



September 25, 2013

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

Dear Colleagues:

The UW Board of Regents approved its Fiscal Year 2014 (FY14) budget on July 1, 2013, mere days after the 2013 Washington State Legislature concluded its business. Though the schedule was compressed, there are reasons to feel truly optimistic about the UW's budget and the state's support of our university for the first time in years. The UW received a net gain in state funding which bumped state appropriations 21 percent higher over the prior year and, as a result, we were able to freeze resident undergraduate tuition for the first time since 1986. Additionally, Regents approved tuition rates for all students for two years, giving students and academic units a greater degree of predictability for future financial commitments.

As I noted during the final rush of budget meetings last July, I wanted to wait until the beginning of Autumn Quarter before making additional decisions about Provost Reinvestment Fund allocations. During the summer, we planned for and conducted our first round of salary increases in four years. This first round of compensation increases provided us with more information about compensation-related financial obligations and in the handful of cases in which units fell short of meeting these obligations.

Although this letter opens Fiscal Year 2015 (FY15) budget conversations, we have some work left related to current FY14 unit level budgets. This correspondence will provide information about remaining FY14 budget decisions and FY15 budget discussions.

**Budget Process Overview**

As you will recall, last year our budget conversations and the materials produced to inform those discussions centered on unit growth plans, strategic goals, and the resources necessary to meet those goals. We viewed that exercise as a biennial one, so to speak, ending with Regental approval of two years of tuition rates.

This year, I do not feel there is a need to run units through a similar exercise. Instead, units will be asked to respond to several questions about bridge funding, carryover balances, and faculty hiring plans. Though last year's growth plans will be included in this correspondence, **units need not revisit last year's growth plans unless they wish to.** Units requesting new Provost Reinvestment Funds for either FY14 or FY15 should use the "New Fund Requests" tab in the attached workbook



and limit submissions to two pages. These submissions as well as the forms described later in this letter are due to the Office of Planning & Budgeting by **Friday, November 1, 2013**.

Provost budget conversations will take place during the months of December 2013 and January 2014 and will be scheduled by my office during the month of November. After reviewing unit submissions, it may not be necessary to have a formal budget meeting concerning your unit, but this decision will be a mutual one, between unit leadership and me.

#### **Remaining Work Related to FY14**

A few units have been identified by the Office of Planning & Budgeting as units that may need temporary bridge funding to meet obligations related to compensation increases. Units receiving temporary funds to meet compensation increases should submit **plans to replace those temporary funds with local, permanent funds**. Units can do so using the “Compensation-Related Bridge Funding Plans” form on the “Bridge & Carryover” tab of the attached workbook. Please note that I will examine requests in context to the available carryover funds a unit may have to meet funding requests.

#### **State Budget Outlook and 2014 Legislative Supplemental Budget Information**

Washington State’s September revenue forecast indicates that general fund collections are above projections and positive developments in the regional and state economy have propelled revenue estimates for the coming biennium above the last prediction. We anticipate that this growth will continue and with any luck, our FY15 state budget allocation will remain whole, if not increase slightly.

This coming January, the Washington State Legislature will convene for legislative session, referred to as the 2014 Supplemental Session. The budget scheduled to be released in March 2014 will make changes to the current 2013-15 biennial budget. OFM released budget instructions asking that agencies limit submissions to technical corrections and high priority funding requests; however, should any new funding opportunities arise, we will engage relevant parties.

#### **Materials and Budget Conversations**

As noted, **budget submissions are due to the Office of Planning & Budgeting by Friday, November 1, 2013**. Again, budget submissions will be confined to plans to replace compensation-related bridge funding with local, permanent funds; requests for new funding, if units desire; allocations of carryover balances; information about faculty hiring plans and the recruitment or hiring of lecturers; and, if units wish, corrections to previously submitted [growth plans](http://opb.washington.edu/content/fy14-budget-development) [http://opb.washington.edu/content/fy14-budget-development].

Units should use the attached workbook to submit their budget information.



Note that **new funding requests for FY15** will be evaluated according to their alignment with previously articulated goals from my office; namely: interdisciplinary academic efforts, continued improvements to the undergraduate student learning experience, and, to the extent possible, mitigating institutional risk exposure. Please consider new funding requests in light of the fact that Provost Reinvestment Funds are extremely limited. To request new funding, please complete and submit the “New Fund Requests” tab of the attached workbook.

Also, units will be required, as they have in the past, to **allocate carryover balances** to general expenditure categories. Please do so via the “Carryover Balance Explanation” form on the “Bridge & Carryover” tab of the attached workbook. Carryover balances will be discussed in concert with requests for new funding.

In light of their growth plans, whether altered or not, *academic* units should also fill out and submit the “**Faculty Status Report**” tab of the attached workbook. In the space provided, please describe your unit’s emerging or changing faculty needs, including information about faculty hiring trends and the recruitment and appointment of lecturers. In particular, please note any trends you have observed over the last year (or longer) and how your plans may be taking shape for the coming fiscal year. Units may wish to take this time to submit information to me about holding positions vacant and repurposing funds for general compensation increases, faculty salary compression, or even the need for additional faculty positions given discipline-specific trends.

Budget conversations will be held in December and January. Because Regents approved two years of tuition rates and all units submitted growth and strategic plans last year, I anticipate that our conversations will be limited to any significant changes your unit experienced over the last year, requests for new funding, carryover balances, and faculty hiring trends and issues.

**In summary, please submit the following materials (as applicable) by Friday, November 1, 2013 to the Office of Planning & Budgeting:**

1. **Compensation-Related Bridge Funding Plans (*if applicable*):** Units receiving temporary funds to meet compensation increases should submit plans to replace those temporary funds with local, permanent funds;
2. **New Fund Requests (*optional*):** If units wish, they may submit requests for new Provost Reinvestment funding for FY14 and/or FY15;
3. **Carryover Balance Explanation (*all units*):** All units should provide information about the allocation of carryover balances by expenditure category; and
4. **Faculty Status Report (*academic units*):** All academic units should submit information about faculty hiring trends, upcoming needs, and the recruitment and appointment of lecturers;



5. **Updated Growth Plan (optional):** If units wish, they may also provide revised versions of last year's growth plans.

Please email your materials to Amy Floit at [afloit@uw.edu](mailto:afloit@uw.edu). Questions about growth plans may be directed to Carol Diem at [cdiem@uw.edu](mailto:cdiem@uw.edu) and information about the state budget and overall budget process can be directed to Sarah Hall at [sahall@uw.edu](mailto:sahall@uw.edu).

Please let me know if you have any questions or concerns. Planning & Budgeting will continue to communicate with units as additional information about the state budget, FY 2014 budget adjustments and FY 2015 budget information is available.

Sincerely,

A handwritten signature in black ink that reads "Ana Mari Cauce". The signature is written in a cursive, flowing style.

**Ana Mari Cauce**  
**Professor of Psychology and American Ethnic Studies**  
**Provost and Executive Vice President**