

WESTERN

Washington University

2010 Supplemental Operating Budget Request

October 19, 2009

Bruce Shepard
President

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October 19, 2009

The Honorable Christine Gregoire
Governor of the State of Washington
PO Box 40002
Olympia, WA 98504-0002

Subject: 2010 Supplemental Operating Budget

Dear Governor Gregoire:

I am submitting to you Western's 2010 Supplemental Operating Budget, reflecting the General Fund-State (GFS) reduction announced by your budget office in July 2009. We stand ready to provide additional information should you or your staff require it.

I feel it is important to give you some context, even though I know that you, among all others, understand it all too well. We at Western all deeply appreciate that understanding. And we fully realize that you have had nothing but difficult choices over these past two years. And, that you will have more difficult choices in the near future.

General Fund-State (GFS) is reduced in the attached budget in accordance with the GFS dollar reduction targets provided by your Office of Finance and Management (OFM). For WWU, that amount is a \$995,000 permanent annual reduction, and, in line with special instructions to institutions of higher education (Director Moore's July 15, 2009 memorandum), the full \$995,000 reduction is applied to FY 2010-11.

The currently enacted 2009-11 operating budget for Western already includes a 29% cut from Western's state appropriations. State support for Western has dropped in 2009-10 from a 60% share of our operating budget to a 43% share. This already precipitous reduction will have enduring consequences for our students, and now we are facing additional budget reductions beginning with \$995,000 to be applied to 2010-11.

In 2009-10, we will maintain our 2008-09 seat capacity, but our class sections will be reduced by 10 to 15 percent. This many fewer sections will leave our students significantly less able to schedule around work, child-care, and other important commitments. Fewer sections will make completing prerequisites and sequenced courses much more difficult, and could result in an extra 6 months to a year for a student to complete his or her degree.

Washington's universities rank at or near the top among all 50 states in baccalaureate degree productivity, cost efficiency, and timely degree completion. At the same time, our universities, especially Western, are consistently recognized as producing the highest quality degrees. Given that we were already delivering the most cost effective education in the country, the 2009-11 budgets, especially given possible additional reductions, will inevitably have a negative effect on the quality of that education.

Our outstanding faculty and staff will continue to put our students' interests and the interests of the State first. Even with the difficult budget situation we are looking to the future and to ways we can respond to the needs of the State. We are proposing four initiatives that respond to the HECB Master Plan goals and the State's goals of producing more baccalaureate degrees, producing more graduates in high demand fields important to the economic vitality of the State and providing support to help deserving Veterans in their transition to WWU.

- 1) With a small appropriation of \$80,000, *Destination Graduation* will provide outreach and intervention to students who have left WWU in good academic standing prior to degree completion and enable them to return and graduate.
- 2) Our *Teach Washington* proposal would add a Math Educator and a Master Teacher at approximately \$160,000. This would allow us to increase the number of high quality high school mathematics teachers in an area where we are currently at capacity.
- 3) By adding a faculty member at \$72,000, we can increase access to programs for the preparation of elementary, middle and high school English as a Second Language (ESL) and bilingual teachers thereby increasing the number of highly qualified teachers graduating with ESL and bilingual endorsements essential to the States goal of increasing the pipeline of students from the growing populations of students in our schools with limited English proficiency who are prepared to enter our higher education institutions.
- 4) With an investment of \$72,000 we can provide the growing population of Veterans with the support they need to transition to WWU and ensure their efficient and successful graduation by providing much need support in the counseling area, finding internship opportunities and developing a leadership track for Veterans at WWU.

These small investments would pay large dividends for the citizens of our State. They are examples of the ways that Western's faculty and staff are stepping forward to be part of the solution to the challenges facing this State. We would welcome the opportunity to talk with you more about these proposals.

The combination of fewer classes, increased class size, less counseling and advising, dozens of unfilled faculty positions, and the probable drain of talented and underpaid faculty and staff will inexorably erode the quality of our university education. It will probably take several years to measure the impact of that erosion, but if we wait that long to do something, it will be too late. We believe that education is the most important

Governor Gregoire

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investment our state can make to grow and sustain a 21st century economy. We urge you to stem future cuts to higher education and to consider modest investments to ensure the future vitality of our citizens and our State.

Sincerely,

A handwritten signature in black ink that reads "Bruce Shepard". The signature is written in a cursive, flowing style.

Bruce Shepard

President

Enclosure

Copy to: Catherine Riordan, Provost & Vice President Academic Affairs
Sherry Burkey, Associate VP University Relations
Paula M. Gilman, Executive Director, University Planning & Budgeting

Recommendation Summary (CB Detail)

Agency: 380 Western Washington University
Version: S1 2009-11 1st Yr Supplemental Request

1:18:43PM
 10/16/2009

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
2009-11 Current Biennium Total				
Total Carry Forward Level				
Percent Change from Current Biennium				
Carry Forward plus Workload Changes				
Percent Change from Current Biennium				
Total Maintenance Level				
Percent Change from Current Biennium				
PL ZF GFS Reduction 2010-11		(995)		(995)
Subtotal - Performance Level Changes	0.0	(995)		(995)
2009-11 Total Proposed Budget		(995)		(995)
Percent Change from Current Biennium				

PL ZF GFS Reduction 2010-11

In accordance with OFM Director Moore's July 1, 2009, memorandum, directing all state institutions to submit a 2010 supplemental budget to reflect reductions to the currently enacted biennial budget. Western's 2009-11 operating budget is reduced herein in accordance with the GFS dollar reduction targets reflected in Attachment B of that memo. For WWU, the amount is \$995,000, and in accordance with subsequent instructions to institutions of higher education (Director Moore's July 15, 2009 memorandum), the full \$995,000 reduction is applied to FY 2010-11. The required budget reduction is not linked to any reductions in budgeted FTEs at this time. WWU, with OFM's approval, is temporarily reflecting the \$995,000 GFS reduction for 2010-11 in program 030 (public service).

DECISION PACKAGE TITLE: GFS Reduction 2010-11

Recommendation Summary Text:

In accordance with OFM Director Moore’s July 1, 2009, memorandum, directing all state institutions to submit a 2010 supplemental budget to reflect reductions to the currently enacted biennial budget. Western’s 2009-11 operating budget is reduced herein in accordance with the GFS dollar reduction targets reflected in Attachment B of that memo. For WWU, the amount is \$995,000, and in accordance with subsequent instructions to institutions of higher education (Director Moore’s July 15, 2009 memorandum), the full \$995,000 reduction is applied to FY 2010-11. The required budget reduction is not linked to any reductions in budgeted FTEs at this time.

Fiscal Detail:

	2009-10	2010-11	2009-11
RESOURCES			
Fund 001, General Fund – State	\$ 0	(\$ 995,000)	(\$995,000)
Total Resources	\$ 0	(\$ 995,000)	(\$995,000)
USES (EXPENDITURES)			
Program 030 Public Service (on a temporary basis only)	\$ 0	(\$ 995,000)	(\$995,000)
Total Expenditures	\$ 0	(\$ 995,000)	(\$995,000)

Package Description:

It is Western’s understanding from discussions with OFM that the guidelines on the above cuts for higher education are derived from the Legislature in two different places. First, in the budget bill itself, the directive is that the institution must reduce administrative programs by a greater percentage than “student services and instruction.” That means programs 040 (primary support) and 080 (institutional support) must take larger cuts than programs 010 (instruction) and 060 (student services). The other programs, according to OFM, such as plant maintenance (090) and libraries (050) are not addressed.

Second, according to OFM, 2009 legislation extending institutional control over non-resident undergraduate tuition rates had a similar but slightly different requirement. It mandated larger cuts to administrative programs, but the groupings of programs differ slightly: Programs 010

(instruction), 050 (libraries), 060(student services) and 090 (plant operations and maintenance) are required to take a lower percentage cut than the other programs such as 020 (instruction), 040 (primary support) and 080 (institutional support).

Narrative Justification and Impact Statement:

As indicated above, WWU, with OFM's approval, is temporarily reflecting the \$995,000 GFS reduction for 2010-11 in program 030 (public service). This is due to the scheduling of Western's internal open and transparent decision-making process for developing its 2010-11 Annual Operating Budget for Board of Trustees approval.

While in early June 2009, the Board of Trustees approved tuition rates for the 2010-11 fiscal year, and received a preliminary 2010-11 operating budget plan, that plan now needs to be modified by the additional \$995,000 in GFS reductions, in accordance with the university's developing and more current needs, and perhaps to reflect additional reductions imposed by the Governor in her supplemental budget or by the Legislature during the 2010 Legislative Session.

In January 2010, the President of Western, in consultation with the Vice Presidents, through the office of University Planning and Budgeting, will provide detailed budget instructions on updating WWU's 2010-11 Annual Operating Budget.

Sixteen (16) University Planning Units will work bottom up during January and February 2010 to determine with faculty and staff where reductions will be taken.

On March 8, each planning unit will submit to University Planning and Budgeting (UPB) 2010-11 annual operating budget proposals, reflecting estimated budgeted reductions. From March 8-12, UPB will work with the sixteen planning units and will post these proposals to its website for public comments due by March 12. During this period, discussions will be held on the proposals by the Faculty Senate's University Planning and Resources Council, consisting of both faculty and high-level administrators.

On March 17, each Planning Unit will present updated 2010-11 annual budget proposals to a university-wide budget panel, including 23 members, and the UPRC chair. These presentations and discussions are audio-cast live to the campus community.

On March 19, working with the President, the Vice Presidents and Deans will evaluate all updated 2010-11 budget proposals. The President will recommend a final budget that will be posted to the UPB website for input again from the university community.

On May 19, a campus-wide budget discussion forum will be held by the President and Vice Presidents for input from all constituencies. Finally, on June 4, a revised budget recommendation will be mailed to Western's Board of Trustees, and the Board of Trustees will be asked to approve the 2010-11 operating budget at its June 12, 2010, meeting.

a) What specific performance outcomes does the agency expect?

Additional reductions will have an impact on our students' ability to access the education that they and the state need, and their ability to complete their degrees in a timely way.

b) Performance measure detail

Most of Western's accountability measures should be negatively impacted including the number of bachelor's degrees awarded; six-year graduation rates for first-time, full-time freshman students; three-year graduation rates for transfer students with an associate degree from a Washington community college; freshman retention rates; and the percentage of bachelor's degrees awarded to students not exceeding 125 percent of the number of credits required for the degree.

c) Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Not applicable

d) Does this decision package provide essential support to one of the Governor's priorities?

Not applicable.

e) Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.

Not applicable

f) What are the other important connections or impacts related to this proposal?

Continuing requirements that higher education administration be reduced appears born of a misunderstanding that our universities are wasteful and inefficient. Western and Washington's other universities have become the most cost efficient in the nation by keeping administrative costs low and transparency high. Washington leads the nation in degree completion, and in bachelor's degree production at one of the lowest total FTE student funding rates (tuition and GFS) in the nation.

g) What alternatives were explored by the agency, and why was this alternative chosen?

Not applicable.

h) What are the consequences of not funding this package? (Specifically, consequences to desired outcomes or stakeholders)

Not applicable.

i) What is the relationship, if any, to the state's capital budget?

None.

- j) What changes would be required to existing statutes, rules, or contracts, in order to implement the change.*

None.

- k) Expenditure and revenue calculations and assumptions.*

- l) Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

Revenue: General Fund-State reduction is reflected.

Agency: 380 Western Washington University**2010 SUPPLEMENTAL FEDERAL FUNDING ESTIMATES SUMMARY**

CFDA#	Agency	State Fiscal Year	State Match Amount
U.S. Dept of Agriculture			
10.206	FY2008	\$ 25,000	\$ 0
	FY2009	36,700	0
	FY2010	95,100	0
	FY2011	58,408	0
	Agency Total	<u>\$ 215,208</u>	<u>\$ 0</u>
USDA Forest Service			
10.652	FY 2008	\$ 34,000	\$ 4,450
	FY 2009	34,000	4,450
	FY 2010	14,000	2,000
	FY 2011	0	0
	Agency Totals	<u>\$ 82,000</u>	<u>\$ 10,900</u>
U.S. Dept of Commerce			
11.307	FY2009	\$ 85,109	\$ 53,720
	FY2010	114,500	69,200
	FY2011	114,500	69,200
	Agency Total	<u>\$ 314,109</u>	<u>\$ 192,120</u>
Economic Development Admin			
11.307	FY 2008	\$ 157,300	\$ 157,500
	FY 2009	91,700	91,900
	FY 2010	0	0
	FY 2011	0	0
	Agency Totals	<u>\$ 249,000</u>	<u>\$ 249,400</u>
NOAA			
11.478	FY2008	\$ 317,210	\$ 0
	FY2009	178,300	0
	FY2010	27,650	0
	FY2011	0	0
	Agency Total	<u>\$ 523,160</u>	<u>\$ 0</u>
National Park Service			
15.231	FY2008	\$ 262	\$ 0
	FY2009	5,415	0
	FY2010	7,541	0
	FY2011	2,577	0
15.812	FY2008	10,624	0
	FY2009	15,960	0
	FY2010	15,960	0
	FY2011	1,330	0
15.923	FY2008	15,230	0
	FY2009	11,060	0
	FY2010	8,890	0
	FY2011	0	0

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2010 SUPPLEMENTAL FEDERAL FUNDING ESTIMATES SUMMARY

CFDA#	Agency	State Fiscal Year	State Match Amount
	Agency Total	\$ 94,849	\$ 0
U.S. Fish & Wildlife Service			
15.649	FY2008	\$ 4,450	\$ 0
	FY2009	5,320	0
	FY2010	5,320	0
	FY2011	4,910	0
	Agency Total	\$ 20,000	\$ 0
U S Geological Survey			
15.808	FY2008	\$ 22,000	\$ 0
	FY2009	22,000	0
	FY2010	3,800	0
	FY2011	0	0
15.810	FY 2008	21,500	25,100
	FY 2009	5,600	6,000
	FY 2010	0	0
	FY 2011	0	0
	Agency Totals	\$ 74,900	\$ 31,100
U S Department of Transportation			
20.500	FY 2008	\$ 407,400	\$ 97,200
	FY 2009	388,700	97,200
	FY 2010	259,200	65,000
	FY 2011	0	0
	Agency Totals	\$ 1,055,300	\$ 259,400
National Science Foundation			
47.041	FY 2010	\$ 46,800	\$ 0
	FY 2011	62,500	0
47.049	FY 2008	389,200	22,900
	FY 2009	175,000	6,800
	FY 2010	144,000	6,300
	FY 2011	135,000	5,000
47.050	FY 2008	553,800	0
	FY 2009	771,600	0
	FY 2010	709,300	0
	FY 2011	447,900	0
47.074	FY 2008	413,500	0
	FY 2009	646,700	0
	FY 2010	583,600	0
	FY 2011	189,300	0
47.075	FY 2010	63,446	0
	FY 2011	68,657	0

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2010 SUPPLEMENTAL FEDERAL FUNDING ESTIMATES SUMMARY

CFDA#	Agency	State Fiscal Year	State Match Amount
47.076	FY 2008	280,300	0
	FY 2009	567,100	0
	FY 2010	635,400	0
	FY 2011	348,700	0
47.078	FY 2008	193,800	0
	FY 2009	207,700	0
	FY 2010	207,700	0
	FY 2011	207,700	0
47.082	FY 2009	99,371	0
	FY 2010	474,362	10,085
	FY 2011	417,910	915
47.575	FY 2008	18,495	0
	FY 2009	18,495	0
	FY 2010	18,495	0
	FY 2011	0	0
	Agency Totals	\$ 9,095,831	\$ 52,000

EPA

66.500	FY 2008	\$ 30,000	\$ 0
	FY 2009	30,000	0
	FY 2010	15,000	0
	FY 2011	0	0
66.509	FY 2008	293,082	0
	FY 2009	293,082	0
	FY 2010	219,812	0
	FY 2011	0	0
	Agency Totals	\$ 880,976	\$ 0

U S Department of Education

84.016	FY 2010	\$ 239,935	\$ 189,300
	FY 2011	21,812	17,200
84.129	FY 2008	878,900	164,600
	FY 2009	554,100	110,300
	FY 2010	147,200	44,100
	FY 2011	147,200	30,200
84.195	FY 2008	173,528	2,240
	FY 2009	173,528	2,240
	FY 2010	173,528	2,250
	FY 2011	173,528	2,250
	Agency Totals	\$ 2,683,259	\$ 564,680

National Institute of Health

93.113	FY 2008	\$ 94,321	\$ 0
	FY 2009	94,321	0
	FY 2010	70,740	0

Agency: 380 Western Washington University**2010 SUPPLEMENTAL FEDERAL FUNDING ESTIMATES SUMMARY**

CFDA#	Agency	State Fiscal Year	State Match Amount
	FY 2011	0	0
93.395	FY 2008	68,158	0
	FY 2009	68,158	0
	FY 2010	51,120	0
	FY 2011	0	0
93.701	FY 2009	50,080	0
	FY 2010	85,200	0
	FY 2011	58,600	0
93.839	FY 2008	45,100	1,000
	FY 2009	45,100	1,000
	FY 2010	45,100	1,000
	FY 2011	0	0
	Agency Totals	\$ 775,998	\$ 3,000

Corporation of National and Community Services

94.005	FY 2008	\$ 345,800	\$ 101,700
	FY 2009	349,800	112,300
	FY 2010	196,800	51,800
	FY 2011	0	0
94.007	FY 2008	469,223	0
	FY 2009	500,056	0
	FY 2010	391,676	0
	FY 2011	30,833	0
94.013	FY 2009	12,625	0
	FY 2010	7,125	0
	FY 2011	750	0
	Agency Totals	\$ 2,304,688	\$ 265,800

U.S. Dept Homeland Security

97.044	FY 2008	\$ 5,898	\$ 0
	FY 2009	23,588	0
	FY 2010	0	0
	FY 2011	0	0
	Agency Totals	\$ 29,486	\$ 0

National Endowment for the Arts

45.024	FY 2009	\$ 3,750	\$ 7,600
	FY 2010	7,500	15,250
	FY 2011	3,750	7,600
	Agency Totals	\$ 15,000	\$ 30,450