

# Fall Budget Forum

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October 23, 2024



# Today's Topics

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- Introduction
- Current Landscape: Insights and Updates
- Fiscal Year 2024-2025 Budget Strategy
- State Budget Request: Strategies for the Upcoming Biennium



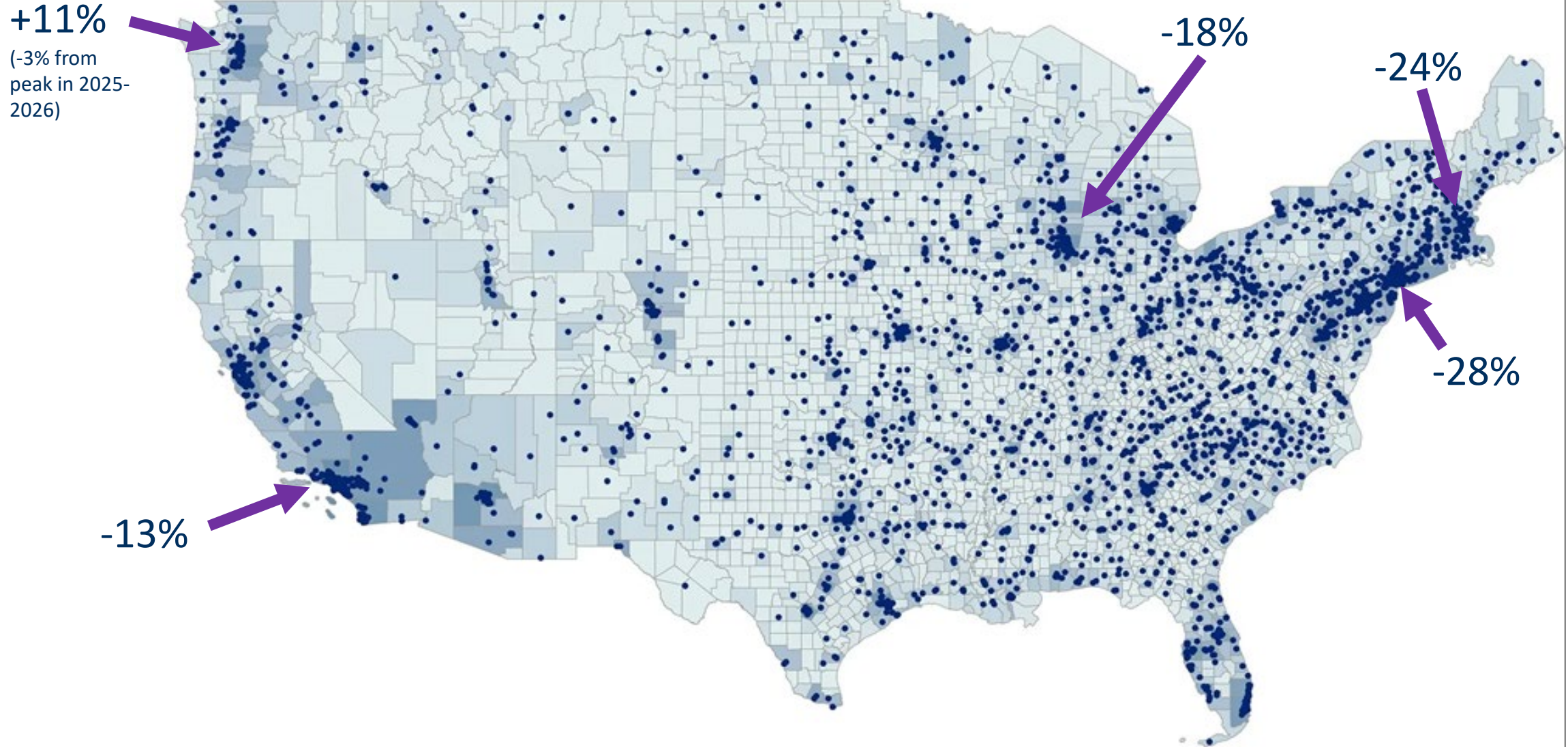


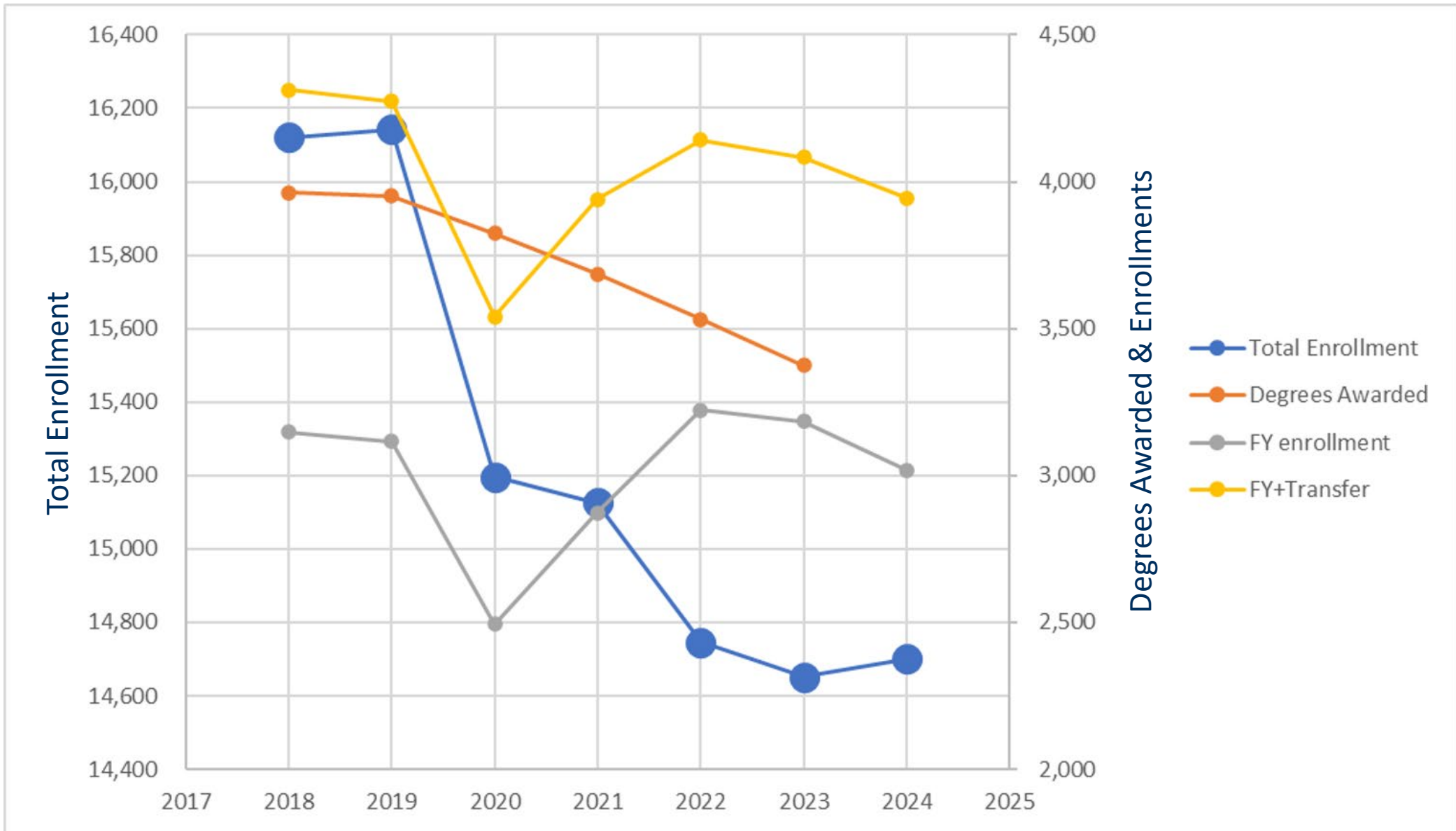
# The Landscape in Higher Education

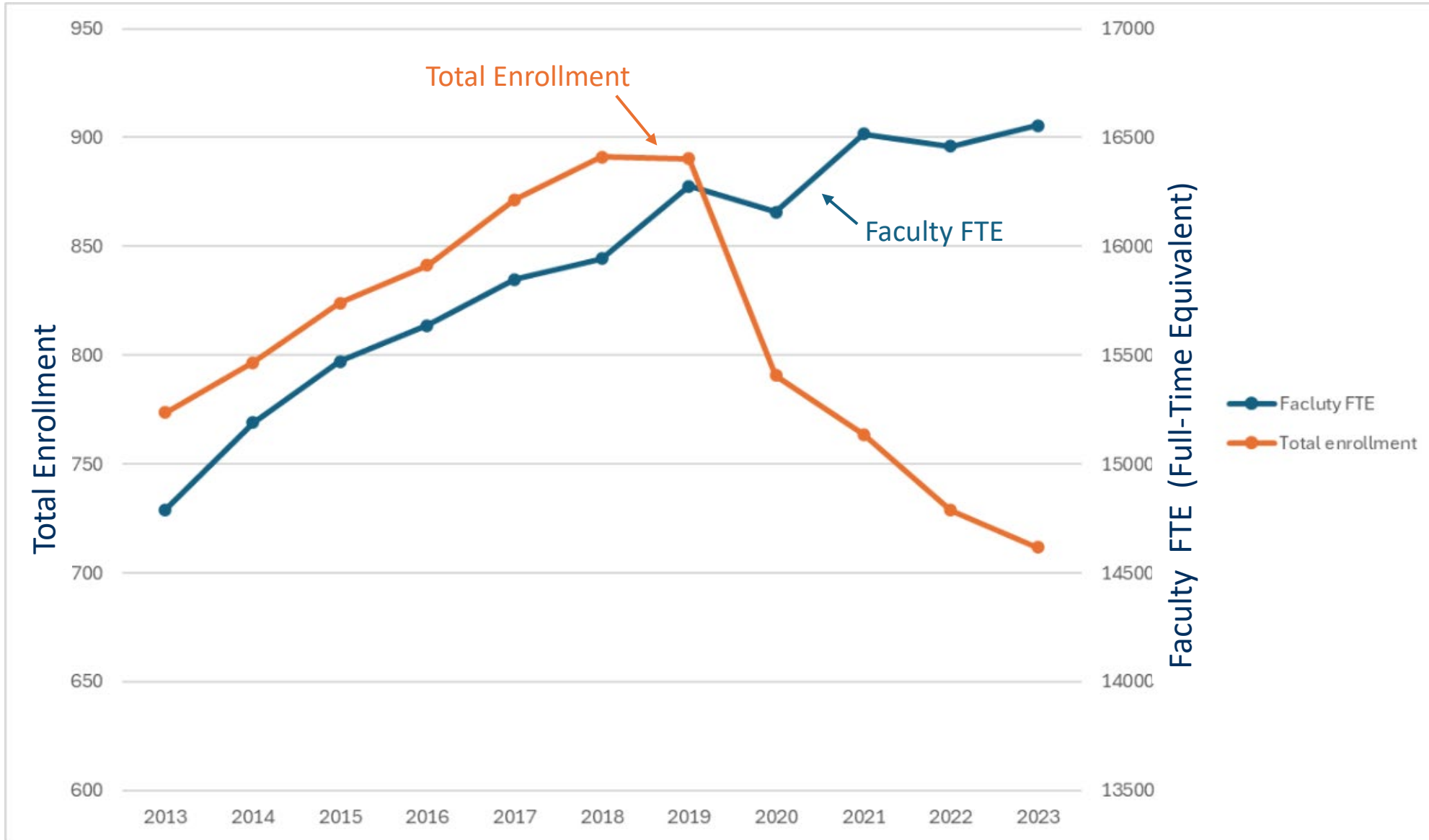
Brad Johnson, Provost and Executive Vice President

# Population and Institutions of Higher Education: Drawn by County

Overlay: percent change in number of 18-year-olds, from 2012-2029







# Consistency in our message

Enrollment is closely tied to tuition and makes up about 50% of total funding for the operating budget.

Alignment issues existed before the pandemic, which exacerbated our current circumstances

Realignment of instruction and operational resources with enrollments



# Budget Update

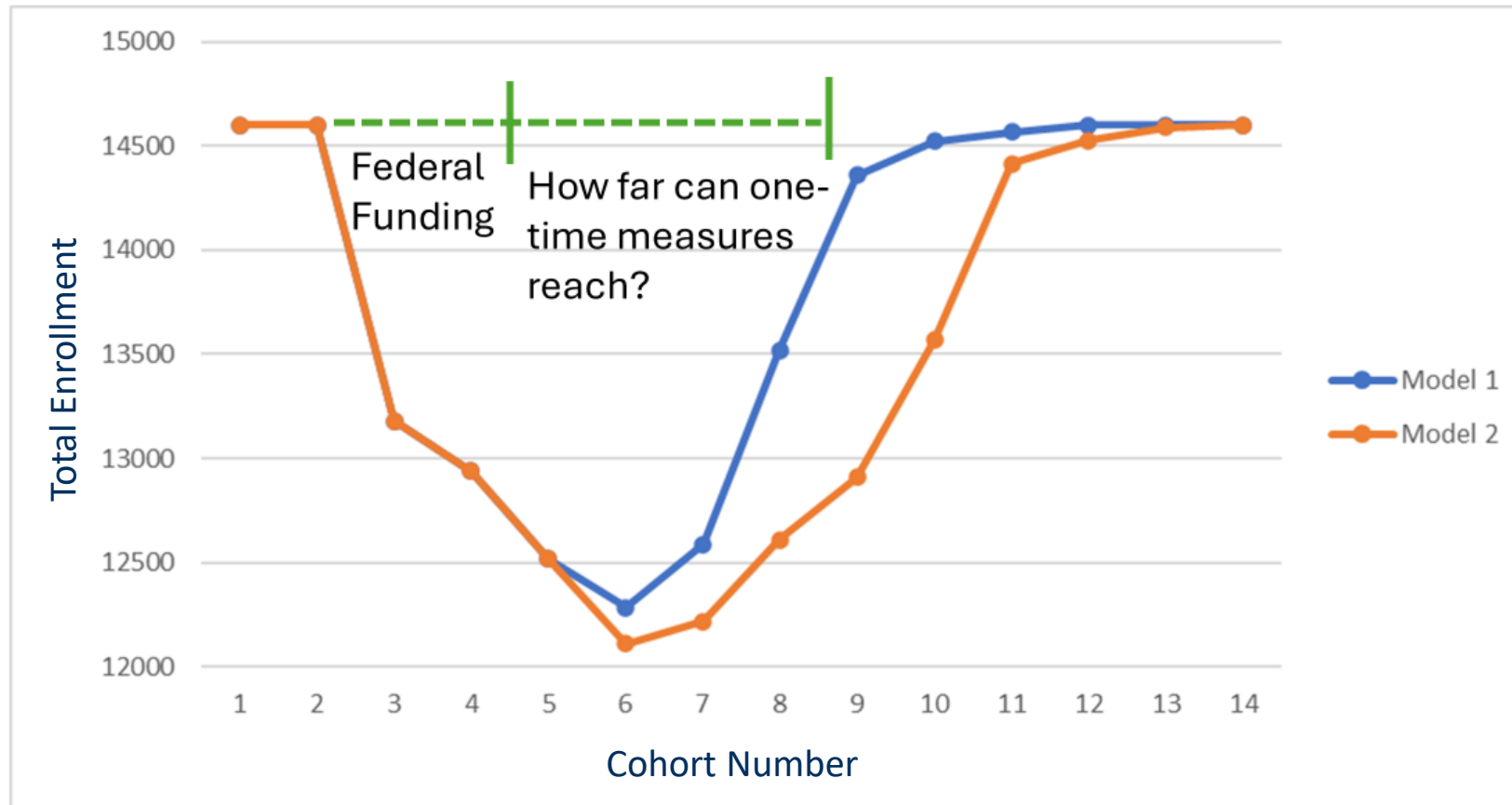
# What's in Front of Us

What are the figures? What are the main issues?

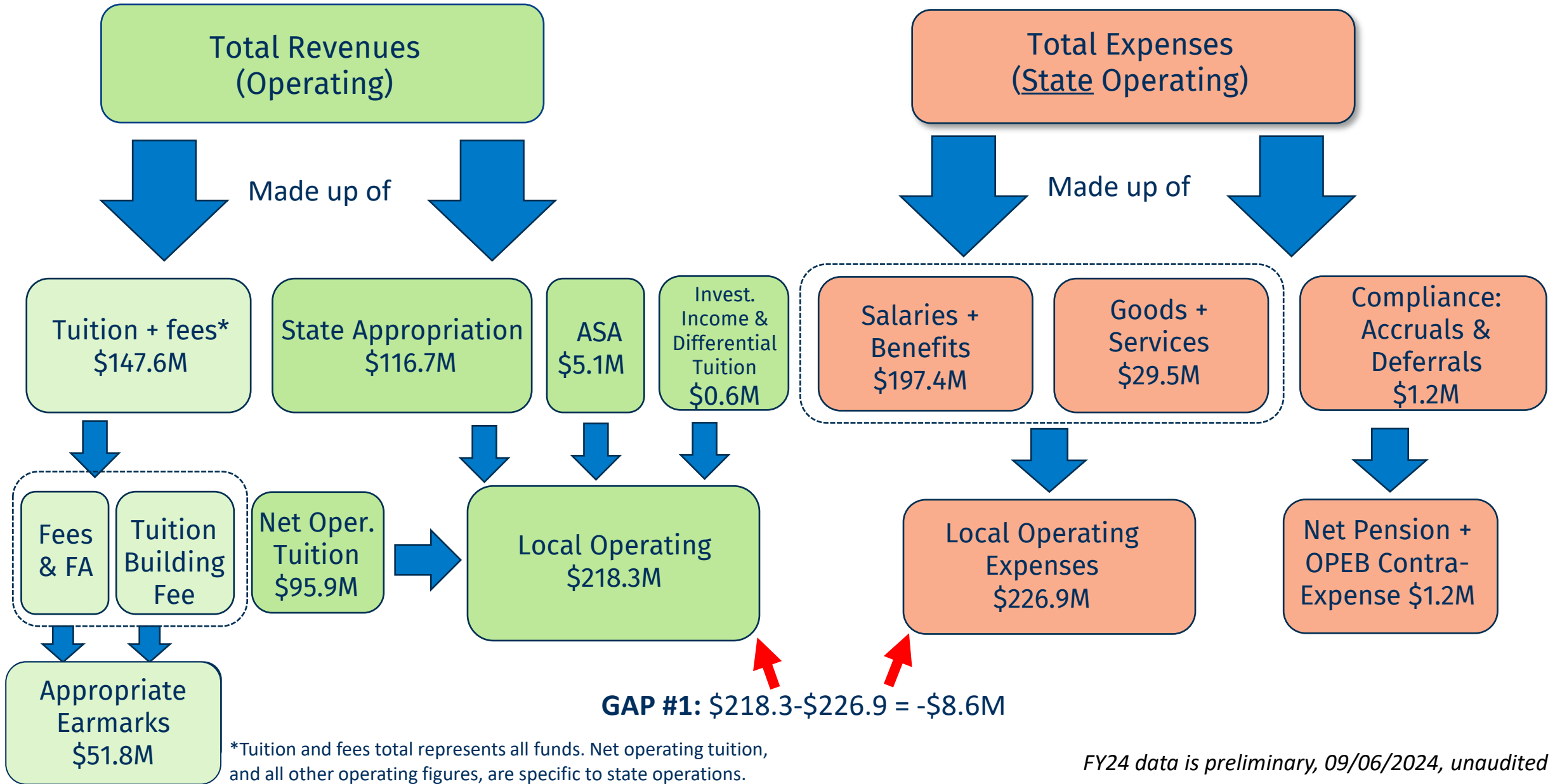
What positive impact have we made?

Alignment  
Methods

# The pandemic component



# FY24 WWU Operating – Flow of Funds



WWU State Operating Budget

Divisional Budget, in millions	
President	3.7
Academic Affairs	162.1
Business & Financial Affairs	23.9
Institutional Budget	2.4
University Relations & Marketing	3.9
Advancement	4.7
Equity and Inclusion	1.6
Enrollment & Student Services	16.0
<b>Local Operating Revenue</b>	<b>218.3</b>

Beginning Fund Balance \$24.0M

Local Operating Revenue \$218.3M

Divisional Budget

Programmatic colleges, departments, etc.

Salaries and Benefits \$197.4M

Goods and services \$29.5M

Misc. transfers, In \$2.5M /(Out)  
(Sums = zero across Univ.)

Ending Fund Balance \$17.9M

the math, in millions	
24.0	Beginning Fund Balance
+218.3	Revenue
-197.4	Salaries and Benefits
-29.5	Goods and Services
+2.5	Transfers*
<b>17.9</b>	<b>Ending Fund Balance</b>
(25.2%)	Net Change in Fund Balance
*Transfers to Operating Fund from other university funds are net positive in FY24	

**GAP #2:** \$17.9-\$21.8 = -\$3.9M

FY24 data is preliminary, 09/06/24, unaudited

# Budget Updates

## GAP #1 – Expenditures vs. Revenues

- Narrowed from FY23 to FY24 (from -\$13.6M in FY23 to -\$8.6M in FY24) by controlling expenditures
- Eliminated the budget deficit in Academic Affairs and fully funded instruction

## GAP #2 – Reserve Level v. Requirements

- 10% target grew as operating revenue grew from \$202.7M to \$218.3M in FY24.
- WWU's reserve fund balance was reduced due to gap #1.



# The Strategy

## Reductions and Revenues, including Legislative Approach

Joyce Lopes, Vice President for Business and Financial Affairs

# Administrative Reorganizations



UNIVERSITY RELATIONS &  
MARKETING



ENROLLMENT AND  
ADVISING



INFORMATION  
TECHNOLOGY SERVICES



OUTREACH &  
CONTINUING EDUCATION



DISPATCH

# Position Reductions

## Position reductions this Fall

- 25 positions,  
most vacant

## Additional reductions for FY25

- 30 positions, with  
a focus on vacant  
positions and  
strategic needs

## Reductions relative to hiring

- Over 300  
positions  
reviewed and  
approved for  
hiring

# For AY 2024-2025:

- Academic Affairs will plan reduction strategies for the next academic year based on (more qualitative) program reviews and identifying ‘parallel structures’ of degree paths and programs.
  - Goal of identifying real savings from section reductions
  - Target for instructional expenditure reduction in AY 2025-2026 is  $-\$1.5M$
- Maintain what makes WWU special



# Updates on Short Term Strategies

Maintain one-time saving strategies to bridge the gap between recurring revenues and expenditures. This includes:

- Optional, voluntary employee-initiated contract reductions/furloughs where mutually supported
- Continued president review of hiring
- Salary recaps on vacated positions to 6 months

# Overview of State Operating Request

The Board of Trustees approved the 2025-2027 Biennium State Operating Budget Request of \$68,410,285 in incremental state funding

Focus is on support for the core operations of the university.

The Operating Request included six decision packages plus requests to fund our collective bargaining agreements.

# Operating Decision Packages

## Per-Student Funding

- \$21.4 million

## Compensation and Fund Split

- \$27.2 million

## Enterprise Resource Planning (ERP) Conversion

- \$14.9 million

## Fund Shift, Maintenance & Operations (M&O)

- \$4.2 million

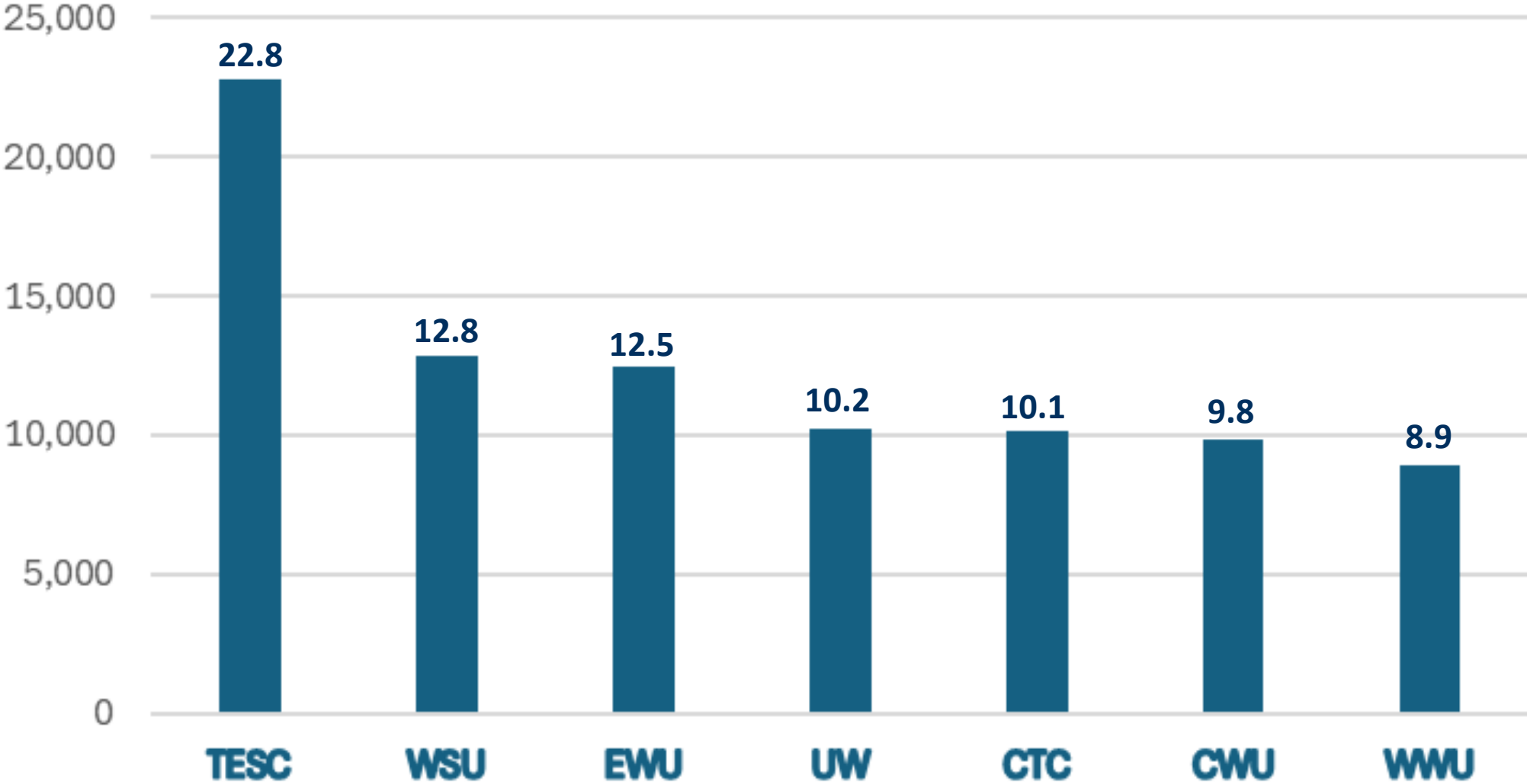
## Recurring Funding for Academic Access & Outreach

- \$800k

## Maintenance & Operations for New Sq. Footage

- \$277k

# Per-Student funding FY2023



# Overview of State Capital Request

Poulsbo  
Instructional  
Facility \$71.6 M

Academic  
Facilities  
Renewal \$20M

Access Control  
Safety Upgrades  
\$9.1M

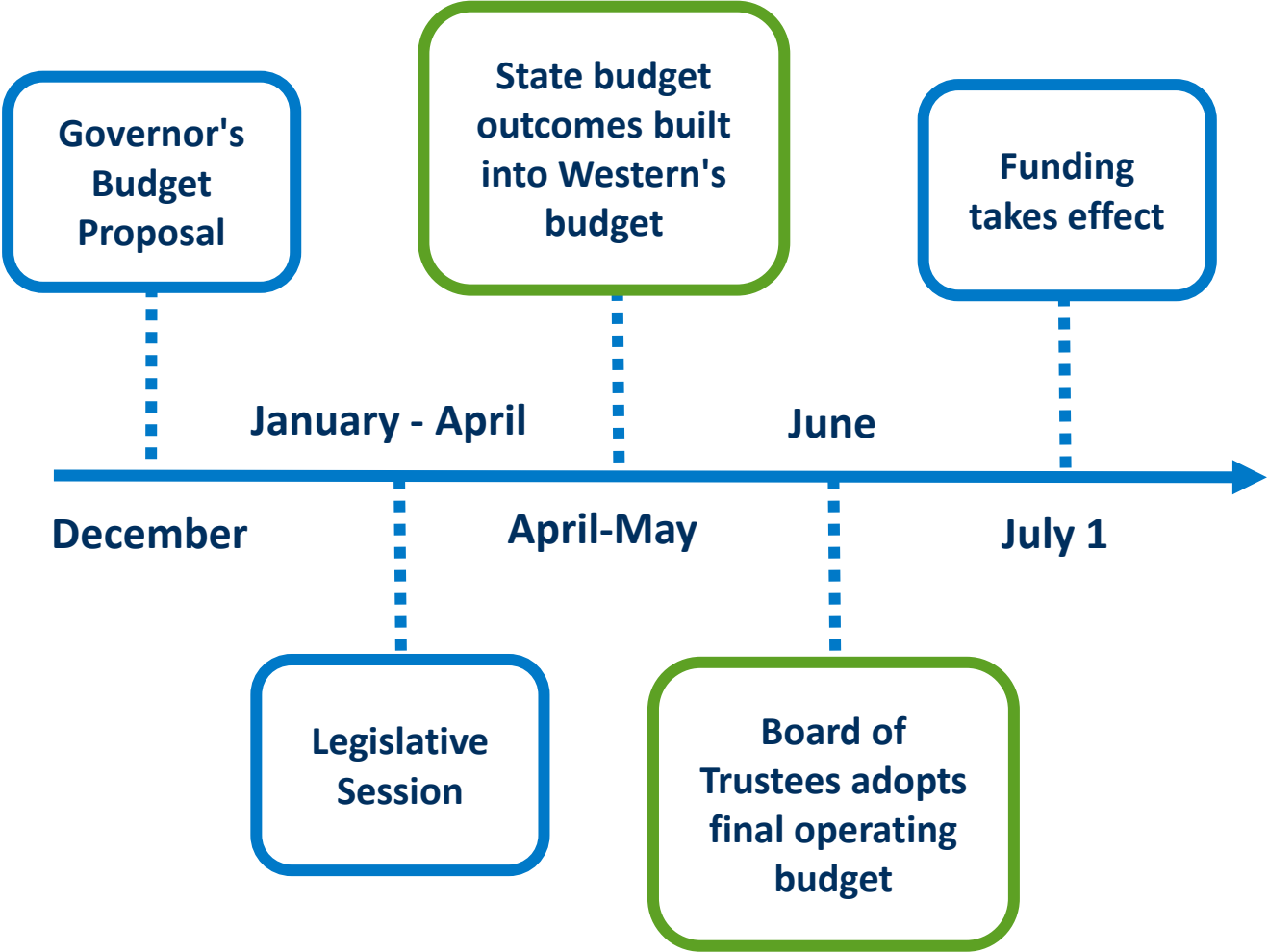
Minor Works  
Preservation  
\$10M

Environmental  
Studies Design  
\$8.4M

Preventive  
Maintenance  
\$3.6M

Heating  
Conversion  
\$165M

# Next Steps in The State Process



# Looking Ahead

- We will maintain a laser focus on increasing enrollment both through recruitment of new students and retention of current students.
- 2025-2027 State Budget Request is focused on more robust state funding for our core operating budget so we can be on a more sustainable budget pathway in the long term.
- Continue to assess the impacts of headwinds and mitigation strategies to address uncertainties



# Questions



Thank You