

Dear Colleagues,

With planning underway for next year, we write with continued concern about budget planning at Western.

Western Budget Director Faye Gallant's most recent message to campus brought the good news of another \$12.4 million in federal stimulus funding to Western. This brings our total federal stimulus funding to \$23.6 million and counting, more than enough to cover short term losses in tuition revenues. Unfortunately, Director Gallant's message continues to make the longstanding administrative claim that Western suffers from a financial "structural deficit." The repeated use of this term suggests that we are on the road to insolvency. Our review of the evidence available to us strongly suggests that this is not true.

There is no external evidence to suggest that Western is in financial trouble. All of Western's audited annual financial statements and audited reports to Washington's Office of Financial Management show a financially healthy institution. Since 2009, Western has consistently maintained an A1 rating from Moody's Investors Service, a rating we have maintained even through the financial problems created by the COVID-19 pandemic. President Randhawa has been at Western over four years. If the university had persistent financial problems, we might reasonably expect the Board of Trustees to be asking questions about his performance. At a recent Trustees meeting, they voted to give President Randhawa a new five-year contract with a 15% salary increase or around \$60,000.

So the story we tell the world and the story the world tells about us appear to be very different from the story the administration is telling us. When we look closely at most recent administration budget presentations, they seem carefully constructed to tell a story of shortage. Administration presentations only include "budgeted revenue" (not actual total revenue) and are very vague about actual operating expenses. Administration reports of operating expenses always include but do not always itemize "locally funded capital projects." These projects require budget transfers from state appropriations and tuitions, both of which are explicitly intended to fund teaching and research. The choice to use tens of millions of dollars of operating appropriations and student tuition dollars to fund capital cost overruns and new capital projects reveals that Western regularly has operating budget surpluses. Including those one-time capital expenditures in descriptions of ongoing operating expenses distorts Western's operating budget picture.

This carefully constructed narrative of scarcity has informed the direction of the university over the last few years, the budget process currently playing out on campus, and planning within academic affairs. For the last three years, the primary focus of Western marketing and recruiting has been on international and out-of-state students. We have invested many resources in Study Group and advertising in places like California and Colorado in order to increase the enrollment of students who pay more than double the tuition that in-state students pay. The recent push to expand the Honors program has been explicitly linked to recruiting more out-of-state students. All of this effort has been justified with the idea that our "structural deficit" demands that we chase this revenue. We have had little to no discussion of how this campaign further privatizes our public university, how this campaign swims against the tide of the statewide effort from business, labor,

and the legislature to increase higher education attainment for Washington students, or how this campaign might divert resources away from our serving underrepresented students.

The notion of a “structural deficit” has also underwritten the recent creation of the Budget Strategy Group. This group operates outside of UPRC and any other shared governance process, and its work has been carefully circumscribed. It begins with the unquestioned idea of a “structural deficit,” and is charged with only looking at new ways to cut or new ways to pursue privatizing revenue. The group is set up to provide the illusion of consultation for a set of pre-determined conclusions. While there is faculty representation, UFWW has thus far not participated in this group’s deliberations. We would welcome a genuine public discussion of Western’s true and complete financial situation and a genuine public examination of how money is spent at Western.

The term “structural deficit” has been most regularly applied to the Academic Affairs budget and it is here that it actually makes some sense. For many years now, deans have entered each academic year knowing that their official budget allocations stand no chance of covering the actual expenses of their academic programs. The dream of a balanced budget remains forever on the horizon and the only way to make ends meet is with money from the president or provost (these pennies from heaven are variously described as “one-time funding,” “bridge funding,” “contingency funds,” or “soft money”). The resources and expertise to address this “structural deficit” have always been there, but not the political will. This permanent state of impermanence keeps chairs and faculty frightened and constantly under pressure to do more with less. The onset of the pandemic last year exacerbated this dynamic, which led to very inconsistent cuts to NTT class sections.

Instead of the shrouded, pre-determined, ad hoc budget process that we are engaged in now, we propose a campus budget discussion that does four things:

1. A full accounting of all of Western’s financial revenues and assets.
2. A detailed and full accounting of all of Western’s expenditures.
3. A full discussion of our public mission, our obligation to Washington students, and the role that out-of-students play in our mission.
4. A plan to fully fund Academic Affairs with permanent base funding.

As always, we want to publicly recognize the incredibly hard work that Western’s faculty and staff have done to serve our students during this very difficult time. And we pledge that we will recognize that work not just with words, but with continued action to protect our work and our working conditions, which are ultimately our students’ learning conditions. We, as a university, must remind ourselves that budgets are not just abstract Excel spreadsheets but also, as Rashad Robinson has said, moral documents: they put into practice what we, as a community, care about.

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