

October 18, 2012

Deans and Chancellors  
Vice Presidents and Vice Provosts  
Executive Director, Health Sciences Administration

Last Wednesday, Provost Cauce sent the FY2014 budget process and planning [letter](#) to the university community. The Office of Planning and Budgeting (OPB) was asked to distribute instructions for submitting requested budget materials. Below is an overview of the information we are requesting at this time, but note that all materials will be posted on our [FY2014 web site](#). These materials are as follows:

1. Annual Projected Academic Plan workbook;
2. FY2014 Budget Submission Supplement (Word document); and
3. Tuition rate table.

Academic units should complete all pieces, administrative units should complete the supplement alone, and all units should send submissions to Amy Floit, Director of Budget Operations, at [afloit@uw.edu](mailto:afloit@uw.edu) by Wednesday, November 21, 2012.

### ***Academic Plans***

An Excel workbook for your unit, entitled, "Annual Projected Academic Plan workbook" is attached to this correspondence. This spreadsheet provides five years of historical data about faculty and staff FTE, research awards and expenditures, student credit hours, major enrollments, and degree majors. You are asked to provide a projection for your unit on these measures through FY2017. These projections will help inform and support annual budget discussions with the Provost; note that the workbook includes an instruction sheet tab.

Our goal is to use the unit-level detail you provide to produce an aggregate plan for the University of Washington.

Any adjustments you provide should reflect the sum of all fund sources. In other words, for this part of the exercise, there is no distinction between fund types when completing the Excel spreadsheet.

It is important that you articulate how the projected changes in the quantitative piece (workbook) will be achieved through a sustainable funding approach. Please use the attached FY2014 Budget Submission Supplement form to provide this background information. When describing funding models to support planned instructional output, please be specific on what fund sources you anticipate will be necessary to achieve your plans, whether through new incremental tuition revenues, philanthropic investments, repurposing existing funds, etc. If your plans require additional supplement funding from the Provost, please reference this funding stream in the first and sixth question of the supplement form.

Please provide recommendations for tuition increases for the tuition categories relevant to your programs in the attached tuition rate table. If these projections assume that a new tuition category will be established, please use section two of the supplement form to furnish specific information for the proposed category. For your reference, graduate and professional tier category information is available [here](#). Based on your input as well as recommendations from other groups (including the Senate Committee on Planning & Budgeting (SCPB), the Provost's Student Advisory Committee (PACS), the Board of Deans Committee (BODC), etc.), the Provost will provide recommendations for tuition increases and new categories to the Regents for their approval.

### ***Administrative Plans***

Administrative units are asked to provide a brief update on the current state of strategic planning efforts, noting key operational risks that must be attended to over time. This information should be provided on the FY2014 Budget Submission Supplement form.

### ***Space – All Units***

As we consider academic growth and related administrative support to meet academic goals, we need to work toward a collective understanding of space needs. To that end, OPB will collect space information and use it in conversation with unit heads when updating the UW One Capital Plan. As space plans evolve, your unit leader or designee will be able to meet with OPB space planners to refine and affirm space needs.

If necessary, space plans will be reviewed and modified by BODC, SCPB, and the President's cabinet before they are prepared for consideration and approval by the Regents during the normal May/June FY2014 Regents' budget cycle.

### ***Compensation – All Units***

Provost Cauce's October 10<sup>th</sup> budget letter articulated that our primary focus during the 2012 Legislative Session is lifting the salary freeze and advocating for state-financed compensation increases. In the event that state funding for compensation is not available, academic units should have plans to cover GOF/DOF salary increases from tuition or other fund sources. If a combination of tuition funds and reserves cannot be used to cover merit and any additional extra merit raises agreed upon, Provost Reinvestment Funds may be used to cover the difference until monies become available through retirements or separations. As administrative and university units do not generate revenue, these units should generally assume that any agreed to compensation increases will be covered through Provost Reinvestment Funds. A model is available on the OPB website that is designed to allow units to project the expenses associated with compensation increases and, relatedly, the potential tuition increases needed to self-fund increases.

Note that this model provides rough cost estimates and should not be considered representative of final costs. Decisions on compensation rate increases are governed by UW policy, including faculty salary policy; decisions on merit and other pools will be determined centrally, with the expectation that units follow these policies and fund increases with local revenue streams. Administrative units do not engage in direct revenue-generating activities (save a few exceptions), thus the model assumes collective administrative compensation costs will be supported by Provost Reinvestment

Funds. This assumption will enable the Provost to readily assess funding implications of compensation increases against available Provost Reinvestment funds.

***Provost Reinvestment Funds – All Units***

As your unit articulates its plans through the Annual Projected Academic Plan workbook and FY2014 Budget Submission Supplement, the need for Provost Reinvestment Funds may arise. Please note that all units must provide a **full** complement of funding needs (whether these are new initiatives for which Provost Funds are needed or growth plans for which local funds are insufficient). The Provost will only consider requests for supplement funding that are articulated through this submission and discussed during budget meetings this winter.

If you have questions related to the Annual Projected Academic Plan workbook, please review the instructions attached to the worksheet for contact information. If you have questions about this letter, the submission process, or the supplement questions, please contact Amy Floit at [afloit@uw.edu](mailto:afloit@uw.edu) or 206-685-9961.

Sincerely,



Paul Jenny  
Vice Provost, Planning & Budgeting

cc:  
Unit Administrators  
Amy Floit, Director, Budget Operations