campus	Health Sciences Administration	0.7%	0.9%	0.8%	0.5%	0.4%
Seattle Campus	Graduate School	0.4%	0.5%	0.5%	0.3%	0.6%
Seattle Campus	Evans School of Public Policy & Governance	0.6%	0.2%	0.3%	0.4%	0.3%
Seattle Campus	School of Law	0.2%	0.1%	0.1%	0.1%	0.1%
Seattle Campus	Dean of Libraries	0.1%	0.1%	0.1%	0.1%	0.1%
Seattle Campus	Undergraduate Academic Affairs	0.1%	0.1%	0.0%	0.1%	0.1%
Seattle Campus	Office of Minority Affairs & Diversity	0.1%	0.2%	0.1%	0.0%	0.0%
Seattle Campus	Foster Business School	0.1%	0.1%	0.1%	0.1%	0.0%
Seattle Campus	CoMotion	0.0%	0.1%	0.1%	0.1%	0.1%
Seattle Campus	UW Student Life	0.0%	0.0%	0.0%	0.1%	0.0%
Seattle Campus	Continuum College	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Vice President for Minority Affairs	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	UW Finance and Facilities	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Medical Centers	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Vice President for Development	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Office of the Provost	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Educational Outreach	0.0%	0.0%	0.0%	0.0%	0.0%
Bothell Campus		1.0%	1.3%	1.4%	1.5%	0.9%
Tacoma Campus		1.0%	1.2%	0.9%	0.8%	0.7%
Grand Total		**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Proposal Amounts - by FY, Campus, and College

Notes
1) Exclues non-competing renewals (RPPRs)
2) Data from RAD Cube
3) Propsal amounts count total requested over entire project

Proposal Amount		Fiscal Year				
Campus Reporting Name	College Research Reporting Name	2015	2016	2017	2018	2019
Seattle Campus	School of Medicine	2,115,899,129	2,649,703,642	2,766,289,614	2,399,224,862	3,122,457,146
Seattle Campus	School of Public Health	382,935,837	812,825,022	371,443,352	366,206,587	426,361,344
Seattle Campus	College of Engineering	433,692,404	413,834,491	463,278,254	469,249,684	465,818,635
Seattle Campus	College of Arts and Sciences	251,870,475	266,046,062	369,734,767	320,950,028	345,440,159
Seattle Campus	College of the Environment	302,352,861	209,583,784	236,805,134	368,071,192	172,280,689
Seattle Campus	Office of Research	245,611,743	194,409,070	176,832,502	132,317,781	139,885,800
Seattle Campus	School of Pharmacy	104,806,442	85,422,124	95,207,533	84,500,470	65,115,237
Seattle Campus	College of Education	48,877,660	131,973,554	66,267,976	56,300,622	53,355,189
Seattle Campus	School of Social Work	62,324,271	98,011,066	74,119,106	51,135,757	66,660,274
Seattle Campus	School of Nursing	57,673,027	56,540,031	66,219,764	49,122,776	67,703,262
Seattle Campus	Health Sciences Administration	31,695,902	109,092,418	43,826,168	34,179,299	28,851,994
Seattle Campus	School of Dentistry	28,935,666	18,364,242	39,947,034	39,850,536	28,702,427
Seattle Campus	College of Built Environments	43,189,404	5,854,705	8,089,079	13,091,927	8,165,828
Seattle Campus	Evans School of Public Policy & Governance	17,977,595	6,407,188	12,479,490	9,050,596	13,519,329
Seattle Campus	The Information School	8,876,763	12,252,895	10,609,558	12,505,985	10,757,271
Seattle Campus	Office of Minority Affairs & Diversity	7,561,340	3,243,967	37,842,039		
Seattle Campus	Vice President for Minority Affairs				16,682,400	27,380,800
Seattle Campus	Graduate School	996,842	4,458,781	9,572,878	12,127,068	12,622,742
Seattle Campus	Dean of Libraries	2,487,614	10,871,520	699,550	2,054,566	2,092,063
Seattle Campus	School of Law	4,339,983	1,794,038	7,714,459	2,177,295	818,472
Seattle Campus	UW Finance and Facilities	13,970,500				
Seattle Campus	CoMotion	2,031,932	5,269,967	1,080,000	175,000	525,671
Seattle Campus	Foster Business School	509,574	1,988,963	1,571,218	1,642,259	25,000
Seattle Campus	Undergraduate Academic Affairs	429,266	773,337	56,473	680,150	2,044,486
Seattle Campus	Continuum College		162,667	21,000	832,200	1,145,478
Seattle Campus	Medical Centers			350,000		
Seattle Campus	UW Student Life	31,517	45,310	30,944	130,844	17,500
Seattle Campus	Educational Outreach	149,995				
Seattle Campus	Vice President for Development	25,000				
Seattle Campus	Office of the Provost				-	
Bothell Campus		25,016,352	34,831,433	37,064,711	49,914,198	28,856,210
Tacoma Campus		22,726,900	41,214,817	22,688,677	17,300,076	10,756,032
Grand Total		**4,216,995,992**	**5,174,975,092**	**4,919,841,281**	**4,509,474,158**	**5,101,359,038**

Proposal Amounts by Fiscal Year, College, and Department - % of Fiscal Year Total

Notes
1) Exclues non-competing renewals (RPPRs)
2) Data from RAD Cube
3) Propsal amounts count total requested over entire project

Proposal Amount		Fiscal Year				
Campus Reporting Name	College Research Reporting Name	2015	2016	2017	2018	2019
Seattle Campus	School of Medicine	50.2%	51.2%	56.2%	53.2%	61.2%
Seattle Campus	School of Public Health	9.1%	15.7%	7.5%	8.1%	8.4%
Seattle Campus	College of Engineering	10.3%	8.0%	9.4%	10.4%	9.1%
Seattle Campus	College of Arts and Sciences	6.0%	5.1%	7.5%	7.1%	6.8%
Seattle Campus	College of the Environment	7.2%	4.0%	4.8%	8.2%	3.4%
Seattle Campus	Office of Research	5.8%	3.8%	3.6%	2.9%	2.7%
Seattle Campus	School of Pharmacy	2.5%	1.7%	1.9%	1.9%	1.3%
Seattle Campus	College of Education	1.2%	2.6%	1.3%	1.2%	1.0%
Seattle Campus	School of Social Work	1.5%	1.9%	1.5%	1.1%	1.3%
Seattle Campus	School of Nursing	1.4%	1.1%	1.3%	1.1%	1.3%
Seattle Campus	Health Sciences Administration	0.8%	2.1%	0.9%	0.8%	0.6%
Seattle Campus	School of Dentistry	0.7%	0.4%	0.8%	0.9%	0.6%
Seattle Campus	College of Built Environments	1.0%	0.1%	0.2%	0.3%	0.2%
Seattle Campus	Evans School of Public Policy & Governance	0.4%	0.1%	0.3%	0.2%	0.3%
Seattle Campus	The Information School	0.2%	0.2%	0.2%	0.3%	0.2%
Seattle Campus	Office of Minority Affairs & Diversity	0.2%	0.1%	0.8%	0.0%	0.0%
Seattle Campus	Vice President for Minority Affairs	0.0%	0.0%	0.0%	0.4%	0.5%
Seattle Campus	Graduate School	0.0%	0.1%	0.2%	0.3%	0.2%
Seattle Campus	Dean of Libraries	0.1%	0.2%	0.0%	0.0%	0.0%
Seattle Campus	School of Law	0.1%	0.0%	0.2%	0.0%	0.0%
Seattle Campus	UW Finance and Facilities	0.3%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	CoMotion	0.0%	0.1%	0.0%	0.0%	0.0%
Seattle Campus	Foster Business School	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Undergraduate Academic Affairs	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Continuum College	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Medical Centers	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	UW Student Life	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Educational Outreach	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Vice President for Development	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Office of the Provost	0.0%	0.0%	0.0%	0.0%	0.0%
Bothell Campus		0.6%	0.7%	0.8%	1.1%	0.6%
Tacoma Campus		0.5%	0.8%	0.5%	0.4%	0.2%
Grand Total		**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Award Counts by FY, Campus, and College

Notes
1) Data from RAD Cube

Award Count		Fiscal Year				
Campus Reporting Name	College Research Reporting Name	2015	2016	2017	2018	2019
Seattle Campus	School of Medicine	2,359	2,348	2,443	2,475	2,636
Seattle Campus	College of Engineering	536	531	506	598	610
Seattle Campus	College of Arts and Sciences	479	486	558	498	501
Seattle Campus	College of the Environment	466	496	488	507	477
Seattle Campus	School of Public Health	295	322	337	361	412
Seattle Campus	Office of Research	239	265	257	299	241
Seattle Campus	School of Pharmacy	73	66	88	95	84
Seattle Campus	School of Social Work	76	78	73	62	69
Seattle Campus	School of Nursing	75	53	62	66	65
Seattle Campus	Graduate School	38	38	32	43	64
Seattle Campus	Health Sciences Administration	53	59	42	52	64
Seattle Campus	College of Education	63	73	65	75	60
Seattle Campus	School of Dentistry	42	35	34	32	39
Seattle Campus	The Information School	21	29	20	26	25
Seattle Campus	Vice President for Minority Affairs				23	24
Seattle Campus	College of Built Environments	12	16	19	25	20
Seattle Campus	Evans School of Public Policy & Governance	31	15	13	15	8
Seattle Campus	Undergraduate Academic Affairs	3	5	6	8	7
Seattle Campus	Dean of Libraries	2	9	7	7	7
Seattle Campus	School of Law	9	11	14	8	6
Seattle Campus	CoMotion	3		3	5	5
Seattle Campus	UW Student Life	2	2	2	3	4
Seattle Campus	Foster Business School	6	6	5	7	3
Seattle Campus	Office of the Provost		1	1	1	1
Seattle Campus	UW Information Technology	1				
Seattle Campus	UW Finance and Facilities	1				
Seattle Campus	Vice President for Development	1				
Seattle Campus	Continuum College		1			
Seattle Campus	College of Ocean and Fishery Sciences	7	2	3		
Seattle Campus	Office of Minority Affairs & Diversity	15	18	12		
Seattle Campus	Medical Centers		1	1		
Tacoma Campus		43	40	40	42	32
Bothell Campus		30	45	41	31	30
Grand Total		**4,981**	**5,051**	**5,172**	**5,364**	**5,494**

Award Counts by Fiscal Year, College, and Department - % of Fiscal Year Total

Notes
1) Data from RAD Cube

Award Count		Fiscal Year				
Campus Reporting Name	College Research Reporting Name	2015	2016	2017	2018	2019
Seattle Campus	School of Medicine	47.4%	46.5%	47.2%	46.1%	48.0%
Seattle Campus	College of Engineering	10.8%	10.5%	9.8%	11.1%	11.1%
Seattle Campus	College of Arts and Sciences	9.6%	9.6%	10.8%	9.3%	9.1%
Seattle Campus	College of the Environment	9.4%	9.8%	9.4%	9.5%	8.7%
Seattle Campus	School of Public Health	5.9%	6.4%	6.5%	6.7%	7.5%
Seattle Campus	Office of Research	4.8%	5.2%	5.0%	5.6%	4.4%
Seattle Campus	School of Pharmacy	1.5%	1.3%	1.7%	1.8%	1.5%
Seattle Campus	School of Social Work	1.5%	1.5%	1.4%	1.2%	1.3%
Seattle Campus	School of Nursing	1.5%	1.0%	1.2%	1.2%	1.2%
Seattle Campus	Graduate School	0.8%	0.8%	0.6%	0.8%	1.2%
Seattle Campus	Health Sciences Administration	1.1%	1.2%	0.8%	1.0%	1.2%
Seattle Campus	College of Education	1.3%	1.4%	1.3%	1.4%	1.1%
Seattle Campus	School of Dentistry	0.8%	0.7%	0.7%	0.6%	0.7%
Seattle Campus	The Information School	0.4%	0.6%	0.4%	0.5%	0.5%
Seattle Campus	Vice President for Minority Affairs	0.0%	0.0%	0.0%	0.4%	0.4%
Seattle Campus	College of Built Environments	0.2%	0.3%	0.4%	0.5%	0.4%
Seattle Campus	Evans School of Public Policy & Governance	0.6%	0.3%	0.3%	0.3%	0.1%
Seattle Campus	Undergraduate Academic Affairs	0.1%	0.1%	0.1%	0.1%	0.1%
Seattle Campus	Dean of Libraries	0.0%	0.2%	0.1%	0.1%	0.1%
Seattle Campus	School of Law	0.2%	0.2%	0.3%	0.1%	0.1%
Seattle Campus	CoMotion	0.1%	0.0%	0.1%	0.1%	0.1%
Seattle Campus	UW Student Life	0.0%	0.0%	0.0%	0.1%	0.1%
Seattle Campus	Foster Business School	0.1%	0.1%	0.1%	0.1%	0.1%
Seattle Campus	Office of the Provost	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	UW Information Technology	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	UW Finance and Facilities	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Vice President for Development	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Continuum College	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	College of Ocean and Fishery Sciences	0.1%	0.0%	0.1%	0.0%	0.0%
Seattle Campus	Office of Minority Affairs & Diversity	0.3%	0.4%	0.2%	0.0%	0.0%
Seattle Campus	Medical Centers	0.0%	0.0%	0.0%	0.0%	0.0%
Tacoma Campus		0.9%	0.8%	0.8%	0.8%	0.6%
Bothell Campus		0.6%	0.9%	0.8%	0.6%	0.5%
Grand Total		**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Award Amounts by FY, Campus, and College

Notes
1) Data from RAD Cube
2) Award amounts count total listed on each funding action

Award Amount		Fiscal Year				
Campus Reporting Name	**College Research Reporting Name**	**2015**	**2016**	**2017**	**2018**	**2019**
Seattle Campus	School of Medicine	659,258,968	715,446,301	1,002,889,737	632,040,813	784,591,424
Seattle Campus	School of Public Health	87,622,630	115,616,403	119,350,815	134,188,328	180,734,262
Seattle Campus	College of Engineering	113,058,649	103,504,994	96,772,456	124,911,522	135,893,865
Seattle Campus	College of Arts and Sciences	107,392,066	97,450,971	105,676,555	98,012,396	123,880,910
Seattle Campus	College of the Environment	114,572,259	98,776,269	93,343,531	121,116,921	111,029,838
Seattle Campus	Office of Research	44,396,673	55,169,348	53,365,145	67,001,794	63,345,863
Seattle Campus	Health Sciences Administration	28,067,582	29,648,015	9,983,739	27,044,803	39,749,085
Seattle Campus	College of Education	33,191,268	25,241,549	25,155,701	34,630,034	23,698,653
Seattle Campus	School of Pharmacy	18,595,458	18,088,492	28,781,380	23,135,981	20,464,098
Seattle Campus	School of Social Work	14,301,679	14,177,250	13,700,357	13,030,015	17,274,356
Seattle Campus	Vice President for Minority Affairs				11,964,698	15,368,668
Seattle Campus	School of Nursing	13,834,197	11,201,237	10,751,389	15,349,834	13,605,228
Seattle Campus	Graduate School	20,126,443	7,986,235	10,741,961	12,139,528	12,315,070
Seattle Campus	Dean of Libraries	819,600	9,562,520	8,380,119	2,866,795	10,082,243
Seattle Campus	School of Dentistry	5,037,858	4,196,993	3,498,960	3,997,835	5,349,911
Seattle Campus	The Information School	4,512,734	8,518,442	1,612,520	4,480,872	3,244,750
Seattle Campus	College of Built Environments	1,066,414	1,217,970	1,319,503	2,402,130	2,383,883
Seattle Campus	Evans School of Public Policy & Governance	4,663,839	8,818,163	1,977,208	5,885,173	1,282,228
Seattle Campus	Undergraduate Academic Affairs	261,219	456,163	922,640	878,990	759,123
Seattle Campus	School of Law	2,488,511	1,290,506	8,221,335	1,679,119	645,449
Seattle Campus	Foster Business School	987,631	1,104,546	786,702	1,045,688	475,714
Seattle Campus	CoMotion	2,117,099		2,199,998	325,000	228,001
Seattle Campus	Office of the Provost		86,811	62,883	133,596	112,367
Seattle Campus	UW Student Life	24,531	74,499	45,444	112,600	21,800
Seattle Campus	UW Information Technology	383,411				
Seattle Campus	Continuum College		149,995			
Seattle Campus	Vice President for Development	25,000				
Seattle Campus	Office of Minority Affairs & Diversity	8,395,065	8,479,780	6,694,224		
Seattle Campus	College of Ocean and Fishery Sciences	13,397,653	10,987,346	12,640,905		
Seattle Campus	Medical Centers		500,000	350,000		
Seattle Campus	UW Finance and Facilities	1,470,500				
Bothell Campus		4,127,423	14,220,511	5,461,355	6,727,707	7,707,587
Tacoma Campus		4,604,545	3,020,510	3,366,028	5,902,443	4,745,791
Grand Total		**1,308,800,904**	**1,364,991,820**	**1,628,052,589**	**1,351,004,613**	**1,578,990,167**

Award Amounts by Fiscal Year, College, and Department - % of Fiscal Year Total

Notes
1) Data from RAD Cube
2) Award amounts count total listed on each funding action

Award Amount		Fiscal Year				
Campus Reporting Name	College Research Reporting Name	2015	2016	2017	2018	2019
Seattle Campus	School of Medicine	50.4%	52.4%	61.6%	46.8%	49.7%
Seattle Campus	School of Public Health	6.7%	8.5%	7.3%	9.9%	11.4%
Seattle Campus	College of Engineering	8.6%	7.6%	5.9%	9.2%	8.6%
Seattle Campus	College of Arts and Sciences	8.2%	7.1%	6.5%	7.3%	7.8%
Seattle Campus	College of the Environment	8.8%	7.2%	5.7%	9.0%	7.0%
Seattle Campus	Office of Research	3.4%	4.0%	3.3%	5.0%	4.0%
Seattle Campus	Health Sciences Administration	2.1%	2.2%	0.6%	2.0%	2.5%
Seattle Campus	College of Education	2.5%	1.8%	1.5%	2.6%	1.5%
Seattle Campus	School of Pharmacy	1.4%	1.3%	1.8%	1.7%	1.3%
Seattle Campus	School of Social Work	1.1%	1.0%	0.8%	1.0%	1.1%
Seattle Campus	Vice President for Minority Affairs	0.0%	0.0%	0.0%	0.9%	1.0%
Seattle Campus	School of Nursing	1.1%	0.8%	0.7%	1.1%	0.9%
Seattle Campus	Graduate School	1.5%	0.6%	0.7%	0.9%	0.8%
Seattle Campus	Dean of Libraries	0.1%	0.7%	0.5%	0.2%	0.6%
Seattle Campus	School of Dentistry	0.4%	0.3%	0.2%	0.3%	0.3%
Seattle Campus	The Information School	0.3%	0.6%	0.1%	0.3%	0.2%
Seattle Campus	College of Built Environments	0.1%	0.1%	0.1%	0.2%	0.2%
Seattle Campus	Evans School of Public Policy & Governance	0.4%	0.6%	0.1%	0.4%	0.1%
Seattle Campus	Undergraduate Academic Affairs	0.0%	0.0%	0.1%	0.1%	0.0%
Seattle Campus	School of Law	0.2%	0.1%	0.5%	0.1%	0.0%
Seattle Campus	Foster Business School	0.1%	0.1%	0.0%	0.1%	0.0%
Seattle Campus	CoMotion	0.2%	0.0%	0.1%	0.0%	0.0%
Seattle Campus	Office of the Provost	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	UW Student Life	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	UW Information Technology	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Continuum College	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Vice President for Development	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Office of Minority Affairs & Diversity	0.6%	0.6%	0.4%	0.0%	0.0%
Seattle Campus	College of Ocean and Fishery Sciences	1.0%	0.8%	0.8%	0.0%	0.0%
Seattle Campus	Medical Centers	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	UW Finance and Facilities	0.1%	0.0%	0.0%	0.0%	0.0%
Bothell Campus		0.3%	1.0%	0.3%	0.5%	0.5%
Tacoma Campus		0.4%	0.2%	0.2%	0.4%	0.3%
Grand Total		**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

External Sponsored Research Budget Counts by Campus, College, and FY

Note - budgets only counted if expenditures in FY

Campus Reporting Name	College Research Reporting Name	2015	2016	2017	2018	2019
Seattle Campus	School of Medicine	5,439	5,614	5,735	5,471	5,608
Seattle Campus	College of Engineering	1,114	1,148	1,163	1,197	1,311
Seattle Campus	College of Arts and Sciences	1,073	1,106	1,138	1,139	1,129
Seattle Campus	College of the Environment	1,078	1,114	1,087	1,105	1,093
Seattle Campus	School of Public Health	823	826	805	769	828
Seattle Campus	Office of Research	547	542	610	601	603
Seattle Campus	Health Sciences Administration	219	238	227	222	240
Seattle Campus	School of Pharmacy	153	158	185	179	171
Seattle Campus	College of Education	153	173	162	161	144
Seattle Campus	School of Nursing	141	156	147	152	138
Seattle Campus	School of Social Work	177	185	175	130	130
Seattle Campus	School of Dentistry	80	78	71	70	74
Seattle Campus	Graduate School	54	54	55	56	70
Seattle Campus	The Information School	59	59	63	59	54
Seattle Campus	Office of Minority Affairs & Diversity	49	49	49		
Seattle Campus	Vice President for Minority Affairs				45	45
Seattle Campus	College of Built Environments	32	43	44	43	44
Seattle Campus	Evans School of Public Policy & Governance	52	52	43	45	39
Seattle Campus	Dean of Libraries	33	36	26	30	34
Seattle Campus	School of Law	19	20	24	20	15
Seattle Campus	Undergraduate Academic Affairs	7	8	9	14	13
Seattle Campus	Foster Business School	14	10	10	12	11
Seattle Campus	CoMotion	4	5	4	5	7
Seattle Campus	Central Capital Planning and Development		15	19	13	5
Seattle Campus	UW Student Life	2	2	3	3	3
Seattle Campus	Office of the Provost	2	2	1	1	1
Seattle Campus	Central Accounting		5	5	5	1
Seattle Campus	UW Finance and Facilities	5				
Seattle Campus	University of Washington Finance and Administration				2	1
Seattle Campus	UW Finance and Facilities	10				
Seattle Campus	UW Information Technology	3	3	2		
Seattle Campus	Vice President for Development	2	1	1		
Seattle Campus	Continuum College		2	1	1	
Seattle Campus	Educational Outreach	1				
Bothell Campus		76	83	89	77	78
Tacoma Campus		73	86	99	86	70
Grand Total		**11,494**	**11,873**	**12,052**	**11,713**	**11,960**

External Sponsored Research Budget Counts by Campus, College, and FY - % of FY Ttotal

Note - budgets only counted if expenditures in FY

Campus Reporting Name	College Research Reporting Name	2015	2016	2017	2018	2019
Seattle Campus	School of Medicine	47.3%	47.3%	47.6%	46.7%	46.9%
Seattle Campus	College of Engineering	9.7%	9.7%	9.6%	10.2%	11.0%
Seattle Campus	College of Arts and Sciences	9.3%	9.3%	9.4%	9.7%	9.4%
Seattle Campus	College of the Environment	9.4%	9.4%	9.0%	9.4%	9.1%
Seattle Campus	School of Public Health	7.2%	7.0%	6.7%	6.6%	6.9%
Seattle Campus	Office of Research	4.8%	4.6%	5.1%	5.1%	5.0%
Seattle Campus	Health Sciences Administration	1.9%	2.0%	1.9%	1.9%	2.0%
Seattle Campus	School of Pharmacy	1.3%	1.3%	1.5%	1.5%	1.4%
Seattle Campus	College of Education	1.3%	1.5%	1.3%	1.4%	1.2%
Seattle Campus	School of Nursing	1.2%	1.3%	1.2%	1.3%	1.2%
Seattle Campus	School of Social Work	1.5%	1.6%	1.5%	1.1%	1.1%
Seattle Campus	School of Dentistry	0.7%	0.7%	0.6%	0.6%	0.6%
Seattle Campus	Graduate School	0.5%	0.5%	0.5%	0.5%	0.6%
Seattle Campus	The Information School	0.5%	0.5%	0.5%	0.5%	0.5%
Seattle Campus	Office of Minority Affairs & Diversity	0.4%	0.4%	0.4%	0.0%	0.0%
Seattle Campus	Vice President for Minority Affairs	0.0%	0.0%	0.0%	0.4%	0.4%
Seattle Campus	College of Built Environments	0.3%	0.4%	0.4%	0.4%	0.4%
Seattle Campus	Evans School of Public Policy & Governance	0.5%	0.4%	0.4%	0.4%	0.3%
Seattle Campus	Dean of Libraries	0.3%	0.3%	0.2%	0.3%	0.3%
Seattle Campus	School of Law	0.2%	0.2%	0.2%	0.2%	0.1%
Seattle Campus	Undergraduate Academic Affairs	0.1%	0.1%	0.1%	0.1%	0.1%
Seattle Campus	Foster Business School	0.1%	0.1%	0.1%	0.1%	0.1%
Seattle Campus	CoMotion	0.0%	0.0%	0.0%	0.0%	0.1%
Seattle Campus	Central Capital Planning and Development	0.0%	0.1%	0.2%	0.1%	0.0%
Seattle Campus	UW Student Life	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Office of the Provost	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Central Accounting	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	UW Finance and Facilities	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	University of Washington Finance and Administration	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	UW Finance and Facilities	0.1%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	UW Information Technology	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Vice President for Development	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Continuum College	0.0%	0.0%	0.0%	0.0%	0.0%
Seattle Campus	Educational Outreach	0.0%	0.0%	0.0%	0.0%	0.0%
Bothell Campus		0.7%	0.7%	0.7%	0.7%	0.7%
Tacoma Campus		0.6%	0.7%	0.8%	0.7%	0.6%
Grand Total		**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Appendix 4

Peer Institution ICR Distribution Methodology Summary

Indirect Cost Recovery (ICR): Survey of Allocation Methodologies

The Office of Planning and Budgeting (OPB) performed a search of publicly available information on public universities to learn what methodologies are being used to allocate university ICR funds. While many institutions do not provide details of their allocation methodology, we did find similar characteristics of activities based on methodology.

- Universities that allocated 100% of ICR back to the generating units also re-charged those units for the cost of space and central services.
- Universities that retained 60% - 70% of ICR funds centrally funded the expenditures related to space and central services primarily with the retained funds. Allocations to the generating units seemed to be expected to utilize those funds for seeding new research and funding faculty start-up packages.
- The university that allocated 10% of ICR to the generating unit stated that the funds were meant to "support departmental administration," while the funds retained centrally support university costs.

ICR Allocation Methodologies

University	Allocation to Generating Unit	Allocation to Central
University of Michigan*	100%	0%
University of Minnesota*	100%	0%
University of Virginia	100%	0%
University of Illinois, Urbana- Champaign	45%	55%
University of California, Los Angeles*	40%	60%
Georgia Institute of Technology*	30%	70%
University of California, San Francisco*	10%	90%

Universities without publicly available information	
Ohio State University*	No information available on website
Pennsylvania State University*	Released a Strategic Budget Task Force report in Aug 2019 and beginning implementation of the recommendations.
University of California, Berkeley	No information available on website
University of California, San Diego*	Incremental budget model
University of North Carolina*	Working on developing a new budget model, effective FY 2017
University of Wisconsin*	ICR funds possibly pooled into general fund

*University identified as a peer by the UW Office of Research

Appendix 5

ICR Distribution Parameter Shift “What If” Model

University of Washington

"What If" Scenario Modeling - "Solve for X" with ICR Distribution Approach

Purpose: Display unit level impacts if the ICR distribution parameters were utilized to fund of several hypothetical "degree of magnitude proxies".

	Fully Cover Workday HRP Annual Debt Service[1]	Fully Eliminate "Institutional Overhead Tax"[2]	Fully Eliminate "Miscellaneous Fee Tax"[3]	Other Scenario
Amount to Solve For	9,180,000	29,000,000	8,601,000	
Required Shift in Distribution from Unit to Central	4%	11%	4%	

#	Unit Name	FY20 ABB ICR	% of Total	Net Change, by Unit		
304	SCHOOL OF MEDICINE	50,659,150	54.6%	(5,789,617)	(15,921,447)	(5,789,617)
260	COLLEGE OF ENGINEERING	10,500,226	11.3%	(1,200,026)	(3,300,071)	(1,200,026)
254	COLL ARTS & SCIENCES	7,780,165	8.4%	(889,162)	(2,445,195)	(889,162)
310	SCH OF PUBLIC HEALTH	7,154,207	7.7%	(817,624)	(2,248,465)	(817,624)
263	COLLEGE OF ENVIRONMENT	5,743,553	6.2%	(656,406)	(1,805,117)	(656,406)
216	VICE PROVOST-RESEARCH	2,494,800	2.7%	(285,120)	(784,080)	(285,120)
301	HEALTH SCIENCES ADMIN	2,084,886	2.2%	(238,273)	(655,250)	(238,273)
308	SCHOOL OF PHARMACY	2,048,547	2.2%	(234,120)	(643,829)	(234,120)
258	COLLEGE OF EDUCATION	1,233,124	1.3%	(140,928)	(387,553)	(140,928)
306	SCHOOL OF NURSING	864,889	0.9%	(98,845)	(271,822)	(98,845)
272	SCHOOL OF SOCIAL WORK	770,419	0.8%	(88,048)	(242,132)	(88,048)
267	THE INFORMATION SCHOOL	274,652	0.3%	(31,389)	(86,319)	(31,389)
302	SCHOOL OF DENTISTRY	254,985	0.3%	(29,141)	(80,138)	(29,141)
270	EVANS SCH PUBPOL & GOV	214,388	0.2%	(24,502)	(67,379)	(24,502)
206	VP MINORITY AFFAIRS	170,751	0.2%	(19,514)	(53,665)	(19,514)
207	DEAN OF LIBRARIES	163,795	0.2%	(18,719)	(51,479)	(18,719)
268	SCHOOL OF LAW	129,296	0.1%	(14,777)	(40,636)	(14,777)
252	BUILT ENVIRONMENTS	109,495	0.1%	(12,514)	(34,413)	(12,514)
282	UNDERGRAD ACAD AFFAIRS	44,183	0.0%	(5,050)	(13,886)	(5,050)
266	GRADUATE SCHOOL	37,135	0.0%	(4,244)	(11,671)	(4,244)
256	FOSTER BUSINESS SCHOOL	33,547	0.0%	(3,834)	(10,543)	(3,834)
217	COMOTION	6,859	0.0%	(784)	(2,156)	(784)
202	PROVOST	2,610	0.0%	(298)	(820)	(298)
205	UW FINANCE & ADMIN	2,317	0.0%	(265)	(728)	(265)
212	VP STUDENT LIFE	2,250	0.0%	(257)	(707)	(257)
255	CONTINUUM COLLEGE	-	0.0%	-	-	-

1) Debt service associated with Workday HRP occurs for a finite period of time, after which, this will no longer be an ongoing cost

2) Institutional Overhead is the assessment charged on certain "self sustaining" business enterprises. Not feasible for ICR to be used to cover this cost, but this amount is shown for illustrative purposes only.

3) 70% of revenue is held centrally, 30% returned to generating unit. Not feasible for ICR to be use to cover this cost, but amount is shown for scale purposes only.

APPENDIX 4

SCPB Values to Frame Decision Making:

Values:

Any decision for the allocation of fiscal resources should:

- Support UW's Academic Vision and Mission
- Respond to Critical Needs
- Support Faculty, Staff, and Student health and wellbeing
- Preserve our commitment to diversity, inclusion, and academic freedom
- Steward public mission of the UW
- Strengthen Fiscal Health
- Strengthen Long term Resilience

Does the decision ….. yes because it ….:

Support UW's Academic Vision and Mission

- Supports research, scholarship, and inquiry
- Supports teaching, pedagogy, and student learning
- Supports service, community engagement, and outreach

Respond to Critical Needs

- Ensures health and safety
- Sustains current activities deemed essential
- Offers a one time opportunity that fits mission/ vision/ objective

Support Faculty, Staff, and Student health and wellbeing

- Supports inclusive, safe, and welcoming culture that values equity and diversity
- Supports access to appropriate resources for faculty, staff, and/or students (affordable housing, childcare, benefits, etc.)
- Supports access for students from diverse backgrounds and experiences within the state and beyond

Preserve our commitment to diversity, inclusion, and academic freedom

- Supports increased diversity in recruitment, hiring, and mentoring of faculty and staff
- Supports increased diversity in recruitment, admissions, and mentoring of students and learners
- Supports academic freedom for our faculty, staff, and students

Steward the public mission of the UW

- Supports engagement with communities in research, teaching, and/ or service
- Supports public service by faculty, staff, and students
- Supports programs that serve our communities as a reflection of our UW vision and mission

Strengthen Fiscal Health

- Supports short-term budget balance of unit budgets?
- Supports long term fiscal health of academic, student, and administrative units and activities
- Allocates funds per academic mission and objectives

Strengthen Long term Resilience

- Addresses long term challenges/ opportunities
- Repairs ongoing area of weakness/ area of neglect/ disparate allocations in times previous / avoids continuation of previous biases?
- Allows directed growth / expansion in opportune manner