To: Faculty and Staff  

Re: Activity Based Budgeting

Everyone is likely well aware that activity based budgeting has been implemented at the University of Washington. The campus roll-out to this implementation was initiated on October 21, 2009 when Provost Wise issued a letter directing a Steering Committee to examine ABB as a budget model for implementation at the University of Washington (http://www.washington.edu/admin/pb/home/opb-abb-po.htm). Prior to then, there was an ABB Project Working Group that began work on June 24, 2009 and provided a report on October 6, 2009. Five sub-committees were formed when the Steering Committee was charged and they focused on:

1. Academic Impact  
2. Research and Indirect Cost Recovery  
3. Administration and common good elements  
4. Structure and delivery of a tax model  
5. Definitions and data points

On May 27th, 2010, the final reports were issued and these were:

- Cover Letter and ABB Steering Committee Final Report  
- ABB Steering Committee Report Attachments

There is a web site that has all of the details about ABB and it can be found here:

http://www.washington.edu/admin/pb/home/opb-abb.htm

What is much more critical to you (and to the School) is how we faired during the initial phase of implementation (focused only on students [whether undergraduate or graduate] and student credit hours).

1. Data used in determining ABB allocations were for Autumn, Winter and Spring Quarters of the 2009 – 2010 year.  
2. The College of the Environment received about $961,805 in the ABB allocation process [About 84.3% [$810,957] of CoENV’s allocation is attributable to
undergraduates). The College returned $340,000 to all the units, used about $180,000 to pay for the change and increase in the faculty – staff technology fee.

3. The details of the formula used and the stature of the College vis a vis the University are present on page 3.

4. The School received $115,853.

5. It was clear that CQS was treated differently than any other unit in the College.

I have provided rough, comparative data for the other units within the College and I hope by September 21 or sooner to have a much clearer vision to share with you regarding ABB and teaching, research and service.

This should initiate our Tuesday afternoon discussion.

Sincerely yours,

Thomas Hinckley
Interim Director, School of Forest Resources
David RM Scott Professor of Forestry

---

1 The total allocated to the various schools and colleges was $21,676,900. The Provost retained $9,290,100 for future use.

2 It appears that as of Spring 2010, Q SCI SCHs are assigned to CoENV. In Winter 2010 and Autumn 2009, Q SCI SCH were assigned to Undergrad Academic Affairs. Thus, it appears that Q SCI SCH are included in the data base used to perform the ABB allocation of incremental tuition revenues. It appears that CoE probably only received credit for Spring 2010 where 1396 SCH should have been counted. For Winter 2010 and Autumn 2009, 3162 Q SCI SCH were allocated to Undergrad Academic Affairs. Thus, CoENV did not receive the proper ABB allocation of SCH for FY 11. B3 detective work.
Formula and statistics (99.9% of this information is the result of Bruce Bare’s detective work).

Eighty percent of incremental revenue from undergraduates is distributed on the basis of SCH; 20 percent on the basis of degree majors. Twenty percent of incremental revenue from graduate and professional students is distributed on the basis of SCH; 80 percent on the basis of major enrollments. Although the possibility of averaging SCH, majors, and degrees over three to five years was discussed, it was decided to use the most recent completed year’s data as the basis for the relevant calculations. SCH and major information came from 2009-10 (summer excluded); degree information came from 2008-09 (any degree awarded from Summer 2008 through Spring 2009).

For 2009-10, CoE generated 62,878 SCH from undergraduates and 17,875 SCH from graduate/professional students for a total of 80,753 SCH. Relative to the totals for all schools and colleges, CoE generated 5.6% of the undergraduate SCH and 5.2% of the graduate/professional SCH. If we divide the CoE incremental tuition allocation of $961,805 by the total SCH of 80,753 we obtain (on average) $11.91 of incremental tuition per SCH. This accounts for both undergraduate and graduate/professional students.

CoE generated about 2.66% of the 7,973 undergraduate degree majors (UW – S) and 5.76% of the 9,721 enrolled graduate and professional majors. These values are also used in the allocation but do not affect the above calculations.
<table>
<thead>
<tr>
<th></th>
<th>SCH/$1K state</th>
<th>$ICR/$1 state</th>
<th>Degrees/ $10K state</th>
<th>% not budgeted in 01-10*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aquatic &amp; Fishery Sciences</td>
<td>2.00</td>
<td>0.85</td>
<td>0.17</td>
<td>39%</td>
</tr>
<tr>
<td>Atmospheric Sciences</td>
<td>4.80</td>
<td>0.97</td>
<td>0.13</td>
<td>14%</td>
</tr>
<tr>
<td>Earth &amp; Space Sciences</td>
<td>6.30</td>
<td>0.50</td>
<td>0.16</td>
<td>30%</td>
</tr>
<tr>
<td>Forest Resources</td>
<td>4.00</td>
<td>0.15</td>
<td>0.17</td>
<td>44%</td>
</tr>
<tr>
<td>Marine Affairs</td>
<td>1.80</td>
<td>0.08</td>
<td>0.32</td>
<td>16%</td>
</tr>
<tr>
<td>Oceanography</td>
<td>2.40</td>
<td>1.16</td>
<td>0.12</td>
<td>23%</td>
</tr>
<tr>
<td>PRISM</td>
<td></td>
<td></td>
<td></td>
<td>77%</td>
</tr>
<tr>
<td>Program on Climate Change</td>
<td></td>
<td></td>
<td></td>
<td>46%</td>
</tr>
<tr>
<td>Program on the Environment</td>
<td>9.20</td>
<td>0.00</td>
<td>0.88</td>
<td>80%</td>
</tr>
</tbody>
</table>

1 These are gross quantitative productivity measures that do not accurately reflect ABB "earnings"

* The 01-10 object code serves as a proxy for tenure lines. This is the percent of the budget(s) where budget cuts can be taken.
### COLLEGE OF THE ENVIRONMENT

Budget Scenarios effective 7/1/10

<table>
<thead>
<tr>
<th></th>
<th>FY 2010 Budget Total</th>
<th>Permanent Budget Cut</th>
<th>Total Budget Cut %</th>
<th>Provost Bridge</th>
<th>Initial ABB return</th>
<th>Tech Fee*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aquatic &amp; Fishery Sciences</td>
<td>2,851,418</td>
<td>142,571</td>
<td>5.0%</td>
<td>66,000</td>
<td>72,089</td>
<td>TBD</td>
</tr>
<tr>
<td>Atmospheric Sciences</td>
<td>1,952,491</td>
<td>19,524</td>
<td>1.0%</td>
<td>56,000</td>
<td>9,872</td>
<td>TBD</td>
</tr>
<tr>
<td>Dean</td>
<td>802,557</td>
<td>188,054</td>
<td>23.4%</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Earth &amp; Space Sciences</td>
<td>3,521,764</td>
<td>105,653</td>
<td>3.0%</td>
<td>112,000</td>
<td>53,422</td>
<td>TBD</td>
</tr>
<tr>
<td>Forest Resources</td>
<td>5,728,126</td>
<td>229,125</td>
<td>4.0%</td>
<td>143,000</td>
<td>115,853</td>
<td>TBD</td>
</tr>
<tr>
<td>JISAO/climatologist</td>
<td>130,783</td>
<td>0</td>
<td>0.0%</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Marine Affairs</td>
<td>686,654</td>
<td>6,867</td>
<td>1.0%</td>
<td>18,000</td>
<td>3,472</td>
<td>TBD</td>
</tr>
<tr>
<td>Oceanography</td>
<td>3,073,638</td>
<td>153,682</td>
<td>5.0%</td>
<td>67,000</td>
<td>77,707</td>
<td>TBD</td>
</tr>
<tr>
<td>PRISM</td>
<td>314,734</td>
<td>62,947</td>
<td>20.0%</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Program on Climate Change</td>
<td>364,580</td>
<td>72,916</td>
<td>20.0%</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Program on the Environment</td>
<td>500,087</td>
<td>15,003</td>
<td>3.0%</td>
<td>11,000</td>
<td>7,586</td>
<td>TBD</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>19,926,832</strong></td>
<td><strong>996,342</strong></td>
<td></td>
<td><strong>473,000</strong></td>
<td><strong>340,000</strong></td>
<td><strong>183,439</strong></td>
</tr>
</tbody>
</table>

* Covers the additional cost to units under the new technology funding structure. Total estimated to be $183,439 by UW Technologies.

\[
\frac{50\%}{\text{of ABB return}}
\]

LOW

YES \Rightarrow LOW

* REMEMBER IN SHORT TERM WE GET SLAUGHTER & BILL.
Purpose of Retreat

- Build community
- Share information on SFR accomplishments, College of the Environment updates, and new budget realities
- Develop strategic actions for the 2010-11 academic year

8:00-8:30 Registration
Coffee and bagels

8:30-8:35 Welcome
Purpose of retreat
Review agenda
Bradley

8:35-9:00 Review of Accomplishments
SFR Highlights, 2009-2010 Academic Year
Hinckley

9:00-9:20 College of the Environment update
Graumlich

9:20-10:00 Questions and Discussion

10:00-11:00 Break and Ice Breaker
Morgan

11:00-12:00 Distinguishing Characteristics of SFR
Identify overarching principles/values in teaching, research, and outreach that are distinguishing characteristics of SFR
Hinckley

12:00-1:00 Lunch

1:00-1:15 New Realities: SFR and Activity Based Budgeting ABB

1:15-2:00 Group Breakout Sessions
Identification of strategic actions/opportunities in teaching, research, and outreach
West

2:00-2:30 Group Reports
West

2:30-3:00 Prioritization/Discussion of Strategic Tasks
West

3:00-3:15 Summary discussion
Hinckley

3:15-4:00 Reception