

October 3, 2022

Board of Deans and Chancellors
Vice Presidents
Vice Provosts
Unit Administrators

RE: FY24 Operating Budget Development Kick Off

Dear colleagues,

This letter marks the official start of the fiscal year 2024 (FY24) operating budget development process—a months long budget development and holistic assessment effort that involves deans, chancellors, vice presidents, vice provosts, faculty, staff, and students. The process begins earlier this year in recognition of the time required to begin transforming our institutional planning processes and budget accountability through the utilization of a common tool, Workday Adaptive Planning, for the first time. This utilization is, of course, an important precursor to “go live” for Finance Transformation.

The result of this process will be a new institutional operating budget for the Board of Regents’ consideration, one that will also incorporate a new biennial budget from the 2023 legislature, and incorporate school, college, campus, and administrative unit approved budgets by which we will measure activity in the coming fiscal year.

Guiding Principles for Budget Development

While pandemic-related operational impacts and planning challenges marked previous annual review cycles; this year, we continue careful planning to make progress in areas where the pandemic delayed or halted our efforts. Therefore, we will focus our attention on important and ongoing strategic areas for the University, including supporting the University’s Race & Equity Initiative and Diversity Blueprint goals; long-term planning for compensation and critical health and safety needs on our campuses; accessibility and support services; providing for a successful go-live of the Workday Finance suite of tools and support model; and addressing deferred maintenance and capital infrastructure and development needs.

Thank you for your work responding to these challenges through thoughtful planning and resource deployment, and for ensuring we continue to promote access and excellence across our campuses throughout the process. I look forward to continuing to work with you on this important task.

Timeline & Submission Process: (Text in **bold** highlights material updates from the FY23 Cycle)

The first step in the annual budget development process is for all academic units, administrative units, and the Bothell and Tacoma campuses to complete a suite of materials (outlined broadly in

this letter) in preparation for meetings. **Unlike last year, due dates and methods of submission will differ**, given our collective movement to the Workday Adaptive Planning platform.

Tuition Rate Recommendations/Enrollment Forecasts: Seattle academic units, UW Bothell, and UW Tacoma tuition rate recommendations for the 2023/24 academic year and enrollment forecasts for FYs 24-26 will be **due to the Office of Planning & Budgeting (OPB) on February 1, 2023**. As with prior years, you will have the opportunity to revise rate recommendations before final approval by the Board of Regents

FY24 Operating Budget Proposals: In a departure from previous Excel based “fiscal vitality reports”, which were directional in nature rather than representative of true bottoms-up operating budget proposals, Seattle academic units, Seattle administrative units, UW Bothell and UW Tacoma will, for the first time, submit true operating budget proposals via the Workday Adaptive Planning platform. *The values entered in this platform will, after Regental approval of the UW’s operating budget, represent the budget you will be held accountable for during FY2024.* We wish to emphasize that this level of budget accountability is new and encourage you to embrace this change. Given this transformative shift for the Academy, **the due date for operating budget proposals is March 17, 2023.**

FY24 Annual Review Narratives: For purposes of aligning submission deadlines, the **narrative component of the FY24 annual review process is also due March 17, 2023.**

Submission requirements, including the required level of detail you must include in your FY24 operating budget proposal and submission methods can be found on [OPB’s FY2024 Operating Budget Development materials website](#).

The dates referenced above are hard deadlines; extensions will only be considered in extreme circumstances.

Finally, we will hold FY24 Operating Budget Review meetings during the first and second weeks of April. Please hold time on your calendars now for these meetings. For additional details regarding the budget development timeline, process details and resources please refer to the FY24 operating budget development materials website referenced above.

Overview of Materials:

In preparation for FY24 operating budget meetings, you will provide both quantitative and qualitative information regarding your unit, including a proposed FY24 operating budget; faculty/staff FTE and workload; and impacts on the student experience.

In light of the major transformation underway in our financial tools and systems, and in consideration of the level of effort required by unit/campus leads and finance staff over the next year, **you are only required to complete, in Workday Adaptive Planning, a FY24 proposed operating budget.** You will have the ability to enter financial plans from FY23-FY26 and I expect many of you will find it helpful to complete forecasts for multiple years as you continue your ongoing business

planning and risk mitigation efforts. Importantly, this consideration is not to be interpreted as precedent setting. The expectation for future planning cycles will be detailed, multiyear financial plans. As you work through your local planning efforts, please understand that **only FY2024 plan data entered in Adaptive Planning will be “converted” into the Workday Financials system** due to the complex nature of planning for future state in current state.

As is always the case, you will be required to summarize the financial health of your unit(s), and specifically identify mitigations for trends that risk structural or operational deficits. All units will be asked to highlight their efforts to support the revised Diversity Blueprint goals, discuss strategies to quantify spend in support of the UW’s Diversity Blueprint goals in the Workday Foundation Data Model (FDM), discuss the impacts of tuition rate change proposals on students, and to consult with faculty and student advisory bodies in the development, recommendation, and submission of materials.

As usual, the Bothell and Tacoma campuses and Seattle academic units will be asked to recommend preliminary tuition rate changes after consulting with students and faculty and considering peer comparisons, student debt impacts, student enrollment changes, downstream equity impacts, and the impact of not changing tuition rates. Finally, during the FY24 budget meetings, these units should be prepared to discuss expected hiring requests and their financial implications.

Requests for Provost Reinvestment Funds will only be considered on a limited basis and requests must be submitted through the [Request for Provost Reinvestment Funds](#) form on OPB’s website **by March 17, 2023**, to be considered. It is the expectation that units, as a first order, utilize accumulated funds held locally prior to requesting central reinvestment resources.

Regarding ABB Values Based Pool (UW Seattle Academic Units)

In 2021, the ABB Phase III steering committee recommended, and I accepted, the recommendation to redirect 2% of the ABB supplement of Seattle academic units to a centrally held “Values Based Pool” each year for three years. FY23 marked the second of three years under this plan and the first year allocations were made from this pool to Seattle units. Based on feedback from unit and faculty leadership, the significant headwinds of inflation, and challenging employment market conditions, I am ceasing further permanent redirections of the ABB supplement from Seattle academic units to the Values Based Pool. In other words, **Seattle academic units will not experience what was to be the final year of supplement redirection to the Values Based Pool in FY24.** (I hasten to note, however, that depending on future financial trends, our next Provost may wish to revisit this decision and implement the third year of supplement redirection at some point.)

The funding redirected from Seattle academic unit supplements to the Values Based Pool to date remains available for investment in innovative and collaborative proposals. **Seattle academic units may submit requests for funding from this pool no later than March 17, 2023**, by selecting “Values Based Pool” as the funding source on the same [Request for Provost Reinvestment Funds](#) form referenced above.

Reminders and Resources:

As a reminder, please be as succinct as possible in your responses; bullet points are encouraged rather than extensive prose. Submissions must originate from a unit's dean, chancellor, vice president, or vice provost.

A variety of resources are available to help units complete this work in the allotted timeframe:

- A Word template, process guide, central assumptions, and other tools and reference materials will be available on [OPB's FY2024 Operating Budget Development materials website](#).
- OPB, in conjunction with the UWFT program will offer many opportunities for support – both live and pre-recorded throughout the fall and winter.
- OPB will meet with unit or campus finance leads prior to the budget material due date to discuss anticipated financial plans and assist with leveraging the tools required for operating budget proposal submissions.
- As has been the case for some time, historical responses to similar questions from previous years are available by fiscal year and by unit on OPB's [Annual Budgets website](#). You are encouraged to leverage and/or refer to previous submissions in your updated narrative responses.

Should you have any questions about the process in general, please contact [Jason Campbell](#).

Thank you for your hard work on this important process during a critical point of the UW's financial system transition. We are about to cross an important threshold for future financial planning and analysis that should be of considerable benefit to all units in the near future.

Sincerely,



Mark A. Richards
Provost and Executive Vice President for Academic Affairs
Professor, Earth and Space Sciences

cc: Ana Mari Cauce, President
Sarah Norris Hall, Vice Provost for Planning and Budgeting
Jason Campbell, Associate Vice Provost for Planning and Budgeting
Faculty Senate Leadership