

Unit Name: UNIVERSITY ADVANCEMENT

- 1. Academic Units:** Please provide a 1-2 page description of how your unit will fund growth plans identified in the Annual Academic Plan workbook through current or anticipated incremental revenue to your unit. Please provide specific fund source names and projections (in dollars). If these plans assume additional Provost Reinvestment Funds (supplement), please make that clear in this section.
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N/A

- 2. Academic Units:** If you are recommending the creation of a new tuition category, please identify the original tuition category, the proposed category, a suggested tuition rate for FY14 and a percentage increase for FY15. If you plan to move only a subset of your programs into a new category, please identify those programs.
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N/A

- 3. Administrative Units:** Please provide a 1-2 page overview of your current strategic plan and include a summary of any operational risks that the UW must work to mitigate over time. Note that there are very few Provost Reinvestment Funds, so your summary should provide a clear sense of how your unit intends to minimize risk, maximize service, and if necessary, repurpose existing funds to do so.
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University of Washington Advancement has, year after year, posted the lowest cost-per dollar raised of peer institutions—our current 5-year average is 12.5 cents on the dollar. Our closest peers, Michigan and UCLA, published results of 21 cents and 18 cents, respectively. Put another way; for every dollar invested in UW Advancement, the five-year average return on investment is almost eightfold (\$7.89).

Above and beyond its ongoing work to foster pride, advocacy and philanthropic support for the University's mission, University Advancement has been laying the groundwork and continuing our planning for the institution's next campaign. We believe the most important contribution we can make is to continue the permanent enhancement of the University's capacity to generate private support. Campaign success hinges on deep involvement of and commitment by the University's leaders and most passionate supporters. Our focus will be on engaging the leaders who will both articulate and carry forward the University's campaign vision. We will do so by bringing together the president, provost, deans and chancellors, key volunteers and advancement staff to:

1. Articulate Campaign Vision and Case for Support

A key ingredient in a successful campaign is the clear articulation of the institution's vision. Over the past several years, the University has collected large sets of information relevant to this need. These include 2y2d, the Reputation Building Initiative (RBI), Public Opinion Research and Board of Deans and Chancellors retreat notes. Common threads appear throughout these data and will be used to distill major campaign vision and themes. Our goals include:

- a. reviewing these data sets for overlap/common threads*
- b. identifying gaps/remaining questions and obtain information as needed*
- c. stating the institutional (campaign) vision and themes in concise, powerful language*
- d. sharing for review and feedback with key on and off-campus stakeholders*

2. Assess and Develop School/College/Campus Fundraising Potential

Deans and Chancellors have been articulating their visions for the future of their school/college/campus. We will partner with them to:

- a. Cement those visions in inspiring terms consistent with institutional vision and themes
- b. Articulate resources required to move toward vision
- c. Identify the revenue potential from private philanthropy and prospective donors
- d. Provide campaign education through focused workshops and meetings
- e. Ensure prospective donors have the opportunity to develop and deepen personal relationships with school/college/campus and – as appropriate – University leadership.

3. Build Volunteer Campaign Leadership

A critical step will be to draw from the UW Foundation Board, UW Futures Committee and other groups of committed supporters to build the volunteer leadership structure for the next campaign. We will recommend:

- a. a volunteer leadership structure (chair/co-chairs/committee) and
- b. prospective donors to fill key campaign leadership roles

Expanding the depth and breadth of relationships between institutional leadership (president, provost, deans) and key prospects will be critical in securing optimal volunteer leadership and lead gifts.

4. Secure Campaign Endorsement

We will seek endorsement from University leadership, the Board of Regents, the UW Foundation Board and other key stakeholders to undertake a comprehensive fundraising campaign.

We feel it is imperative to invest immediately, and with the Provost/Budget Office's blessing, have been begun to utilize our fund balance to cover this year's deficit. Our projected revenue for this year is \$33.6 million, which is \$2 million short of our \$35.8 million budget. Without additional central funding, we have projected that our fund balance will be exhausted by June 30, 2015 (end of FY14-15).

Our budget this year includes adding 24 fundraisers deployed out in the academic units, and with many deans committing resources to the upcoming campaign, the number of new fundraisers created at the UW this year totals 30 to date.

We hope to begin the quiet phase of our next comprehensive capital campaign within 12 months; together with the CEF's investment performance, Campaign UW: Creating Futures (2000-2008) moved voluntary support from a 5-year average of \$180 million to \$286 million. To date, our 5-year average has increased to \$303 million. Our current working goal is to move our 5-year average to \$400 million by the conclusion of our campaign.

To this end, we have laid out a 7-year budget plan requesting funding of \$36.38 million over the proposed campaign period of FY13-14 through FY19-20. A detailed budget request is attached to this submission.

Our proposal includes the addition of 25 centrally-funded fundraisers over the next 5 years. We have every confidence that our partners in the units will continue their support by leveraging this number to upwards of 50 fundraisers by the campaign's end.

We are certainly cognizant of the economic challenges faced by the UW, and we are prepared to continue a combination of central infusions together with deficit spending, to allow for a more extended distribution from the Provost. While feasible, this option is not ideal for the UW; funding delays will impact our ability to reach our \$400 million annual goal by the end of the campaign. We remain convinced that it is critical that we begin investing in fundraisers today, in order to appreciate their results tomorrow.

4. **Academic and Administrative Units:** Considering your strategic plans (particularly if they assume growth) please provide a short summary (1-2 pages at most) that relates these plans to your current space assignment. In particular, you might consider the following questions when drafting your response:
- Does your current space inventory meet current programmatic requirements? Contrarily, does the type or quality of the space place any constraints on your ability to meet program requirements? If not, please provide specific quality or space type concerns (location, specific quality concern, etc.).
 - Will your unit be able to accommodate your growth plans within existing inventory of space? If additional space will be necessary, please describe the amount, type, or quality of *additional* space you may need to meet programmatic objectives and growth plans.
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University Advancement currently occupies 68,000 square feet on four floors of the S-Building (WA Commons) of the UW Tower and two floors on Gerberding Hall for a total of 244 workspaces. We currently pay \$684K per year in rent, which will increase to a permanent rent of \$1.03 million beginning July 1, 2014.

The reorganization of UW Marketing in 2012 split the team into two; UW Marketing now reports to External Affairs under Randy Hodgins; 13 FTE in the EA organization are currently housed within Advancement with an agreement that this arrangement will continue through the end of January in 2014.

To cover our continuing expansion, we've built an additional 10 cubicles and 10 additional touchdown spaces in the WA Commons in the last 18 months—we've eliminated collaboration areas and storage spaces to accommodate additional FTE. Simply put, we have filled our existing space. Advancement's campaign ramp-up is fully underway—we expect to expand the Central Advancement team by another 20 FTE during the campaign period. The 13 spaces that will revert back to UA in 2014 are a critical part of our strategy to accommodate our projected growth in the next 2-5 years. With the assurance that these spaces will return to central Advancement by 2014, our growth will not require additional space in the near future.

5. **Academic and Administrative Units:** Should the 2013 Legislature lift the ongoing salary freeze and allow increases, we certainly hope that state funding will be provided for GOF increases. In the event that state funding for compensation is not available, all units should have plans to cover GOF/DOF salary increases out of tuition or other fund sources. Should no tuition revenue be available to your unit, Provost Reinvestment Funds may be dispatched to provide support for increases. Please provide your units' plans to cover expenses associated with salary increases. A salary and tuition revenue model is available on the OPB website; this model is designed to give you a sense of the magnitude of the support that will be required at various percentage increases.
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Advancement's \$36.38 million campaign budget request assumes annual salary increases of 3% (as well as an assumption of 1% in benefits increases) beginning FY13-14.

As mentioned above, we are prepared to utilize our fund balance (currently at \$7 million) to address short-term funding gaps. Our current projections include the capacity to absorb a 3% salary increase with no additional central funding for FY13-14.

Without additional central funding, we have projected that our fund balance will be exhausted by June 30, 2015 (end of FY14-15).

- 6. Academic and Administrative Units:** Your unit may have identified growth plans in the Annual Academic Plan workbook; if so, as part of question 1 your unit should have included a description of the funds necessary, including Provost Reinvestment Funds, to support such growth. For this section, however, please provide specific requests of Provost Reinvestment Funds for new initiatives. Please provide a one-page summary of these requests, articulating how much funding is requested by an initiative, whether temporary or permanent funds are requested, and how the funds would be spent (new positions, systems, etc.).
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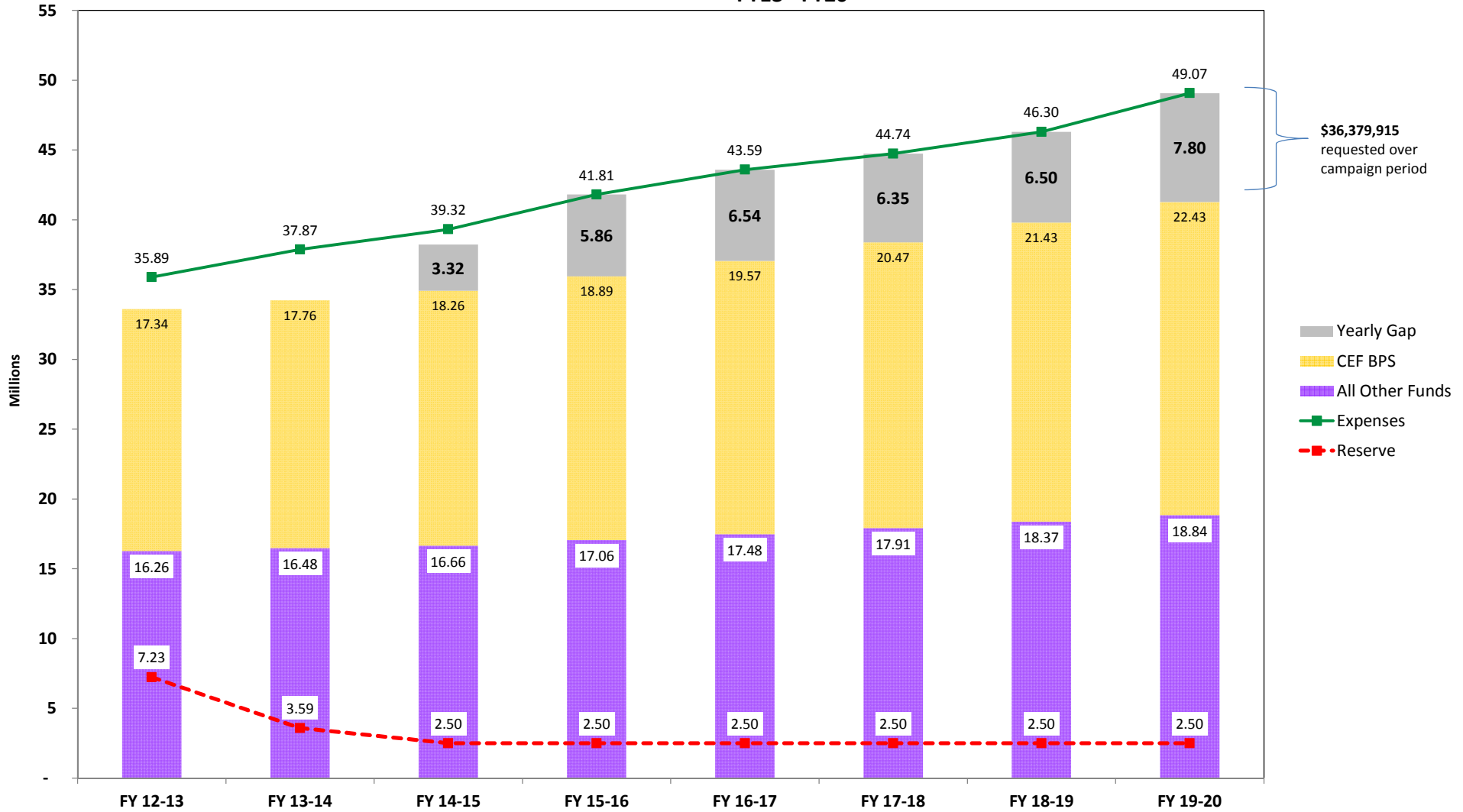
University Advancement's campaign budget request totals \$36,379,915 beginning FY 14-15 through FY 19-20. This includes a permanent request that ramps up to \$5.42 million by FY19-20, and a temporary request totaling \$4.2 million by FY19-20. The request comprises 42 FTE—24 fundraisers and 18 central support staff. The bulk of operations costs reside within Advancement Communications, including approximately \$3 million in temporary funding for launch and culminating events. The detailed budget request is attached to the end of this submission.

The \$2 million in permanent funds generously allocated by the Provost's office this fiscal year was received most gratefully. The institution's confidence in our work galvanizes us towards the \$400 million working goal. Thank you for the privilege of representing this wondrous University of Washington.

UW Advancement Campaign Budget Projections

Incremental new funding per year								
	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	TOTAL
ADVANCEMENT SERVICES								
Permanent Ops	100,000	50,000	20,000		20,000		20,000	210,000
Temporary Ops								
Staffing	50,000	50,000	50,000	50,000	50,000	50,000	50,000	350,000
							unit total	560,000
ADVANCEMENT COMMUNICATIONS								
Permanent Ops		52,500	50,000					102,500
Temporary Ops	157,500	80,000	490,000	790,000	190,000	190,000	1,080,000	2,977,500
Staffing	160,000	165,000						325,000
							unit total	3,405,000
CONSTITUENCY PROGRAMS								
Permanent Ops								-
Temporary Ops								-
Staffing	420,000	420,000	420,000	420,000	420,000	420,000		2,520,000
							unit total	2,520,000
CONSTITUENT RELATIONS								
Permanent Ops								-
Temporary Ops								-
Staffing	143,000	143,000	143,000	143,000	143,000	143,000	142,000	1,000,000
							unit total	1,000,000
F&A								
Permanent Ops								-
Temporary Ops								-
Staffing	70,000							70,000
							unit total	70,000
INDIVIDUAL GIVING								
Permanent Ops								-
Temporary Ops	200,000	100,000	200,000	100,000	200,000	100,000	300,000	1,200,000
Staffing		420,000	420,000					840,000
							unit total	2,040,000
Total Permanent	943,000	1,300,500	1,103,000	613,000	633,000	613,000	212,000	5,417,500
Total Temporary	357,500	180,000	690,000	890,000	390,000	290,000	1,380,000	4,177,500
Fiscal Year Total	1,300,500	1,480,500	1,793,000	1,503,000	1,023,000	903,000	1,592,000	

UNIVERSITY ADVANCEMENT PROJECTED CAMPAIGN REVENUE & EXPENSES FY13 - FY20



University Advancement

Projected Campaign Revenue & Expenses FY13 - FY20

	Current	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	FY 12-13 Budget	FY 13-14 Projected	FY 14-15 Projected	FY 15-16 Projected	FY 16-17 Projected	FY 17-18 Projected	FY 18-19 Projected	FY 19-20 Projected
Revenue								
CEF (80 bps)	17,344,976	17,756,030	18,258,786	18,887,350	19,571,888	20,473,339	21,433,977	22,433,905
Parking (2%)	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Endowment Suspense (2%)	447,000	447,000	447,000	447,000	447,000	447,000	447,000	447,000
Gift Interest (3%)	7,800,000	8,143,200	8,501,501	8,875,567	9,266,092	9,673,800	10,099,447	10,543,823
Inst. Support (DOF)	6,872,105	6,919,243	6,946,920	6,974,708	7,002,607	7,030,617	7,058,740	7,086,975
Inst. Support Temporary	225,000	206,250						
Requested Campaign Support			3,316,168	5,864,864	6,543,954	6,350,298	6,502,109	7,802,522
UWF Support	320,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
Total Revenue	33,609,081	34,231,723	38,230,375	41,809,489	43,591,541	44,735,054	46,301,273	49,074,225
Expenditures								
Ongoing S&B (assume 3% annual increase)	25,851,043	26,626,574	28,275,122	30,338,775	32,294,388	33,876,070	35,505,202	37,183,208
Campaign S&B		825,000	1,180,000	1,015,000	595,000	595,000	595,000	175,000
Ongoing Operations (assume 2% annual increase)	11,853,445	11,880,831	12,528,591	12,831,091	13,101,091	13,301,091	13,521,091	13,721,091
Campaign Operations		100,000	102,500	70,000		20,000		20,000
Campaign Operations - Temporary		357,500	180,000	690,000	890,000	390,000	290,000	590,000
Operating Expense	37,704,488	39,789,905	42,266,213	44,944,866	46,880,479	48,182,161	49,911,293	51,689,299
Adjustments to Expenditures								
Salary Savings (assume 7-10% annual savings)	(1,809,573)	(1,921,610)	(2,945,512)	(3,135,378)	(3,288,939)	(3,447,107)	(3,610,020)	(2,615,075)
Adjusted Operating Expense	35,894,915	37,868,295	39,320,700	41,809,489	43,591,541	44,735,054	46,301,273	49,074,225
Net Operating Income/(Loss)	(2,285,834)	(3,636,572)	(1,090,325)	0	0	0	0	0
Beginning Fund Balance	9,512,730	7,226,896	3,590,325	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Net Income/(Loss)	(2,285,834)	(3,636,572)	(1,090,325)	0	0	0	0	0
Ending Fund Balance	7,226,896	3,590,325	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000