Sent by Provost Mark Richards on September 16, 2021

University of Washington Seattle Deans

Dear Colleagues:

The purpose of this letter is to provide information regarding the "Values-Based Funding Pool" recommended by the Activity Based Budgeting Steering Committee (ABBSC) during their ABB Phase III Evaluation (see page 8 of the report). The committee recommended that "the Provost and President implement a model to shift more cutover funds to be used in a sustainable and non-formulaic way, consistent with values and strategies of the University. In doing so, the Provost will be better equipped to react to shifting external and internal conditions, such as student demand, enrollment, and changes in tuition policy." After discussions with stakeholders, and after a one-year delay, we are implementing this recommendation for FY22, and we anticipate distributing the first pool to Seattle academic units as temporary budget authority in FY23.

This memo will outline the scope and purpose of this new funding pool, as well as the process for units to request funding.

Scope and Guiding Principles

Consistent with the recommendation of the ABBSC, **2 percent of the cutover portion of supplement (pg. 22) GOF and DOF permanent funding will be redistributed to the Provost**. The parameters (A through G on page 8 of the report) will guide the program generally, with the following adjustments:

- The committee recommendation was for this pool to begin in FY21, but FY22 will be the first supplement reduction year. Therefore, the same 2 percent reduction will occur in FY23 and FY24.
- The Office of Planning & Budgeting (OPB) will initiate a review of the supplement cutover redistribution model in FY24 rather than FY23.

The "Values-Based Funding Pool" will be allocated **to Seattle campus academic units** for situations including, but not limited to, the following:

- Demonstration of collaborative work between schools and colleges;
- Starting new academic programs or transitioning existing programs (i.e., funding start-up costs for programs before ABB allocations are distributed or catch up to the change);
- Strategic faculty hiring to meet university priorities;
- Supporting academic units and/or critical/foundational programs that are not able to thrive under formulaic allocations but that are connected to UW values (i.e., languages, basic sciences); or
- Sudden shifts in student activity or research funding.

Guiding principles for distribution will be based on the "Values to Frame Decision Making" identified by the Senate Committee on Planning & Budgeting (SCPB) in January 2018, with strong emphasis on the fourth item. Any decision for the allocation of fiscal resources should:

- Support UW's academic vision and mission
- Respond to critical needs
- Support faculty, staff, and student health and wellbeing
- Preserve our commitment to diversity, inclusion, and academic freedom (Note: weight will be given to actionable proposals that further the University's Diversity Blueprint and Race & Equity Initiative goals)
- Steward public mission of the UW
- Strengthen fiscal health
- Strengthen long-term resilience

Process

The process for awarding funds will be similar to the process for funding requests for Provost Reinvestment Funds, and will involve a transparent review with consultation from SCPB, the Board of Deans and Chancellors (BODC), and the Provost Advisory Committee for Students (PACS):

- Proposals will be received and reviewed using the same funding cycle and form as the FY23 annual review cycle; however, proposals for this pool of funds will be flagged and isolated in OPB's form
- OPB will create and open a request form by November 30, 2021, along with the FY23 annual review cycle and typical funding request form. While additional details will follow with the FY23 annual review templates and process guide, we will endeavor to utilize consistent processes, forms and cycles to minimize administrative burden centrally, and in the schools and colleges.
- Units are encouraged to develop proposals for temporary funding, though we will entertain multi-year temporary funding allocations. We will ask that units enter a start- and end-date with their submissions.
- OPB will summarize requests and consult with SCPB and BODC in Spring, 2022.

As always, thank you for your continued partnership, and we look forward to seeing the innovative proposals that you generate.

Sincerely,

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