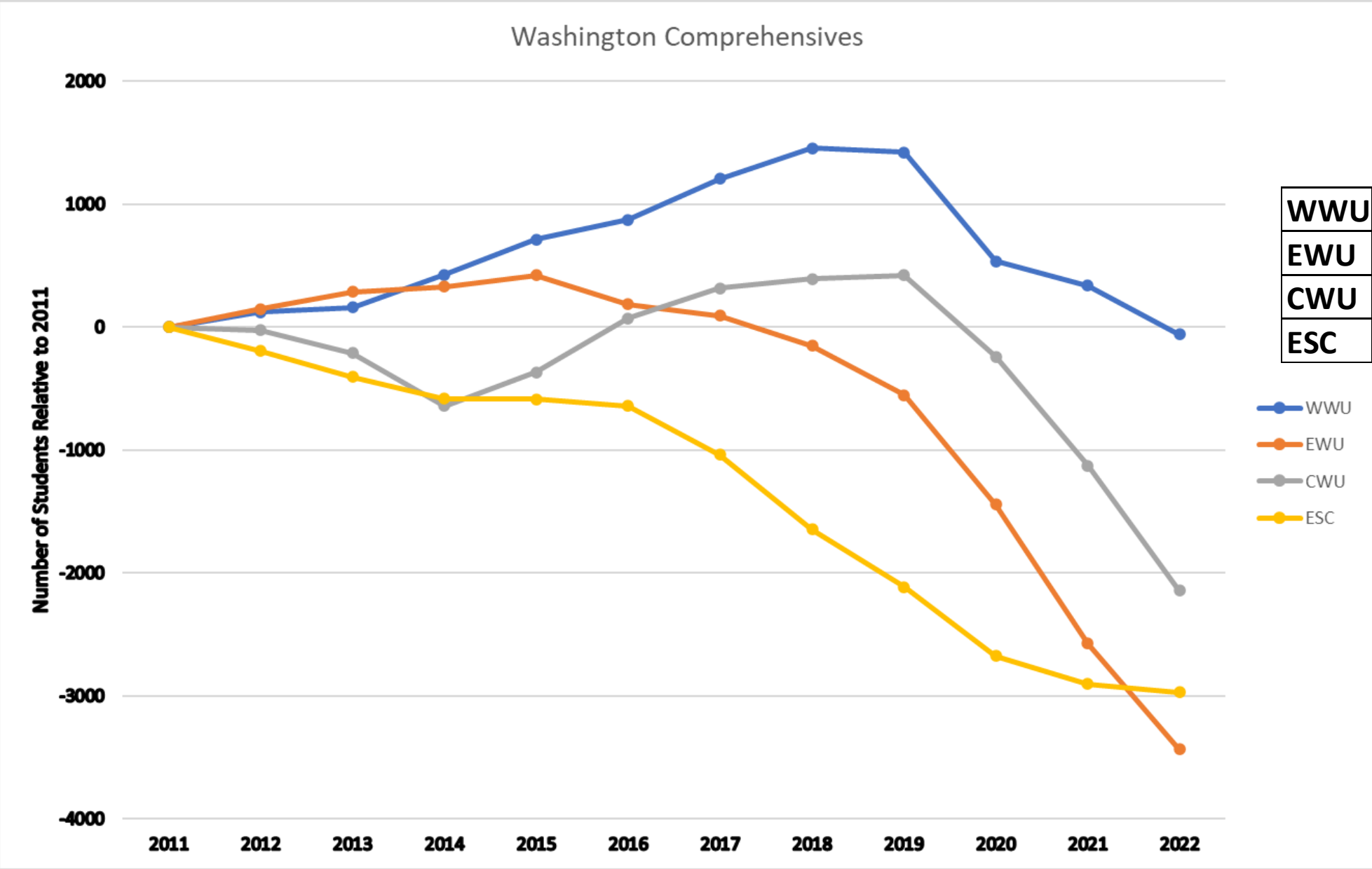


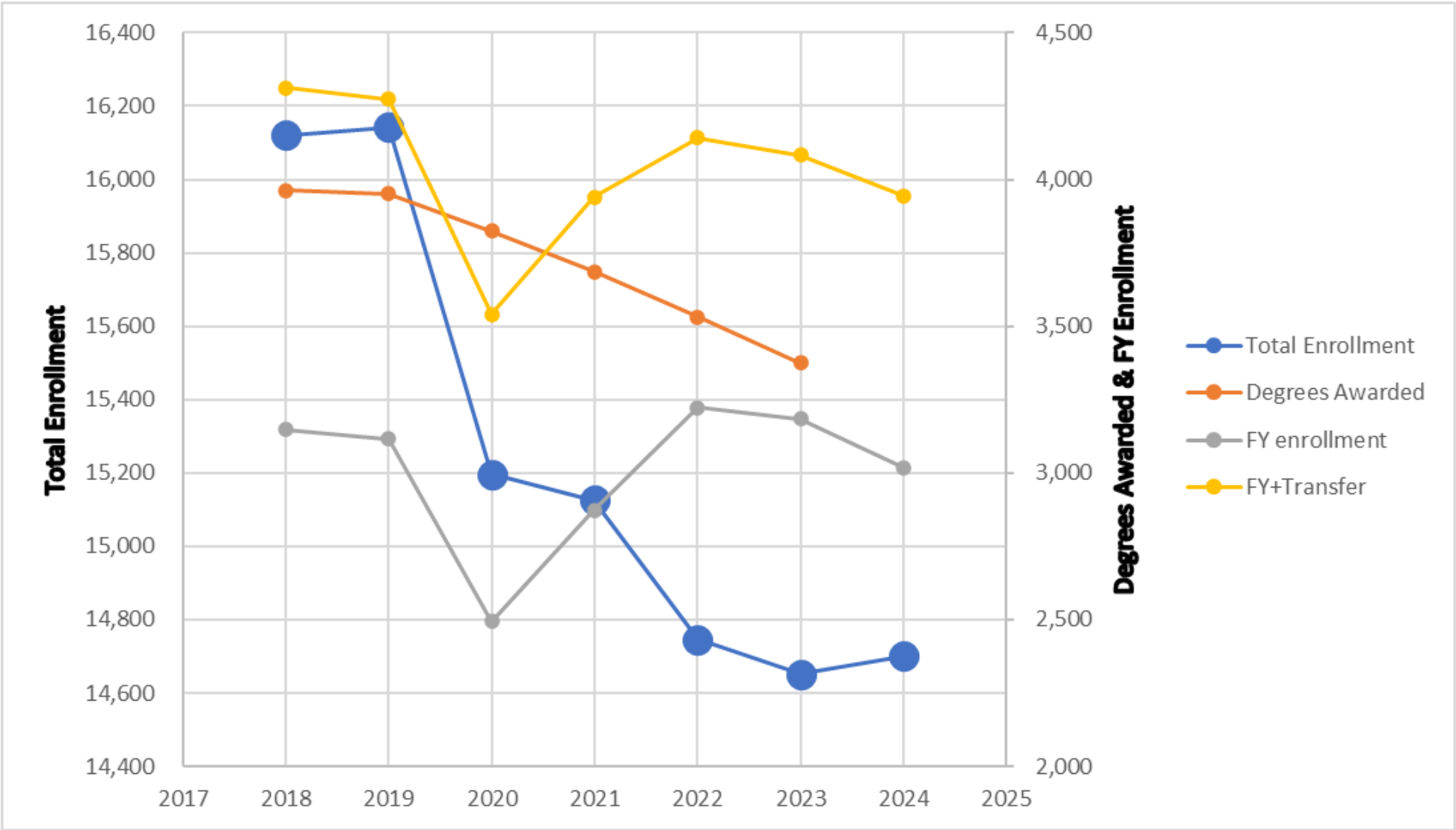
Faculty Senate AA Budget Update

October 14th 2024

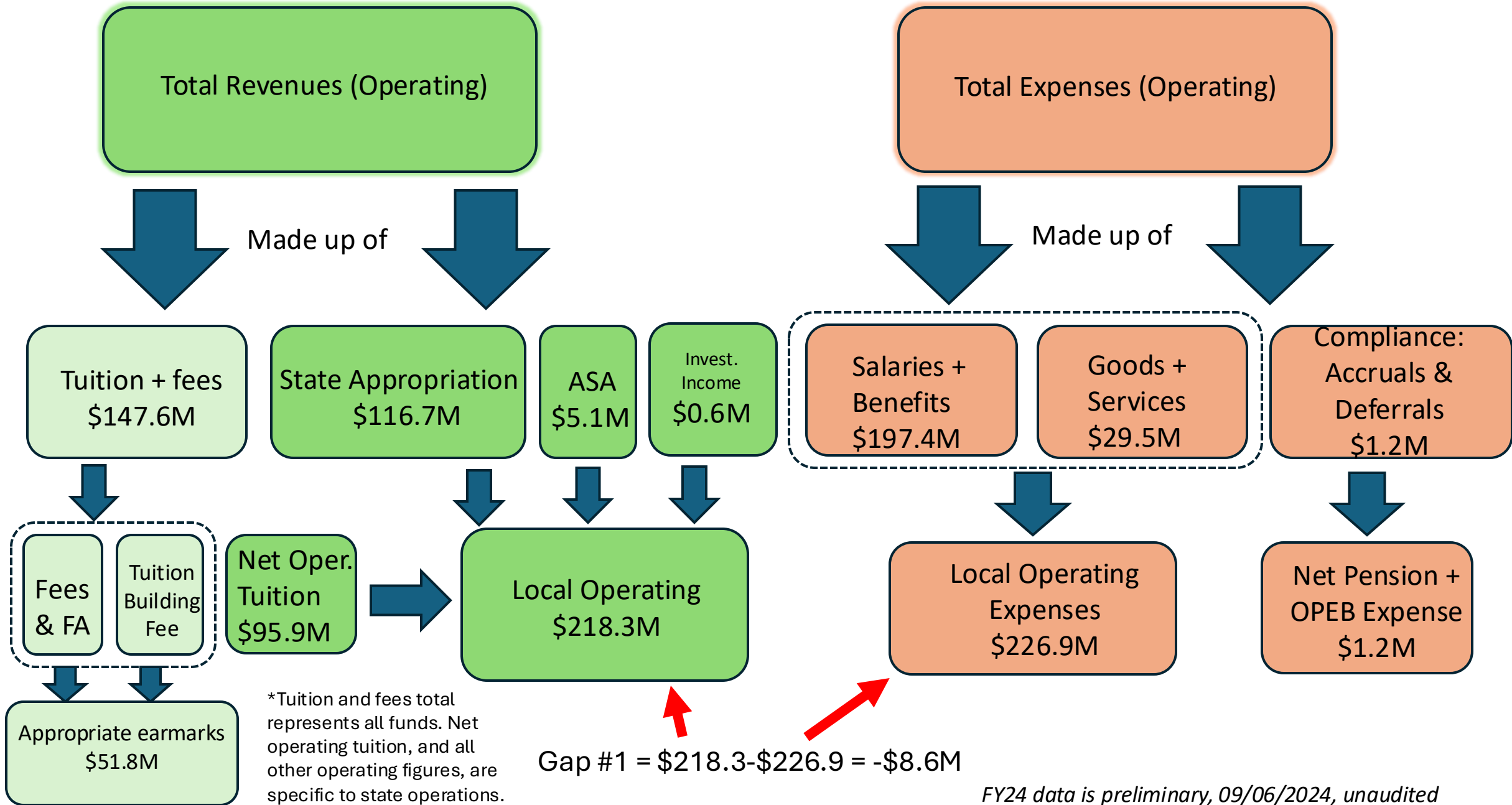
Questions to Answer:

- What is the problem we are trying to solve?
- Why ‘death by a thousand cuts?’ (Distinction between approaches, such as one-time, ‘holds’ and ‘sweeps’, vs. base)
- Has what we have been doing actually done any good?
- Where are the reductions going to come from? Are we really protecting the academic mission? (Big picture)





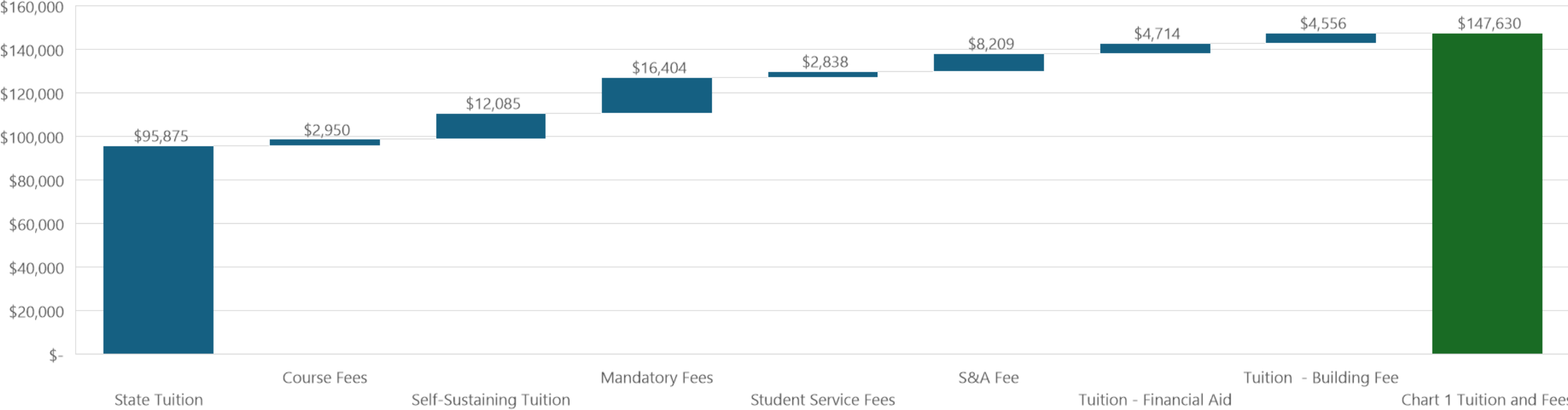
WWU Operating Budget – Flow of Funds



FY2024 WWU Chart 1 Tuition and Fees Waterfall - Unaudited

Dollars in Thousands

■ Increase ■ Decrease ■ Total



State Tuition	\$ 95,875
Course Fees	\$ 2,950
Self-Sustaining Tuition	\$ 12,085
Mandatory Fees	\$ 16,404
Student Service Fees	\$ 2,838
S&A Fee	\$ 8,209
Tuition - Financial Aid	\$ 4,714
Tuition - Building Fee	\$ 4,556
Chart 1 Tuition and Fees	\$ 147,630

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
Local Operating Revenue	218.3

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

Gap#2 \$17.9-\$21.8 = -\$3.9M

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*
17.9	Ending Fund Balance
(25.2%)	Net Change in Fund Balance
*Transfers to Operating Fund from other university funds are net positive in FY24	

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

Reserves and Designated Balances

Budget reserves and designated balances are established as follows:

- Operating Budget Reserve
- Designated Balances
- Auxiliary Services and Self-Support Unit Reserves

Operating Budget Reserve. An accumulation of unused contingency budget (a portion of the unrestricted local tuition operating fee fund that is budgeted annually to cover unexpected costs or unrealized revenues within the fiscal year) plus any actual net operating revenue above the budgeted amount for the fiscal year set aside for economic uncertainties. This reserve provides limited bridge capacity to cover fiscal gaps due to unforeseen economic events such as temporary enrollment decline, statewide recessions, natural disasters, and major infrastructure failure.

At a minimum, reserves shall be sufficient to cover operating expenses equal to 10% of base budget. The maximum amount may change based on operating conditions or requirements. At times, reserves may be used to respond to emergencies or urgent needs. Use of reserves below the minimum threshold must be approved by the Board of Trustees and accompanied by a plan to replenish within a specified timeframe.

Designated Balances. Operating budget reserves that exceed the minimum required balance as outlined in Appendix A may be designated (earmarked) and used for specific purposes such as strategic initiatives.

From: WWU BoT
Resolution 2023-06,
December 2023

Some take-homes:

- 'Gap #1' narrowed from FY23 to FY24 (from -\$13.6M in FY23 to -\$8.6M in FY24). (Controlling Expenditures)
- 'Gap#2' grew from FY23 to FY24; the operating budget grew from \$202.7M in FY23 to \$218.3M in FY24, while the reserve fund balance fell.

Explicitly:

FY 23: \$202.7M  \$20.3M Target Reserve Balance, \$24.0M Actual reserve balance

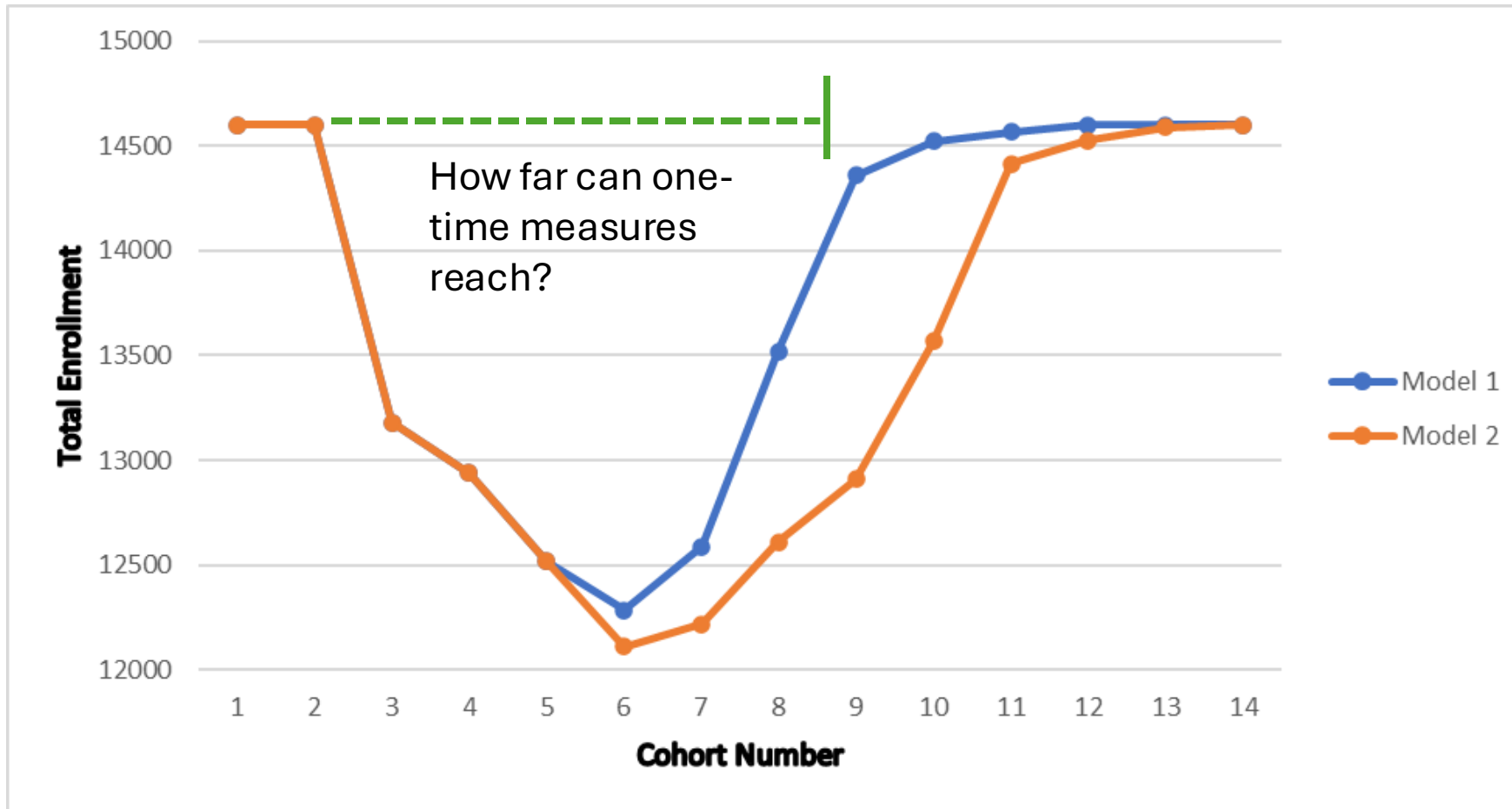
FY 24: \$218.3M  \$21.8M Target Reserve Balance, \$17.9M Actual Reserve balance

Approaches and Timing

- A thousand cuts...
- One-time measures (holds, travel restrictions, Self-Sustaining)
- Some targeted base reductions, mostly outside AA

Why these measures?

Race across the Gap!



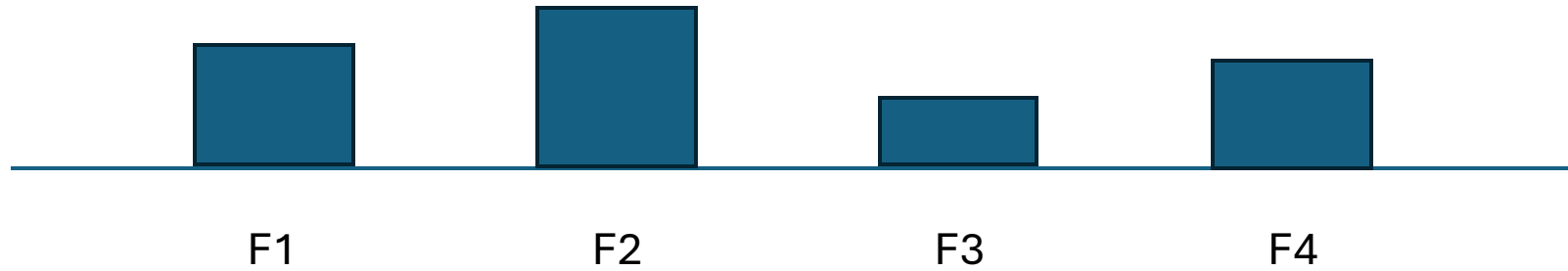
'Fund Balance Sweep' is Different

- Fundamentals: How to move dollars, how to correct negative year-end fund balances?

- The Dynamics of FY fund balances?

Fund balances over time

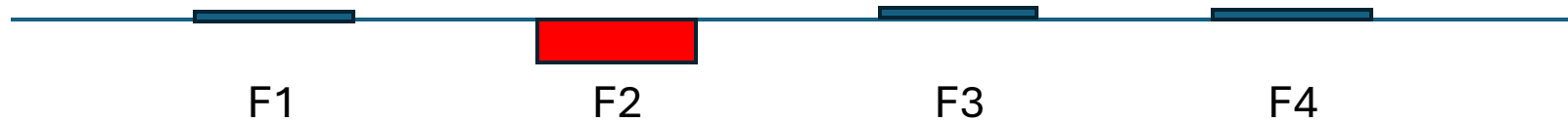
Year 1



July 1



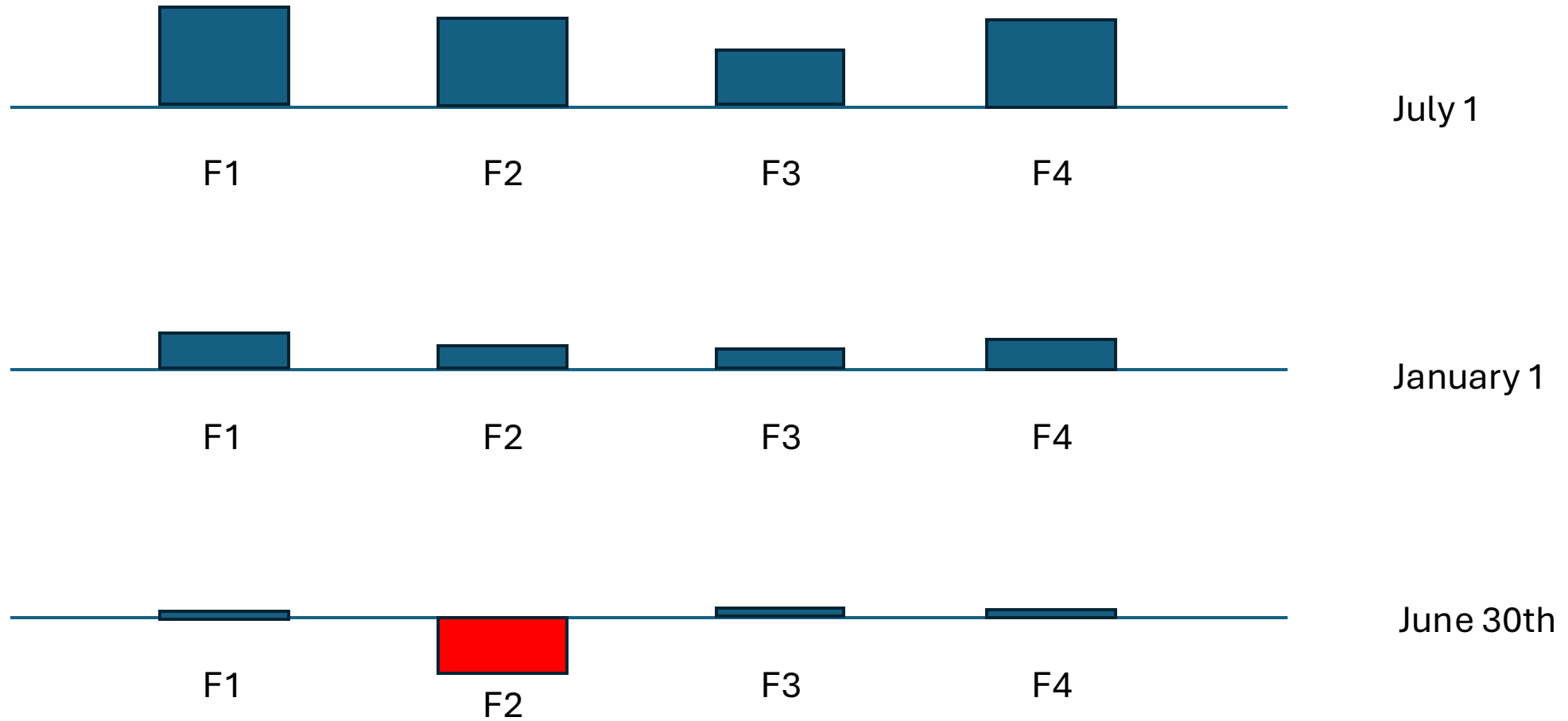
January 1



June 30th

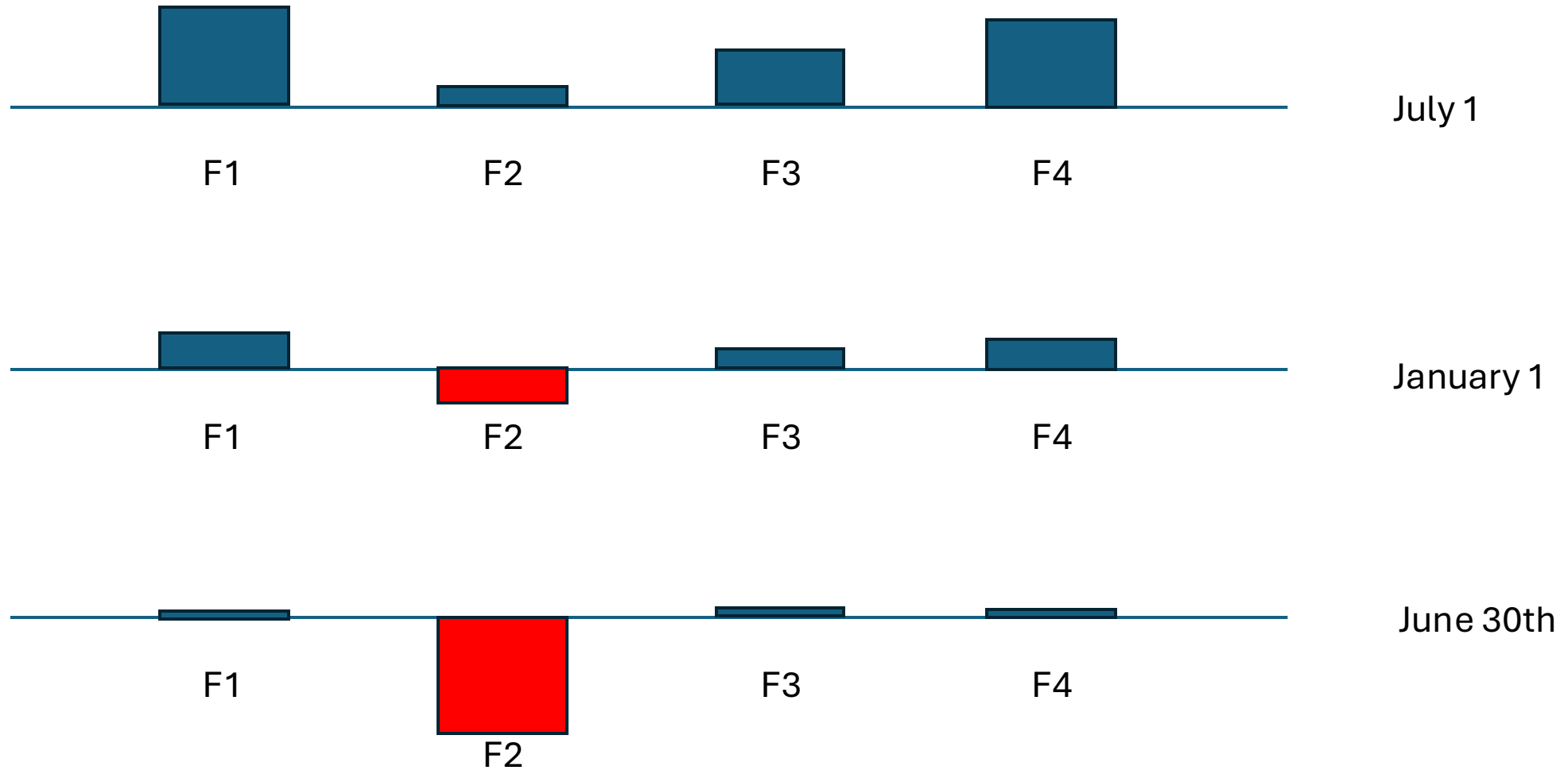
Fund balances over time

Year 2



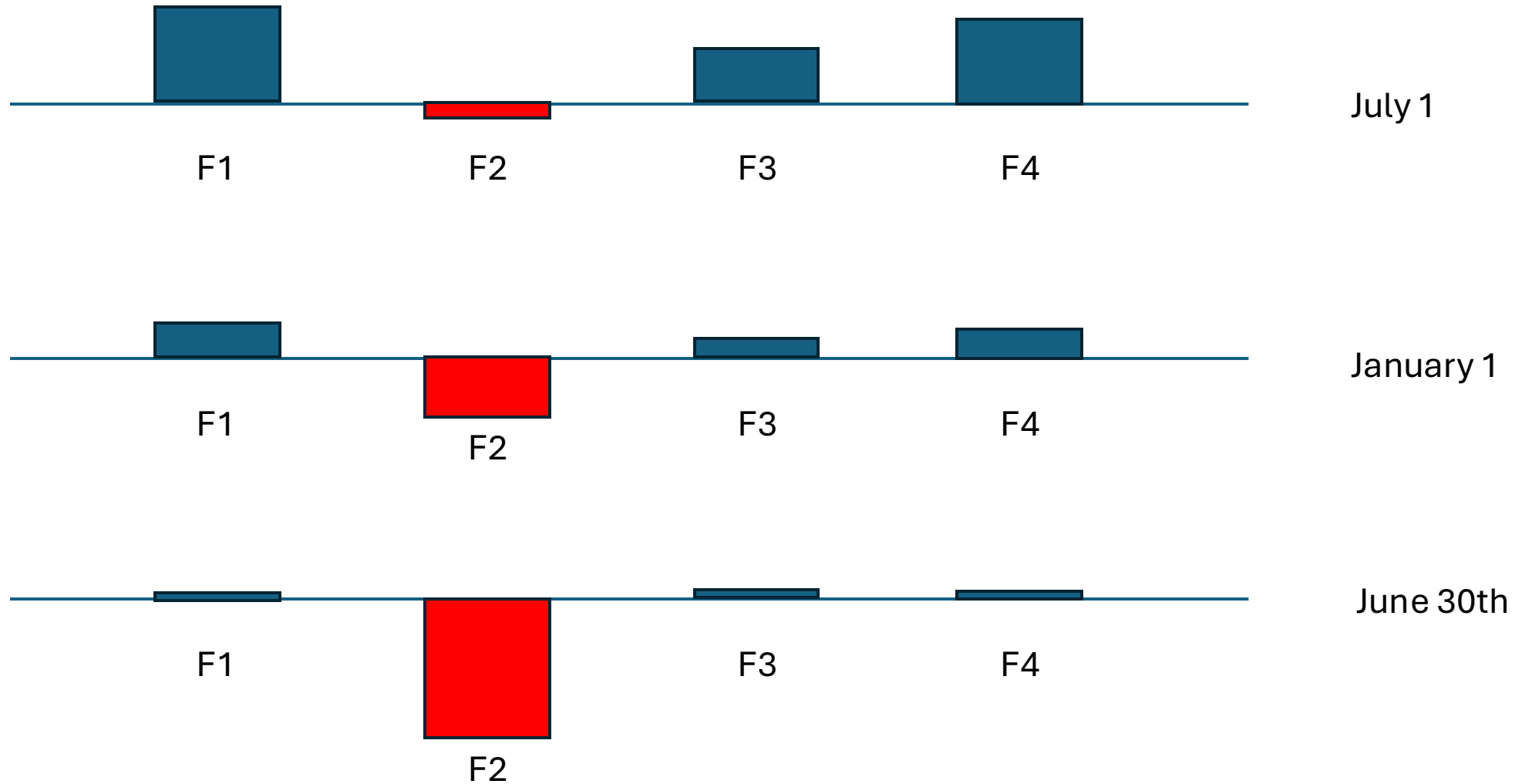
Fund balances over time

Year 3



Fund balances over time

Year 4



'Sweep' allows for two things:

- 'Reset' for starting fund balances, both positive and negative
- Allows for movement of funds in order to cover the negative ending balances
- Result = NET flow of funds *into* Academic Affairs from larger positive year-end fund balances in other divisions; used to fund temporary instruction: Base = \$5.5M, Expend = \$13.5M

Switch Gears to the AA Reduction for FY26

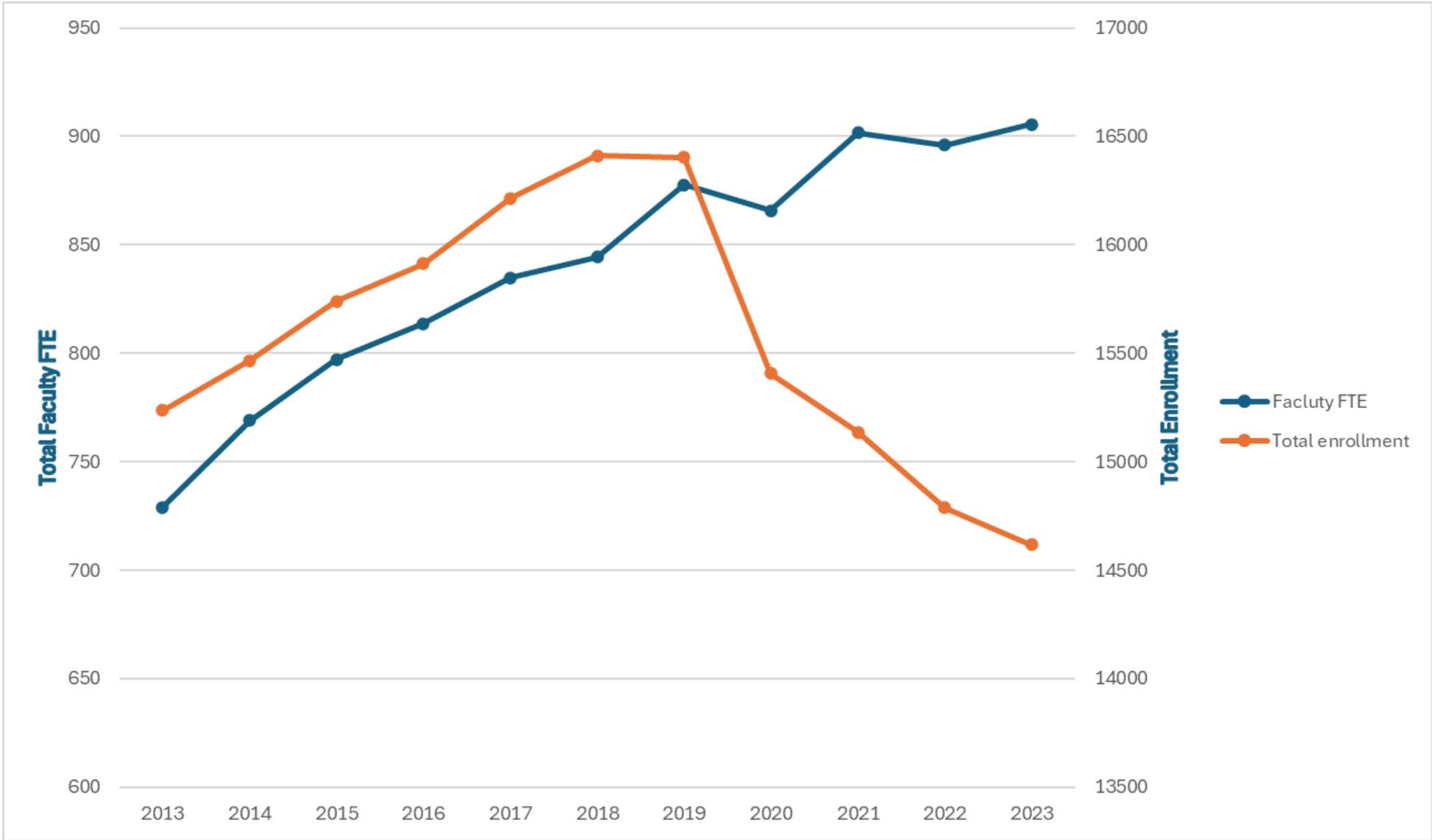
- Target reduction of \$1.5M in instructional (base) expenditures
- NOT targeting whole programs/departments/colleges for \$1.5M
- Perspective: \$1.5M is less than 1% of AA operating (~\$170M); represents about 8% of total base reductions to the institution.
- Purpose: Alignment of instructional base to enrollment

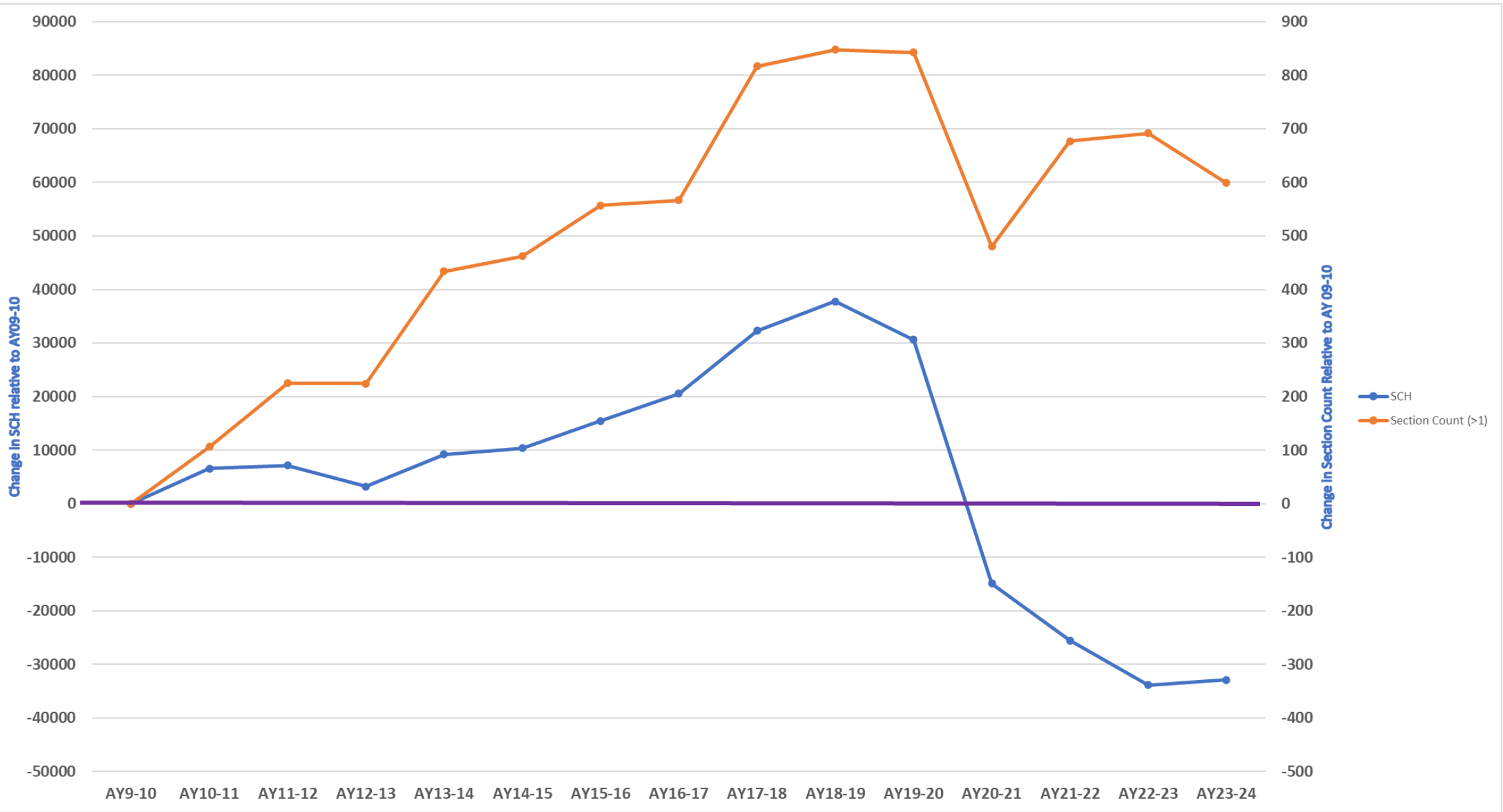
WHY this approach?

So Why *This* Component of Instruction?

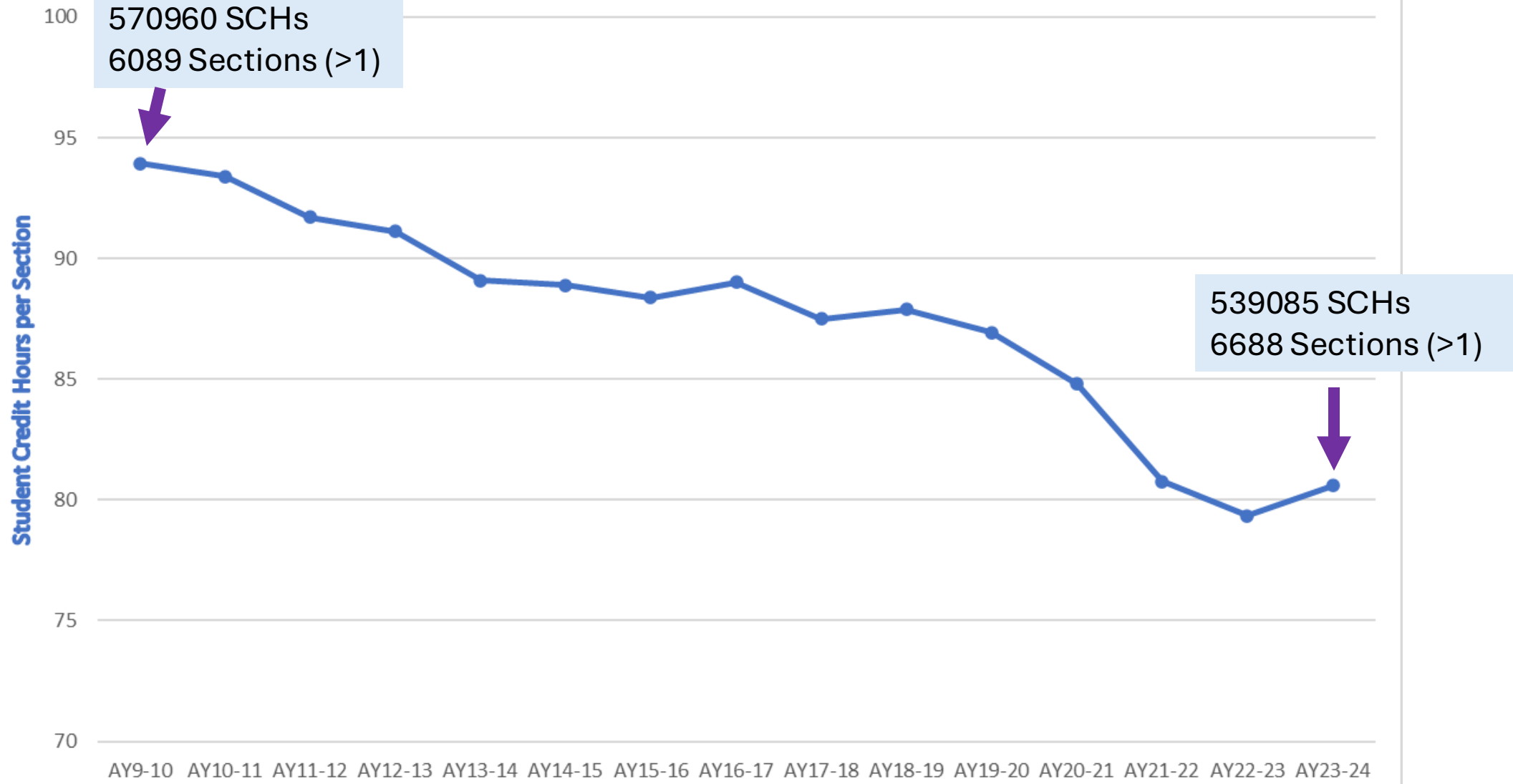
Significant mis-alignment of instructional expenditures and student numbers, SCH production, and section counts. *This is an issue in and of itself!*

An opportunity to work collaboratively, to make positive change.





SCH/section (>1)



The Other Side of the Coin: Revenues

Legislative strategy for 25-27 biennial budget:

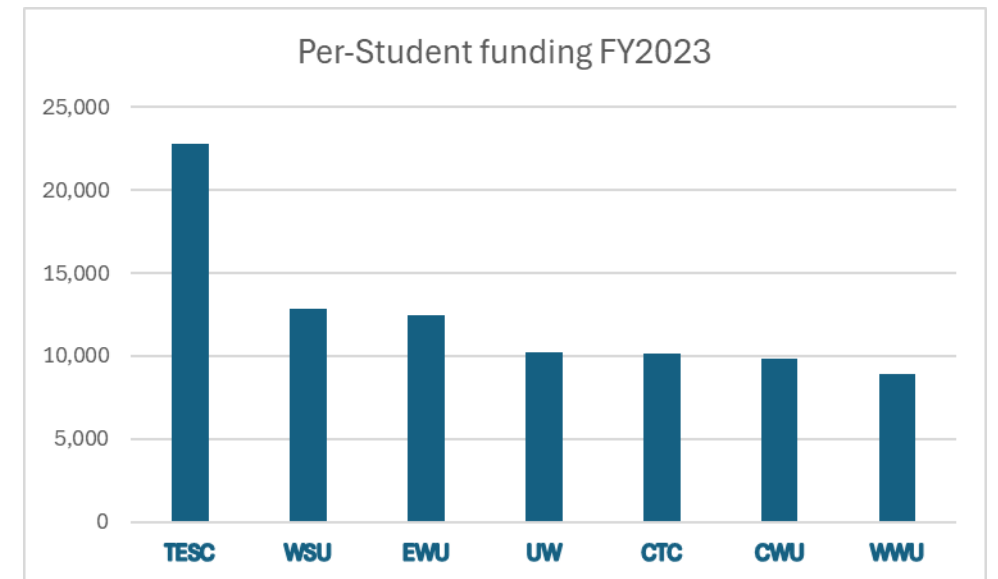
- Per-student funding
- Compensation fund-split

Western has, and has had, the lowest per-student funding in the state (if calculated: Allocation/FTE):

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
TESC	4,157	4,148	5,266	4,980	6,460	7,277	8,325	9,954	13,999	20,116	21,223	22,784
WSU	6,170	6,165	7,130	6,747	7,733	8,620	8,805	9,095	9,650	10,274	11,175	12,838
EWU	3,570	3,433	3,935	3,827	4,632	5,632	5,617	5,970	7,025	8,347	9,635	12,489
UW	5,384	5,342	6,187	5,780	6,689	7,403	7,723	7,856	8,430	9,045	9,354	10,218
CTC	3,866	3,962	4,437	4,526	5,090	5,613	5,776	6,205	7,183	8,820	8,894	10,155
CWU	3,550	3,480	4,357	4,396	5,081	6,028	6,146	6,548	6,370	7,351	8,340	9,847
WWU	3,336	3,288	3,912	3,955	4,892	5,934	6,051	6,294	6,897	7,641	8,051	8,949

Difference in per student funding between WWU and CWU: \$898 per student
(\$10.725 million per year)

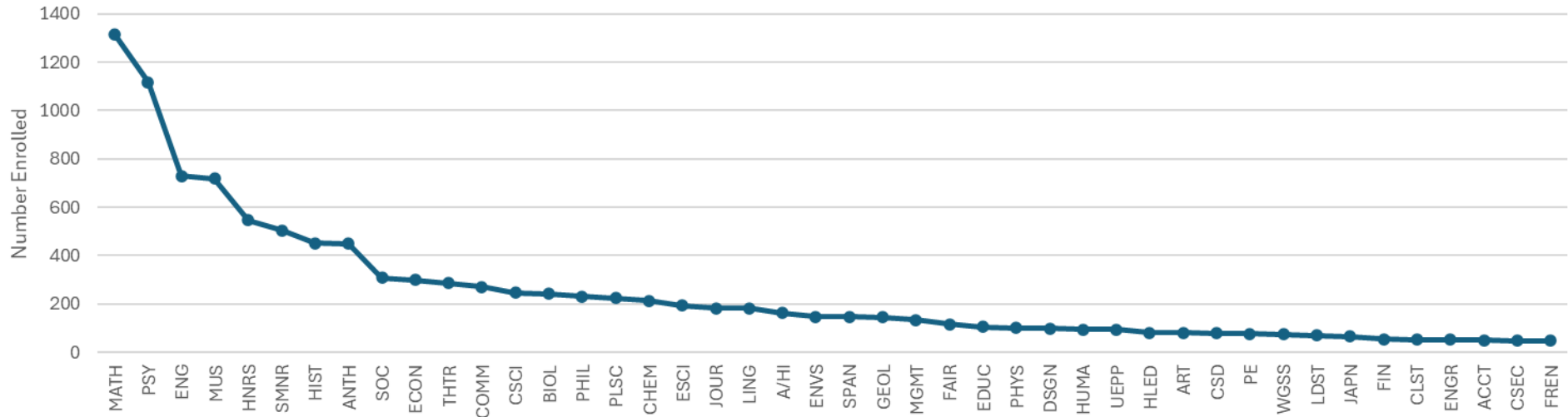
Difference in per student funding between WWU and Community & Technical
 Colleges: \$1,206 per student **(\$15.04 million per year)**



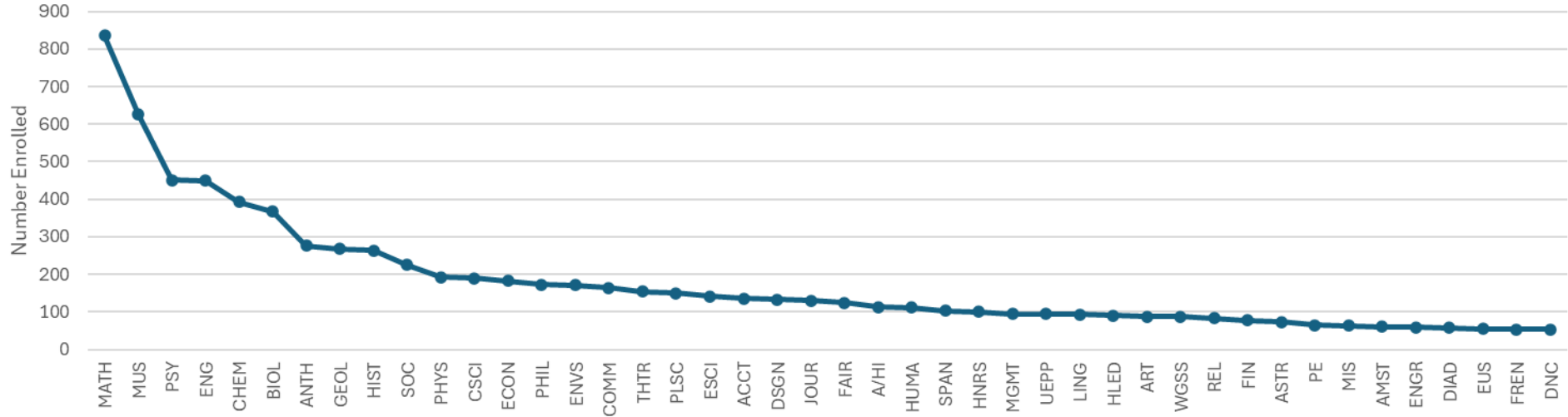
Questions?

College	Department	Years Since Start							
		1	2	3	4	5	6	7+	
Grand Total		41,411	31,903	24,462	18,118	6,160	1,400	859	
BU: Coll of Business and Economics	ACCT - Accounting	556	649	454	255	86	21	25	
	DSCI - Decision Sciences	512	741	839	572	182	38	15	
	ECON - Economics	1,273	881	611	406	138	26	19	
	FMKT - Finance & Marketing	430	608	707	634	194	36	21	
	MGMT - Management	517	646	672	619	222	44	18	
ED: Woodring College of Education	ECEM - Childhoo,Elem,&MultLing Educ		491	368	321	242	71	10	
	ELIT - Edu Leadership & Inclusive Tch	872	575	451	311	154	54	15	
	HCS - Health & Community Studies	980	534	312	255	60	21	31	
	SEC - Secondary Education	21	46	124	203	144	56	35	
EN: College of the Environment	ENVS - Environmental Studies	1,005	1,006	1,003	833	248	47	20	
	ESCI - Environmental Sciences	1,048	707	666	608	214	50	20	
	UEPP - Urban & Envr Plan & Policy	428	280	258	230	79	22	3	
FA: Fairhaven Coll ..	FAIR - Fairhaven College	698	622	535	425	171	41	24	
FI: Coll/Fine and Performing Arts	ART - Art and Art History	1,064	900	636	500	200	42	24	
	DSGN - Design	243	287	297	221	105	21	7	
	MUS - Music	2,403	1,617	1,017	709	219	45	41	
	THTR - Theatre Arts and Dance	1,176	784	555	395	108	19	8	
HS: Humanities and Social Sciences	ANTH - Anthropology	1,767	920	645	507	185	29	32	
	COMM - Communication Studies	1,210	867	613	488	136	24	19	
	CSD - Communication Sci & Disorders	288	237	242	156	32	11	8	
	EAST - East Asian Studies	112	85	45	33	12	4	6	
	ENG - English	3,212	1,447	1,028	760	214	46	38	
	GHR - Global Humanities & Religions	736	487	213	137	45	9	7	
	GSTU - General Studies	4							
	HHD - Health & Human Development	835	1,083	1,281	1,132	372	67	35	
	HIST - History	1,598	836	520	376	119	33	19	
	JOUR - Journalism	565	509	419	286	77	12	4	
	LANG - Modern and Classical Languages	1,552	1,262	788	469	147	31	12	
	LING - Linguistics	725	339	191	133	49	9	5	
	MDS - Multidisciplinary Studies	3	5	7	12	12	4	2	
	PHIL - Philosophy	1,001	589	278	168	60	19	11	
	PLSC - Political Science	759	711	523	371	99	28	15	
PSY - Psychology	2,875	1,978	1,389	1,021	281	46	36		
SOC - Sociology	1,184	1,022	780	566	149	29	15		
WGSS - Women, Gender & Sexuality Study	317	245	163	114	37	5	5		
SE: College Science & Engineering	BIOL - Biology	1,247	1,517	1,090	804	224	30	29	
	CHEM - Chemistry	1,583	1,347	954	633	223	51	37	
	CSCI - Computer Science	1,015	981	903	750	338	95	38	
	ENGD - Engineering and Design	346	438	559	513	257	77	26	
	GEOL - Geology	879	768	463	345	137	37	26	
	MATH - Mathematics	4,832	2,517	1,425	776	323	99	64	
	PHYS - Physics and Astronomy	871	1,037	739	347	110	35	28	
	SCED - Science Education	107	211	153	100	33	10	11	
	UI: Univ Interdisciplinary Progrms	AMST - American Cultural Studies	146	145	103	74	21	5	3
		C/AM - Canadian/American Studies	106	33	17	20	6	2	1
ENRG - Energy		93	129	132	121	42	7	4	
ENTR - Entrepreneurship		30	49	56	33	8	2	1	
INTL - International Studies		115	149	150	77	18	2	2	
MACS - Marine & Coastal Science		70	67	66	18	5		2	
UIP - Univ Interdisciplinary Progrms		18	5	8	7	1	2	1	

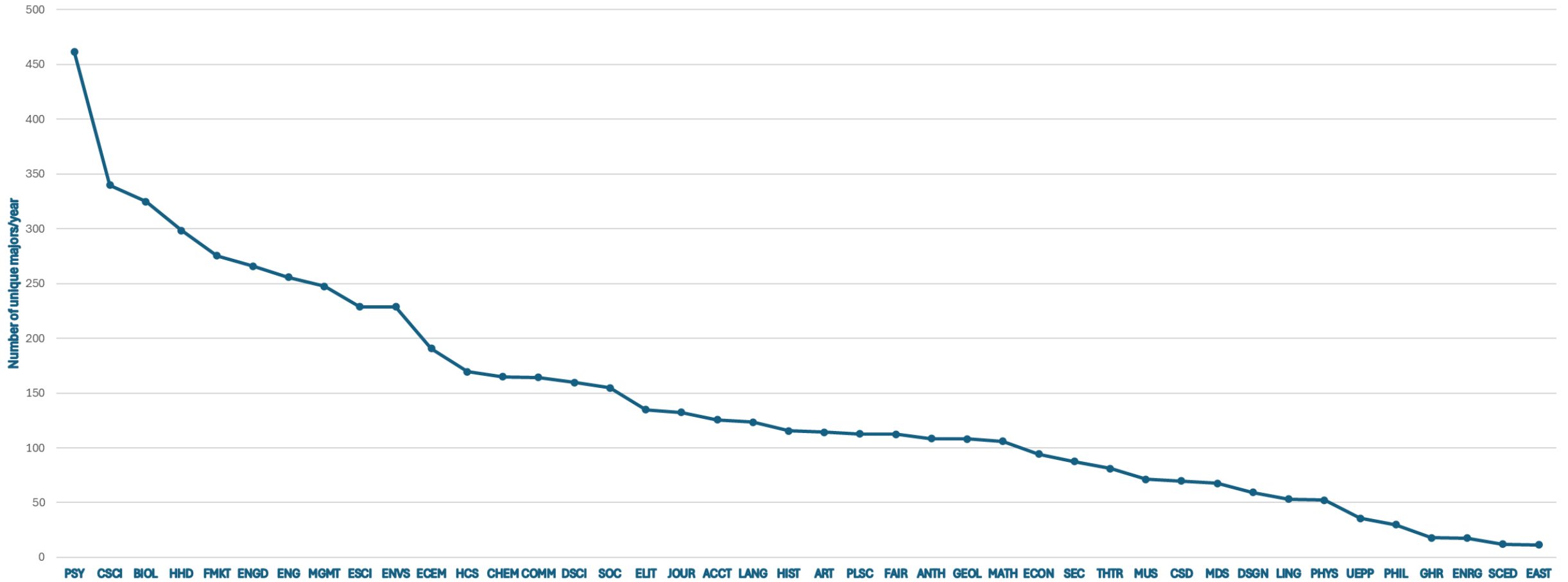
Fall 2022 Incoming Class: Fall 2022 Enrollments - First Year students



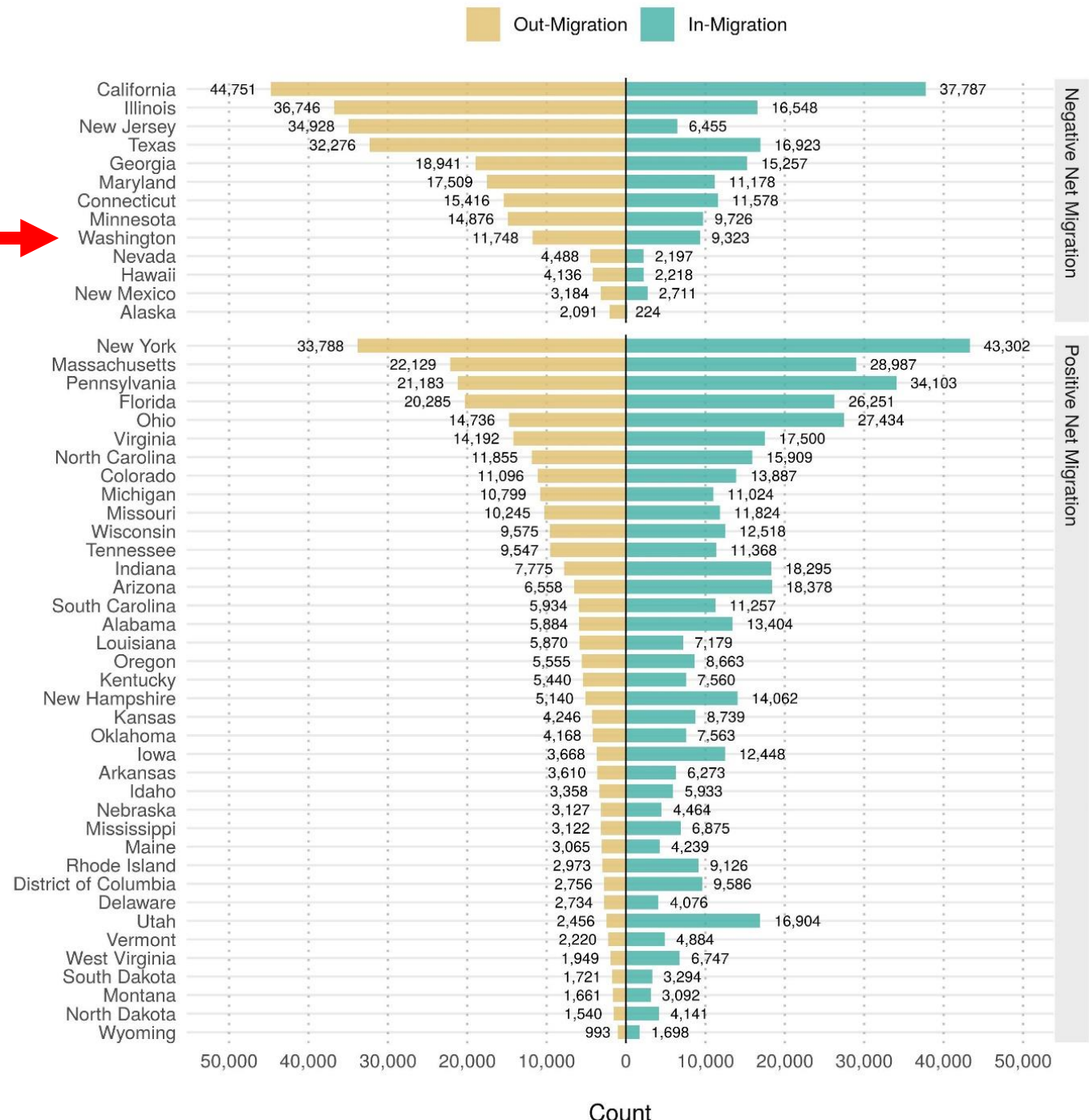
Fall 2022 Incoming Class: Fall 2023 Enrollments - First Year students



Ten-year average of unique majors per year

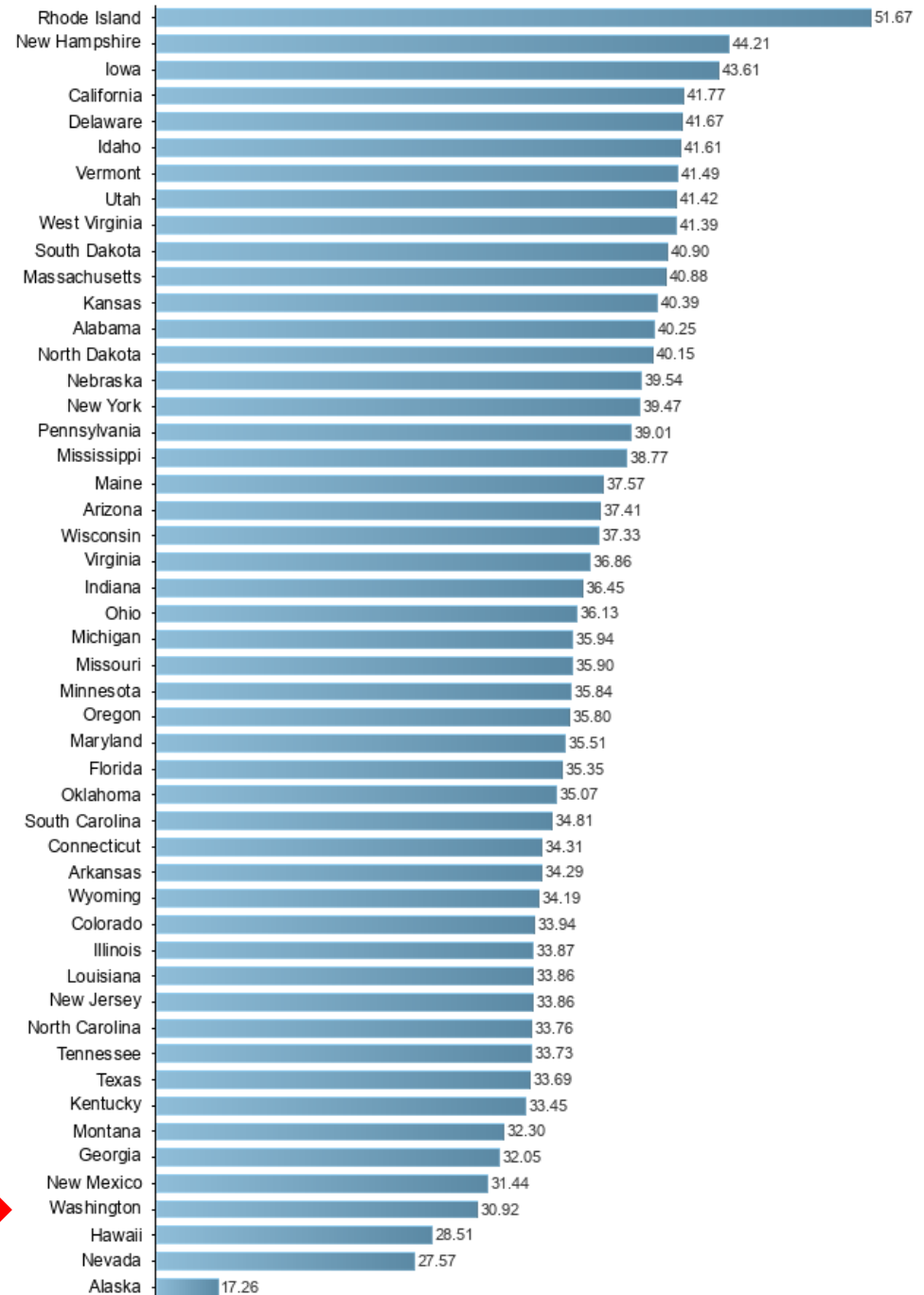


The Number of First-Time College students in Fall of 2018 who attended in a state not their own.



WA ranks 46th in Percent of 18 to 24 Year Olds Enrolled in College

*This measures participation rates of college-age residents in a state in 2017. While some states can benefit on this measure if there are relatively large numbers of out-of-state students enrolled in their institutions, it still is a good measure of the overall participation rates of college-age residents within a state.



Source: [The National Center for Higher Education Management Systems](#)

