

Core Expenditure Reduction Guide

On Friday, May 9th UW Seattle schools, colleges and administrative units, UW Bothell and UW Tacoma received targets for reducing FY26 core operating resource expenditure budgets from the President and Provost.

Expenditure Reduction Targets: Individually communicated to Deans/VPs/Chancellors and Unit Administrators on May 9, 2025

Deadline for Implementation within Adaptive Planning: 5:00 pm on May 19, 2025

Base from which reductions will be measured: Unit/campus FY26 core operating resource expenditure budgets as submitted to FPB (“FY26 Operating Budget Proposal 3_19_25”), *excluding* fixed cost budgets, provisos, and state restricted funds.

Core Expenditure Reduction Guidance

- The expenditure reduction target does not prescribe dollar reductions by resource. Units/campuses have latitude to reduce expenditures across any of the following core resources and must be prepared to explain the selected approach.
 - o RS100001 Other Designated Operating Fund (DOF) Resource
 - o RS100005 Indirect Cost Recovery (ICR) Resource
 - o RS100080 Summer Quarter Resource
 - o RS100216 General Operating Fund (GOF) Operating Fee Resource
- Where final salary/benefit assumptions create a net decrease in core resource expenditures relative to unit/campus budget proposals, the “savings” may be counted towards expenditure reduction targets.
- Core revenue budget increases cannot offset the required expenditure reductions; expenditure budget decreases must occur.
- Units/campuses may not effectuate required reductions in core resources by shifting ongoing expenditures from core resources to other resources unless the other resources are able to perpetually support ongoing expenditures.
 - o Please be prepared to discuss why original budget proposals did not include these items if this is a direction your unit/college takes at this time.
- Unless otherwise noted during your unit/campus budget presentation, margins within auxiliary, gift and other resources must remain at or better than your initial budget proposal.

Adaptive Planning Detail

- Report A2000 – Core Expenditure Reduction Report is the scorecard by which we will measure actual reductions against the base referenced above. The report is found in the “1 Academy Report” folder as shown below and is shared with all planners and constrained by each planner’s Cost Center level assignment in Adaptive just like all other Adaptive reports.

The screenshot shows the 'Reports' section of the Adaptive Planning interface. The left sidebar lists various report categories, with 'Shared' selected. The main panel displays a list of reports under the 'Shared / 1 Academy Reports' filter. The report 'A2000 - Core Expenditure Reduction Report' is highlighted with a yellow box, and its output format is listed as 'HTML'.

- Notes on using A2000 report:
 1. Similar to other Adaptive reports, planners may drill into report rows to see detail by Cost Center Hierarchy, Program Hierarchy and other worktags.
 2. Reductions will show as a negative amount in the column titled “\$ Change from Base.” A positive number is NOT a reduction.
 3. Because expenditure reduction entries should be made in ledger accounts within the Operating Expenses ledger account summary, only these ledger accounts are shown on A2000.
 4. A2000 data is automatically filtered to exclude fixed cost budgets and proviso and state restricted fund resources.

W R2 Production - University of Washington Reports / A2000 - Core Expenditure Reduction Report			
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Time: FY2026 Cost Center: All Academy Cost Centers (Financial CCH 02) FILTER - Program: FILTER - Program FILTER - Grant: FILTER - Grant			
A2000 - Core Expenditure Reduction Report			
	FY26 Operating Budget Proposal 03_19_20...	FY26 Operating Budget Proposal	\$ Change from Base
▶ Operating Expenses (Financial LAS 04)	1,617,057,261	1,608,303,788	(8,753,473)
PLEASE NOTE: Expense reductions will show as a negative number in the \$ Change column.			

FAQs

Q: What if I am unable to enter the required expenditure reduction target fully in Adaptive by May 19th? Will I have another opportunity to adjust?

A: If the required expenditure reduction is not entered into Adaptive by May 19th, FPB will reduce core expenditures in your unit/campus Dean/VP/Chancellor's office to achieve the reduction.

Q: My unit/campus has a new revenue source that was unknown at the time of our original budget proposal, can I move core expenses to the resource where this new revenue source is now budgeted?

A: Units/campuses may not effectuate required reductions in core resources by shifting ongoing expenditures from core resources to other resources unless the other resources are able to perpetually support ongoing expenditures. If this new revenue stream is directly related to the type of expenditures you intend to move and this new revenue stream is expected to be ongoing and stable in nature to support an ongoing expenditure, movement of core expenditures is allowed. Keep in mind the expectation that budgeted margin within the total resource must remain at or better than your initial budget proposal.

Q: Why are you not adjusting core revenue distributions "in" from central to my unit/campus until after Adaptive locks on May 19th?

A: As units/campuses are afforded the flexibility to choose which resource they are taking the expenditure reduction from, it is not possible for FPB to guess how each individual unit will elect to take their reduction by resource. Only after the reduction actions are finalized by units/campuses can FPB enter the corresponding core revenue distributions "in" by resource.