

Budget

Sound planning protects core mission

Faced with shrinking state support, WWU officials adopted transparent measures to plan for budget cuts while protecting academic programs.

Meanwhile, state funding for capital projects, including a much-needed renovation of Miller Hall, brought some welcome economic stimulus to the Bellingham community.

State operating budget support dwindles

During the next biennium, state support for Western's operations, which in past decades had been as high as 70 percent per year, for the first time falls below 50 percent, or down to a biennial average of 45.5 percent. Western's 2009-11 biennial operating budget includes a 29 percent reduction in state appropriations, \$44 million, forcing Western to eliminate open and filled positions, shrink department budgets for materials and supplies, increase class size, and reduce the number of class sections to be offered in fall 2009. No degree programs were eliminated, and Western's 2008-09 enrollment levels will be maintained.

Operating budget weathers reductions while protecting core academic programs

The operating budget shortcoming will be partially solved with \$17.5 million from a 14-percent annual tuition increase, \$8.8 million in one-time federal stimulus funds, and increased reliance on university reserve funds. Protecting core academic commitments was established early in Western's budget process as the foremost guiding principle. Cuts are not across the board. Reductions in academic programs are, on average, less than cuts in other areas: approximately 5 percent for academic programs compared with 7 to 10 percent for non-academic areas.

A transparent process to face tough budget questions

In September 2008, the university's 16 planning units began a bottom-up budget planning process to provide greater transparency as the budget was being developed. Meanwhile, university officials prepared for a range of "low" and "high" levels of state budget cuts. With that preparation, along with public comments, President Shepard, university deans and vice presidents then

brought together the 16 proposals to draft a comprehensive, university-level proposal. A public forum on the proposed 2009-11 operating budget was held on May 14 by the President and vice presidents to answer questions about the budget proposal. The forum was audio-cast live and recorded.

Capital budget brings much-needed economic stimulus

The Board of Trustees approved the \$79.4 million capital budget for the 2009-11 biennium, which includes the major renovation of Miller Hall. That \$60.4 million project includes money for pre-design, design, construction and equipment; construction began in June. Also in the capital budget are:

- \$16.5 million for minor works preservation and program projects.
- \$4.6 million for network infrastructure and switches.
- \$3.6 million for preventative maintenance and repairs.

Early cuts set the stage

In August 2008, the university began taking steps to prepare for budget reductions, including:

- Restrictions on contracts, travel, and purchasing.
- Reorganizing units and job duties to maximize resources.
- Delays in implementation of previously funded initiatives or programs.
- Careful examination of fund balances and past budgeting patterns.

Early in budget planning, open positions were frozen in anticipation of state budget cuts.

Tuition rises, but so does state and federal aid

The 2009-11 operating budget includes tuition increases of 14 percent per year for 2009-10 and 2010-11 – or an increase of \$600 per year for resident undergraduate students. Increases in state and federal financial aid and expansion of federal education tax credits will offset that \$600 tuition increase for most students and their families. The tuition rates for both non-resident undergraduate and resident and non-resident graduate students, which now exceed national peer averages, currently remain unchanged for the 2009-11 biennium.

Budget cuts mean 164 positions lost

Budget cuts resulted the elimination of 164 positions at Western. The majority of these cuts came from unfilled vacant positions. However, an estimated 28 employees were laid off and the contracts of about 40 employees were not renewed. Most of the operating budget – or about 83 percent – goes to compensation for university employees.

Financial Aid Department helps families

As their families weather the rough economy, WWU students are filing more requests for financial aid. Prospective freshmen filed 20 percent more FAFSA forms than last year's incoming freshmen class. Meanwhile, requests to recalculate Western's financial aid packages are up 30 percent this year. "We are committed to doing everything we can to provide access to students and keep them in school," says Clara Capron, Western's director of financial aid. The expected increases in the Pell Grant and federal education tax credit will likely cover tuition increases for most families. Last year, 8,652 Western students received about \$90 million in aid, including institutional grants and tuition waivers.

Watching the natural gas market for cost savings, stability

A new WWU committee is watching natural gas prices in hopes of achieving some cost savings and stability in the utilities budget. The Energy Risk Management Group is led by Kathy Wetherell, interim vice president for Business and Financial Affairs and includes representatives from Purchasing, Facilities Management, Housing/Residence Life, Risk Management and University Planning and Budgeting. Members track and analyze the price of natural gas and decide when and how much to commit to a long-term purchase and when to buy gas in the open market. When the price is expected to rise, for example, the committee compares the cost of long-term procurement opportunities against staying in the daily market. This strategy provides more protection for the university against temporary market increases in natural gas, while allowing some ability to take advantage of lower energy prices. This risk-based approach is rare among four-year public universities in the state, Wetherell said, and getting some attention from other institutions interested in trying it themselves.

Orientation for new employee becomes more efficient

The New Employee Orientation Program has been redesigned into an on-line presentation via Blackboard. Facilitated by one human resource staff, the online format allows new employees time to wade through important information from many departments over 90 days. Human Resources tracks to ensure all employees have reviewed information critical to their appointment. A welcoming video by President Shepard and an introduction of vice presidents have been incorporated into the course. The new format is also more efficient, saving paper and staff time.