



Office of the President

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February 5th, 2024

K.D. Chapman-See, Director
Office of Financial Management
302 Sid Snyder Avenue SW
Suite 300
Olympia, WA 98504

Re: OFM Direction to Agencies on 2025-27 Budget Reduction Proposals

Dear Director Chapman-See:

In response to your memo requesting that presidents of higher education institutions identify spending reductions of at least three percent, we have spent considerable time assessing Western Washington University's fiscal situation. We understand the state's budget outlook that is driving this request, and we are committed to being responsible stewards of resources entrusted to us.

As a public regional comprehensive university, Western relies on two sources of funding, state appropriations and tuition dollars. The State's "fund split" policy of relying on students' tuition dollars to pay for modest cost of living adjustments has slowly eroded the University's budget flexibility. On top of the fund split, Western has received the lowest per-student state appropriation of any public 2-year or 4-year higher education institution for much of the last 30 years. These two factors coupled with the enrollment downturn during the COVID-19 pandemic left Western with a **\$21 million per year budget deficit** (approximately 10% of the University's state operating budget) that we are currently working to address.

Simply put, adding an additional three percent reduction in state funding to Western's existing budget challenges would compromise the future of the University in significant ways.

To date, Western has taken the following steps to address the University's budget deficit, and unfortunately, many additional reductions will be necessary to balance our budget:

- 3% across the board budget decreases (\$6.3 million permanent reduction in FY24)
- Elimination of 55 permanent positions (layoffs in progress)
- Elimination of WWU's University Marketing and Communications division
- Reduced the number of course sections available to students over the next two years (1,500+ sections eliminated which will yield over \$1.5 million in reduced expenses)
- University wide travel restrictions in place since 2020
- University wide hiring freeze without presidential approval in place since May 2024
- Not filling vacant positions across the University for at least 6 months
- Reduced operating budgets
- Selling university property (generated approximately \$3 million for FY25)
- Reducing goods and services purchased by the university
- Outsourcing our police dispatch services
- Draw-down of University reserves (reserves went from 11% of university operating budget to below 5% from FY19 to FY25)

Unfortunately, the strategies currently in place will not adequately address the existing structural budget deficit. More strategies will be implemented in this fiscal year and the next to work to bring spending in line with revenues. Western historically receiving the smallest state appropriation on a per student basis means the university was already operating efficiently. The current budget strategies attempt to protect the core academic enterprise, including the academic and lived experience of students at Western, however, further cuts are likely to push the constrained resources of the university past a point of being able to adequately serve students.

In the event that budget cuts are required while new cost-of-living increases for state employees are also simultaneously provided, Western would be forced to offset the reductions with temporary use of any new funding, likely in the form of mandatory furloughs for University employees. This is due to the fact that the State's "fund split" policy of only funding a portion of salary increases for faculty and state is approximately equal to a 3% reduction in state funding.

As a regional comprehensive university, the vast majority of Western students are from Washington and stay to work in Washington upon graduation. Western's economic impact on the state totals \$1.25 billion per year. Enrollment recovery at Western has happened at a faster rate than other public higher education institutions and Western enjoys some of the best retention and graduation rates in Washington.



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We respectfully request reconsideration of the 3% reduction for public comprehensive institutions like Western, as additional budget cuts would jeopardize the access mission of the university and the quality of the educational experience we provide to our students. Despite bachelor's degrees being the most in-demand workforce credential in terms of projected job growth over the next decade, the public four-year sector has been singled out among public education for potential cuts. Western is doing the work the state needs to get to a 70% credential attainment goal, and cuts to public four-year universities risk moving backwards on that goal.

Please do not hesitate to contact me should you or your team have any questions or require additional information.

Sincerely,

Sabah Randhawa
President

CC:

Brad Johnson, Provost/Executive Vice President for Academic Affairs
Joyce Lopes, Vice President for Business and Financial Affairs
Becca Kenna-Schenk, Chief of Staff to the President
Nora Selander, Director, Government Relations
Faye Gallant, Assistant Vice President, Strategy, Management & Budget
Senator June Robinson, Chair, Senate Ways & Means Committee
Senator Derek Stanford, Vice Chair, Senate Ways & Means Committee
Senator Chris Gildon, Ranking Member, Senate Ways & Means Committee
Senator Nikki Torres, Asst. Ranking Member, Senate Ways & Means Committee
Representative Timm Ormsby, Chair, House Appropriations Committee
Representative Mia Gregerson, Vice Chair, House Appropriations Committee
Representative Travis Couture, Ranking Member, House Appropriations Committee
Representative April Connors, Asst. Ranking Member, House Appropriations Committee
Representative Joshua Penner, Asst. Ranking Member, House Appropriations Committee
Representative Joe Schmick, Asst. Ranking Member, House Appropriations Committee
Ramona Nabors, Budget Advisor, Office of Financial Management