



MEMORANDUM

TO: Dr. Shari McMahan, President
Jon Anderson, Provost
Mary Voves, VP of Business & Finance
Rob Sauders, VP of Student Affairs
Barb Richey, VP of Advancement
Shari Clarke, VP of Diversity of Inclusion
Mark Baldwin, Chief of Staff
Lynn Hickey, Associate Vice President/Director Athletics

FROM: Toni Habegger, Associate Vice President and CFO

DATE: January 18, 2023

SUBJECT: FY2024 General Budget Planning Directions

This planning period provides an opportunity to revise FY2024 index 1 and self-support budget plans due to changes or impacts that have occurred since the FY23 budget plan last year.

The FY2024 planning process is not expected to incorporate outcomes of the Strategic Resource Allocation (SRA) process, as the SRA process will allow the university to examine the ways in which EWU's resources are invested in both academic and support functions. However, as a part of your FY2024, please ensure you are incorporating efficiencies into your area's planning conversation and resulting budget plan.

The Axiom Budget Planning System (BPS) will open January 17th for the 2023-25 biennial budget plan updates.

To assist with the full budgetary preparation timeline please ensure budgetary updates, including proposed fee adjustments, are completed by March 15, 2023.

Assumptions for FY24

- Eastern currently has a structural budget deficit in Index 1 resulting from the decline of enrollment, primarily undergraduate enrollments.
- Index 1 on-going budget levels for the following divisions will remain at FY2023 levels- Student Affairs, Advancement, Diversity Equity and Inclusion, Athletics, President's Office, and Business and Finance. Academic Affairs will follow the structural budget gap plan which anticipates \$2M in permanent savings and \$5.3M in one time savings. This is subject to change depending on decisions made at the university or division level due to service and staffing adjustments reflecting a lower enrollment base. This plan is consistent with the Board of Trustees approved budget plan as shown below.

Structural Budget Gap Index 1

	FY2023	FY2024	FY2025
Expected Ongoing Structural Budget Gap	(14,500,000)	(10,500,000)	(8,500,000)
Permanent allocations			
Academic Affairs permanent labor reallocation	3,000,000	2,000,000	1,000,000
Instructional resource savings in response to enrollment	1,000,000	TBD	TBD
Annual allocations			
Online fee revenue	1,300,000	1,300,000	750,000
Running Start	1,100,000	1,100,000	1,100,000
College in the High School	1,400,000	1,400,000	1,400,000
Summer Session	1,500,000	1,500,000	1,500,000
Prior year Salary Savings- furlough and pay reduction programs	4,085,000	-	-
FY22 anticipated salary savings	943,000	-	-
Future year carryforward & salary savings		3,028,000	3,578,000

- Self-support fees may increase up to the fiscal growth factor of 6.22%. Please base the fee revenue calculation on estimated index 1 enrollment or estimated index 2 program level enrollments as appropriate.
- Fees should be reviewed and adjusted accordingly in conjunction with budgetary planning.
- Index 1 salary savings will be managed centrally
- Anticipated classified COLA increase of 4% on July 1, 2023
- Include faculty general salary increase at 3% on September 1, 2023
- Include exempt represented COLA increase of 4% on July 1, 2023
- Include exempt non-represented base wage increase 4% on July 1, 2023
- Benefits will remain at FY2023 levels
- Direct expense increase FY24- upper limit of 3% or as appropriate for the operational needs with approval.
- Administrative Cost will be 8% for auxiliaries and summer session.

Central Funding Guidelines

Index 1 funded positions are subject to central funding provisions detailed below. Positions funded by other ledgers are the responsibility of the department.

Classified positions – General salary adjustment increases are funded centrally for filled positions. The department is responsible for funding step increases, as positions have previously been centrally funded to Step M.

PSE exempt positions – General salary adjustment increases are funded centrally for all filled positions.

Faculty positions - Increases based on the collective bargaining agreement will be funded centrally for all filled positions.

Exempt positions – General salary adjustment increases will be centrally funded for all filled positions.

Benefit increases – Mandatory changes which increase benefits are funded centrally. Benefit reductions result in funding pulled back centrally.

Index 2 and 3

Expenditures should not exceed revenues. If a department requests to spend Unrestricted Net Position the request will be evaluated on a case-by-case basis.

Revenue forecast – details of forecast should be included in the General Notes section (i.e. enrollment x price = revenue forecast)

Anticipated position and benefit increased based on the expenditure assumptions should be reflected as an increase to the direct expense budget (Account 70000).

All Indexes

Departments will be required to make comments for all budget changes. These comments are used by Budget Services to understand the increases/decreases in request for budget authority and track changes.

General Information

Access to the Axiom Budget Planning System is available at <https://ewu.axiom.cloud>.

The Budget Planning System User Manual is located on our website: <https://in.ewu.edu/financialservices/wp-content/uploads/sites/44/2020/03/Budget-Planning-System-User-Manual-FY23-1.pdf>.

The proposed budget data will be reviewed and reconciled by the Budget Office. The budget will be presented to the President for review and any changes will be incorporated. The proposed budget will be presented to the Board of Trustees as a first read in May with anticipated approval in June.

If you have any questions please contact Alexandra Rosebrook, Director of Budget Services at (509) 359-7364 or arosebrook@ewu.edu.

Cc: College Deans
Associate Vice Presidents
Directors
College Budget Officers
Division Budget Managers