



MEMORANDUM

TO: Shari McMahan, President
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Lorenzo Smith, Provost
Lea Jarnagin, Vice President of Student Affairs
Laura Thayer, Interim Vice President of Advancement
Eric Limburg, Interim Vice President of Advancement
Cesar Portillo, Vice President People & Culture
Annika Scharosch, Chief of Staff
Tim Collins, Associate Vice President & Director Athletics

FROM: Toni Habegger, Associate Vice President & CFO

DATE: January 13, 2026

SUBJECT: FY2027 General Budget Planning Directions

The budget proposal process is a critical opportunity to align the university's financial resources with its strategic priorities, ensuring the continued success of Eastern Washington University's programs and services. A thoughtful and thorough approach to budget planning enables informed decision-making, fosters financial stability, and supports the university's mission to serve students, staff, and the broader community.

FY27 budget planning will be shaped by several structural factors, including current enrollment levels, the future enrollment landscape, and sustained inflationary and labor cost pressures, with a continued focus on careful use of resources, cost containment, and thoughtful decision-making across the institution. At the same time, EWU will continue to advance targeted investments aligned with the four pillars of the strategic plan to ensure a strong and sustainable future.

On December 23, 2025, Governor Ferguson released his FY2026 supplemental operating budget. As part of this proposal, **Eastern was assigned a \$1.713 million reduction in state operating appropriations.** Eastern will thoughtfully incorporate this reduction into our FY27 budget planning process, subject to change based on the enacted legislative budget.

Division-level budget targets for the General Fund (Index 1) are based on the FY26 permanent budget level, adjusted to reflect the Governor's proposed reduction in state operating appropriations. This \$1.713 million reduction has been applied initially as an across-the-board reduction across all divisions.

To this end, we encourage all departments and units to engage diligently in the FY27 budget planning process.

The Axiom Budget Planning System (BPS) will open mid-January for the FY27 budget plan updates.

To assist with the full budgetary preparation timeline, please ensure budgetary updates, including proposed fee adjustments, are completed by April 1, 2026. The comprehensive timeline and other resources can be viewed on the Budget Services website at <https://inside.ewu.edu/financialservices/budget-services/internal-resources/>.

Assumptions for FY27

- **Chart of account** changes due to organizational or budgetary realignment should be submitted by March 1, 2026, to allow for incorporation into the FY27 planning process.
- **Position Control** management workflow-based form is now available at <https://inside.ewu.edu/financialservices/budget-services/>.
- **General Directions** for all funds
 - Anticipated classified COLA increase of 2% on July 1, 2026.
 - Faculty position general salary increases will be based on the collective bargaining agreement when approved.
 - Include exempt represented COLA increase of 2% on July 1, 2026.
 - Include exempt non-represented base wage increase of 2% on July 1, 2026.
 - Benefits will change based on OFM and legislator-approved levels.
- **Core Funds** (index 1 & 2)
 - **General Fund: Index 1**
 - Ongoing (base/permanent) budget targets for the divisions will be adjusted downward to reflect the \$1.7 million reduction in state appropriations. This baseline is subject to change depending on decisions made at the university or division level due to service and staffing adjustments. The state legislative budget outcomes may also influence final budget levels.
 - General salary adjustments (COLAs), including associated benefits, are funded centrally for all index 1 positions.
 - Consistent with prior fiscal years, classified and PSE position step increases are funded by the respective divisions.
 - Salary and benefit adjustments for faculty promotions and other non-COLA contract provisions are funded by Academic Affairs.
 - Position vacancy savings will be swept to offset the structural budget gap.
 - Carry-forward budget authority will be limited to encumbrances and strategic exceptions.
 - **Self-Support Funds (Index 2)**
 - Self-support fees may increase up to the fiscal growth factor of 6.51% <https://erfc.wa.gov/fiscal-growth-factors>. Please base the fee revenue calculation on estimated index 1 enrollment, estimated index 2 program-level enrollments, or service levels, as appropriate.
 - Self-support academic program tuition (per credit rates) may increase at any amount. Please ensure these rates increase to cover projected growth in program expenses.
 - Fees should be reviewed and adjusted accordingly in conjunction with budgetary planning. Please submit fee changes to the Budget Office by February 1, 2026.
 - Revenue forecast – details of forecast should be included in the General Notes section (i.e., enrollment x price = revenue forecast)

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- Anticipated position and benefit increases based on the expenditure assumptions should be reflected as an increase to the direct expense budget (Account 70000).
 - Index 2 proposed expenditure budgets should not exceed revenue projections as a general practice. There are exceptions that may necessitate the use of cash reserves, to which notes should be made in the planning file.
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 - **Auxiliary Funds (Index 3)**
 - Administrative Cost will be 8% of revenues for auxiliaries. This is consistent with FY26.
 - Fees should be reviewed and adjusted accordingly in conjunction with budgetary planning.
 - The pro-forma income statements for auxiliary funds will be prepared and reviewed to ensure that fund-level requirements are met with respect to debt covenants and planned capital investments.

In addition to the above assumptions, the Vice Presidents typically provide supplemental budget planning details to their units. If the supplemental changes include revised planning targets or goals, the Budget Office will ensure these are incorporated into the planning system. Please forward your unit supplemental planning details to the Budget Office by February 13, 2026.

All Indexes

Departments are requested to provide comments on all budget changes, as these comments are used by the budget office to understand increases/decreases in requested budget authority and to track changes. This includes enrollment estimates for self-support academic programs, occupancy estimates to support room-and-board revenue estimates, and service-level 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://inside.ewu.edu/financialservices/wp-content/uploads/sites/44/2026/01/Budget-Planning-System-User-Manual-V5-1.15.26.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 for first reading in May, with anticipated approval in June.

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

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