

CAS Elected Faculty Council Budget Committee Report

February 24, 2026

Who is the CAS Elected Faculty Council Budget Committee?

During Summer 2026, the CAS Elected Faculty Council (or College Council, as it is known) formed an adhoc Budget Committee comprised of four EFC members (Eva Cherniavsky (chair), Anne McCoy, Ping Wang, and Zhi Lin) and four members from CAS at large (David Perkel, Mal Ahern, Stephanie Kerschbaum, Cheryl Kaiser), who were identified from an open call for volunteers that went out last summer. We created the budget committee in the belief that council members needed a fuller understanding of how the college runs financially to be able to advise college leadership intelligently. Another priority for the committee is to ensure that CAS faculty have a good understanding of the college's financial position and a voice in determining responses. In this report, we summarize what we have learned to date.

How did we get here?

For over a decade, cost increases in the College of Arts and Sciences have been outpacing revenue.¹ At several points, CAS benefited from one-time funding upticks that allowed it to get by. In the immediate aftermath of the 2008 financial crisis, the UW enjoyed greater flexibility in tuition setting.² Moreover, for a period of time beginning around 2016, CAS experienced a growth in enrollments and associated tuition revenue. During the COVID pandemic, federal stimulus dollars flowed to the university and to CAS. Despite these upticks, a budgetary crisis has loomed for some time.

When the Activity Based Budgeting (ABB) system was introduced to the UW in 2012, it initially appeared as a boon to a heavy student-credit-hour (SCH) generating college such as CAS. Long-time faculty may recall that the implementation of ABB came with a commitment to "hold harmless" schools and colleges for an initial period of adjustment, to avoid a scenario in which ABB would be a windfall for some units while pulling the rug out from others. The provost therefore instituted a system of supplements to rebalance funds in line with this "hold harmless" approach. Because the new ABB model was

¹ For a general overview of the UW budget, this [website](#) offers a basic rundown of categories of funding. Also helpful for a bird's eye view of the overall UW budget and explanation of key terms is [this FAQ](#) from the UW Office of Finance, Planning, and Budgeting, although we caution that it includes interpretations of the budget model that are debatable. It suggests, for example, that the UW's decentralized funding model represents a "bottoms-up [sic]" approach that empowers local decision-making, an interpretation with which our report specifically takes issue. Other more specific information can be found in the university's [audited financial statements](#) and on the [ABB dashboard](#).

² Beginning in the 2017-18 academic year, the Washington legislature annual increases in resident undergraduate tuition operating fees have been limited to no more than the average annual percentage growth rate in the median hourly wage for Washington for the previous 14 years.

perceived to over-benefit CAS, around \$8.5 million of CAS's ABB revenue was therefore directed to other units (creating a "negative supplement" for CAS).³

There are two important things to understand about ABB: The first, is simply that the “hold-harmless” proviso never really went away. In effect, ABB has only ever been partially implemented. For the college, the “negative supplement” transformed into a positive supplement (\$21.7 million in FY 2025); but the key point is that budgets for colleges continue to be set year-by-year based on historical levels of funding (in any given year, the initial figure for the supplement is the base figure from the previous year). **Simply stated, schools and colleges that have historically benefited from large cost offsets from central administration generally continue to do so – and conversely, those that have been less well supplemented continue to be more anemically supported.** The second is that baked into the ABB model (as in any tuition-driven model) is the assumption of a capacity for unlimited growth: Only on the assumption of continual growth can incrementally rising costs be addressed through tuition revenue (in other words, total SCH and/or tuition rates must continue to rise, as well).

Beginning in the 2024 fiscal year, CAS began running an annual deficit (\$10.3 million in FY2025). As with any deficit, one can identify different cost overruns to explain it, but the core **structural** problem is that we are **not operating in an environment of unlimited growth**: tuition is capped, and the college’s share of SCH, while still representing the lion’s share of all tuition revenue generated at UW, has declined.⁴

In autumn of 2024, the provost issued a directive to all schools and colleges to implement a break-even budget. Thus, even *before the reductions in state appropriations for FY 2026 were in play*, CAS was in the position of having to make cuts to address a structural situation of flat revenue and rising costs (notably including the skyrocketing costs of benefits).⁵ Subsequently, in the spring of 2025, state appropriations to UW were reduced, prompting an across-the-board 5% reduction mandated by the provost.⁶ This subsequent cut has meant a reduction in the amount of the supplement that central administration provides to CAS.

The \$14 million reduction required of CAS in FY2026 is thus the combination of a directive to address existing cost over-runs *and* to implement cuts in response to

³ CAS continued to receive negative supplements another four years, through FY2016 (negative \$8.5 million), then received a small positive supplement (about +\$1 million) in FY2017 and a more significant one (+\$14.3 million) in FY2018. For the past five years our supplement has held relatively steady in proportion to our budget, at about 10% of total GOF funds.

⁴ As the second-largest unit at UW (after the School of Medicine), running primarily on tuition revenue and receiving a small supplement relative to its size, CAS has an especially high level of exposure to flat or declining enrollments.

⁵ Deficit-spending entails drawing on CAS reserves. CAS is projecting to spend down slightly more than half of those reserves in the next two years, largely to cover its required financial contribution to the new Chemistry Research Building.

⁶ The state cut entailed both an absolute reduction in state appropriations and a change in the “fund split,” that is, the proportion of approved faculty salary increases that the state would cover.

reduced state appropriations. **Not included** in this amount are additional losses sustained through cuts to federal research funding and, crucially, through the negotiated increase to ASE salaries and benefits. Neither the state of Washington nor UW has fully funded the wage increases for ASEs to which the UW agreed in bargaining.⁷ Even as ASE wages are slated to rise 32% over the course of the current, three-year contract, CAS increases to ASE budgets have not exceeded 3% per year. Hence the large, effective cut to ASE support, steep reductions in the size of graduate programs (several programs across CAS have paused admissions entirely, many others are cutting admissions targets by 50%) – and the significant prospective loss of instructional capacity.

We believe it is essential to understand that the budget deficit is **real**. This can be difficult to perceive because the UW is a wealthy institution, with many billions of dollars in endowments. But endowments are earmarked for very specific projects and initiatives.⁸ The basic teaching and research mission of CAS runs on core funds (state appropriations, tuition, and indirect cost recovery from grants) and (particularly in the natural sciences) on federal research dollars.

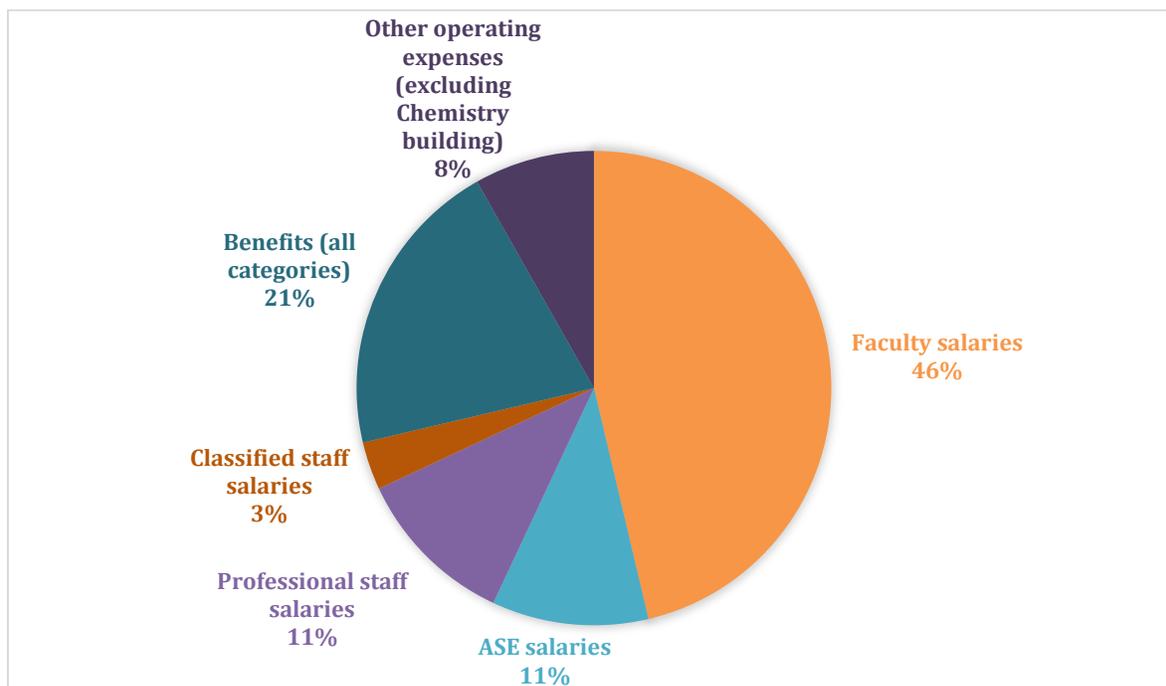
How did CAS respond?

The largest expense in CAS by far (approximately 90% of the total budget) is for salaries and benefits (the total cost of benefits amounts to more than 25% of salaries). Many of the faculty employed in the college are tenured or on multi-year contracts; many staff are on contracts that have been negotiated by unions representing them. This leaves very little flexibility in a situation of mandated budgetary reductions, especially insofar as one seeks to avoid cuts that will result in a reduction of instructional capacity and SCH (or in other words, a further reduction in revenue).

⁷ This is perplexing as we understand that the state is required to fund negotiated contracts for public employees.

⁸ The UW's holdings do include a significant amount of "unrestricted reserves:" \$1.423 billion in FY 2024, and \$1.999 billion in 2025. It would certainly be fair to inquire whether the revenue generated from these "unrestricted funds," if not the principal itself, could be used to address budgetary shortfalls. As the audited financial statements explicitly address, however, the UW is also heavily leveraged: year-by-year, the UW issues bonds to fund a range of infrastructure upgrades, primarily improvements to medical facilities and equipment, or to replace short-term commercial loans for expenses such as the Workday Finance Transformation. UW administration is therefore concerned to maintain the university's strong bond rating, which is pegged to the size of these reserves.

CAS expenditures projected 2027⁹



As Dean Harris has transparently laid out for us in her email on 2/10/26, the required reductions in core funds spending are being realized:

1. Through faculty retirements and faculty reduction to 50% FTE (\$5.1 million)
2. By cuts to the dean's office that include moving allowed expenses from core to non-core resources (\$1.5 million),¹⁰ reduced operations (we understand this is mostly canceled maintenance/improvements, \$1.2 million), staff reductions (primarily eliminating vacant positions, \$713K)¹¹

⁹ The pie chart titled "CAS Expenditures projected 2027" shows the proportion of the overall CAS budget divided into different budget categories according to FY27 projections. These projections show faculty salaries comprising 46% of the pie, and ASE salaries (11%), Professional staff salaries (11%) and Classified staff salaries (3%) taking up another 25%. Benefits across all employment categories comprise another 21% of the projected FY27 budget, leaving only 8% of the overall CAS budget to cover all other operating costs, not including costs for the Chemistry Research building.

¹⁰ Non-core funds might include donor gifts, endowment revenue, or revenue from fee-based programs. Moving an expense from core to non-core is an attractive alternative to eliminating it, but the scope of allowable expenses that can be shifted in this way is very narrow.

¹¹ It is important to note that "the deans' office" represents not simply the personnel and initiatives located in the dean's suite of offices, but the entirety of CAS central administration (e.g., advancement, IT, marketing and communications). Perhaps unsurprisingly, then, Workday data situates CAS cost over-runs

3. By the phased shift to shared environments/a centralized staffing model (\$1.4 million)

In addition, there has been a \$750,000 reduction to instructional funds (used to employ ASEs or part-time lecturers), and we understand that various savings proposed and implemented by departments make up the balance of the required cut.

How the budget committee pursued its work

We began our work with a CAS budget orientation from Dean Harris and Associate Dean for Finance and Administration Linda Nelson and then sought out information that would help us better understand where this crisis originated and what we were facing as a college.

To this end, we requested budgets for fiscal year 2025 (from July 2024 through June 2025) for each unit in the College. We further requested plans developed by units and the Dean's office for the next 5 years using the Adaptive planning tool that is part of Workday Finance. In October, we received PDF reports of each academic unit's budget for FY 25, and draft Adaptive plans for academic units. We did **not receive** information, despite multiple requests, on auxiliary units (e.g, the Burke; the Meany), including for the dean's office. We were also told that the Adaptive plans were not complete or were still under construction.

In addition to this orientation and reviewing the data we were able to access, we hosted a listening session for CAS faculty and representatives of the budget committee have met with and asked questions of Provost Serio, Dean Harris, and Senior Vice President for Finance, Budgeting, and Planning, Jason Campbell.

Takeaways and Recommendations

The unfunded ASE contract, the directive for a break-even budget, and the further cuts imposed due to reduced state appropriations are fundamentally transforming CAS.¹² When we consider the additional effects of reduced federal funding, and the prospect of likely further cuts to come, there is reason for serious concern about what kind of college we are in process of becoming. **We do not see evidence of a plan either at the college level or the university level for preserving mission critical functions in this budgetary context.**¹³ We are already edging into a version of CAS where

in "the dean's office," rather than in academic units, which all appear to be operating on balanced budgets.

¹² Worth noting that CAS's projected break-even budget for the next two years is exclusive of its financial obligation to the Chemistry Research Building (\$25 million in FY 2027 and \$15 million in FY 2028). The college also carries a mortgage on the Life Science Building (\$6.9 million annually for the next 21 years), which also contributes to projected deficit spending through FY2028.

¹³ The projected shift to IBB (or Incentive Based Budgeting), which the Provost has now fast-tracked, will likely result in a degree of greater financial transparency, by making the cost of administrative functions and common good university operations more visible and thus, at least in theory, facilitating debate on

graduate education is in crisis and the instructional capacity lost through the reduction in ASEs will be compensated by faculty teaching larger classes (with no or fewer TAs) – a situation that will compromise instructional quality and escalate faculty workloads. The abrupt transition to a fully centralized staffing model is resulting in the loss of career departmental staff and their vast institutional knowledge, the erosion of departmental culture and community, and increased workloads for department chairs -- for the sake of economizing on what amounts to less than 1% of the total CAS budget.¹⁴ Moreover, there is cause for uncertainty about whether these savings can fully materialize, since centralization is only now commencing in the college's large and complex departments; a centralized staffing model that is tenable for small units may prove unsustainable when complex units are brought into the mix. Last and certainly not least, it is hard to envision how we remain a premier research institution oriented to new directions in our disciplines with faculty hiring frozen or nearly frozen for the foreseeable future (especially with faculty retirements/departures prioritized as the top area for budget reductions).

As we confront this situation, it is crucial that CAS faculty be informed and engaged. We propose to make the College Council budget committee a *standing committee*, so that Council members are versed in the college's financial position, rather than attempting to advise on the basis of executive summaries without access to the data on which decisions are based. Another role of a standing budget committee will be to inform CAS faculty, communicate regularly, and robustly represent faculty questions and concerns to college and university leadership.

The upcoming transition in CAS leadership provides a significant opportunity to develop a strong, collaborative, and transparent relationship between CAS administration and the standing budget committee. The new dean is also in a strong position to advocate for CAS during the transition to the new IBB (Incentive Based Budgeting) fiscal model and assure that it has guardrails in place to promote a more equitable distribution of central resources so that CAS is not harmed by "temporary" decisions that disadvantaged CAS throughout the entire duration of the ABB model.

institutional priorities. As we understand it, however, it will not address the fundamental problem of the tuition-driven funding model (that presupposes unlimited growth as the only alternative to permanent austerity).

¹⁴ As we have heard from numerous faculty and staff colleagues, Workday Finance continues to proliferate errors: departmental staff have provided a crucial check in identifying accounting errors that were either generated at the level of central administration or not caught. On a fully centralized staffing model, it is unclear who may be positioned to perform those checks. While there were doubtless inefficiencies in the existing staffing model that could have been improved, the abrupt and total pivot to this new model raises real concerns about the other kinds of inefficiencies being instituted with this change.