2015-17 Budget Request Proposal for Critical Campus Consideration

Background:
Here we are, not even through the first year of the 2013-15 biennium and it is time to decide upon our budget request package for the 2015-17 biennium. Has to do with the deadlines for having requests ready to send down to Olympia so that the Governor can fulfill his obligation to provide the next legislative session with his budget proposals.

We actually began this process early this winter, following a timeline laid out here. Begins with our mission statement and strategic plan. To that was added a candid examination of external and internal factors. These SCOT analyses were reviewed in draft form by the campus and our Trustees; individual planning units supplemented them as appropriate to the particular circumstances of the planning unit.

Our processes then proceeded bottom up, with mission, vision, and SCOT analyses available as planning units developed what, in state budgeting parlance, are called “decision packages.” With expectations of a very fiscally tough period coming up for Olympia, the materials provided to planning units were supplemented with Decision Package Proposal Criteria. These criteria were developed in consultation with the University Planning and Resources Council (UPRC), broadly representative of faculty, staff, students, and administration.

As proposals advanced, there was considerable filtering as each division decided which proposals best met criteria for serious consideration at the university level. The remaining 14 proposals were made publicly available through the web. They were discussed by our Board of Trustees at their April 3, 2014 meeting. The UPRC devoted two meetings to considering the decision packages, which were audiocast to campus and archived on February 26, 2014 and March 5, 2014.

The president, vice presidents and deans met on several occasions to understand and assess these remaining proposals. This group met a final time with the UPRC recommendations in hand and now has a proposal available for the campus to consider.

After further feedback from campus and the UPRC on the proposals now before you, the President will present his penultimate recommendations to the Board of Trustees at their June meeting. This will be for Board discussion. The Board is scheduled to take action on the 2015-17 Budget Request at their August meeting. After Board of Trustees action, our budget requests will go to the Governor. The Governor will prepare a proposed budget that must be balanced and may or may not include any of our requests. The House and the Senate will then prepare their own budgets, and these may or may not be responsive to what the Governor has proposed. Then compromises must be reached.
Once the legislature concludes, we will be developing an operating budget. We will likely have some pretty tough decisions to make. The discussions we are having now on priorities and decision packages will inform and shape those decisions.

The Value of the Budget Request Process
A final word on the significance of budget requests, particularly at a time when Washington's fiscal challenges are common knowledge. Those challenges are:

- an approach to revenue designed for a “hard goods” economy that no longer exists, which means state revenues only partially reflect Washington’s economic recovery;
- the increasing expenditure demands faced by all states and emanating from the federal level; and,
- the fiscal demands particular to Washington State that are potentially huge and result from State Supreme Court holdings regarding legislative obligations to support K-12 education.

Given the budget situation for our state and the long way we are from having a budget, one may wonder whether the process we are going through is worth Western’s attention. We – president, vice presidents, deans, and the UPRC – believe it is. Through this process we have come to better understand priorities and “must do’s” for the sake of Western and our mission, regardless of where, about a year from now, the legislature comes out.
The 2015-17 Budget Requests

Our budget requests consist of two components. Following the format used by the Office of Financial Management (OFM), we will have “decision packages.” But, and we have done this in the past, we will also ask our Board of Trustees to adopt, as part of our request submittal, two encompassing legislative priorities. The legislative priorities and proposed decision packages now follow.

Legislative Priorities

We propose two legislative priorities of paramount importance:

- **Sustaining Excellence through Competitive Compensation**
  Western’s previously established strategic goals begin with the commitment to apply Western’s strengths to meet the critical needs in the State of Washington. Key, then, to fulfilling this commitment (and each of the remaining four strategic goals) is to assure the continuing strengths of Western. Western is not bricks and mortar, a section in the Washington Revised Statutes, a location found through Google maps. Western is people.

  Assuring the continuing strength of Western means assuring the continuing quality of the people who are Western. Consequently, that means assuring competitive compensation for faculty and staff. That is our top priority.

- **Reinvesting for Transformational Enhancement of Access and Quality**
  Recent research findings are unequivocal: the role of public higher education as the major pipeline to upward social mobility has been dramatically squeezed off. As states cut support – Washington State more than almost all others – tuition rose. This at a time when:
    - demand for baccalaureate education is escalating in a state that funds one of the smallest public pipelines to baccalaureate education;
    - the only growth in Washington State high school graduates is among those of lower socioeconomic means. Here lies the opportunity for transformational enhancements to access through performance-based increases in state support;
    - as was so clearly documented through our bottom up budget process, we are in the process of essential, major, and costly transformations in the nature of our academic programs - for example, those involving integration of “big data/analytics” in many academic programs; and,
    - peculiar to Western, we face a per student funding support shortfall that has been cut in half but remains substantial.

  Consequently, we must set, as our second top priority, reinvestment for access and transformation through state (and not tuition) revenues.
Decision Packages
We recommend four decision packages we believe most clearly deliver on our commitment to apply strengths to important state needs. That having been said, those not included are not forgotten; most, indeed, fall within the previously described legislative priority of essential enhancements to quality.

A word on ranking. We will, as required, submit decision packages to the Office of Financial Management in priority order. Once the legislative process begins, though, that initial order is irrelevant; what matters are the connections the proposals have to what the legislature sees as top priorities.

The four decision packages we propose that President Shepard recommend to the Board of Trustees are:

- **Investing in Student Success and Achievement**
  This decision package was top priority for both our Board of Trustees and the UPRC. It is ours as well, and follows directly from the challenge posed for Washington State and for Western as we framed our second top legislative priority.

- **Audiology Clinical Doctorate**
  This is an already strong program addressing an area where the needs of the state are not being fully met. The program also provides important community outreach services. However, because of licensure changes beyond our control, if we are to turn out the graduates much needed by our state, the program must move to the level of a clinical doctorate.

- **Vehicle Engineering**
  We are proud to be able to respond to state needs by moving three of our engineering technology programs to mainline engineering. The Vehicle Research Institute has long been a hallmark program for Western. There are important private and public sector development and growth needs in this area; and, it is our view that if our commitments in this area are to keep pace with the caliber of preparation now needed by Washington State, we must move from a Vehicle Research Institute to Vehicle Engineering.

- **Engineering Geology**
  Our Geology program is extraordinarily strong. The need to build upon that base to offer Engineering Geology was all too dramatically apparent as we all grieved over the consequences of the Oso tragedy. But, that is just a small part of the expanding need for experts trained in Engineering Geology and able to serve in critical private sector as well as public sector roles.

Finally, please be aware: the legislative process is fluid. As can happen, a proposal we did not include here may, nevertheless be responsive to a need the legislature
will subsequently identify and we would then be responsive. There can be entirely new proposals developed in response to legislative requests; that happened two years ago with regard to Computer Science; and, the proposals we do include are subject to budgetary and substantive refinement as the year-long process ahead unfolds.

There are several mechanisms for providing feedback on this recommendation:

- Provide feedback through your University Planning and Resources Council (UPRC) representative for inclusion in the discussion at the May 7th meeting.
- Provide feedback to your representative on President’s Cabinet for inclusion in the discussion at the May 7th meeting;
- A Viking Village Budget Discussion Forum is open through May 23rd which will be monitored to receive feedback and answer any questions.

President Bruce Shepard will incorporate all feedback into his final recommendations to the Board of Trustees. The 2015-17 Biennial Budget Request will be discussed at the June Board of Trustees meeting; final adoption is slated for the August Board of Trustees meeting.