

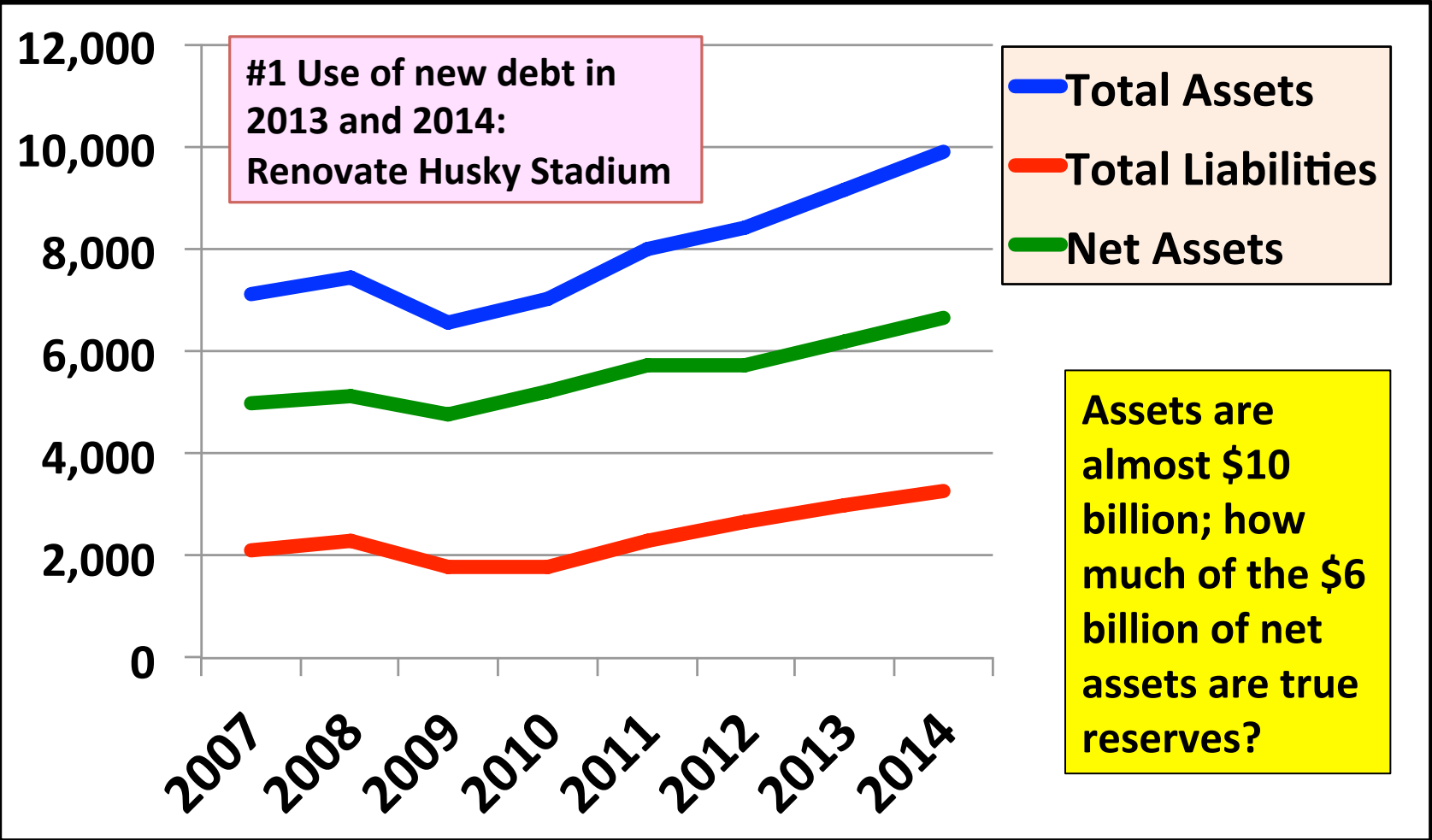


Brief Analysis of Finances and Personnel Costs at UW

Howard Bunsis
Professor of Accounting, Eastern Michigan University
Chair, AAUP Collective Bargaining Congress
April 2015

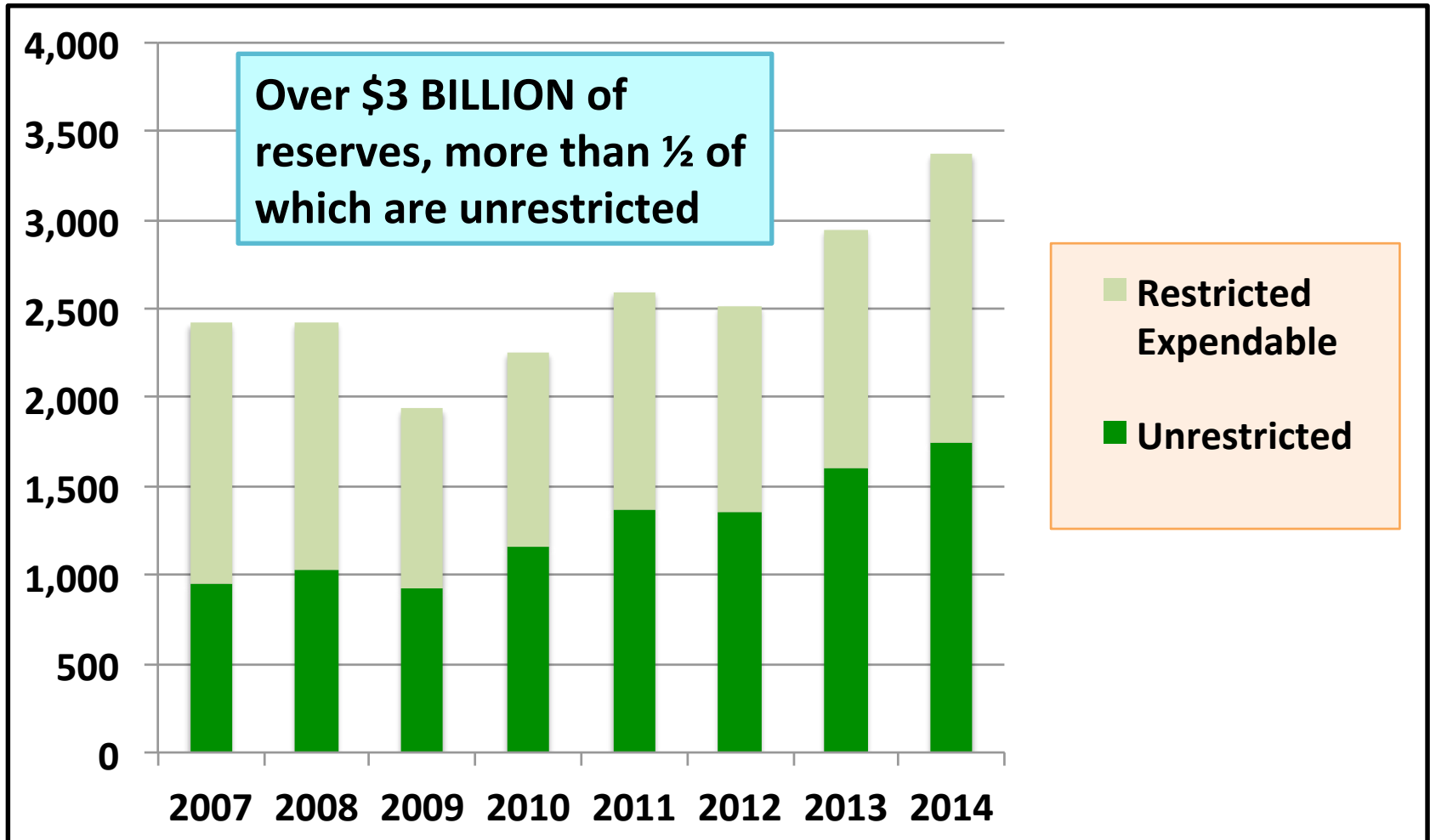
Strong Balance Sheet

Source: Audited Financial Statements, In Millions



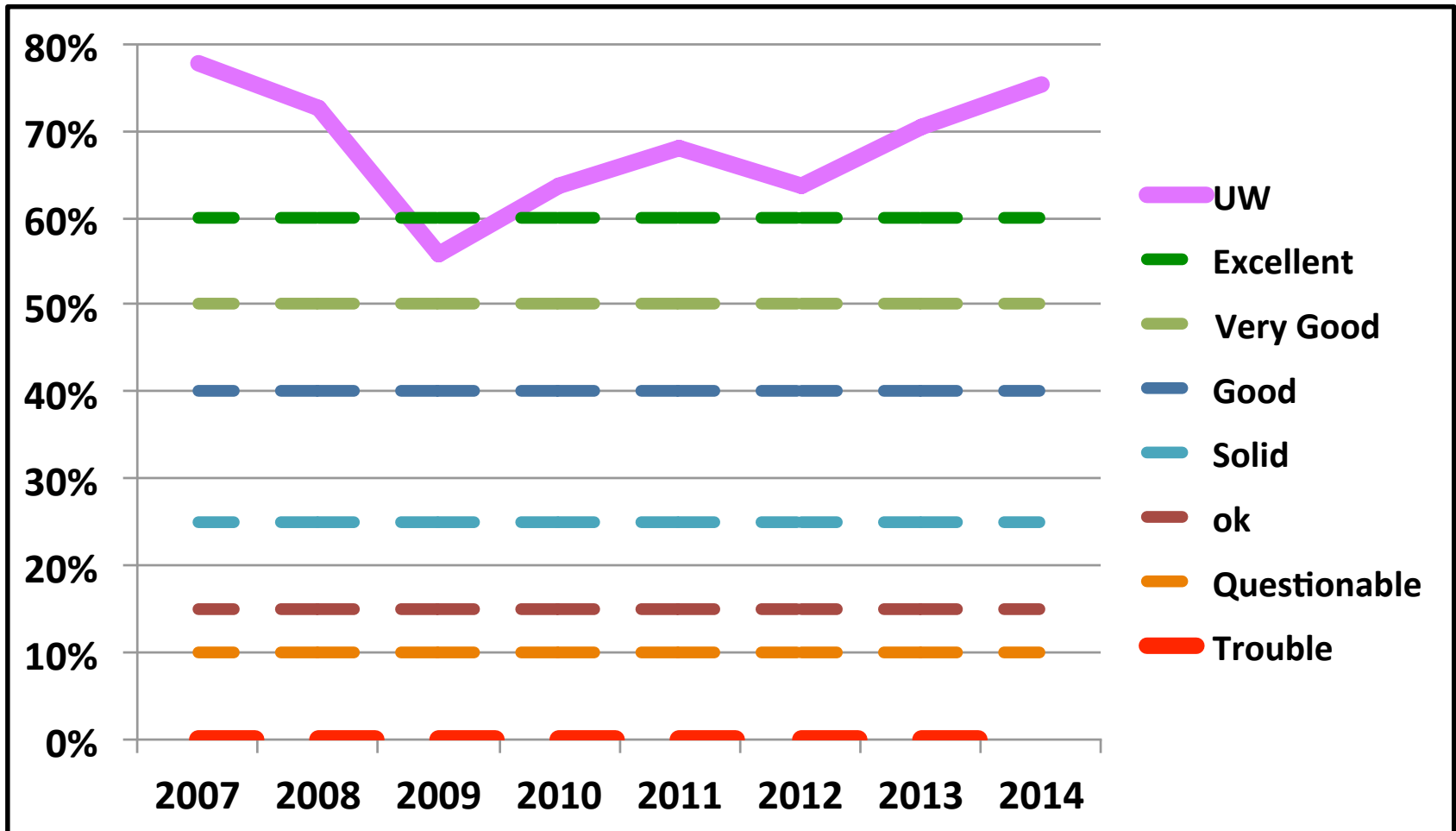
Reserves are Growing

Source: Audited Financial Statements, In Millions



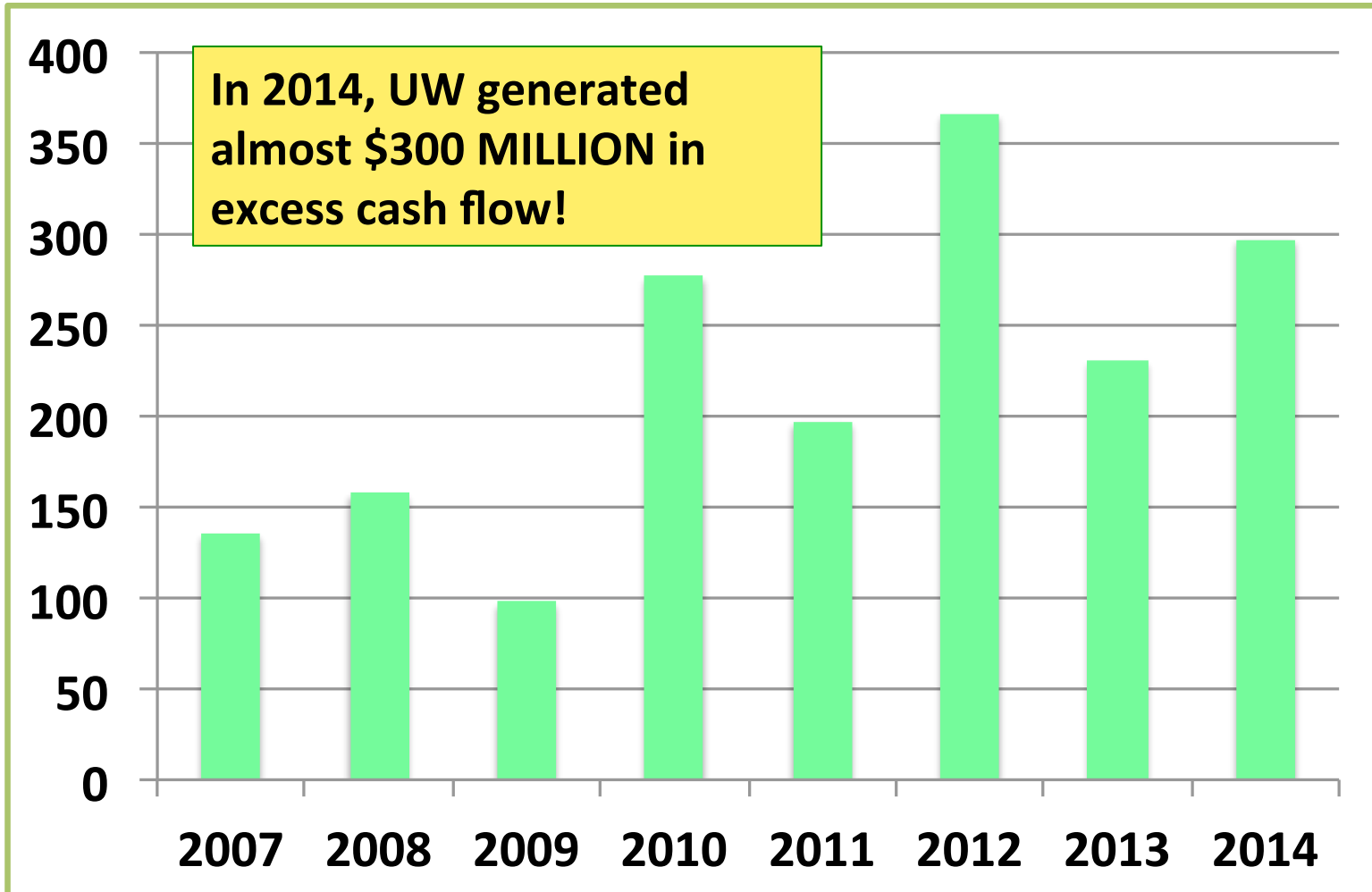
Reserves In Context

Primary Reserve Ratio = Reserves / Expenses



UW is Generating Millions in Annual Cash Flows

Source: Audited Financial Statements



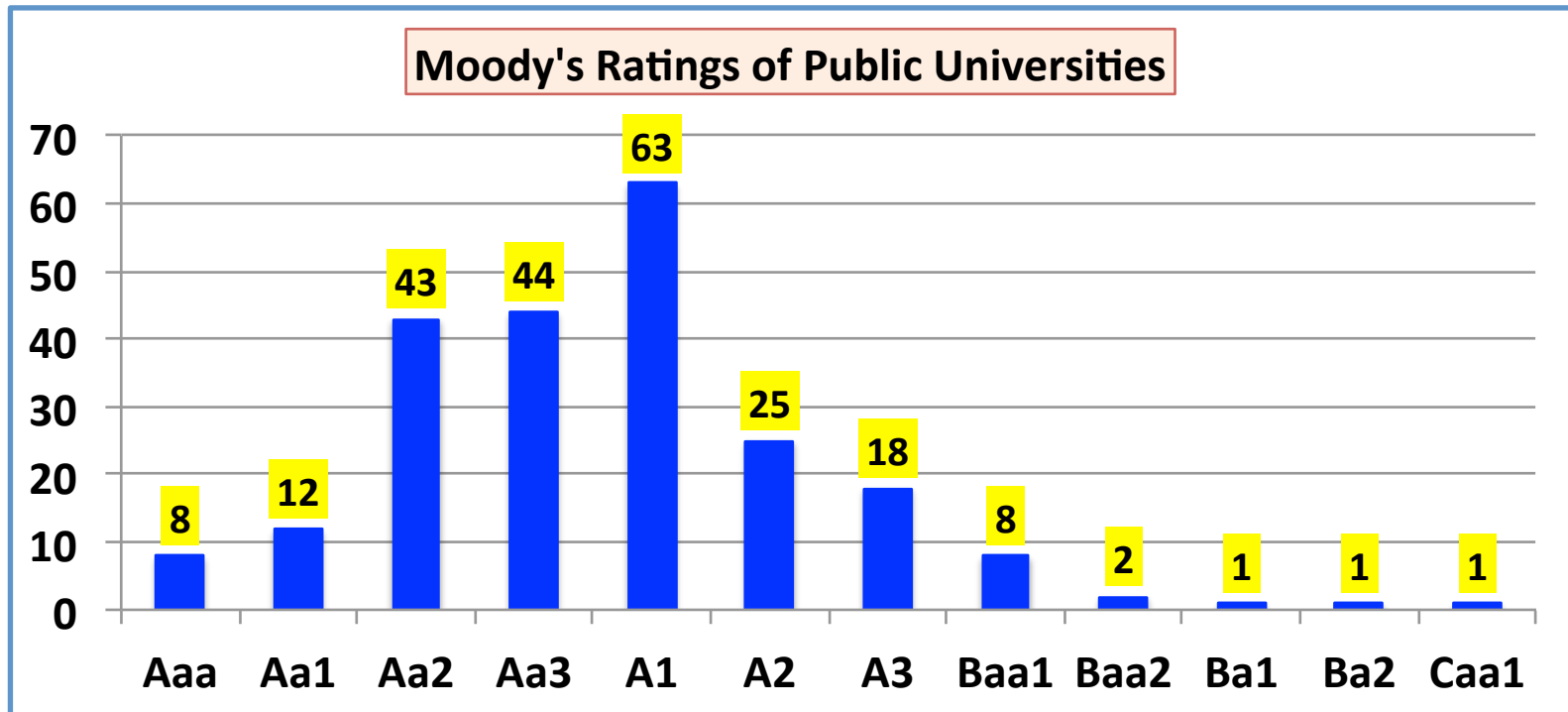
8 Universities with Aaa Moody's Bond Ratings



UW is Proud of its Aaa Rating

Source: Management Discussion and Analysis of Audited Financial Statements

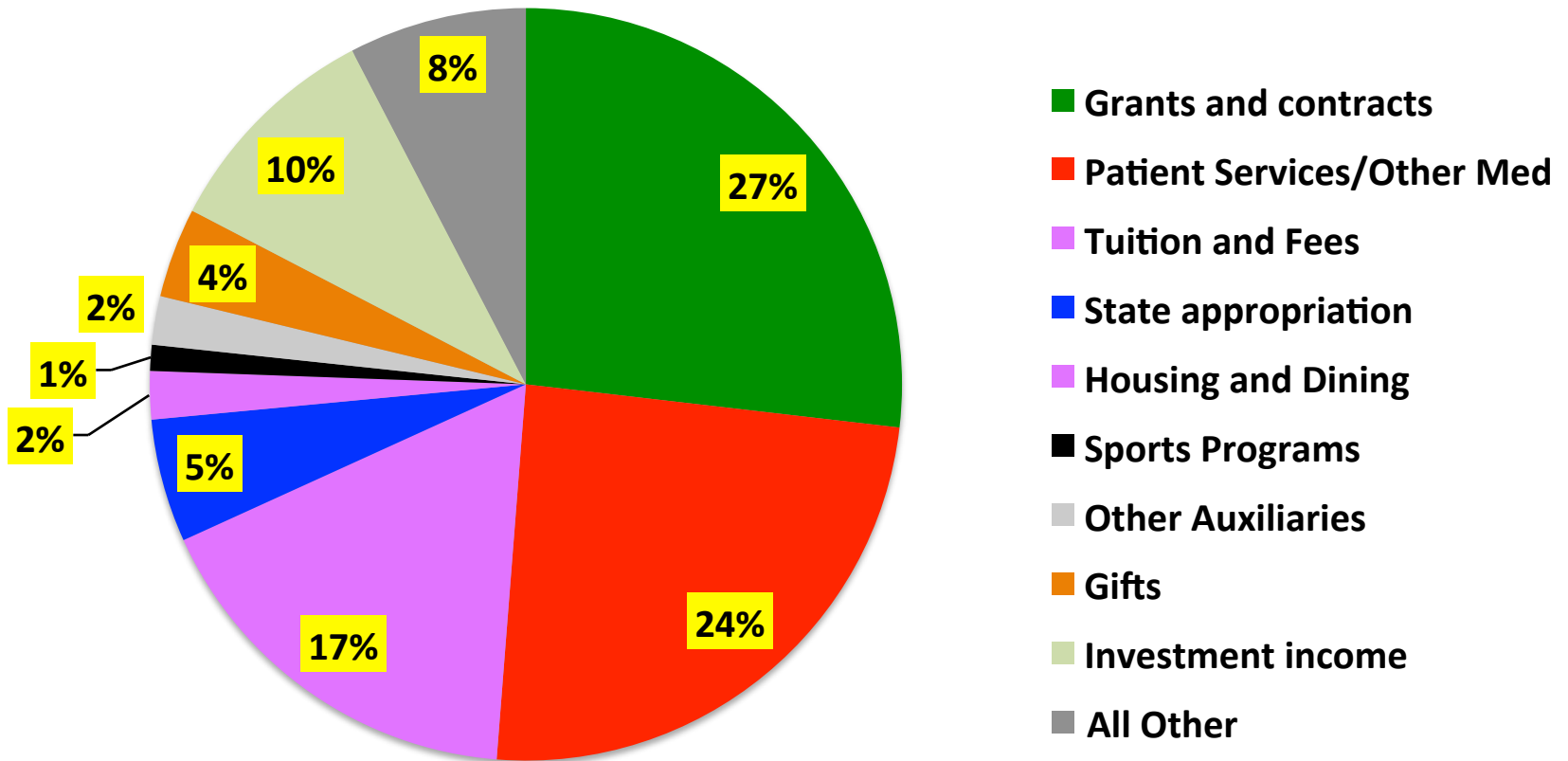
“The University takes its role of financial stewardship seriously and works hard to manage its financial resources effectively. Continued high credit ratings are important indicators of the University’s success in this area.”



2014 Revenue Distribution

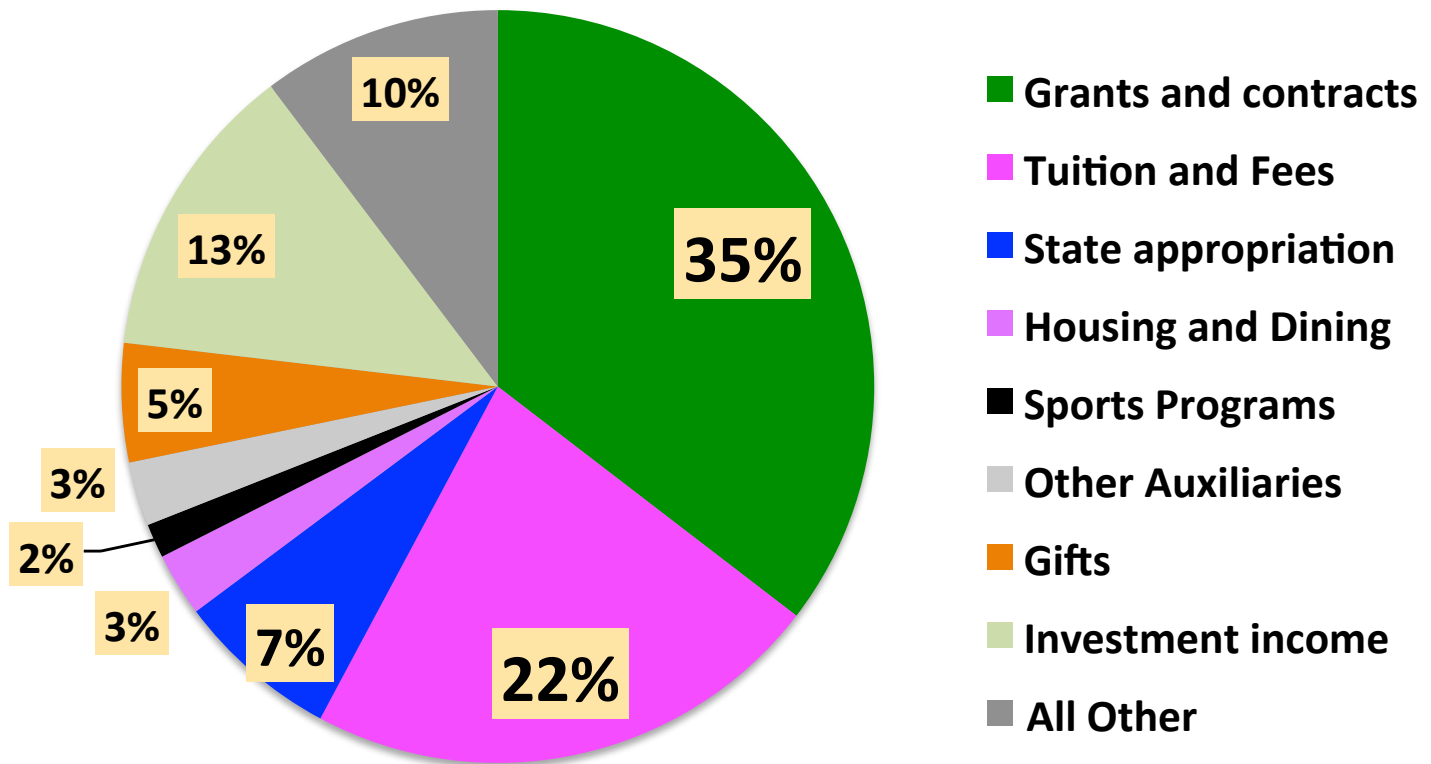
Source: Audited Financial Statements

TOTAL REVENUE = \$4.95 BILLION

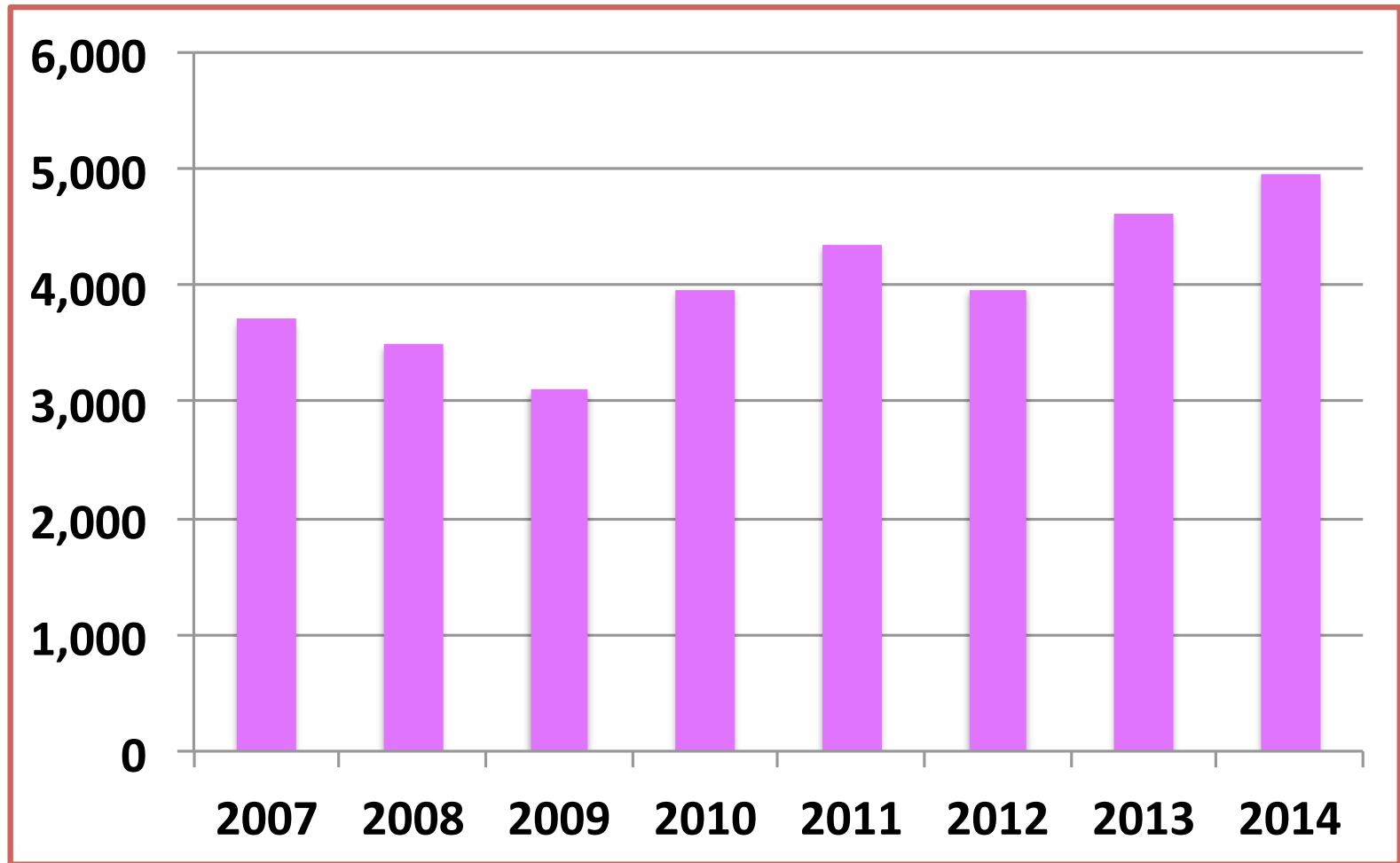


2014 Revenue Distribution Without Medical

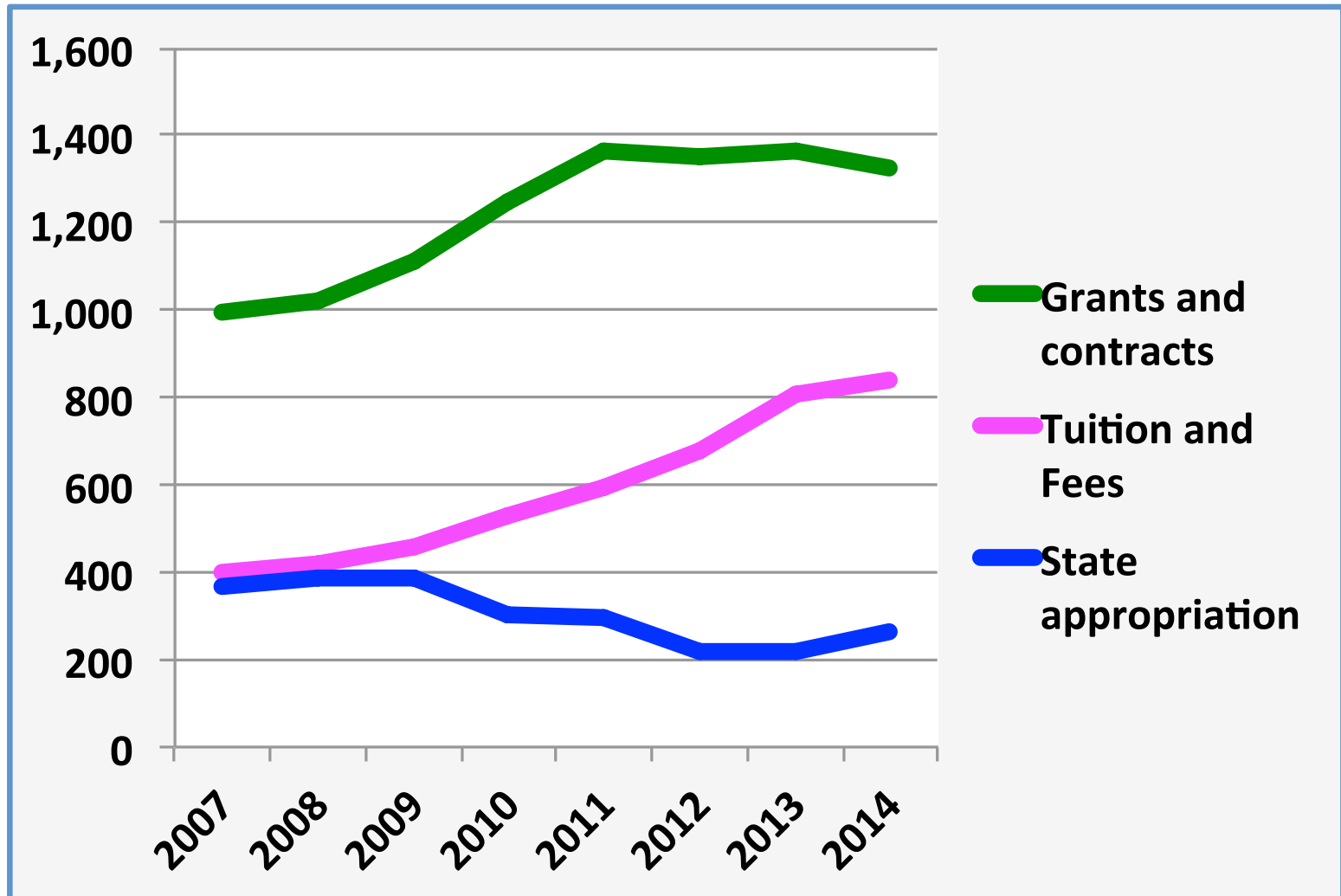
TOTAL REVENUE = \$3.75 BILLION



Total Revenues Over Time (No Med)

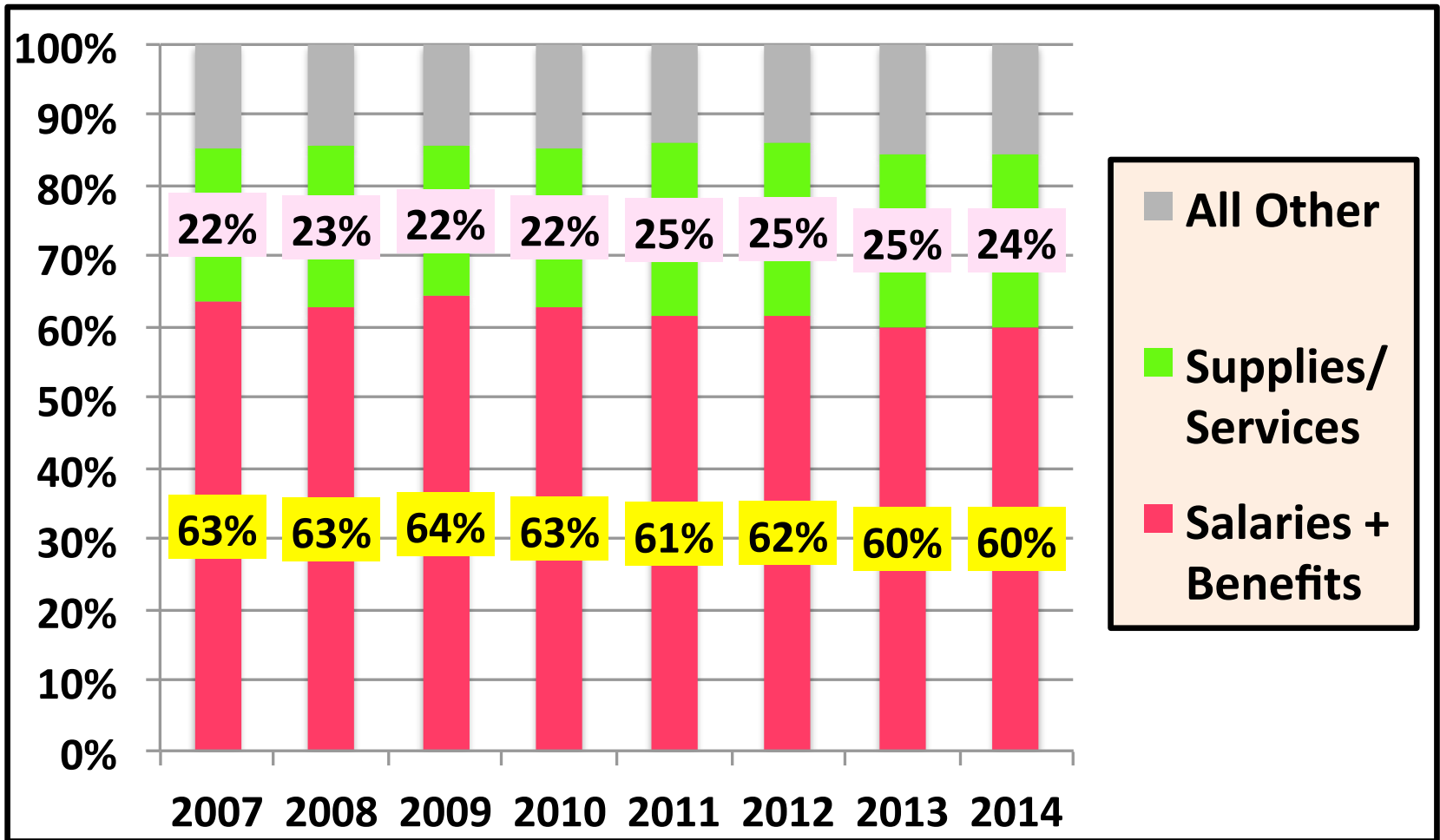


Main Revenue Sources Over Time (No med)



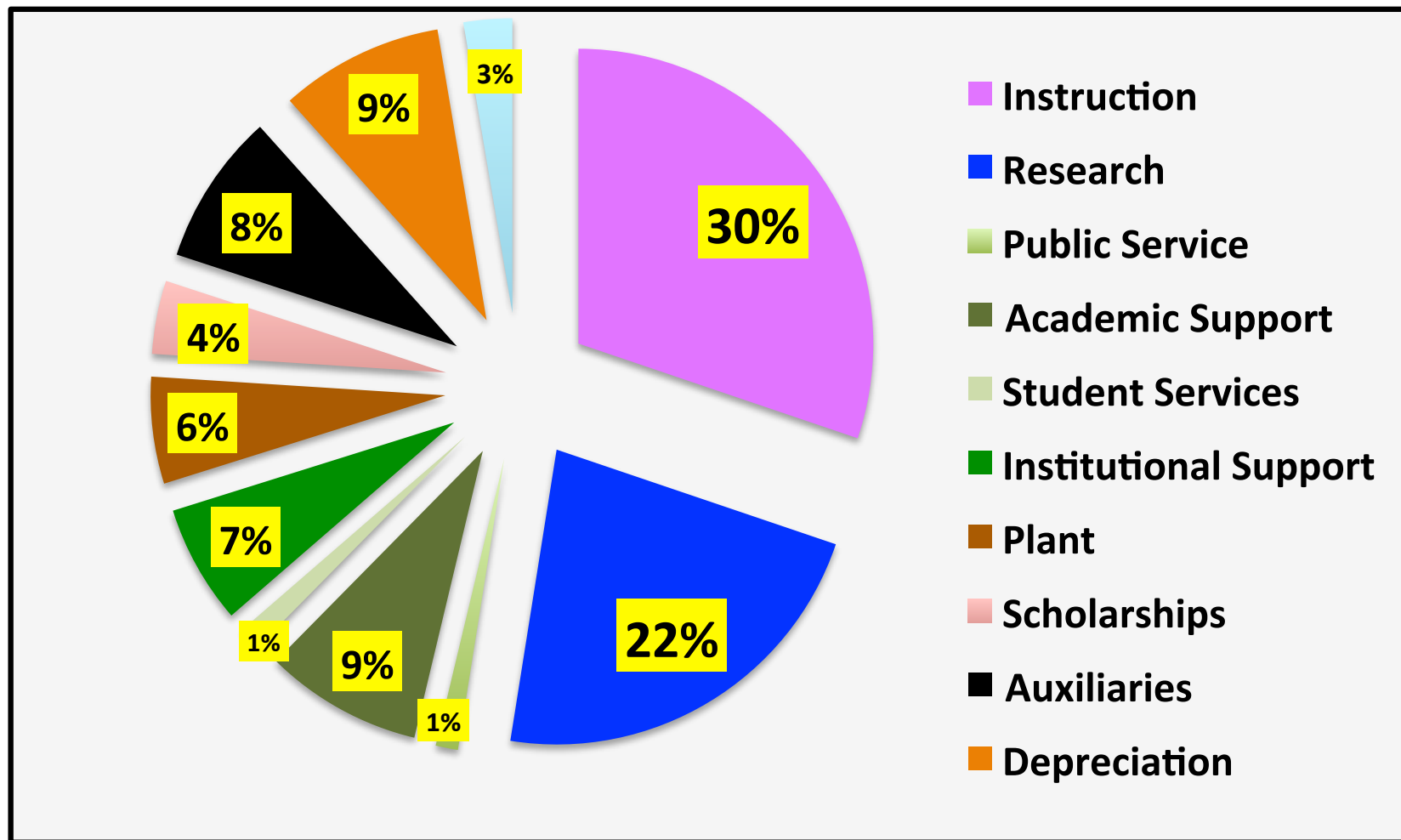
Expense Distribution – Natural Classification

Source: Audited Financial Statements

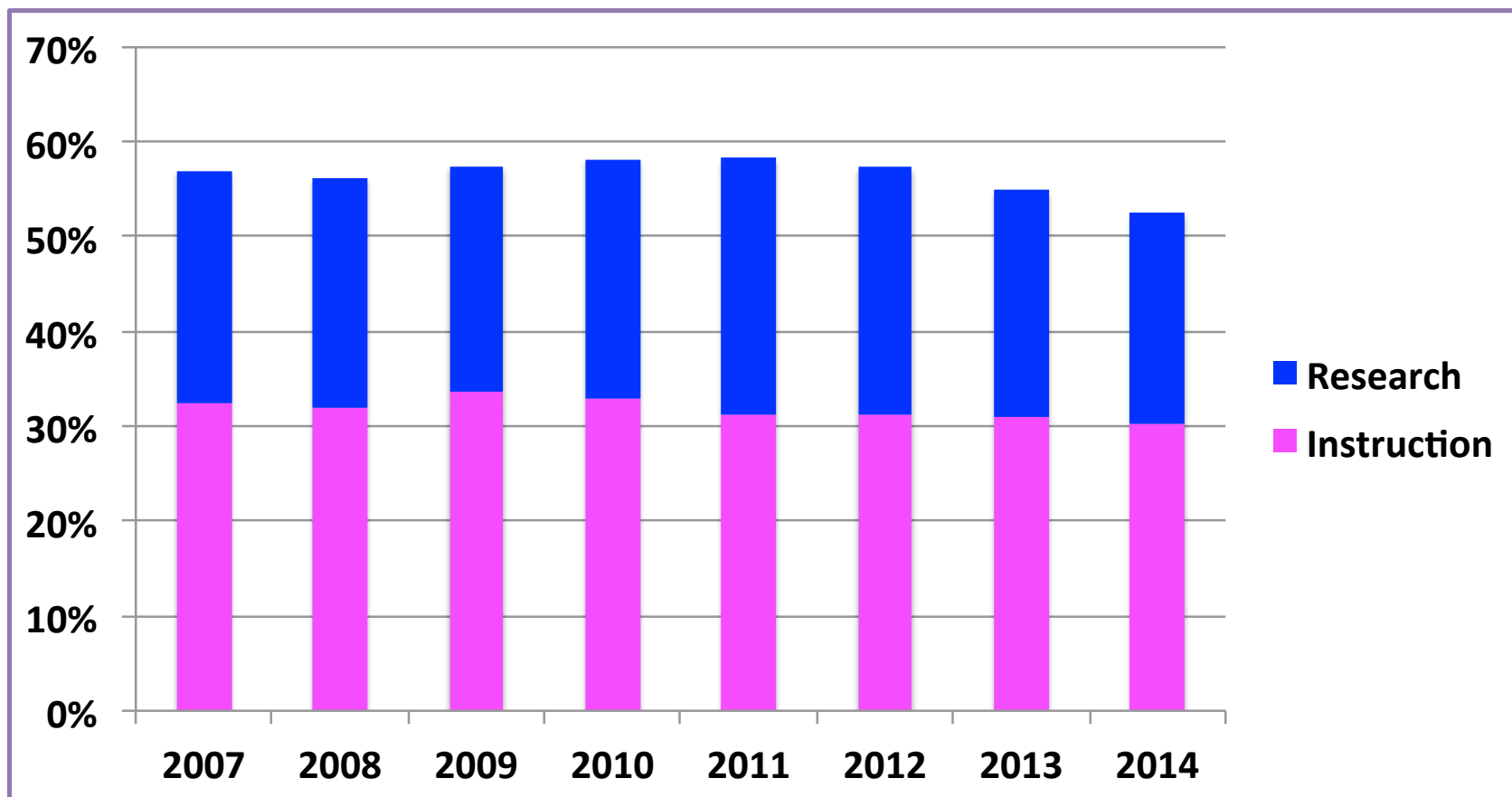


Expense Distribution – Functional Classification

(Without Medical; Green slices are mostly administration costs)

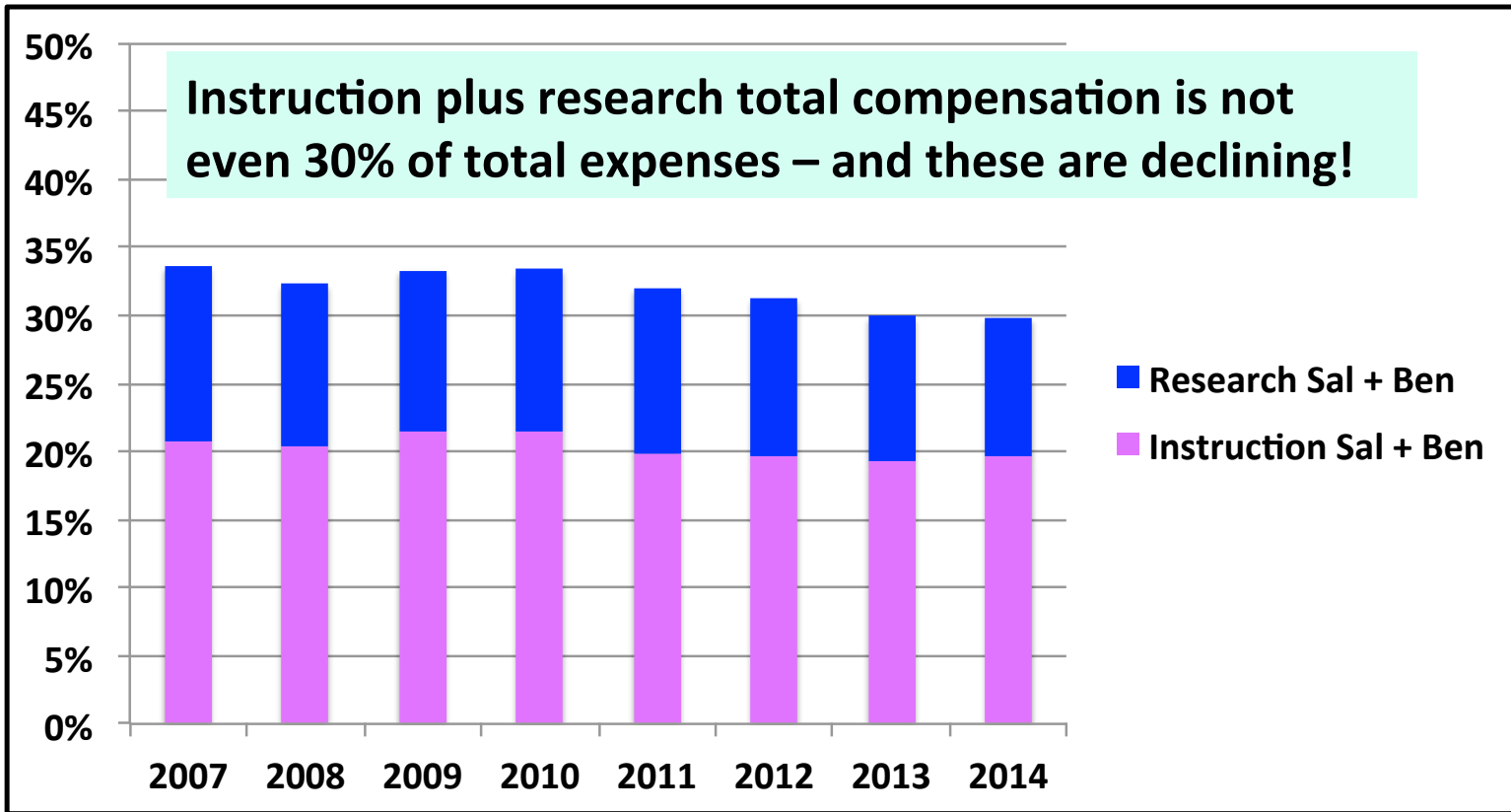


Instruction Plus Research Expenses Over Time



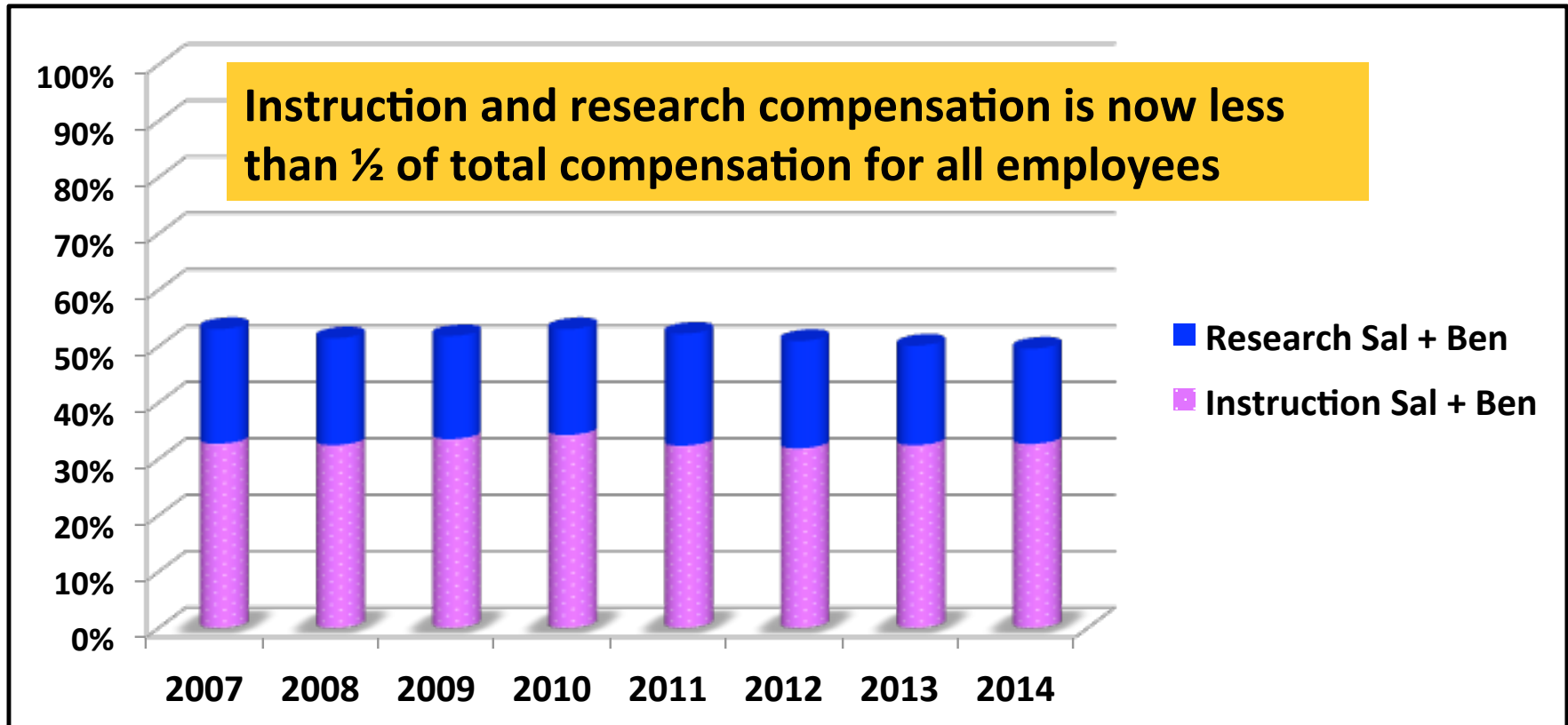
	2007	2008	2009	2010	2011	2012	2013	2014
Instruction	32.3%	32.0%	33.7%	32.8%	31.3%	31.3%	31.1%	30.2%
Research	24.6%	24.2%	23.8%	25.4%	26.9%	26.0%	23.8%	22.3%
Instruction + Research	56.9%	56.2%	57.4%	58.2%	58.3%	57.3%	54.9%	52.5%

Compensation Components of Instruction and Research: Compare to Total Expenses per IPEDS



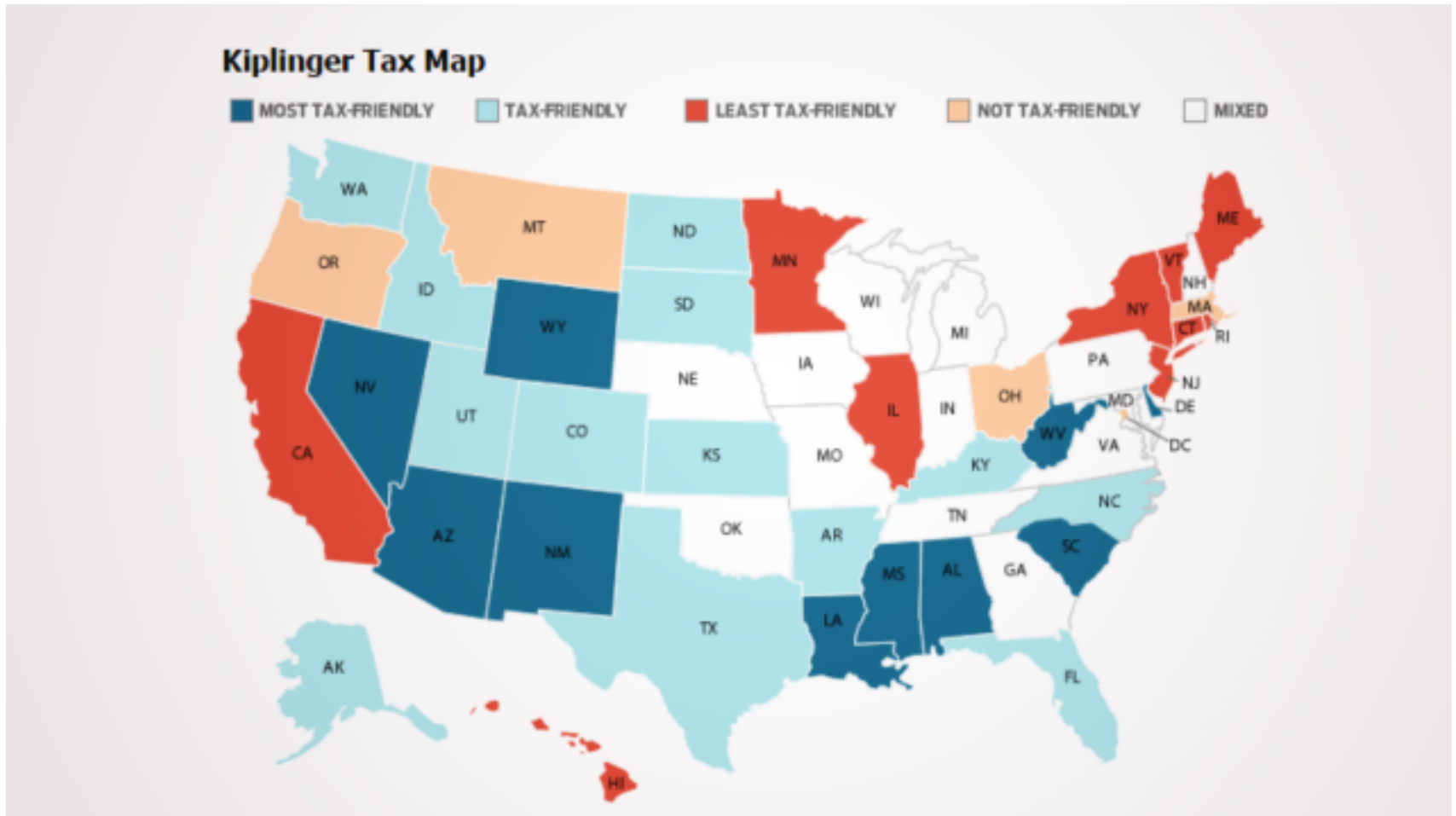
	2007	2008	2009	2010	2011	2012	2013	2014
Instruction Sal + Ben	20.7%	20.4%	21.6%	21.6%	19.8%	19.6%	19.4%	19.6%
Research Sal + Ben	12.9%	11.9%	11.8%	11.8%	12.2%	11.7%	10.6%	10.2%
Instruction and Research Sal + Ben	33.6%	32.3%	33.3%	33.4%	32.0%	31.3%	29.9%	29.8%

Compensation Components of Instruction and Research: Compare to Total Compensation per IPEDS



% of Total Sal + Ben	2007	2008	2009	2010	2011	2012	2013	2014
Instruction Sal + Ben	32.7%	32.5%	33.5%	34.3%	32.4%	31.9%	32.5%	32.7%
Research Sal + Ben	20.4%	19.0%	18.3%	18.8%	19.9%	19.1%	17.7%	16.9%
Instruction and Research Sal + Ben	53.1%	51.5%	51.9%	53.1%	52.3%	51.0%	50.1%	49.6%

Washington is not a High Tax State



**WA treasurer proposes cutting some taxes, creating
income tax; King 5 News, 4/20/15:
Really?**

The state treasurer is proposing lowering sales and property tax rates and creating a state income tax to pay for education.

The legislature was ordered by the state supreme court to come up with a plan by the end of the current legislative session to fully fund K-12 education as mandated by the state constitution. Treasurer James McIntire says accomplishing that is "mathematically impossible" under the current state tax system.

Proposal: Create a constitutional 5% flat rate income tax dedicated to education. It would include a \$50,000 deduction for a family of four.

Collective Bargaining Law in Washington

Rev. Code Wash. (ARCW) § 41.76.001 (2014)

- **(11) "Bargaining unit"** includes all faculty members of all campuses of each of the colleges and universities. Only one bargaining unit is allowable for faculty of each employer, and that unit must contain all faculty members from all schools, colleges, and campuses of the employer.
- **(5) "Faculty"** means employees who, at a public four-year institution of higher education, are designated with faculty status or who perform faculty duties as defined through policies established by the faculty governance system, excluding casual or temporary employees, administrators, confidential employees, graduate student employees, postdoctoral and clinical employees, and employees subject to chapter 41.06 or 41.56 RCW (defines manager and those not part of the unit more explicitly)

Part Time Faculty and the Collective Bargaining Law in Washington: WAC 391-35-350

Exclusion of casual and temporary employees.

- **(1) It shall be presumptively appropriate to include regular part-time employees in the same bargaining unit with full-time employees performing similar work, in order to avoid a potential for conflicting work jurisdiction claims which would otherwise exist in separate units.**
- **Employees who, during the previous twelve months, have worked more than one-sixth of the time normally worked by full-time employees, and who remain available for work on the same basis, shall be presumed to be regular part-time employees.**
- **(2) It shall be presumptively appropriate to exclude casual and temporary employees from bargaining units. . . . so that they lack an expectation of continued employment and a community of interest with full-time and regular part-time employees.**

Number of Faculty per IPEDS: 2008 vs. 2014

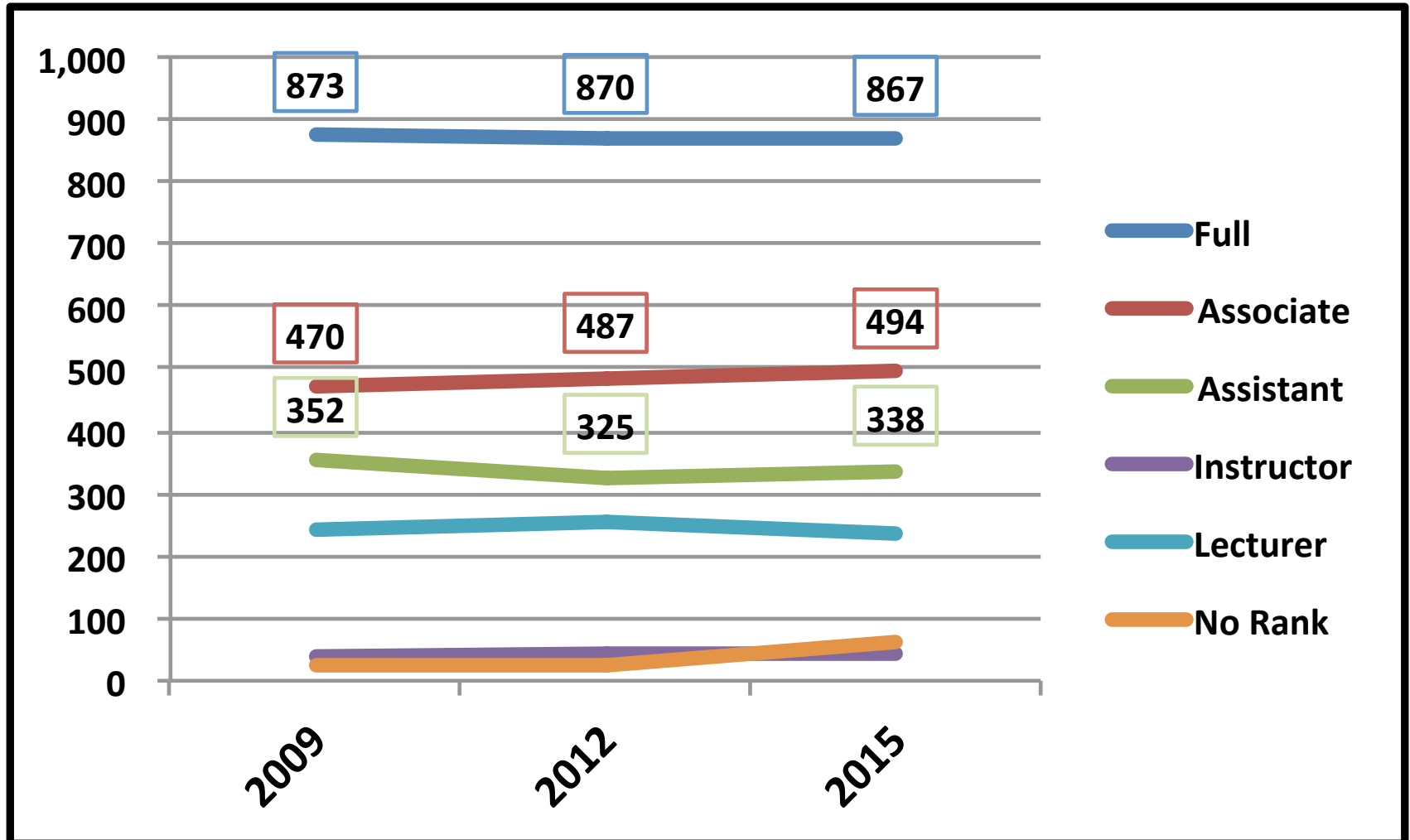
(For IPEDS, comparing before 2008 is not appropriate)

SEATTLE (faculty status)	2008	2014	# Change	% Change
Tenured/Tenure-Track	1,261	1,182	-79	-6.3%
Non Tenure Track	691	1,169	478	69.2%
Medical Tenure/TT	171	162	-9	-5.3%
Medical Non Tenure Track	1,267	1,433	166	13.1%
Part time Non-Med	696	888	192	27.6%
Part time Med	362	580	218	60.2%
Grand Total	4,448	5,414	966	21.7%
With Med School	2008	2014		
% Tenured/Tenure Track	32%	25%		
% Non-Tenured	68%	75%		
Without Med School	2008	2014		
% Tenured/Tenure Track	48%	36%		
% Non-Tenured	52%	64%		

Number of Faculty and Enrollment per Common Data Set

	Fall 2008	Fall 2014	# Change	% Change
Full Time Faculty	3,019	3,307	288	9.5%
Part Time Faculty	712	1,211	499	70.1%
Total Faculty	3,731	4,518	787	21.1%
Undergrad Enrollment	29,397	30,672	1,275	4.3%
Grad Enrollment	12,120	14,112	1,992	16.4%
Total Enrollment	41,517	44,784	3,267	7.9%

Number of Faculty per AAUP Compensation Survey (Med not included)



Faculty Salaries: Levels vs. Peers

Peers per UW Office of Planning and Budgeting

http://opb.washington.edu/sites/default/files/opb/Tuition/2013-14_GCS_peer_tuition_comparisons.pdf

2014-15	Full	Associate	Assistant	Instructor	Lecturer
UCLA	\$181,047	\$117,661	\$97,117		\$79,153
UVA	\$156,937	\$104,909	\$90,561	\$51,859	\$59,786
Maryland	\$154,210	\$107,578	\$92,578	\$67,658	\$60,662
UC San Diego	\$153,915	\$100,949	\$91,815		\$80,791
UC Irvine	\$152,575	\$99,037	\$86,794		\$77,668
UCONN	\$149,859	\$99,725	\$79,124	\$76,338	\$77,409
UC Davis	\$144,019	\$98,267	\$86,800		\$71,820
UMASS	\$139,183	\$98,806	\$85,415		\$67,043
UW	\$132,422	\$98,271	\$92,558	\$51,596	\$70,670
UC Boulder	\$131,620	\$95,510	\$85,989	\$59,376	
Peer Average	\$151,485	\$102,494	\$88,466	\$63,808	\$71,792
UW vs. Average	-\$19,063	-\$4,222	\$4,092	-\$12,212	-\$1,122
UW % vs. Average	-13%	-4%	5%	-19%	-2%
UW Rank (of 10)	9	8	3	5 of 5	6 of 9

Faculty Salaries: Changes vs. Peers

	Full	Associate	Assistant	Instructor	Lecturer
2012 Peer average	\$137,215	\$93,652	\$80,502	\$57,611	\$69,507
2012 UW vs. Average	-\$14,527	-\$5,366	-\$1,163	-\$12,335	-\$7,358
Gain (Loss) from 2012 to 2015	-\$4,537	\$1,144	\$5,256	\$123	\$6,236
% Gain (Loss) from 2012 to 2015	-3.3%	1.2%	6.5%	0.2%	9.0%
2012 UW Rank (of 10)	9	10	7	5 of 6	6 of 9
2015 UW Rank (of 10)	9	8	3	5 of 5	6 of 9

Athletics Revenues and Expenses per USA Today and Equity in Athletics Data Analysis

