



May 7, 2025

WOU Community:

As I communicated back in February and then again during the town hall last month, in order to place us on a clear sustainability pathway, I asked the senior leadership to identify approximately \$5 million in budget reductions over the next two years. They have been working diligently with their teams and in close consultation with the Vice President of Finance and Administration to reach this goal.

I am pleased to say that we have a preliminary draft budget for the next fiscal year. We will finalize the budget as we prepare to present it to our trustees in June. Though it will still require some deficit spending, it moves us towards our ultimate goal of a balanced and sustainable budget.

This is not an easy or pleasant process, and we face difficult choices as we try to reach fiscal sustainability while also maintaining key services to our students. In my first year on campus, I indicated that we would use our financial runway to make our needed structural and cultural changes over five years. It takes time for changes to take effect, and I appreciate the strength of this community and the collaboration you demonstrate as we engage in this work. Our cost saving efforts thus far have extended our fund balance and given us time to change, but we must end our structural deficit spending.

To that end, next year we will engage in a new system of budgeting that will help us identify efficiencies and make better decisions. KB's experience and guidance will be invaluable to us during this process. In the coming week, I will send out a map for our work for next year, an articulation of where we were, where we are, and where we must go. And we will need everyone to engage in innovation and change. We have set the stage in the last few years, and now we must make clear strategic decisions that maximize the focus of our strategic plan and afford us optimal flexibility for the future.

We have worked over these last three years to make needed changes while minimizing the negative effects on our employees and students. Any sudden and drastic resetting of budget requires large shifts in resources, the elimination of positions, and the cutting of services and programs. Instead, I decided that that we could maximize the strengths of the institution and make changes that move us towards our sustainability on a slower timeline.



That way, we can preserve what makes WOU special (and competitive) while simultaneously making needed changes.

Budget cuts without cultural and structural change will never solve the problem.

Thanks to the members and co-chairs of the University Budget Advisory Committee, along with Vice President Boakye, for starting to host regular budget conversations and engaging our community in meaningful ways. KB brings particular knowledge and expertise to the role of Vice President of Finance and Administration, and I trust him to guide us as we implement best practices and new budget management strategies.

Jesse Peters, President  
Western Oregon University