

October 15, 2024

Board of Deans and Chancellors
Vice Presidents
Vice Provosts
Unit Administrators

RE: FY26 Operating Budget Development Kick Off

Dear colleagues,

This letter serves as notification that the fiscal year 2026 (FY26) operating budget development process, our annual resource planning effort involving deans, chancellors, vice presidents, vice provosts, faculty, staff, and students, **will commence December 2, 2024.**

Once complete, the FY26 operating budget will incorporate a new biennial budget from the 2025 legislature this spring as well as school, college, campus, and administrative unit budgets, from which we will measure financial performance in the coming fiscal year. For the first time, **we will align planning for academic year 2025-26 faculty hires and the financial impacts of these proposed hires within the budget development process.** I am looking forward to holistic conversations spanning financial, personnel and academic planning with you this spring.

Focal Points for Shared Planning and Resource Deployment

While the university community continues efforts to stabilize and optimize our new finance and budgeting platform, we must focus and collectively act to control expenditures and enhance university revenues. Since emerging from the pandemic, we have experienced double digit expenditure growth rates without equivalent growth trajectory in operating revenues to support these expenditures – an unsustainable path that, while not yet at a point of crisis, must be thoughtfully metered during this planning cycle to ensure financial health.

We must engage in this work collectively as responsible fiscal stewards of public resources while recognizing we have many pressures to attend to, both new and existing, which intersect in complex ways. Our efforts must focus both centrally and within our campuses, schools, colleges, and administrative units to limit future expenditure growth, improve efficiency, streamline academic pathways, fortify support systems, and strategically direct our expenditures to activities that both create mission-driven opportunities while promoting revenue growth.

By more closely integrating personnel and financial planning in this year's budget creation process, I anticipate the results of academic unit submissions will foster more comprehensive and prompt discussions on resource allocation come spring, including earlier approval of faculty hiring plans. This shift will require early and active engagement with faculty, staff and students to ensure that schools, colleges, campuses and administrative units are prepared to engage in these discussions. I want to emphasize that **it is imperative you begin internal unit planning efforts now. Do not wait to begin this work until January,** as you will not have time to carefully examine expense drivers, capacity constraints, and opportunities to grow revenue, and serve our students better unless you start now. Moreover, it is my expectation that off-cycle requests to adjust faculty hiring plans will become rare and largely reactive to unanticipated personnel changes.

Timeline and Key Requirements

Kicking off in December 2024, and concluding with Regental action in June 2025, the FY26 planning process will require units to:

- forecast the remainder of FY25, propose an operating budget for FY26, and forecast future financial trajectory through FY30
- respond to net position utilization plans with detail
- respond to a condensed set of narrative fiscal prompts
- submit 2025-26 academic year faculty hiring plan proposals
- plan for faculty unit adjustments

The table below is intended to provide a high-level timeline for this important work, with further details to follow in the coming weeks.

Date	Milestone(s)	Applicable to
December 2, 2024*	FY26 Operating Budget cycle commences: - Planning guidelines and assumptions available - Adaptive Planning FY26 budget development version opens* - Faculty Hiring Plan Portal opens for drafting and submission of AY2024-25 hiring reports and AY2025-26 hiring plans	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
Mid-February	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 to FY26 Operating Budget proposals	UW Academy Units
June 2025	Regental action on FY26 Operating Budget	UW Academy & UW Medicine

*The Adaptive Planning tool [is available now](https://www.washington.edu/opb/uw-budget/budget-support-resources/) for your unit planners to get an early start on the process through use of the “management recast” version. Instructions for use of this functionality are shared in Adaptive Office Hours (10/10/24 and 10/17/24). Adaptive Office Hour information and recordings available on demand can be found here: <https://www.washington.edu/opb/uw-budget/budget-support-resources/>

As the commencement of the FY26 budget development process nears, please be on the lookout for additional information, process guides, and venues for support from Finance, Planning & Budgeting (FPB) and the Office of Academic Personnel (OAP). In the meantime, should you have any questions about the process or timelines in general, please contact:

- Faculty Hiring Plans: Office of the Vice Provost for Academic Personnel (vpap@uw.edu)
- FY26 operating budget development: Jason Campbell (jasonc26@uw.edu)

Thank you for your hard work on this important process.

Sincerely,

Tricia 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
Jason Campbell, Vice President, Finance & Budget Strategy/Deputy CFO
Faculty Senate Leadership