

**WESTERN WASHINGTON UNIVERSITY
BOARD OF TRUSTEES
SPECIAL MEETING AGENDA
July 18, 2013**

Time: 10:00 a.m. – 12:00 p.m.

Location: OM 340

- 1. CALL TO ORDER**
10:00 – 10:05

- 2. EXECUTIVE SESSION MAY BE HELD TO DISCUSS PERSONNEL, REAL ESTATE AND
LEGAL ISSUES AS AUTHORIZED IN RCW 42.30.110.**
10:05 – 10:30

ACTION ITEMS

- 3. RESOLUTION 2013-07 THANKING THE WASHINGTON STATE LEGISLATURE**
10:35 – 10:40 Presentation: Bruce Shepard, President

- 4. 2013 - 2014 OPERATING BUDGET OPERATING BUDGET AND RELATED MATTERS**
 - a. 2013 – 2014 Tuition Rates
 - b. 2013 – 2014 Budget Plan10:40 – 10:50 Presentation: Bruce Shepard, President
Linda Teater, Budget Director, Budget Office
10:50 – 11:10 Discussion

- 5. 2013 - 2015 CAPITAL BUDGET**
11:10 – 11:20 Presentation: Bruce Shepard, President
Rick Benner, University Architect/Director, Facilities Development
& Capital Budget

11:20 – 11:40 Discussion

- 6. DATE FOR NEXT REGULAR MEETING: August 22, 2013**

- 7. ADJOURNMENT**

1. CALL TO ORDER

2. EXECUTIVE SESSION

Executive Session may be held to discuss personnel, real estate, and legal issues as authorized in RCW 42.30.110.

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees

FROM: President Bruce Shepard

DATE: July 18, 2013

SUBJECT: Recognition

PURPOSE: Action Item

President Bruce Shepard and Vice President Steve Swan would like to recognize the Washington State Legislature and thank them for their financial investment in higher education throughout the state.

WESTERN WASHINGTON UNIVERSITY
BOARD OF TRUSTEES
RESOLUTION NO. 2013 – 07
RECOGNIZING THE EFFORTS OF THE
WASHINGTON STATE LEGISLATURE

WHEREAS, the WASHINGTON STATE LEGISLATURE convened on Monday, January 14, 2013 to conduct the business of the people of the great state of Washington in another challenging budget year; and

WHEREAS, the WASHINGTON STATE LEGISLATURE with the 2013 – 2015 final budget compromise made a significant reinvestment in higher education after years of deep and difficult cuts to education due to the economic downturn; and

WHEREAS, the WASHINGTON STATE LEGISLATURE adopted a bipartisan budget that represents a return to Washington's proud history of prioritizing higher education, and is an important step forward in creating brighter futures for all of Washington's students; and

WHEREAS, the WASHINGTON STATE LEGISLATURE has provided a significant level of investment that will be instrumental and critical in preserving continued excellence at Western Washington University at an affordable cost to the students and families of Washington state; and

WHEREAS, the WASHINGTON STATE LEGISLATURE has provided the resources necessary for Western to achieve the outcomes of a 0% tuition increase for the 2013 – 2014 school year, full maintenance funding, additional funding that will provide enhanced institutional budget support and new funding for expansion in high-demand areas and programs; and

WHEREAS, the WASHINGTON STATE LEGISLATURE has recognized Western's efforts to improve STEM education in the state by providing funding for targeted investments which will allow the University to transition to a full Engineering program, increase our capacity for computer science graduates, and to further develop Western's expertise in key and developing areas to help meet the state's critical workforce needs; and

WHEREAS, the WASHINGTON STATE LEGISLATURE also provided for new institutional budget support which will enable Western to meet high-demand enrollment shifts, increase internship opportunities for students, create new degree programs aimed at meeting the needs of the new energy economy, and enhance Western's overall goal of building on our considerable strengths to serve the needs of the state of Washington; and

WHEREAS, the WASHINGTON STATE LEGISLATURE concluded their regular legislative session and two special legislative session after months of dedicated and hard work to serve the citizens and students of this great state on Saturday, June 29th; and

NOW, THEREFORE BE IT RESOLVED, that the Board of Trustees of Western Washington University extends its appreciation to **the WASHINGTON STATE LEGISLATURE** for recognition of Western's excellence and their vision for our contributions to higher education in this state, and to express our utmost gratitude for making public higher education a funding priority in the 2013 – 2015 budget.

PASSED AND APPROVED by the Board of Trustees of Western Washington University at its special meeting on July 18, 2013.

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

DATE: July 18, 2013
TO: Members of the Board of Trustees
FROM: President Bruce Shepard
**SUBJECT: Action Item
Approval of 2013-14 Academic Year Tuition Rates**

Purpose of Submittal:

After a second special 30-day session, the Legislature and Governor have passed and signed an appropriations bill. Based on this approved bill, the Board is requested to approve 2013-14 Academic Year Tuition Fees. Tuition fees include both the tuition operating fee and the capital building fee for each category of student.

Proposed Motion:

MOVED, that the Board of Trustees of Western Washington University, upon the recommendation of the President, approve the 2013-14 annual tuition rate for resident undergraduate students be held at the 2012-13 annual rate with no increase; and

FURTHER MOVED, that the 2013-14 annual tuition operating fees and capital building fees for the non-resident undergraduate, resident graduate, non-resident graduate and the Masters in Business Administration (MBA) rates for resident and non-resident students be raised by 3% respectively.

Supporting Information:

Please see attached supporting information, including charts detailing proposed dollar and percent increases for 2013-14 tuition fees and comparison data to other institutions of higher education.

Additional Information:

The 2013-14 annual operating budget plan which relies on tuition operating fee revenue generated by the tuition increases proposed under this submittal, will also be presented at the July 18, 2013 Board meeting.

Attachment:

July 18, 2013 Memorandum, "Supporting Information on Setting 2013-14 Academic Year Tuition"

**WESTERN WASHINGTON UNIVERSITY
SUPPORTING INFORMATION
SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees

FROM: President Bruce

DATE: July 18, 2013

SUBJECT: Supporting Information on Setting 2013-14 Academic Year Tuition

In 2011-13 in House Bill 1795, the Legislature granted the Board of Trustees tuition setting authority. In the appropriations bill for 2013-15, funding was appropriated to alleviate pressure to increase resident undergraduate tuition, and therefore tuition setting authority for resident undergraduate students was suspended for FY13-14. In setting tuition to 0% for resident undergraduates, the Legislature appropriated an amount equivalent to what would have resulted from a 3% increase in resident undergraduate tuition. For non-resident undergraduates and all graduate programs, the Legislature did not restrict the long-standing authority of the Board to set those rates, nor was there an equivalent 3% tuition “buy down.” The Legislature defines “tuition” as the tuition operating fee and the capital building fee. The operating fee contributes to day-to-day operations of the University and supports Western’s annual operating budget plans.

Proposed 2013-14 Tuition Rates for WWU

The Legislature provided funding to hold resident undergraduate tuition increases to zero. It is recommended that Western hold the resident undergraduate operating fee and capital building fee at the 2012-13 annual rates, as required by the Legislature in the 2013-15 Operating Budget bill. After review by the campus, and upon the recommendation of the Vice Presidents and Deans, it is recommended that tuition fees for non-resident undergraduate, resident graduate, non-resident graduate, and Masters of Business Administration (MBA) rates for resident and non-resident students be raised by 3% respectively.

Table 1 below details proposed 2013-14 tuition fees (tuition operating and capital building fees). As required by law, proposed capital building fee percentage increases are equivalent to the tuition operating fee percentage increases for each student category.

Table 1

	2012-13	2013-14	\$ Change	% Change
TOTAL TUITION (Operating Fee and Capital Building Fee)				
Resident Undergraduate	\$7,503	\$7,503	\$0	0%
Non-Resident Undergraduate	\$17,850	\$18,392	\$542	3%
Resident Graduate	\$7,974	\$8,222	\$248	3%
Non-Resident Graduate	\$17,655	\$18,182	\$527	3%
Resident MBA	\$9,243	\$9,513	\$270	3%
Non-Resident MBA	\$18,993	\$19,562	\$569	3%

Please see Attachment A detailing percentage and dollar increases for breakout of tuition operating fee and capital building fee components.

Resident Undergraduate Tuition: The majority of Western's students are resident undergraduates, making up approximately 88% of the headcount for the 2013 academic year. No increase in tuition is recommended for this student group.

- While the WSAC data shows this classification to be 16.8% higher than the national average, the study did not account for differentiation such as Carnegie classification, institution size, scope or type of degrees produced in the compilation of the national average.
- Both UW and WSU undergraduate rates are approximately 40.0% higher than Western.
- Comparing the Global Challenge States Peer List, 70% of Western's peer group fall at or below Western's undergraduate 2013 tuition and fees.
- With regards to the Board-approved Peer List, 77% of Western's peer group fall at or below Western's undergraduate 2013 tuition and fees.

Non-Resident Undergraduate Tuition: Non-resident undergraduate students represented approximately 8.4% of Western's 2013 academic year headcount. The proposed tuition increase for non-resident undergraduate students is 3%, representing an annual increase of \$542.

- Tuition increases for this classification for the past two years were 5.6% and 6.2% as compared to resident undergraduate increases of 16.0% and 16.0% respectively.
- The WSAC data shows Western closer in this category than resident tuition at 13.1% over the computed national average.

- UW non-resident undergraduate tuition is 56.3% higher than Western.
- Comparing the Global Challenge States Peer List, 36% of Western's peer group fall at or below Western's non-resident undergraduate 2013 tuition and fees.
- With regards to the Board-approved Peer List, 72% of Western's peer group fall at or below Western's non-resident undergraduate 2013 tuition and fees.

Resident Graduate Tuition: Resident graduate students represented 2.9% of Western's 2013 academic year student headcount. The proposed tuition increase for resident graduate students is 3%, representing an annual increase of \$248.

- Tuition increases for this classification for the past two years were 14.5% and 14.7%, as compared to resident undergraduate increases of 16.0% and 16.0% respectively.
- This classification is the closest to the WSAC computed national average at 9.6% over average.
- UW resident graduate tuition is 54.8% higher than Western.
- Comparing the Global Challenge States Peer List, 30% of Western's peer group fall at or below Western's resident graduate 2013 tuition and fees.
- With regards to the Board-approved Peer List, 65% of Western's peer group fall at or below Western's resident graduate 2013 tuition and fees.

Non-Resident Graduate Tuition: Non-resident graduate students represented less than 1% of Western's 2013 academic year student headcount. The proposed tuition increase for non-resident graduate students is 3%, representing an annual increase of \$527.

- Tuition increases for this classification for the past two years were 5.6% and 6.2% as compared to resident undergraduate increases of 16.0% and 16.0% respectively.
- The WSAC study shows non-resident graduate tuition as 14.3% over the national average.
- UW non-resident graduate tuition is 41.2% higher than Western.
- Comparing the Global Challenge States Peer List, 55% of Western's peer group fall at or below Western's non-resident graduate 2013 tuition and fees.

- With regards to the Board-approved Peer List, 77% of Western's peer group fall at or below Western's non-resident graduate 2013 tuition and fees.

Masters in Business Administration (MBA): The MBA tuition rate is currently the only differentiated tuition Western charges. Approved by the Board of Trustees during the 2011-2013 biennial tuition setting process as part of a long-term strategy to price the MBA program appropriately in the marketplace, MBA resident and non-resident students are annually assessed \$1,269 and \$1,338 higher than other resident and non-resident graduate students, respectively. The proposed tuition increase for both resident and non-resident MBA students is 3%, representing an annual increase of \$270 and \$569 respectively, to continue this long-term strategy.

Attachments:

Attachment A – Proposed Western Tuition Dollar and Percentage Increases 2013-14

Attachment B – WSAC 2012-13 Tuition and Fee Report Comparison of WA Institutions

Attachment C – Global Challenge States Peer List & Board-approved Peer List
Comparison Chart

Western Washington University Proposed 2013-2014 Tuition Rates (Operating Fee and Capital Building Fee)				
TUITION FEES				
	2012-13	2013-14	\$ Change	% Change
<u>Operating Fee</u>				
Resident Undergraduate	\$7,209	\$7,209	\$0	0%
Non-Resident Undergraduate	\$17,142	\$17,663	\$521	3%
Resident Graduate	\$7,767	\$8,009	\$242	3%
Non-Resident Graduate	\$17,118	\$17,630	\$512	3%
Resident MBA	\$9,023	\$9,285	\$262	3%
Non-Resident MBA	\$18,424	\$18,977	\$553	3%
<u>Capital Building Fee</u>				
Resident Undergraduate	\$294	\$294	\$0	0%
Non-Resident Undergraduate	\$708	\$729	\$21	3%
Resident Graduate	\$207	\$213	\$6	3%
Non-Resident Graduate	\$537	\$552	\$15	3%
Resident MBA	\$220	\$228	\$8	3%
Non-Resident MBA	\$569	\$585	\$16	3%
<u>TOTAL TUITION (Operating Fee and Capital Building Fee)</u>				
Resident Undergraduate	\$7,503	\$7,503	\$0	0%
Non-Resident Undergraduate	\$17,850	\$18,392	\$542	3%
Resident Graduate	\$7,974	\$8,222	\$248	3%
Non-Resident Graduate	\$17,655	\$18,182	\$527	3%
Resident MBA	\$9,243	\$9,513	\$270	3%
Non-Resident MBA	\$18,993	\$19,562	\$569	3%

**Western Washington University
2012-13 Tuition and Fee Rates* for Washington Universities
Compared to National Averages
WSAC 2012-13 Tuition and Fee Report**

	Undergraduate		Graduate	
	Resident	Nonresident	Resident	Nonresident
Western Washington University				
Tuition and Fees	\$8,805	\$19,152	\$9,276	\$18,957
National Average	\$7,539	\$16,939	\$8,463	\$16,586
Dollar +/- National Average	\$1,266	\$2,213	\$813	\$2,371
Percent +/- National Average	16.8%	13.1%	9.6%	14.3%
University of Washington				
Tuition and Fees	\$12,383	\$29,938	\$14,358	\$26,768
National Average	\$9,647	\$25,090	\$11,121	\$23,818
Dollar +/- National Average	\$2,736	\$4,848	\$3,237	\$2,950
Percent +/- National Average	28.4%	19.3%	29.1%	12.4%
Washington State University				
Tuition and Fees	\$12,300	\$25,382	\$12,600	\$26,032
National Average	\$9,647	\$25,090	\$11,121	\$23,818
Dollar +/- National Average	\$2,653	\$292	\$1,479	\$2,214
Percent +/- National Average	27.5%	1.2%	13.3%	9.3%
Eastern Washington University				
Tuition and Fees	\$7,933	\$18,678	\$10,259	\$23,012
National Average	\$7,539	\$16,939	\$8,463	\$16,586
Dollar +/- National Average	\$394	\$1,739	\$1,796	\$6,426
Percent +/- National Average	5.2%	10.3%	21.2%	38.7%
Central Washington University				
Tuition and Fees	\$8,925	\$19,557	\$9,468	\$19,973
National Average	\$7,539	\$16,939	\$8,463	\$16,586
Dollar +/- National Average	\$1,386	\$2,618	\$1,005	\$3,387
Percent +/- National Average	18.4%	15.5%	11.9%	20.4%
The Evergreen State College				
Tuition and Fees	\$8,395	\$19,561	\$8,431	\$20,560
National Average	\$7,539	\$16,939	\$8,463	\$16,586
Dollar +/- National Average	\$856	\$2,622	(\$32)	\$3,974
Percent +/- National Average	11.4%	15.5%	-0.4%	24.0%

*Note: Tuition and Fees for Washington's 4-year institutions includes the institution's operating fee, capital building fee, and all mandatory fees

Western Washington University

FY 2013 Comparison of Tuition and Mandatory Fees Global Challenge States - WWU Peer Group

	WWU Tuition and Fees (FY 2013)	Global Challenge States (60th Percentile)	\$ Difference	% Difference	Percentile Rank
Resident Undergraduate	\$ 8,805	\$ 8,590	\$ 215	2.5%	70%
Nonresident Undergraduate	\$ 19,152	\$ 19,754	\$ (602)	-3.0%	36%
Resident Graduate	\$ 9,276	\$ 9,477	\$ (201)	-2.1%	30%
Nonresident Graduate	\$ 18,957	\$ 19,319	\$ (362)	-1.9%	55%

	WWU Tuition and Fees (FY 2013)	WWU Peer Group (60th Percentile)	\$ Difference	% Difference	Percentile Rank
Resident Undergraduate	\$ 8,805	\$ 8,079	\$ 726	9.0%	77%
Nonresident Undergraduate	\$ 19,152	\$ 18,569	\$ 583	3.1%	72%
Resident Graduate	\$ 9,276	\$ 8,860	\$ 416	4.7%	65%
Nonresident Graduate	\$ 18,957	\$ 17,970	\$ 987	5.5%	77%

NOTE:

- A) The Global Challenge States peer group is comprised of 11 institutions (see the Budget Office website for list).
- B) WWU Peer Group is comprised of 25 institutions (see the Budget Office website for list).
- C) "Percentile Rank" represents WWU's relative position to the peer group. For example, a 60% percentile rank indicates that 60% of the peer group are at or below WWU tuition and fee rate.

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees
FROM: President Bruce Shepard
DATE: July 18, 2013
SUBJECT: Approval of the 2013-14 Annual Operating Budget
PURPOSE: Action Item

Purpose of Submittal:

Based on the conference committee budget passed during the second 2013 special 30-day session of the Legislature, and as signed by the Governor, the Board is now asked to approve the 2013-14 State Operating Budget for WWU.

In addition, the Board will be asked to approve 2013-14 tuition rate increases at its July 18, 2013 meeting, providing revenue necessary to support the 2013-14 annual operating budget.

Proposed Motion:

MOVED, that the Board of Trustees of Western Washington University, upon the recommendation of the President, approve a 2013-14 Annual State Operating Budget of \$145,489,362 consisting of a State Appropriations in the amount of \$52,892,000; WWU net tuition operating fee revenue of \$89,589,483; and administrative services assessment revenue of \$3,007,879.

Supporting Information:

See attached memo on the 2013-2014 Operating Budget.

Source of Funding:

State appropriations (general fund-state, education legacy trust funds, and capital projects account); net tuition operating fee revenue; and administrative services assessment revenue

Attachment:

July 18, 2013 memorandum, "Supporting Information for Board Approval of the 2013-14 Annual Operating Budget"

**WESTERN WASHINGTON UNIVERSITY
SUPPORTING INFORMATION
SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees

FROM: President Bruce Shepard

DATE: July 18, 2013

SUBJECT: **Supporting Information for Board Approval of the
2013-14 Annual Operating Budget**

Schedule of Approvals for 2013-14 Annual Operating Budgets

On July 18, 2013, the Board will be requested to approve tuition rates for all student categories for the 2014 academic year. At this same meeting, the Board will be asked to approve the 2013-14 Annual Operating Budget, which relies on the projected tuition operating fee revenues generated from these tuition rate proposals.

Introduction

In order to fund the basic instructional and academic support missions of the institution, the President is proposing, for Board approval, a 2013-14 budget for state funded operations which reflects revenue and expenditure estimates available for university operations from state appropriations, net tuition operating fees, and the administrative services assessment.

Proposed FY 2013-14 Annual Operating Budget

A summary of all revenue sources is included in the table below. Please note that tuition operating fee revenue is presented net of tuition waivers and Western's student loan/grant fund contribution at 4.0%.

2013-14 Fiscal Year		
WWU State Operating Budget		
by Funding Source		
Funding Source	Proposed for Board Approval FY 2014	% of Budget
<i>State Appropriations</i>	\$52,892,000	36%
<i>Net Tuition Operating Fees</i>	\$89,589,483	62%
<i>Administrative Services Assessment</i>	\$3,007,879	2%
State Operating Budget	\$145,489,362	100%

Western's state operating expenditures have been historically supported by a combination of state appropriations and tuition operating fees. In the 2012-13 budget, state appropriations represented 31% of WWU's state operating budget compared to 67% in net tuition operating fees, so progress was made this legislative session to move back toward a goal of a 50%-50% split.

Western's Student Loan/Grant Fund

Gross tuition operating fees collected are currently subject to a 4.0% minimum set-aside for the WWU student loan and grant fund. The capital building fee (part of tuition) and student activities fee are assessed at 3.5%. While this is the minimum for all higher education institutions in the state, tuition setting authority brought with it requirements on the amount contributed based on tuition levels established by each institution. Western has not exceeded tuition increase levels provided in the Legislative operating budget, so is not required to fund higher levels. For the 2013-14 fiscal year, Western will allocate close to \$4.0M to this form of financial aid.

Western's Budget Process

While Western's request for new biennial funding was submitted to the Governor's Office in September 2012, the campus's transparent, bottom-up budget building process started in earnest in January. Campus Planning Unit Leaders submitted proposals for new campus initiatives and funding requests for the 2013-15 operating budgets. Proposals were vetted through the University Planning and Resources Council, voted on, and top priorities were recommended and approved by the Faculty Senate. Planning Unit Leaders made presentations which were audiocast to the campus with venues for feedback, which was then used to establish straw budgets for consideration once the Legislature and Governor passed an appropriations bill.

Budget Recommendation Detail

This extended Legislative session ended with an infusion of new funding for higher education, including nearly \$3.0M for expansion of Western's computer science and engineering programs, and \$10.5M in additional institutional support. The culmination of six months of deliberations on campus produced a recommendation from the Vice Presidents and the Deans for the utilization of these new funds. Please see Attachment A for a copy of this recommendation. The version with active hyperlinks may be reviewed at the following web page.

<http://www.wvu.edu/upb/brdoc/1315campusmessage/memotocampus.pdf>

The President now recommends the Board of Trustees approve the state operating budget in the amount of \$145,489,362 for the 2013-14 Fiscal Year.



MEMORANDUM

TO: Bruce Shepard, President and the Western Community

FROM: Western Washington University Vice Presidents and Deans
Catherine Riordan, Provost and Vice President for Academic Affairs
Eileen Coughlin, Sr. Vice President/Vice President for Enrollment and Student Services
Richard Van Den Hul, Vice President, Business and Financial Affairs
Stephanie Bowers, Vice President for University Advancement
Steve Swan, Vice President for University Relations
Brian Burton, Dean, College of Business and Economics
Brent Carbajal, Dean, College of Humanities and Social Sciences
Mark Greenberg, Dean, Libraries
Kathleen Kitto, Dean, Graduate School
Marie Eaton, Acting Dean, Fairhaven College of Interdisciplinary Studies
Dan Guyette, Dean, College of Fine and Performing Arts
Francisco Rios, Dean, Woodring College of Education
Jeff Wright, Dean, College of Sciences and Technology
Steve Hollenhorst, Dean, Huxley College of the Environment

DATE: July 5, 2013

SUBJECT: Western's 2013-2014 Operating Budget

We are pleased to transmit our unanimously agreed to recommendations regarding Western's 2013-14 operating budget.

We believe you will find, in our recommendations, that we are driven by the priorities established in the University's strategic goals, vision, and mission while remaining true to the outstanding work done by so many as budget options were built, bottom up, and then openly and transparently reviewed, questioned, and critiqued.

Our report and recommendations begin [here](#).



Vice Presidents and Deans Recommendations for 2013-14 Operating Budget July 5, 2013

Background

Preparing Western's operating budget for the 2013-15 biennium takes years:

- The process began in the fall of 2011 as, bottom up, planning units formed proposals for possible inclusion in the 2013-15 budget *request*.
- Through an open review process, importantly involving the broadly representative [University Planning and Resources Council](#) (UPRC), a [2013-15 budget request](#) was approved by our Board of Trustees last August.
- That proposal was then considered by then Governor Gregoire as she prepared her budget proposal, available last December.
- Then began legislative consideration with multiple budget proposals coming forward as both houses dealt with significant fiscal challenges and differing policy priorities. The various proposals, as they would affect Western, are summarized [here](#).

Even as the legislature struggled with those challenges, fiscal 2013-15 was rapidly approaching. We had to move from "budget request" mode to an actual *operating* budget. We could not wait until a budget appropriation became law. This required planning under considerable uncertainty – not just regarding dollars but also on a variety of policy unknowns ranging from the status of tuition-setting authority to proposed performance-based funding to proposed "budget provisos" directing that existing (and already committed) budget be spent for different purposes.

Uncertainty notwithstanding, steps to build the 2013-15 operating budget recommendations now before you began in earnest in January. The many steps in that process are described [here](#). The [widely representative Budget Panel](#) made presentations in April and means were provided for campus comment on the presentations. Once again, UPRC played a critical role, reviewing, refining, and evaluating proposals in open and audio cast Budget Panel meetings culminating with identification of priorities.

We – deans and vice presidents along with President Shepard – then began a series of meetings to build recommendations for the campus to consider. We built upon the work already done, not adding items additional to those previously and openly considered.

We began meetings long before there was anything certain coming out of Olympia. So, we developed a series of "straw budgets" based upon "worst," "better," and "best" case assumptions. In each of these straw budgets, full funding of the [priorities identified by UPRC](#) were the starting point. The [recommendations](#) of the President's Diversity Task Force were also considered in each hypothetical straw budget.

That planning paid off as the funding assumptions built into our final "best case" straw budget turned out to be quite close to what finally emerged in Olympia. We were able to then meet and quickly finalize the recommendations that we now offer for your critical review.

Recommendations

Our recommendations are for the 2013-14 operating budget. Next spring, we will follow usual budget processes for refining and then presenting a 2014-15 operating budget to our Board of Trustees for their action.

Nevertheless, one annual budget may not be reasonably evaluated without considering consequences for the years that follow. So, we present our recommendations for the annual budget in the context of a biennial budget. Please also understand that, although not shown in these pages, we looked beyond the current biennium to make sure there are no commitments being proposed for today that would expand to become budgetary gaps in future biennia.

Our recommendations carefully follow the University's [Mission Statement and Strategic Plan](#). We believe you will find, in the dollars-and-cents language of a budget, tangible evidence of our intention to live that mission and plan. Components that particularly drive our recommendations include:

- Bring together individuals of diverse backgrounds and perspectives in an inclusive, student-centered University that develops the potential of learners and the well-being of communities.
- Build upon Western's strengths to address critical needs in the state of Washington.
- Expand student access to rigorous and engaging education.
- Apply Western's expertise and collaborative approach to scholarship, creativity, and research in ways that strengthen communities beyond the campus.
- Serve as a model for institutional effectiveness, innovation, diversity, and sustainability.
- Build a stronger Washington by being an international leader in active learning, critical thinking, and societal problem solving.

Our presentation of recommendations is designed to meet the needs of those with varying interest in details. We begin with an overview and summary. From that page, you will find a link to a table of "Uses and Sources" showing individual items on the expenditure and revenue sides. That table provides links, item by item, for those who wish further detail. And, many of those links provide links to yet further detail. And, of course, the full detail – *about 300 pages of detail* – will be prepared and [posted, as always](#), once the operating budget is adopted.

[Go To Overview and Summary](#)

Next Steps

Western's budget building timelines had to be regularly readjusted as expectations for completion of the state's budget kept being pushed further into the future. This meant that the period for critical review and comment had to be abbreviated.

Our recommendations are posted to the web on July 5th. Comment, critiques, and improvements are sought through July 14th. The President will then finalize his recommendation to the Board of Trustees, mailed to them on July 16th, in preparation for action by the Board at a special meeting scheduled for July 18th.

Asking Questions, Providing Feedback

Budgets involve complex matters. Questions and clarifications are best raised through [Viking Village](#) so that all can see the answers. Western's Budget Office is monitoring that forum and will offer clarifications.

The same link may also be used to offer feedback and to stimulate discussion on the proposed operating budget. We will be following that forum in order to benefit from your thinking.

Other avenues exist for providing input including governance structures and the widely representative President's Cabinet.

Overview and Summary

We have often heard Bruce, when asking for our patience, observe something like: "When things look bleak, they never turn out to be that bad; when things look good, they never turn out to be that positive."

The final budget result violates his rule: it is a case where, as things were looking more and more bleak in the waning days of the legislative sessions, the budget for Western turned out to be even better than the most positive possibilities seen earlier in the session.

Both the House and the Senate, hands seriously tied by major K-12 obligations and a state revenue structure designed for an economy that no longer exists, sought nevertheless – and almost competitively – to come through for public higher education. Both houses, both sides of the aisle, ended with a budget for public higher education of which they were rightly proud. They deserve our commendation.

This is a return to a historical pattern in Washington of supporting higher education as the key lever the state has for building brighter futures for all. It had been preceded by two biennia of cumulative cuts unlike any seen elsewhere in the nation. The result: state support per student for baccalaureate education in Washington ranked 49th out the 50 states. Last biennium, they drew a firm line: no more cuts to higher education. This time around, they started reinvesting.

It is important for us to digress from the task at hand for just a paragraph to remind ourselves of why this has happened. It required a persistent multi-biennia effort in which Western was a leader in making sure our elected officials continually heard from constituents. We all – students, faculty, administration, trustees, alumni, parents, union leadership, community members, private sector allies – stayed together and on message. And, real leadership emerged in Olympia. Finally, among those of us who spent time in Olympia, there is absolutely no doubt that Western, in particular, was effective because of the reputation we have for excellence, and because our academic programs delivered well-thought-out proposals clearly connected to legislative priorities.

In overview, the state budget did the following for Western and our capacity to apply our strengths to building brighter futures:

- Tuition for resident undergraduates will not be increased for 2013-14 and, for 2014-15, the budget effectively buys down the equivalent of a 3% tuition increase. Biennially, this is an addition of \$10M.

- There is full funding of our “maintenance level” budget.
- Included is restoration of full funding of the 3% “furlough” cut that was required for the 2011-13 biennium (and that Western funded with one-time funds to avoid the consequences for employees and the critical functions they perform).
- Western receives new (additional) funding for engineering and computer science of about \$3M. In years past (e.g., in both the Gregoire and Inslee budgets) there were initiatives proposed in this area. Only UW and WSU were to be funded, though. In the final budget, WWU (alone) is added. When it comes to recognition of Western’s excellence and what we have to contribute to the state, this is a breakthrough perhaps of greater importance than even the significant dollars involved do represent.
- Western’s low funding per student was partially addressed in the final budget.

There were also challenging budget proposals that appeared to be viable at one time or another – even certainties at times – but that did not become law:

- Problematic “provisos” in earlier budget proposals would require internal reallocations (cuts) in order to fulfill obligations stipulated in the provisos. They are not to be found in the final product.
- Earlier budgets mandated savings and efficiencies that, for institutions already the most efficient in the country, were clearly just pulled out of thin air. No such mythical savings are assumed in the final budget.
- Earlier budgets assumed a “tax” on international students that would have, actually, decreased rather than increased revenues. No such tax is included in the final budget.
- Western, outstanding performer that we are, never feared connecting performance to funding. But, the connections proposed in earlier budgets were seriously defective, basically being unworkable. While public performance accountability remains an important and welcome obligation in the legislation, the problematic connections to funding are gone.
- Earlier versions of the budget included removing certain part-time employees from eligibility for state health care coverage. Significant numbers of Western employees would have been affected. The final budget does not contain such provisions.

Pretty good starting point.

We have a state budget that allows us to then support a number of efforts in the years ahead. Considering our mission and vision, one concept underlies much of it: to apply our considerable strengths to meeting critical needs for Washington and beyond.

Delivering on that plan has several components. There are the applications of strengths to needs, and these you will find throughout the proposed budget and in multiple ways.

As important to that strategic commitment, though, is to sustain our strengths so that they may serve, as they currently do, ongoing critical needs through outstanding, liberal arts based undergraduate education.

Competitive compensation is, by far, the most critical threat we have faced in protecting that core strength. Going into this biennium, we stated competitive compensation to be our top priority. While the legislature did not provide funding for compensation increases, that need and that commitment to

excellence remains. In the budget we recommend, you will find, measured in dollars and cents, that that top priority receives by far the greatest funding.

There are other efforts critical to sustaining our excellence. We simply must become a much more diverse faculty and staff. That, as you will see, is another clear priority in the budget being recommended to you.

And, our excellence depends upon being able to continue to attract outstanding students, retain them, and graduate them in a timely fashion. Fail in any of these dimensions and our ability to attract strong students will quickly erode. The budget we recommend to you addresses these needs by keeping tuition increases at zero for 2013-14 for resident undergraduates, and at very low levels for other categories of students; by funding access to classes (including new tenure lines) in areas of expanding student enrollment; and by continuing to upgrade our efforts to connect with students and, yes, to market Western's excellence.

[Go To Uses and Sources](#)

[Return](#)

Uses and Sources

Rather than simply present a line-item budget, we use the format of "Uses and Sources." We assume status quo revenues and expenditures and then, at that margin, capture how expenditures (Uses) and revenues (Sources) would be affected in our proposed operating budget.

In this way, we believe one can most clearly zero in on the changes being proposed.

Thinking in terms of biennial budgets is something sane people avoid. To understand the Uses and Sources table, though, you do need to understand that the column for 2013-14 shows what is an ongoing, permanent base budget allocation; anything in the 2014-15 column would be an amount *in addition* to that ongoing allocation.

To illustrate, if the proposal is to expend \$1M in 2013-14 and the 2014-15 column has \$500K showing then that means: year one budget is \$1M, year two budget is \$1.5M (and the biennial total is \$2.5M).

Most items in the table are hyperlinks. Click on them for further detail.

Please also note that our focus is upon the operating budget for recurring, base-budgeted tuition and state appropriations. Non-recurring one-time expenses (e.g., startup costs for new faculty positions) are not shown in this presentation but were considered by us; wherever we propose to base fund an initiative, we also assured that associated one-time costs would also be covered, usually through divisional reserves.

USES	FY13-14	FY 14-15	13-15 Total
Apply WWU Strengths to Washington Needs			
<u>Meet STEM/High Demand enrollment shifts (UPRC #1)</u>	\$331,059		\$662,118
<u>Engineering conversion and Computer Science expansion</u>	\$1,497,000		\$2,994,000
<u>Multi-college Energy Academic Program</u>	\$383,487	\$543,548	\$1,310,522
<u>Pre-Health advising, increased demand for tutoring</u>	\$80,703		\$161,406
<u>Expand internship programs to Seattle area</u>	\$50,000		\$100,000
<u>Fund Small Business Development Center</u>	\$55,000		\$110,000
<u>Fund corporate development position in Seattle</u>	\$50,000		\$100,000
<u>Program support adjustment for University Relations</u>	\$14,300		\$28,600
<u>Tuition waiver increase to cover tuition increases</u>	\$79,830	TBD	
<u>Need-based financial aid mitigation</u>		TBD	
Sustain Excellence Across the Curriculum, Across the Campus			
<u>Permanently fund Yr 1 faculty contract commitment</u>	\$3,200,000		\$6,400,000
Faculty contract commitments, years 2 and 3	\$2,649,066	\$2,840,123	\$8,138,255
<u>Fund selected Chair Compensation Committee recommendations</u>	\$395,614		\$791,228
<u>Fund Classified Staff CBA commitments</u>	\$214,850	\$269,740	\$699,440
<u>Unrepresented staff competitive compensation adjustments</u>	\$709,678	TDB	
<u>Fill vacancies in Counseling Center (UPRC #3)</u>	\$31,907		\$63,814
<u>Move selected IT services to the cloud</u>	\$135,000		\$270,000
<u>Fund mandated upgrades in Child Development Center</u>	\$50,000		\$100,000
<u>Fund facilities maintenance (UPRC #2)</u>	\$153,000		\$306,000
<u>Utility manager to realize utility savings</u>	\$72,885		\$145,770
<u>Web Services campus support</u>	\$29,000		\$58,000
Sustain Excellence in a Future Evermore Enriched by Diversity			
<u>Recommendations of President's Diversity Taskforce:</u>			
Director of Women Studies (UPRC #4)	\$18,000		\$36,000

Two full-time tenure lines, half-time in American Cultural Studies	\$145,474		\$290,948
Two summer teaching grants	\$14,196		\$28,392
Diversity teaching and research fellowship	\$11,830		\$23,660
Additional Diversity Initiatives			
<u>Bridge funding to support early opportunity hires</u>	\$200,000		\$400,000
<u>Employment Inclusion Manager</u>	\$85,097		\$170,194
<u>Retention and support services for at-risk students</u>	\$70,092		\$140,184
Sustain Excellence by Building Connections to Western			
<u>Base funding for Back 2 Bellingham</u>	\$75,000		\$150,000
<u>Visual journalist</u>	\$68,938		\$137,876
<u>Enhancing Western initiatives</u>	\$50,000		\$100,000
<u>Targeted Admissions Recruiting</u>	\$62,000		\$124,000
Projected Utility Budget Increase	\$174,838	\$174,019	\$523,695
<u>Items Previously Funded through Parking Fees</u>			
Employee bus pass	\$70,000		\$140,000
Sustainable transportation program	\$27,451		\$54,902
Public safety functions	\$67,536		\$135,072
Bond payments for Lincoln Creek acquisition	\$200,000		\$400,000
TOTAL USES	\$11,522,831	\$3,827,430	\$26,873,092
SOURCES			
<u>Funds rebased in 2011-13 to address compensation priorities</u>	\$4,100,000		\$8,200,000
<u>Tuition: 0% increase resident undergraduates; 3% other categories</u>	\$666,918	TBD	
Utility savings	\$72,885		\$145,770
<u>Diversity Initiative Fund</u>	\$150,000		\$300,000

<u>Continuing implementation of previously adopted auxiliaries assessment</u>	\$355,560	\$248,090	\$959,210
<u>Tuition Estimate Adjustments</u>	\$925,027		\$1,850,054
<u>Permanently reduce recurring contingency fund</u>	\$1,725,000		\$3,450,000
Appropriation for Engineering and Computer Science	\$1,497,000		\$2,994,000
Increased institutional funding appropriation	\$5,230,000		\$10,460,000
Appropriation for year 2 1% Classified raise		\$227,698	
<u>Rollover to Yr 2 of recurring Yr 1 under (over) commitments</u>		\$3,199,559	\$3,199,559
TOTAL SOURCES	\$14,722,390	\$3,675,347	
SOURCES - USES	\$3,199,559	(152,083)	
Surplus (Deficit) carried forward to 2015-17		(152,083)	

Permanently Reduce Recurring Contingency Fund

The University maintains a base-budgeted contingency fund to cover unexpected and unbudgeted expenses. For example, in recent years that fund has been used several times to “buy time” in order to make budget reductions thoughtfully; we drew upon the contingency fund to send the dollars Olympia immediately required as a cut in our budget while we took a year, bottom up, to make permanent cuts.

At the end of a fiscal year, unspent balances feed the University’s reserves, and those reserves are also available to cover one-time unexpected and unbudgeted expenses. Based upon our experiences as we have successfully weathered five difficult years, we believe it possible to now permanently reduce the size of the recurring contingency fund in order to free up funds to provide base budget funding for other needs.

[Return to Uses and Sources](#)

Rollover of Year 1 to Year 2

If sources exceed uses in the budget for 2013-14, then there is a base budget capacity available for commitment in 2014-15. This line shows that effect. You will notice that the amount for carryover to 2014-15 is exactly equal to the amount for 2013-14 in the “Sources – Uses” line.

We have to have a substantial carryover between the two years. This has to do with the way the legislature appropriates across a biennium compared to the commitments we have for the biennium. Because our appropriations are essentially the same for both years of the biennium, and so is our tuition revenue, there are about the same number of dollars to expend in 2013-14 as in 2014-15. However, our expenses in 2014-15 are significantly higher than in 2013-14, and this is largely because we are budgeting for annual compensation increases both years.

[Return to Uses and Sources](#)

Engineering and Computer Science

Western’s Engineering decision package had two variants: conversion from Engineering Technology to Engineering, and conversion plus expansion of enrollments. The Computer Science (CS) decision package would increase graduates in computer science while developing Western’s CS expertise in key and emerging areas.

As strong as our Engineering Tech programs have been, the handwriting has been on the wall for some time now: we have to convert to full Engineering. This requires, among other things, expansion of access to certain courses in mathematics and the sciences. We likely would have had to make the switch ourselves through rebasing; having new money to do so is very helpful.

Further explanation of the Engineering decision package is available [here](#). The Engineering financials in the original decision package are laid out [here](#). The details on the original CS proposal are available [here](#).

The dollar amount shown as a Use on this line is exactly equal to the legislative appropriation designated for these purposes. That amount would largely fund the Engineering conversion (but not enrollment expansion), and what we had originally proposed to do in the area of Computer Science.

As the total enrollment of the University would not increase, impacts on other units (e.g., GUR's and academic support services other than the Library) are not budgeted.

[Return to Uses and Sources](#)

Add Retention and Support Services for At-Risk Students

Several years ago, now, the number of students graduating from Washington high schools peaked. There has been a slight decline toward what will then become a plateau.

Within that constant number of graduates, though, there has been a remarkable shift in the backgrounds of the graduates. Graduates are increasingly coming from families where parents have not gone to college.

It is essential to our mission – applying our strengths to critical needs – as well as to our academic integrity and fiscal health, that we attract, retain, and graduate this demographically shifting population of prospective students.

Multiple considerations come into play. Here we address one: enhancing support services. And, expect this to be a need requiring continuing additional investment.

Details are available [here](#).

[Return to Uses and Sources](#)

Permanently Fund Back 2 Bellingham

Back 2 Bellingham was started as an experiment addressing several needs: to strengthen connections with alumni, to create an annual event that featured – in several hundred ways – the many strengths that constitute Western's excellence, and to bring prospective students and their families to our campus. As an experiment, one-time funding was used. After three years, our conclusion is that the experiment has met and exceeded expectations and now needs to be base funded.

Further details are available [here](#).

[Return to Uses and Sources](#)

Funds Rebased in 2011-13

As explained when the 2011-13 budget was presented to campus, that budget would carry forward into 2013-15 funds that, while fully committed through 2011-13, would be available the next biennium to meet highest campus priorities. And, at that time and in that explanation, we noted that the highest priority was competitive compensation. It was that foresighted budgeting that has allowed us to make progress in working with UFWU partners and that will also provide means to address issues of competitive compensation for other groups of employees.

[Return to Uses and Sources](#)

Tuition

There will be no tuition increases for resident undergraduates for 2013-14.

The legislature provided funds for Western equal to a 3% increase in tuition paid for resident undergraduates. The legislature provided no such “tuition buy-down” for other categories of students.

We propose, then, to increase tuition by 3% in 2013-14 for graduate students and for non-resident undergraduates. This modest increase keeps those tuitions at or below the tuition levels among Western’s peer institutions while supporting program improvements.

[Return to Uses and Sources](#)

Diversity Initiative Fund

Four years ago, Western permanently budgeted \$150,000 to support, through annual competition, proposals that would advance the University’s commitment to diversity. This allowed for innovation and experimentation. Now, we are ready to shift to permanently funding particular initiatives. So, this particular fund goes away, being replaced by far larger commitments to diversity identified in the “Uses” section.

[Return to Uses and Sources](#)

Increased Income from Auxiliaries

Auxiliaries are the various components of the University’s operation that run as businesses that must generate revenues to cover costs. Our residence halls would be but one example.

The University charges fees to auxiliaries to cover overhead services provided. Last biennium, the fee structure was carefully studied and then significantly revised.

Included was a somewhat higher fee to be charged beginning 2013-14. This is not an addition we are now proposing be added but, rather, is the realization of income from a fee increase our auxiliaries knew was coming and have been budgeting for. This line also reflects revenue growth because auxiliary activity has been increasing and, consequently, revenue realized from the overhead charge has increased as a result of that greater activity.

[Return to Uses and Sources](#)

Tuition Adjustment

Tuition revenue is the result of a complex interplay of considerations involving not just rates, enrollment, graduation, and matriculation. Average credit loads and student mix are important. Actual revenues are always uncertain. It is more difficult to start cutting programs and classes if revenues fall short than is adding classes if revenues (and enrollments) are higher than expected. Consequently, we tend to conservatively budget for tuition revenues. This line represents a decision to less conservatively budget expected tuition revenues. It *is not* a result of charging more for tuition.

[Return to Uses and Sources](#)

Bridge Funding to Support Early Opportunity Hires

This is a modification of a proposal from the Diversity Taskforce. Rather than fund a small number of additional faculty lines (once funded, the dollars are gone), we propose a program to support bridge funding for faculty and staff positions.

Periodically, and often in the context of searching to fill one position, units identify outstanding candidates that do not fulfill the immediate need but who would be a great fit for a position expected to come open through retirement, expansion, or other means. Where that individual would advance the diversity priorities of the University, this fund would allow for hiring such individuals earlier than would otherwise be possible and before the opportunity would disappear. As the anticipated opening occurs for a person brought in early, the bridge funding would return to the University level for use as new opportunities emerge.

[Return to Uses and Sources](#)

Employment Inclusion Manager

Last year, we used one-time support to try out the idea of an “employment inclusion manager” to provide assistance to units involved in searches and as they seek to advance the University’s critical diversity priorities. The experiment was successful. This line makes the commitment ongoing.

[Return to Uses and Sources](#)

Meet STEM/High Demand Enrollment Shifts

As with any dynamic organization, enrollment patterns at Western do shift. Over the last six years there has been a consistent shift toward science-based majors – about a 40% increase. Total enrollment for Western has remained largely constant, though.

There are several ways to adjust to assure that we offer the courses and the sections that a changing student body needs to graduate in a timely fashion. The most obvious approach would be to rebase. Net enrollment growth is zero. So, shift resources from the areas that have dropped in enrollments in order to expand capacity in areas where demand has increased.

In this budget proposal, we choose not to take that approach for, if not done thoughtfully and carefully, such an approach would weaken the caliber of the programs that have been losing enrollment. Instead, we propose adding new resources to the growth areas without taking those resources from areas with declining enrollment.

Details are available [here](#).

[Return to Uses and Sources](#)

Multi-College Energy Academic Program

This is an initiative of three colleges: Huxley College of the Environment, the College of Sciences and Technology, and the College of Business and Economics. The proposal, in ways unique to the West Coast, prepares students for leadership in the energy economy of the 21st century. The proposal has strong support from among prospective employers, and would be funded through a combination of state appropriation and private philanthropy.

Among the proposals before us, the Energy Program epitomizes most clearly what it means to take strengths particular to Western and apply them to critical needs. That it involves partnerships among three colleges and with public and private sector entities is also appealing. So, we have included funding for the state support piece even though the state did not appropriate funds specifically for this decision package but, instead, providing increased general institutional support; the funding obligation related to private fundraising remains.

Details are available [here](#).

[Return to Uses and Sources](#)

Internships and Corporate Relations

This is a shared proposal involving University Advancement, and Enrollment Management and Student Services. One position would be responsible for meeting two interrelated needs: expand opportunities for internships in the Seattle area, and expand our development/fund raising initiatives among corporations and foundations in the Seattle area. The initiative further responds to a priority that emerged during our “100 Conversations”; namely, to get on the radar in Seattle.

Funding details are available [here](#).

[Return to Uses and Sources](#)

Child Development Center

To meet accreditation mandates, Western would be required to increase staffing levels at the Child Development Center. Our choices are to close the center (as has been happening at universities across the country), or meet those standards through fee increases or additional subsidization. Given the importance of the center to recruiting and retaining outstanding faculty and staff, we propose to increase the subsidy. Financial details are available [here](#).

[Return to Uses and Sources](#)

Parking Subsidization of University Activities

Over the years, any number of activities ended up being charged to the Parking Services budget. It is only recently that we have been able to fully untangle these budgets.

Our first conclusion is that, even when pulling out these subsidies, current parking fees are not going to be able to cover projected future costs of parking; fee increases will be coming.

Step one is to pull out and regularly budget the items that had been subsidized by parking income. This budget initiative accomplishes that need. Details are [here](#).

Next will come the need, over some years, to increase parking fees to cover the costs directly related to parking. That is a matter for future campus consideration and analysis.

[Return to Uses and Sources](#)

Fund Small Business Development Center

University Relations is becoming University Relations and Community Development as responsibilities are being expanded to include University-level initiatives involving community development. One component involves shifting the Small Business Development Center (SBDC) from the College of Business and Economics (CBE) to University Relations and Community Development. CBE had subsidized SBDC using revenue sources no longer available. This budget item would maintain SBDC at its current level by regularly budgeting the amount CBE had been covering.

Details are available [here](#).

[Return to Uses and Sources](#)

Tuition Waiver Increase

Tuition would be increased modestly in this proposal for graduate students and for non-resident undergraduates. The amount proposed here would allow us to maintain the same number of (slightly) more expensive tuition waivers for these categories of students.

[Return to Uses and Sources](#)

Tuition Financial Aid Mitigation

Should, in 2014-15 and after wide consultation and deliberation, Western decide to increase tuition for resident undergraduates, even 1%, need-based tuition remission of about \$1M would be required under the provisions of state law on tuition flexibility. Whether or not that happens, Western's capacity to provide need-based aid is small relative to competitors and so, if we are to continue to be competitive in attracting strong students, some such investment in aid will be a question we will face as we build the 2014-15 budget.

[Return to Uses and Sources](#)

Base Fund Year 1 of Our Contract with Faculty

The base budget commitments for year 1 of the University/Faculty Collective Bargaining Agreement (CBA) were covered using one-time reserves. This was done knowing that permanent, recurring savings from rebasing would become available in 2013-15. That recurring revenue of \$4.1M shows on the sources side of this table. In this line, \$3.2M is committed to permanently funding the year 1 CBA costs.

[Return to Uses and Sources](#)

Recommendations of the Chairs Compensation Committee

As part of our mutual obligations under the current Faculty/University Collective Bargaining Agreement, a committee studied issues involving adequate remuneration for academic department chairs. Assuring high quality departmental leadership is critical to sustaining excellence. In this budget, we do provide for some means to partially address certain of those recommendations immediately rather than waiting for negotiation of the next contract. The particulars would need to be agreed to by the president of Western and the president of UFWU, and so are not detailed here.

[Return to Uses and Sources](#)

Fund Classified Staff Collective Bargaining Agreements

In agreements previously reached with classified colleagues, there would be a 1% increase in 2014-15. When full funding of Step M is added in along with the cost/value of additional days off, the total contract benefit is approximately 1.9%/1.9% for the biennium. This line funds the contract. That contract does provide for a reopener to allow us to mutually explore contract improvements.

[Return to Uses and Sources](#)

Pro Staff and Executive Compensation

These categories of employees have received no salary adjustments for five years. Increasingly, we are losing staff of critical importance to our success – e.g., being hired away by two-year college neighbors at significantly improved salaries. A study of salary competitiveness has been completed and will be the basis for a phased approach to addressing this threat to continued excellence. We propose an amount for year 1 with the amount for year 2 to be set as we develop that budget next spring.

[Return to Uses and Sources](#)

University Relations and Community Development

Commensurate with our strategic goal of applying Western strengths to community needs, University Relations has been assigned responsibility for University-level initiatives involving community and regional development. These range from our increasing presence in Skagit County to development of the Armory to heavy involvement with the development of the Waterfront. The Small Business Development Center will also become the responsibility of this division. To reflect this addition, the division will be renamed University Relations and Community Development.

The Unit has also taken on expanded responsibilities for our web presence, our expanded federal agenda, social media, and audiovisual production.

The Vice President's office currently has one part-time clerical support position, period. This initiative would increase the position to full-time. Further details are available [here](#).

[Return to Uses and Sources](#)

Priorities Identified by University Planning and Resources Council

As identified in the [minutes of their April 17](#) meeting:

UPRC MOTION TO RECOMMEND FUNDING FOR FOUR PROPOSALS

Council discussed the ramifications of funding or not funding these proposals and their impacts and agreed that it was important to forward a recommendation using the survey results as a starting point for identifying those proposals.

A motion was made (moved by Bernie Housen, seconded by Johann Neem) that: *UPRC recommends that the following four items be funded, with or without new money:*

- AA1 – STEM/High Demand Enrollment Shifts (currently envisioned as 4 TT lines, depts. TBD)
- BFA2 – Facilities Management: Preventative, Routine, Corrective Maintenance
- ESS1 – Dollars Necessary to Fill Multiple Vacancies in the Counseling Center

- PresDiv1 – Permanent funding for a Director of Women's Studies

The **motion** passed.

Council recognizes that the Compensation package is the University's priority request and supports that completely

The actions of UPRC were subsequently approved by Western's [Faculty Senate](#).

[Return to Uses and Sources](#)

WESTERN WASHINGTON UNIVERSITY ITEM SUBMITTED TO THE BOARD OF TRUSTEES

TO: Members of the Board of Trustees

FROM: President Bruce Shepard by Vice President Richard Van Den Hul

DATE: July 18, 2013

SUBJECT: **2013-2015 CAPITAL BUDGET**

PURPOSE: Action item

Purpose of Submittal:

Implementation of the 2013-2015 Capital Budget.

Executive Summary:

Western Washington University requested a state capital budget of \$119,717,000 of which \$112,170,000 was related to new appropriations and \$7,547,000 to reappropriations.

Western received \$22,389,000 in new appropriations and \$7,547,000 in reappropriations for a total budget of \$29,936,000. Of the \$22,389,000 in new appropriations, \$12,150,000 is generated as Local Funds through the University from the Normal School Fund (timber sales) and the portion of tuition and fees dedicated to construction. The State Building Construction Account (general obligation bonds) provides \$10,239,000.

The attached chart compares Western's 2013-2015 capital budget request, Governor Gregoire's/Inslee's proposed budget and the legislative proposed and final appropriations.

Options are being explored for the resubmission of the Carver Academic Renovation Request during the 2014 Supplemental Capital Budget Request cycle (due late September/early October 2013). This would allow construction to begin as early as summer 2014. A motion and further information will be brought to the Board at the August meeting.

Proposed Motion:

Moved, that the Board of Trustees of Western Washington University, upon the recommendation of the President, accepts the 2013-2015 Capital Budget totaling \$29,936,000 comprised of \$7,547,000 in reappropriations and \$22,389,000 in appropriations, and approves the distribution by major categories.

WESTERN WASHINGTON UNIVERSITY

2013-15 CAPITAL REQUEST

PROJECT LISTING <small>with Funding Source</small>		WWU Request - Sept. 2012		*Gov. Gregoire Budget - Dec. 2012		Senate Budget - Apr. 9, 2013		House Budget - Apr. 10, 2013		Conference Final - June 29, 2013	
		Bonds	Local	Bonds	Local	Bonds	Local	Bonds	Local	Bonds	Local
1	MINOR WORKS - Preservation	13,479,000			7,500,000		7,500,000		7,500,000		7,500,000
2	MINOR WORKS - Program		9,900,000								
3	CARVER ACADEMIC RENOVATION	69,310,000									
4	GATEWAY COMPLEX (ACAD. SERV. & PERFORMING ARTS FACILITY)	7,235,000									-
5	INTERDISCIPLINARY SCIENCE FACILITY	500,000									
6	PERFORMING ARTS EXTERIOR RENEWAL	3,082,000		3,082,000		3,082,000		2,947,000		2,947,000	
7	NORTH CAMPUS UTILITY UPGRADE	3,764,000		3,764,000		3,434,000	120,000	3,582,000		3,462,000	120,000
8	CLASSROOM & LAB UPGRADES PH. 2	2,450,000	2,450,000	3,984,000	916,000	3,774,000	916,000	3,860,000	886,000	3,830,000	916,000
	Preventive Facility Maintenance & Repairs				3,629,000		3,629,000		3,614,000		3,614,000
TOTAL BY FUND SOURCE		99,820,000	12,350,000	10,830,000	12,045,000	10,290,000	12,165,000	10,389,000	12,000,000	10,239,000	12,150,000
BIENNIUM TOTAL - ALL FUNDS		112,170,000		22,875,000		22,455,000		22,389,000		22,389,000	

Color Key:
 ~ Pre-design
 ~ Design
 ~ Construction
 ~ Intermediate project

NOTE: For facilities assessments: An additional \$21,000 was appropriated out of local funds to OFM ¹	NOTE: For facilities assessments: An additional \$21,000 was appropriated out of local funds to OFM ¹
Total Local Funds = 12,021,000	Total Local Funds = 12,171,000

* Governor Inslee made no changes to Governor Gregoire's budget

D. Rosen Rev 07-11-13

¹ An additional \$21,000 from Western's Local Capital funds was appropriated in the Capital Budget to the Office of Financial Management for the continued collection and reportage of Higher Education Preservation Information. A total of \$300,000 was appropriated from the Local Capital Project Funds of the six Higher Education institutions to cover this mandate.

6. DATE FOR NEXT REGULAR MEETING

- **August 22, 2013**

7. Adjournment