

President, Vice Presidents, and Deans Recommendations for 2017-19 Operating Budget July 10, 2017

Background

Preparing Western's fiscal year operating budget takes years from start to completion. Beginning in 2015, planning units formed proposals for possible inclusion in the 2017-19 budget request to the state. After an open review process, involving the [University Planning and Resources Council](#) (UPRC), the [2017-19 budget request](#) was approved by our Board of Trustees last August and submitted to the state in September. Governor Inslee then considered the proposal as he prepared his state budget proposal last December. From January through June, the legislature dealt with significant fiscal challenges and differing policy priorities, with both the house and the senate putting forward budget proposals, summarized [here](#). We wish to thank all the Western people and organizations who worked together on our legislative priorities. As a group, we were successful in addressing many of the issues that arose during the legislative process and in pushing our priorities which led to several positive outcomes in the budget. The Legislative Relation's blog can be found [here](#) for those wanting more background on the process.

During these same months, planning units developed internal budget proposals that, while they may not have met the state decision package criteria, are important to the departments and divisions within Western. Presentations were made to UPRC and [audiocast](#) for those not able to attend, and a comment [forum](#) was provided to campus for feedback on the proposals. As we awaited a compromise budget out of Olympia, the vice presidents and deans began a series of meetings with President Randhawa, where, using input from UPRC and feedback from the campus, we explored budget scenarios based on "worst," "better," and "best" case assumptions.

Once Governor Inslee signed the compromise budget, we were able to quickly finalize the recommendations that are now offered for review and feedback from the campus prior to being submitted to the Board of Trustees on July 20 for final approval.

Recommendations

Since the state operates on a biennial budget timeline, the recommendations span both FY17-18 and FY18-19. The Board will approve the budget for the first year of the biennium, FY17-18. The budget "plan" for the second year of the biennium (2018-19) will be reviewed and evaluated further next year before going to the Board for final action. Please know that, although not shown in this presentation, we looked beyond the current year to make sure no commitments proposed here would become budgetary gaps in the future.

Our presentation of recommendations is designed to meet the needs of those with varying interest in details. We begin with a table of "Sources and Uses" showing individual items of

revenue and expenditures. From that table, one may follow the hyperlink, which provides more information on each item.

Next Steps

Due to the legislative session continuing into three special sessions, Western's internal review and comment period needs to be shortened in order to meet critical deadlines. Comments, critiques and suggestions for improvements are sought through **July 14**.

Feedback and questions are best shared through the [Budget Forum](#) so that all can engage in discussion regarding the proposed budget. Staff members in Western's budget office are monitoring the forum and will offer clarifications to questions. We will be following that forum in order to benefit from the discussion. Other avenues exist for providing input including our governance structures and the President's Cabinet.

President Randhawa will finalize his recommendations to be mailed to the Board of Trustees on July 17th, in preparation for action by the Board at a special meeting scheduled on July 20th.

Sources and Uses

Rather than a line-item budget, we use the format of "Sources and Uses" to more clearly focus on the changes being proposed. We assume status quo revenues and expenditures, and then incrementally capture how revenues (Sources) and expenditures (Uses) affect our proposed operating budget.

To understand the Sources and Uses table, you do need to understand that the column for 2017-18 shows an ongoing, permanent (recurring) base budget allocation; anything in the 2018-19 column would be an amount *in addition* to that ongoing allocation. To illustrate, if the proposal is to expend \$1M in 2017-18 and the 2018-19 column has \$500K showing then that means - year one budget is \$1M, year two budget is \$1.5M (and the biennial total is \$2.5M).

Please also note that our focus on the operating budget is for recurring, base-budgeted tuition and state appropriations. Non-recurring one-time expenses (e.g., start costs for new faculty positions) are not shown in this presentation but were considered. Wherever an initiative is base-funded, we assured that associated one-time costs would also be covered in some fashion.

SOURCES AND USES TABLE