

May 20, 2020

To WSU Leadership;

On May 13, 2020, WSU received [notification](#) from the Governor's Office of Fiscal Management (OFM) directing all state agencies to identify operating budget savings options from the F2021 appropriations for the budget year beginning July 2020.

This directive is based on an unofficial update to the state's revenue forecast that projects that revenue collections over the next three fiscal years will be about \$7 billion lower than was forecast less than three months ago. WSU's 15 percent state appropriations reduction target is identified as \$37.2 million. The following instructions will enable WSU to align with OFM's directive to all State Agencies and to gather information for final decision making at a future date.

### **WSU BUDGET REDUCTION PLANNING SCENARIO INSTRUCTIONS:**

***All WSU areas are required to provide scenarios addressing how a 10% reduction in FY-2021 core fund base budgets (PBL) would be managed within their areas without the use of carryforward balances.***

Core fund PBL includes state funds (001-xx), F&A (148-02) and AFI (148-05) allocations from the Central Budget Office. While we understand that many areas would like to use carryforward balances to achieve some of these savings for next year, those balances cannot be used as part of this exercise and will be addressed as part of a future planning exercise. The purpose of this initial phase is to have all areas participate in this exercise while the University's Budget Office works to identify other opportunities to achieve these reductions. These two exercises will be considered by University leadership in making final recommendations and decisions.

All areas will receive a template that includes a reduction target. Within the template, describe each action to be taken toward meeting the target. For each action provide an estimate of the savings to be achieved, the FTE impacts, and a brief description of the impacts on research, teaching, and service. List all actions to be taken until you have achieved the target reduction and list the actions in order of the priority they would be taken.

A sample template, FAQ's, and a link to the President's general guidelines to use in making budgetary decisions can be found on the [Budget Office website](#).

This information is being gathered for planning purposes as we continue to consider our approach to deal with the financial impacts of Covid-19 and its impact on our budget for the coming year. Currently, we are considering PBL impacts only. Revenue projections and budgets for other funds such as auxiliaries, service centers and summer session will be considered at a later time.