



October 16, 2015

Board of Deans and Chancellors

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Vice Provosts

David Anderson, Executive Director, Health Sciences Administration

Rolf Johnson, Chief of Staff, Office of the President

Karin Nyrop, Division Chief, Attorney General's Office

Maureen Broom, Enterprise Finance Officer, UW Medicine Finance

RE: Distribution and Guidance for FY17 Budget Development

Dear Colleagues,

This letter serves as the starting point for a nine-month dialogue, involving discussions with faculty, staff and students toward development of a FY17 operating budget that is aligned with our University's values and goals. Central to these conversations will be a rich dialogue about our highest priorities; including competitive compensation for faculty and staff, the student experience, tuition policy and, continued improvements in the customer service orientation of the University's administration.

Conversations in Olympia during the upcoming short, supplemental legislative session and on our campuses will highlight these and other areas with budget implications. As such, we have prepared a suite of materials aimed at focusing conversations around these priorities, namely, competitive compensation, transforming administration, carryover spending plans, tuition rate recommendations and growth plans for academic units. Please note that academic growth plan materials will be distributed and due at later dates than the other materials. More details are available in the academic unit section, below.

This budget cycle will progress throughout the academic year, ending with the release of the Provost Reinvestment Fund decisions and recommended action on a final UW Board of Regents' budget for FY17. As a reminder, the first step in the operating budget development calendar involves the release of materials for Seattle academic and administrative units, UW Bothell and UW Tacoma to complete and submit to me. The second step involves budget meetings with the Provost, which typically occur during winter quarter. Finally, faculty, staff and student organizations and committees will review a variety of materials during spring quarter in preparation for final budget documents. Note that a full calendar is available for your review on the Office of Planning & Budgeting (OPB) [website](#).

FY17 Operating Budget Process: Academic Units¹

For the FY17 budget development cycle, each academic unit will be asked to:

1. Review previous recommendations for 2016-17 (FY17) tuition rate(s) and either confirm original recommendations or offer a new recommendation along with justification for the change.
2. Describe plans to implement merit increases.
3. Explain and document planned uses of carryover funds in a more specific manner than last year.
4. Limit requests for Provost Reinvestment Funds to only those associated with the *most significant compliance-related* efforts or to pressing needs that temporary funds can address. Permanent Provost Reinvestment Funds will be reserved for compensation-related investments in schools, colleges and administrative units.
5. Ensure that faculty councils and student leaders have been integrated into the budget planning exercise in advance of submission to OPB.

Responses to these questions will be due by Friday, November 20 and must be furnished using the materials on this [website](#). Please be as succinct as possible; bullet points are encouraged rather than extensive prose.

In addition to these questions, academic units will be asked to provide information about anticipated growth or contraction over the next five years. These materials, however, will not be distributed to units until October 30 and will not be due until Wednesday, December 23. As was the case last year, academic units will be afforded latitude in approaching questions about growth. We continue to hear from many academic units that growth plan development must be sufficiently flexible to accommodate units' uniqueness. However, in order to *summarize* growth plan data, there must be some consistency and common information across responses. Thus, academic units will be given templates with projections of student growth and asked to review these growth trajectories and provide detailed notes about any planned deviation(s). These notations should be accompanied by specific narrative regarding faculty hiring plans, professional staff hiring plans and any related space or capital issues. Academic units will also be asked to describe significant obstacles to achieving growth or strategic plans. Again, please be as succinct as possible; bullet points are encouraged rather than extensive prose.

FY17 Operating Budget Process: Seattle Administrative Units

Last year, administrative units provided planned expenditures by functional area, clarifying how each area supported the mission and values of the University. In addition, administrative units provided detailed carryover spending plans and were allowed no more than a 10

¹ For the purposes of this budget development cycle, UW Tacoma, UW Bothell, Seattle schools and colleges, UW Libraries, Undergraduate Academic Affairs and the Graduate School will all be viewed as "academic units." The latter three units, however, may choose to use the administrative unit materials if they feel more appropriate.

percent temporary reserve of their GOF/DOF permanent base. Units were asked to allocate every dollar over that amount to specific spending plans. Many of these spending plans were approved in part; but, in several cases, funds were cut from administrative units in order to support mission-critical investments elsewhere on campus. This year, administrative units will respond to a slightly different, more tailored set of questions.

For the FY17 budget development cycle, administrative units will turn to the goals and projects associated with the Transforming Administration Program (TAP). **Each administrative unit will be asked to report how that unit is working to adopt TAP principles to increase efficiency, streamline administrative activities across the UW and enhance a culture of service.**

In addition, each Seattle administrative unit will be asked to:

1. Describe plans to adapt functions and services to support changing institutional needs in FY17.
2. Identify significant obstacles or challenges due to work changes, including any operational risks the UW faces.
3. Describe plans to deploy funds for merit increases, should state and/or Provost Reinvestment Funds fall short of authorized merit increase levels. As in FY16, it is likely that the Provost will require administrative units to manage authorized merit increases with less central funding.
4. Provide an updated carryover spending plan with new biennium balance data, furnished by OPB.
5. Limit requests for Provost Reinvestment Funds to only those associated with the *most significant compliance-related* efforts or to pressing needs that temporary funds can address. Permanent Provost Reinvestment Funds will be reserved for compensation-related investments in schools, colleges and administrative units.

Responses to these questions will be due on Friday, November 20 and must be furnished using the materials on this [website](#). Please be as succinct as possible; bullet points are encouraged rather than extensive prose.

Administrative support units must ensure that their submission originates from their respective Vice Provost or (Senior) Vice President.

FY17 Budget Development Resources and Deadline

Every year presents new conditions and opportunities that influence requests for information. As such, there are several new items present in this budget package that may require additional assistance. We wish to provide resources to support all units in completing this work in the timeframe allotted. Thus, the following resources are available to you:

1. All materials needed for your budget submission are (or will be) available [online](#).

2. OPB maintains historical responses to similar questions from previous budget development cycles. All of these submissions are available by fiscal year on this [website](#).
3. Should you have any questions or concerns as you read through these materials, please feel free to reach out to [Sarah Norris Hall](#), [Amy Floit](#), [Carol Diem](#) or [Becka Johnson Poppe](#).
4. OPB will hold several open Q&A sessions to discuss this budget process generally (note that no formal presentation will be delivered). These sessions are open to anyone, and will be held at the following dates and locations:
5. Wednesday, October 28 from 1pm to 2:30pm in Gerberding, Room 142
6. Monday, November 2 from 10:30am to 12pm in UW Tower, T-22 Board Room

All materials (except academic growth plans²) are due to the Office of Planning & Budgeting on or before Friday, November 20. Please email your materials to [Becka Johnson Poppe](#).

Sincerely,



Gerald J. Baldasty
Interim Provost and Executive Vice President
Professor, Department of Communication

cc: Ana Mari Cauce, President
Sarah Norris Hall, Assistant Vice Provost, Planning and Budgeting
Paul Jenny, Senior Vice President, Planning and Management

² As a reminder, academic growth plans will not be due until Wednesday, December 23. Growth plan materials will be distributed to academic units by October 30.