



MEMORANDUM

To: Pat Sullivan, Director, Washington State Office of Financial Management

CC: T. Chris Riley-Tillman, Provost and Executive Vice President
Glynda Becker-Fenter, Vice President for External Affairs and Government Relations
Chris Jones, Assistant Vice President for Budget and Planning
Chris Mulick, Senior Director of State Relations

From: Kirk Schulz, President
Leslie Brunelli, Executive Vice President for Finance and Administration

Date: November 15, 2024

RE: OFM Memo: BUDGET REDUCTIONS FOR FISCAL YEAR 2025 AND 2025-27 BIENNIUM

We are writing in response to your request of Nov. 8 to present operating budget pauses, delays, and savings options for a 2025 supplemental and 2025-27 operating and transportation budgets.

We fully appreciate the gravity of the situation the state is facing. This austere budget situation facing the state is regrettably not new to WSU. As we have relayed, WSU has cut its budget by more than 10 percent over the past three years to deal not only with a decline in enrollment but also to provide compensation enhancements not funded by the state and other strategic investments the university has had no practical choice but to make. These include costs associated with bolstering student recruitment, implementing and maintaining Workday, making necessary cybersecurity upgrades, and accounting for inflationary costs ravaging government entities everywhere.

The university cannot rely on new tuition revenues to cover these costs, in part because the university has witnessed less tuition revenue than projected by the state and in part, because any new tuition revenue realized is assumed by the state to cover the costs of compensation and other enhancements the state has not provided for.

These constraints sit atop a university budget that never recovered from the vast cuts of the Great Recession era. OFM budget instructions in its wake were specific in directing agencies not to request new funds for activities that had recently been cut. While significant new investments have been made since in valuable new programming, legacy programming remains funded at Great Recession levels to this day.

As a result of these and more recent actions, significant reductions have been required that have swallowed up any efficiencies or savings the university might hope to generate. Vacant positions are found across the university, compromising the university's ability to maintain — much less increase — degree production, research productivity, and service levels in our communities. A hiring freeze would further frustrate these efforts as turnover persists, given the university's challenges in offering competitive salaries.

We look forward to working with you as a productive partner to wrestle with these challenges.