
SUMMARY OF WESTERN WASHINGTON UNIVERSITY'S RESPONSE
TO THE NWCCU'S ACCREDITATION RECOMMENDATIONS

APPENDICES TO RECOMMENDATION 1

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Western Washington University

Principles, Guidelines and Processes

For Adjustments to the 2010-11 Annual Operating Budget *and*

Building the 2011-13 Biennial Operating Budget Request

Prepared by University Planning and Budgeting¹

Introduction

If the following seems complicated, well, it is. Simultaneously, we build biennial operating budget *requests*; after the Legislature and Governor have acted, we then must take their actions on our requests and build actual operating budgets; and, as is the case currently with the 2010-11 budget, a legislatively approved budget that we have already ourselves approved for the university may have to be redone if, through the supplemental budget process of the State, there are substantial changes to what had been previously allocated to us.

Right now, we have two immediate budget responsibilities:

- Our budget for the second year of the current biennium must be finalized. Usually, this is a routine matter where we fine tune earlier decisions made as we built a budget for the biennium based upon the final legislative outcomes. This year, adjustments to the 2010-11 operating budget are not routine. This is because, with the state's worsening financial situation, we are sure to be required to incorporate significant additional cuts to the 2010-11 budget.
- In what is, usually, a more routine process, we must build our budget *request* for the next (2011-13) budget. That budget request needs to be built bottom up, must be approved by our Trustees, and then be received by the Governor's Office in time for the Governor to meet the Constitutional obligation to propose, in December, 2010, a budget for the 2011-13 biennium.

¹ Our strategic budget planning processes have been through many drafts, beginning last year with consideration by many bodies and discussion via web forums. More recently, a number of groups participated in debriefing on "lessons learned" from last year's experiences with the then new process and modifications were made. Regular discussions about process have taken place in the widely representative University Planning and Resources Council, a standing body of the Faculty Senate, and roles for the UPRC have been built into the current approach. That approach, described in this document, has been approved by the President and Vice Presidents after discussions involving many groups, including in open meetings with our Trustees. Routinely, we will continue to debrief on lessons learned and then further improve the processes.

1 In routine times, these budget guidelines – those for 2010-11 in particular – would have
2 been distributed in mid-December, shortly after the Governor’s proposed budget was
3 announced. Her budget would have set our initial budget planning assumptions. But, this
4 time the Governor, while she was meeting her constitutional obligations to provide a
5 balanced budget proposal, she herself vigorously opposed it and would be introducing
6 another budget in January. So, it was necessary to wait until the budget picture clarified
7 and, until very recently, that budget picture has been changing dramatically and day-by-day.
8 To not have waited would risk either asking people to plan for disaster scenarios that ended
9 up not coming to pass or, possibly, setting targets too low and then having to redo the
10 process at the last minute.

11
12 Still, while having to postpone the circulation of these guidelines, the basic assumptions
13 contained herein have been shared, over the past two months, with planning unit and
14 governance leaders; planning unit leaders have initiated discussion of budget reduction
15 possibilities within their units; centrally, over a dozen institution-wide approaches to
16 reducing budgets have been aggressively analyzed; and the original time-line has been
17 stretched to allow for open discussion and consideration while still meeting deadlines set by
18 the need for Board of Trustee action.

19
20 The document is long. But, then, much territory is covered. In what follows, you will find:

21

22 Priorities, Principles and Guidelines:

- 23 • First, the priorities, principles and guidelines that apply to all budget processes,
24 • Then, those that apply specifically to the 2010-11 adjustment process,
25 • Followed by those that pertain just to building the 2011-13 Biennial Operating
26 Budget Request

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28 Budget Processes

- 29 • For the 2010-11 adjustment process
30 • For building the 2011-13 Biennial Operating Budget Request

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I

Priorities, Guidelines, and Planning Assumptions

Encompassing Priorities and Principles

The following priorities and guidelines should shape our budget recommendations and the ways in which we formulate them:

1. Fulfilling WWU’s distinctive and core academic mission is our highest priority. During each planning cycle, more specific yet congruent priorities should be developed collectively and clearly communicated at the unit and university levels.
2. Among choices equally central to the university's core mission, maintaining programs of higher quality will be a priority.
3. As one consequence of the priority we attach to protecting high quality, planning units may need to consider major program reductions or eliminations. Because of the sensitive nature of such proposals, we have a [separate policy](#) and (as of this writing, draft) [implementation process](#) tailored for consideration of such possibilities. That policy, and not the process below, should be followed where major program reductions or eliminations are to be considered.
4. A university is its people; an exceptional university is also a community of caring colleagues. After core mission and high quality considerations, a priority will be to minimize the impacts of position reductions for current employees.
5. All members of the University Community – faculty, staff and students, should have the opportunity to share ideas, proposals, issues, and concerns at the outset of biennial and annual budgeting and planning and, as the process proceeds “bottom up,” to effectively propose improvements and adjustments through representative and governance bodies.
6. Priorities and objectives specific to a particular planning process should be developed by asking how our distinctive academic mission is best currently realized based upon thoughtful analysis and shared reflection on external opportunities and threats as well as critical examination of internal strengths and vulnerabilities. Do consult the university-level SCOT analysis; review, revise as necessary, and rely upon the analyses of the each unit’s strengths, challenges, opportunities, and threats, including articulated unit-level priorities that were developed last year as a part of each planning unit’s 2011-13 strategic budget planning process. (Budget reduction proposals will, again, be presented by each planning unit in terms of their relationships to these university-level and planning unit-level strategic considerations.)
7. Decisions should be shaped by thoughtful consideration of data, analyses, projections, and peer benchmarks.

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- 8. Certainly consider further operational efficiencies and revenue opportunities.
- 9. Decisions and processes will be fully compliant with state statute, university policies, shared governance responsibilities, both Faculty and Professional Staff Organization handbooks, and contractual obligations including all collectively bargained union agreements. The university shall continue to make good faith efforts to prevent an adverse impact on the university's affirmative action commitments during difficult budget times.
- 10. Last year, we made considerable progress toward a strategic budget process that was transparent, strategic, well-informed by appropriate analyses, and "bottom up." However, across planning units, the progress was uneven. Campus expectations for openness and transparency remain appropriately high. We all, at all levels, share responsibility for demanding and for achieving significant further progress.

Assumptions and Approaches Specific to the Supplemental 2010-11 Budget

- 1. We are a ways from knowing what Western's 2010-11 budget will actually be. That will be known only after the Legislature acts, perhaps in March. Still, we must proceed and that requires making assumptions. Our planning assumptions follow from the "Book 2" budget submitted by the Governor on January 11th, and the House and Senate budget proposals announced the week of February 21st.
- 2. All three budget proposals (Governor's, House, Senate) require us to further reduce our budget for 2010-11 beyond the levels of the substantial reductions developed bottom up during last year's budget process. Using the three budget *proposals* now available from Olympia, preliminary targets for these additional reductions have been set by vice presidential area.
- 3. Last time around, a \$44M biennial reduction became a less dramatic \$6M annual base operating budget reduction through a variety of means: increased tuition revenue and federal stimulus dollars but, as importantly, changed approaches, centrally to such matters as the budgeting of reserve, interest income, and "over-realized" tuition. For 2010-11, unfortunately, all those means of reducing impacts on operating budgets have been put in place. The impact of the additional 2010-11 reductions will fall more directly upon operating budgets. That having been said, centrally, leadership is analyzing options that save funds institution-wide. All have negative consequences, of course, but they would cushion the degree to which planning-unit level reductions would, in the end, have to be made. These possible institution-wide approaches will be shared as part of the public, transparent strategic budgeting process.
- 4. It follows from opening principles 1 and 2 (protect core mission, protect quality), that budget reductions are not to be made across-the-board. The earlier and larger reductions were not done across-the-board (looking across programs, reductions ranged from 0% to

1 100%). It is important, though, to judge whether or not cuts are across-the-board by
2 looking not at the initial targets but, rather, at the final results. Vice Presidents and other
3 planning unit leaders must set initial targets and these may be across-the-board because,
4 a priori, one cannot anticipate how the guiding principles should drive decisions until
5 actual proposals are available to consider. And, to compare. Typically, these targets are
6 set somewhat higher than what is expected, in the end, will be necessary. As
7 departments, colleges, divisions, then compare choices, recommended budget reductions
8 do vary, driven as they should be by our most basic strategic budgeting priorities.
9

- 10 5. As has been noted among the overall guidelines, cuts have to be made to base budgets.
11 These are permanent cuts to the state's funding for Western and so our cuts must also be
12 permanent. But, they must be made as thoughtfully as possible and with opportunities to
13 transition. However, by the time our normal budget process concludes, the 2010-11
14 fiscal year will be within days of beginning. To solve this predicament, the university
15 will use, on a one-time basis, its contingency reserve in order to fiscally allow the
16 following approach: *Reductions proposed as part of the 2010-11 budget adjustment*
17 *process become effective not at the beginning of that fiscal year but must be in place at*
18 *the end of the fiscal year.*
19
- 20 6. We are using one-time funding to buy time for us to make well considered rather than
21 simply expedient reductions. One-time funds can only be used one-time, though. It is
22 very important that true base budget reductions are proposed during the budget reduction
23 process. This is particularly important because we are told to anticipate further budget
24 cuts for the 2011-13 biennial budget appropriation. If we use the one-time funds to buy
25 time but do not make the difficult choices, we may well find ourselves in a far deeper
26 hole with no ability to buy additional time for thoughtfully considered budgeting. Where
27 it is possible for planning units to implement an approved budget reduction prior to the
28 conclusion of 2010-11, one-time savings do result and will be available to the planning
29 unit for use in 2010-11 or 2011-12.
30
- 31 7. Again, we are planning budgets under considerable uncertainty. We do not know where
32 we will finally come out. So, we must also include this proviso: the preceding
33 guidance, including the assumption that permanent cuts need to be in place going out of
34 2010-11 (instead of going into 2010-11) is subject to major and, perhaps, urgent revision
35 if, because of actions in Olympia, the university's situation dramatically changes.
36
37

38 **Assumptions and Approaches Specific to the Building the 2011-13 Operating Budget** 39 **Request** 40

41 If there is uncertainty with respect to the 2010-11 budget, consider 2011-13. Consider it we
42 must do. What assumptions should be made?
43

1 We have been advised by legislative leadership to again expect further budget reductions –
2 indeed, reductions bigger than those already made.²

3
4 With that bleak introduction, we also need to remember that the 2011-13 Biennial Operating
5 Budget request is just that, a request. We and many allies are making the case, with ever
6 more force and ever more solidarity, that higher education is the clearest and most certain
7 opportunity the state has to make investments that will build brighter futures, including
8 improvements to the state’s fiscal condition. Our budget requests must aggressively and
9 persuasively provide the state with opportunities to make such investments.

10
11 Consequently, we are not directing that the 2011-13 Biennial Operating Budget request be
12 built upon assumptions about further reductions. We do offer these further guidelines that
13 are in addition to the overall priorities, guidelines and planning assumptions with which this
14 document began:

- 15
16 1. Assume, by vice presidential area, that initial base budgets for 2011-12 will be the
17 same as the base budget coming out of 2010-11 – i.e., base budget after supplemental
18 budget reductions are in place.
- 19
20 2. Do consider initiatives to the initial base budgets. But, in so doing, please
21 understand that dollars previously cut are gone. Even if the state’s economy were to
22 miraculously turn around, the state will not be adding money back simply to backfill
23 the previous cuts. Rather, they will be asking us for new investment opportunities.³
- 24
25 3. Do consider opportunities and initiatives that directly address societal needs.⁴ We
26 currently anticipate that any opportunities to do so will be through the provisions
27 made in the state’s approach to “performance agreements.”

28
² This follows from a combination of factors: the disappearance of federal stimulus dollars, major commitments made by the state to future investments in K-12 education; a state revenue and fiscal structure designed many decades ago and increasingly irrelevant to today’s economy; and the fact that, with constitutional provisions and increasing federal strings protecting most of the state’s budget from any reductions, the higher education budget is the only place left with significant dollars that is not otherwise protected.

³ This does not mean that we cannot seek increased funding for operations that were reduced during the 2009-11 budget. Rather, it is in the presentation – e.g., hypothetically, if “increased baccalaureate production” is a state priority for 2011-13, then we must show how restoration of funding for a previously cut program achieves precisely that purpose.

⁴ While this may seem to be a lot to ask in a short period of time, please understand, first, that much groundwork discussion has already taken place: e.g., through discussion of various “white papers,” areas of importance to the campus identified after last year’s listening process; studies, reports, and taskforce recommendations ranging from subjects of sustainability to diversity; and comprehensive campaign planning. Efforts at the planning-unit level further extend such university-wide groundwork. And, do note that, for those proposals that become part of the institutional budget proposal, there will be significant time to flesh out details prior to legislative consideration in 2011.

- 1 4. The success of such initiatives – both in becoming a part of the university’s request
2 and then in becoming a part of an actual appropriation down in Olympia – will be a
3 function of any number of considerations necessarily including:
4 a. Relevance to the core mission of the university, its articulated vision, and
5 strategic commitments.⁵
6 b. Direct relevance to state priorities.
7 c. Clearly defined outcomes.
8 d. Demonstrable and accountable relationship between investment opportunity
9 and the outcomes we specify.

10 *And possibly including:*

- 11 e. Leveraging of state investments by being a part of an effort that includes or
12 has a reasonable prospect of leading to other sources of funding (federal,
13 foundations, philanthropic, private sector), importantly including the
14 possibility of internal reallocation with in the planning unit to support the
15 initiative.
16 f. Partnering with other entities: national, state, local.
17 g. A clear “exit strategy” if the proposed initiative does not achieve the
18 outcomes projected.

- 19
20 5. Given the signals currently coming from Olympia, it may seem Pollyannaish to be
21 starting our process of 2011-13 budget requests with direction to consider budget
22 *increases*. We must, though, provide the state with means out of its predicament
23 rather than abdicate and accelerate the slide down. Further, the state’s economy will,
24 eventually turn around and, to the extent we are ahead in charting paths to brighter
25 futures through greater investment in higher education, we – and Washington – will
26 come out ahead. For 2011-13, though? The legislature will act. And, when they do,
27 we have our established (and recently tested) strategic budgeting processes available
28 to move from budget request to operating budget.
29

⁵ Relevance to core mission and strategic direction and direct relevance to state priorities are probably key. Both are moving targets. On the university side, do state abreast of the emerging consistencies among the “100 conversations” approach to defining purposes for a publicly purposed university. On the state side, there are the obvious priorities surrounding efficiency, effectiveness, access, and time-to-degree. Keep up with the priorities expressed through the “performance agreements” process. While “high demand degrees” is still the mantra in many quarters, do recognize that, when it comes to funding such programs, the bulk of the funding has to go to the many academic and non-academic programs essential for the success of the program. Figuring this stuff out – what’s working in Olympia today -- can be a challenge: do think creatively and call upon the advice of Deans, Vice Presidents, and our university relations colleagues.

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II Campus-Level Process for Changes to Year Two of Biennial Operating Budget (Including Supplemental Budget Changes)

8 Through the fall and with wide involvement, the university developed a campus-level
9 process for considering changes to the second year of a biennial operating budget. In
10 normal times, this is a routine matter involving reaffirming and fine tuning the previously
11 drafted second-year budget before submitting it for trustee action. This time, though, we
12 will certainly need to make further reductions in the year two budget.

13
14 The process should be shaped and guided by the priorities and guidelines presented in
15 Section I of this document. The process, *per se*, has these steps:

- 16
17 1. As explained in Section I of this document, preliminary budget reduction targets
18 have been set by vice presidential area based upon the budget proposals of the
19 Governor, House, and Senate. Vice Presidents, working with Deans and directors,
20 will set preliminary budget reduction targets for the units within their areas of
21 responsibility.
22
- 23 2. These reduction targets should be considered permanent and recurring but effective
24 for 2011-12 (at the end rather than at the beginning of 2010-11).
25
- 26 3. Based on originally submitted 2010-11 Annual Operating Budget plans, and
27 following “bottom up” and consultative processes, Planning Units will prepare
28 updated 2010-11 Operating Budget proposals including budget reductions.
29 Reductions must be fully realized through permanent base budget reductions
30 effective with the beginning of FY 2011-12.
31
- 32 4. In April 2010, Planning Unit budget proposals for 2010-11 will be available to the
33 campus through the web and will be presented through formal budget presentations.
34
- 35 5. A critical function of these presentations is to allow all possibly affected units and
36 campus leaders to fully understand and offer comment on proposals coming from
37 other units. Members of the budget panel are listed below:
- 38 a. Planning Unit Leaders, including the President, Vice Presidents, Deans, and
39 others as listed in Appendix A;
 - 40 b. University Planning and Budgeting Executive Director;
 - 41 c. Faculty Senate President or designee;
 - 42 d. University Planning and Resources Council Chair or designee;
 - 43 e. Professional Staff Organization President or designee;
 - 44 f. Associated Students President or designee;
 - 45 g. A classified staff representative; and
 - 46 h. Others as may be subsequently determined to be appropriate by this panel.

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6. The Planning Unit presentations will be posted to the web for public comment and will include:
 - a. Description of Planning Unit principles and planning assumptions (beyond those stated at the university level) as well as the unit’s longer-term vision.
 - b. Description of the bottom-up, transparent process used by the Planning Unit to develop their proposal.
 - c. For each proposed budget reduction:
 - i. Budget impact
 - ii. Consequences
 - iii. Relationship to university-level and unit-level guiding principles, planning assumptions, and SCOT analyses
 - iv. Relationship to longer-term vision for the Planning Unit.
 - v. Some sense of priority: i.e., if not all proposed reductions are needed, in what order would the unit take them off the list.
 - d. Proposals may also include opportunities for new investment in the Planning Unit (addressing the same for factors noted in “c” above for proposed budget reductions).
 - e. New community suggestions for cost savings will be solicited by UPB and posted to the community forum; these suggestions should be reviewed, considered and discussed by Planning Units in formulating budget proposals.
7. Drawing upon the proposals of the Planning Units presented, and upon public advice and comment from the web-posting of these proposals, the President, Vice Presidents and College Deans, supported by the University Planning and Budgeting executive director, will work collegially to draft and recommend a proposed budget for the university. They will present this budget recommendation on the web and in open forums, and with campus governance groups, for advice and comment. After thorough consideration of all advice, working with the President, they will then finalize a budget proposal for consideration by the trustees.

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3 **III**
4 **Campus-Level Process for Developing the 2011-13 Biennial Operating**
5 **Budget Request**
6

7 Through the fall and with wide involvement, the university developed a campus-level
8 process for building a biennial operating budget request. Our need to build the 2011-13
9 biennial operating budget request will be the first test of this process. In testing it, we will
10 learn. And, regularly improve it.

11
12 The process should be shaped and guided by the priorities, guidelines and planning
13 assumptions presented in Section I of this document. The process, *per se*, has these steps:
14

- 15 1. Within vice presidential areas, Vice Presidents continue to work with their constituent
16 units and, through discussion, elaborate upon the planning assumptions outlined in
17 Section I of this document.
18
- 19 2. For purposes of planning and budgeting, the vice presidential areas comprise one or
20 more “Planning Units.” Those 17 Planning Units are identified in Appendix A. Within
21 these Planning Units, leaders will assure opportunities for “bottom up” participation in
22 transparent exploration of possibilities for a full range of strategic budget considerations:
23 e.g., initiatives, budget savings, revenue increases, new or reorganized approaches,
24 reallocations, ... Recognizing the significant differences among Planning Units, no
25 specific “bottom up” process has been specified. Rather, Planning Unit Leaders,
26 working with their colleagues, will follow processes appropriate to the organization and
27 culture of the unit.
28
- 29 3. In fall 2009, Planning Unit Leaders provided a draft 2011-13 update for each unit’s
30 SCOT analysis, as well as each unit’s preliminary thoughts concerning planning and
31 budget priorities. These draft documents were posted to the University Planning and
32 Budgeting’s (UPB) website for comment. Additionally, the President met with the
33 Faculty Senate’s University Planning and Resources Council (UPRC) at its November
34 18, 2009, meeting to discuss Western’s planning priorities for 2011-13.
35
- 36 4. Following “bottom up” and consultative processes, Planning Units will prepare biennial
37 budget proposals for both years of the upcoming biennium.
38
- 39 5. In early spring, Planning Unit budget proposals for 2011-13 will be submitted to
40 University Planning and Budget (UPB) and made available to the campus through the
41 web.
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- 43 6. The Planning Unit proposals should include:
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 - 45 a. Description of Planning Unit principles and planning assumptions (beyond
46 those stated at the university level) as well as the unit’s longer-term vision.

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- b. Description of the bottom up, transparent process used by the Planning Unit to develop their proposal.
 - c. For any proposed budget reduction:
 - i. Budget impact
 - ii. Consequences
 - iii. Relationship to university-level and unit-level guiding principles, planning assumptions, and SCOT analyses
 - iv. Relationship to longer-term vision for the Planning Unit.
 - v. Some sense of priority: i.e., if not all proposed reductions are needed, in what order would the unit take them off the list.
 - d. Proposals may also include opportunities for new investment: in the Planning Unit (addressing the same for factors noted in “c” above for proposed budget reduction).
7. Planning Unit leaders will then present their proposals to a university-wide budget panel. These presentations, as always, will be recorded and broadcast via the web to the wider campus community. A critical function of the presentation process is to allow all possibly affected units and campus leaders to fully understand and offer comment on proposals coming from other units. Members of the hearing panel are listed below:
- a. The 17 Planning Unit Leaders, including the President, Vice Presidents, Deans, and others as listed in Appendix A;
 - b. University Planning and Budgeting executive director;
 - c. Faculty Senate President or designee;
 - d. University Planning and Resources Council (UPRC) chair or designee;
 - e. Professional Staff Organization President or designee;
 - f. Associated Students President or designee;
 - g. A classified staff representative; and
 - h. Others as may be subsequently determined to be appropriate by the hearing panel.
8. Drawing upon the proposals of the Planning Units presented at the budget hearings, and upon public advice and comment from the web-posting of these proposals, the President, Vice Presidents and College Deans, supported by the University Planning and Budgeting executive director, will work collegially to draft and recommend a proposed biennial operating budget request for the university. The 2011-13 operating budget request recommendation will be posted on the web and discussed in open forums with campus governance groups; advice and comment will be actively sought and valued.

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- 9. After thorough consideration of all advice, the President will then finalize the 2011-13 Biennial Operating Budget request for consideration and approval by the Board of Trustees in June 2009
- 10. The 2011-13 Biennial Operating Budget request will be submitted to the Governor on September 1, 2010.

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Appendix A

Planning Units

- 1) Provost's Office and Programs
- 2) College of Humanities and Social Sciences
- 3) College of Sciences and Technology
- 4) Huxley College of the Environment
- 5) College of Fine and Performing Arts
- 6) College of Business and Economics
- 7) Woodring College of Education
- 8) Fairhaven College of Interdisciplinary Studies
- 9) Libraries
- 10) Undergraduate Education
- 11) Information and Telecommunications
- 12) Graduate School and Research
- 13) Student Affairs & Academic Support Services
- 14) President's Office and Institutional Accounts
- 15) University Relations
- 16) University Advancement
- 17) Business and Financial Affairs