




MEMORANDUM

TO: WSU President, Vice Presidents, Chancellors, and Deans
FROM: Stacy Pearson, Vice President Finance and Administration/CFO 
Date: May 17, 2022
Subject: FY2023 Budget Planning Process

As the spring 2022 semester has come to an end, several decisions have been made that will impact WSU's FY-23 operating budget. This includes the passage of the 2022 supplemental budget by the Washington legislature and the Board of Regents approval of a 2.4% tuition rate increase for next academic year. With these elements in place we can move forward with FY-23 budget development.

As announced earlier this spring, classified staff are receiving a 3.25% salary increase effective July 1, 2022, and employees in bargaining units will receive increases in accordance with applicable bargaining agreements. Faculty, administrative professionals and graduate assistants will receive a 2.5% salary increase effective September 1, 2022.

For the 2023 fiscal year, enrollment is expected to drop for the third consecutive year. Therefore we are again planning for a decline in core fund revenues even after the planned tuition rate increase. WSU is asking units and departments to plan for a 5% core fund budget reduction. **Half (2.5%) of this upcoming budget year's reduction will be permanent** to supplement state funding of the salary increases as well as generate \$1 million for faculty equity adjustments and funds for faculty opportunity hiring.

While we expect to implement the new budget model this year and begin implementation of [Adaptive Planning](#), Workday's integrated budget and planning tool, the process for FY-23 budget development will look similar to last year. **Core fund allocations will be determined in the same way as previous years.** Throughout the year WSU will analyze and compare the new budget model to legacy allocations so that impacts can be understood, reviewed, and discussed. The Adaptive Planning project timeline calls for a launch in time for the FY-24 budget development process.

During June and July areas will develop FY-23 finance budgets to be loaded to Workday. The Budget Office will provide templates and instructions for these activities by June 10th. As information is available it will be emailed directly to area finance leaders and posted on the Budget Office webpage. Questions may be emailed directly to wsubudget.office@wsu.edu.

For FY-23 all available funding has been committed. Areas should focus on building balanced budgets based on current year allocations and revenues *assuming no use of carryforward*. After the close of the fiscal year, there will be a decision on the use of carryforward and at that time areas will be asked to update their all-fund budgets.

Other budget activities this year will include setting aside one-time funds for strategic purposes and faculty start-up, continued development of a long-term process for evaluating and addressing salary equity, and submission of our 2023-25 biennial budget requests to the State. Additional details about these efforts will be available in the coming months.