



WASHINGTON STATE UNIVERSITY  
**Finance and Administration**

**MEMORANDUM**

TO: WSU President, Vice Presidents, Chancellors, and Deans

FROM: Stacy Pearson, Vice President Finance and Administration/CFO

A handwritten signature in black ink that reads "Stacy M. Pearson".

RE: FY-23 Carryforward usage

President Schulz' [budget communication](#) last month mentioned more information to come on the use of carryforward to assist with FY-23 budget management. Fortunately, good stewardship after the 3-year fiscal recovery and through the COVID-19 pandemic has restored core fund reserves to healthy levels so **units will be allowed to use up to 5% of core fund reserves** to provide one-time relief for current year budget challenges. The WSU Budget Office will communicate the allowed carryforward spending targets to each of the areas.

**Areas that anticipate decreases in non-core fund reserves this year** (current year non-core fund operating deficits) **should provide an estimate of the amount by fund and description of the reason** for the deficit(s) to the budget office ([wsubudget.office@wsu.edu](mailto:wsubudget.office@wsu.edu)) by December 19th. This information will be used to monitor reserve balances at the institutional level.

Please be mindful that enrollment is projected to drop again next fall as the large classes of FY2019 and FY2020 graduate. Incoming classes will likely remain smaller as the higher education enrollment cliff of 2025 approaches. These enrollment declines mean the University will enact additional budget reductions for FY2024 in order to right size its operations to align with lower enrollment. Given this situation, it is prudent to consider how one-time funds (carryforward) can help with planning for additional reductions in FY2024 and longer-term budget impacts.