

December 2, 2024

Board of Deans and Chancellors
President’s Cabinet
Unit Administrators

RE: FY26 Operating Budget Development & AY25-26 Faculty Hiring Plan Cycle Commencement

Dear colleagues,

This letter is a follow up to my October 15th communication and serves to formally launch the fiscal year 2026 (FY26) operating budget development process and AY25-26 faculty hiring plan proposal cycle today, **December 2, 2024**. This holistic financial and planning assessment effort will involve deans, chancellors, vice presidents, vice provosts, faculty, staff, and students, and the result will be a new institutional operating budget for the Board of Regents’ consideration.

The information below is intended to provide a high-level summary of the timeline, expectations and resources for this cycle’s process.

Timeline

Date	Milestone	Applicable to
December 2, 2024	FY26 Operating Budget cycle commences Faculty Hiring Plan cycle commences	UW Academy Units
January 24, 2025	Rate recommendations for tuition and fee-based programs, enrollment projections for tuition-based programs, and accompanying narrative due	UWS Academic Units, UW Bothell, & UW Tacoma
February 3, 2025	AY2025-26 Faculty Hiring Plan and AY2024-25 Hiring Report submissions due	UWS Academic Units, UW Bothell, & UW Tacoma
February 24, 2025	Operating budget proposals, narrative responses and PRF requests (UWS) due	UW Academy Units
March 17 – April 4, 2025	Budget conferences w/Chancellors, Deans & VPs	UW Academy Units
Late April	Operating Budget & Faculty Hiring Plan decisions communicated	UW Academy Units
Late April - Early May, 2025	Final adjustment window for FY26 Operating Budget proposals	UW Academy Units
June 12, 2025	Regental action on FY26 Operating Budget	UW Academy & UW Medicine

Expectations

We must work to mitigate the collective trend of UW operating expenses rising faster than our **revenues**. Over the last three fiscal years, operating expenses have grown much faster than operating revenues - a cumulative imbalance of more than \$600 million between FY22 and FY24. This is an unsustainable path that, while not yet at a point of crisis, must be addressed now to ensure the long-term vitality of our university. Therefore, **budget proposals and forecasts must**

reflect break-even or better financial performance within core and auxiliary resources. The operational work within units and campuses to achieve this outcome begins now.

Academic year 2025-26 faculty hiring plan proposals and the financial implications of unit adjustments must be fully integrated into the financial plans of your unit in order to receive consideration. 2025-26 hiring plan proposals and 2024-25 hiring plan reports will be considered alongside the financial performance of the unit. While modifications may be accepted due to unforeseen circumstances, is expected that your initial hiring plan submission is comprehensive and includes all the positions that your unit intends to search for and fill in the current hiring cycle.

Workday Adaptive Planning is the system of record for submission of required financial data points. Units must make entries in Adaptive at the required level of granularity outlined in the process guide available on FPB's website and at a level of detail necessary for consistent and prudent month –to-month management of financial activity; unfavorable variances to budget will require unit action. FPB will regularly review development progress in Adaptive and conduct outreach to campuses and units. **Only the financial data entered in Adaptive Planning will be considered in Executive Office review of FY26 budget proposals.**

Consultation with stakeholders - faculty, staff, and students - is an essential component of transparent planning and shared governance. You will be expected to summarize what your consultative process entailed - how, when and with whom you consulted as part of your narrative submission. **Ensure the process your campus or unit has been working to put in place for this cycle allows for sufficient time to conduct this consultation.**

Please be succinct in your responses to narrative questions and adhere to word count limits. Bullet points are encouraged rather than extensive prose. It is expected that results from local campus or unit internal budget processes are vetted and consolidated into a single response representing your overall campus or unit. Submissions must originate from and receive the full support of the chancellor, dean, vice president, or vice provost.

Provost Reinvestment Funds and ABB Values-Based Pool (Seattle Campus)

Requests must be submitted through the [Request for Provost Reinvestment Funds form on FPB's website](#) by February 24, 2025, to be considered. **It is unlikely units will be approved for limited duration or ongoing funding if core resource accumulated net position was greater than 10% of core expenditures as of the end of fiscal year 2024. Funding requests should support only the most essential activities,** supporting our University's mission and values.

In addition, we will review requests for Values-Based Pool allocations to Seattle schools and colleges. Seattle academic units may submit requests for funding from this pool no later than February 24, 2025, by selecting "Values Based Pool" as the funding source on the same [Request for Provost Reinvestment Funds](#) form. Local matching contributions are encouraged.

Resources

Process Area	Resource Location	Primary Contact
Operating Budget Development	FY26 Budget Development Materials Website	Scott Coil (coils@uw.edu)
Faculty Hiring Plan Proposals	Provost Guidance on Annual Hiring Cycle	Office for Academic Personnel & Faculty (vpap@uw.edu)

Please become familiar with this information as it will assist you in executing this year's process.

Thank you for your hard work on this important process.

Sincerely,



Tricia R. Serio
Provost and Executive Vice President for Academic Affairs
Professor, Biochemistry

cc: Ana Mari Cauce, President
Sarah Norris Hall, Senior Vice President & Chief Financial Officer
Fred Nafukho, Vice Provost, Academic Personnel & Faculty
Jason Campbell, Vice President, Finance & Budget Strategy/Deputy CFO
Faculty Senate Leadership