

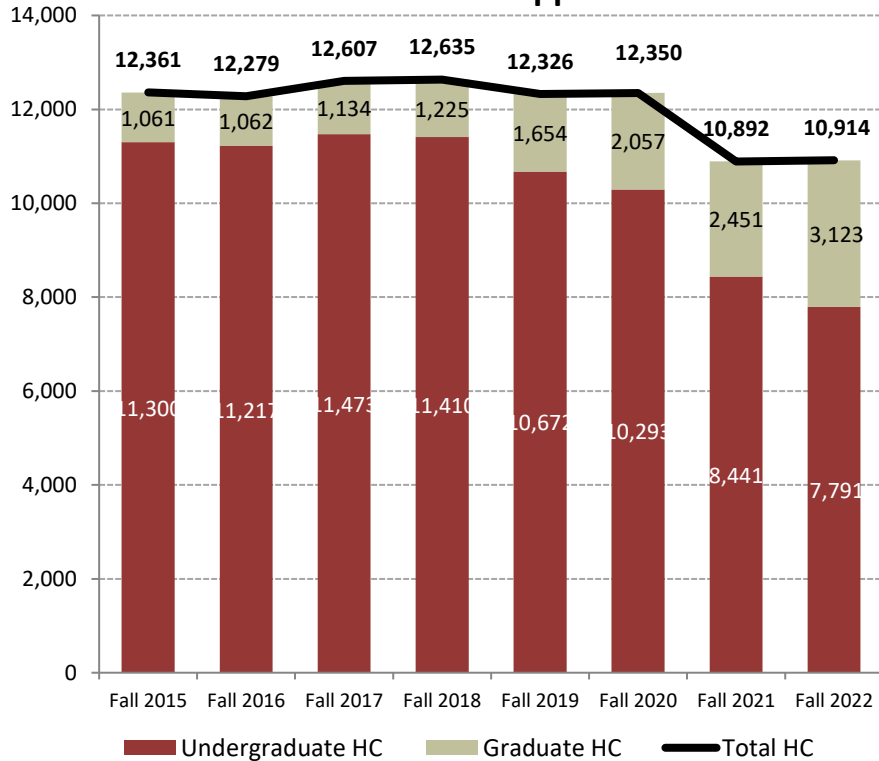
Operating Budget ***Fall Update***

Fiscal Year 2023

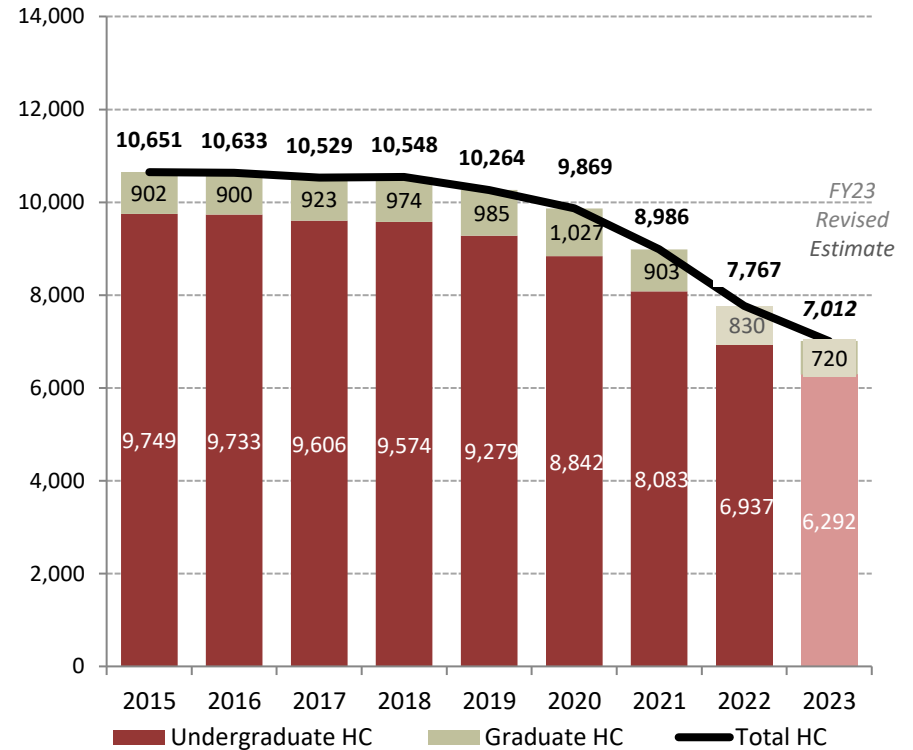
October 20, 2022

Fall and AAHC Enrollment

Overall Fall Head Count State and self support



State Support Index 1 – Average Annual Head Count



FY23 original estimate 7131 AAHC

Source: EWU census date enrollments

Enrollment and Resource impacts

University wide enrollment is stable as compared to Fall 2021

Fall 2021 10,892 headcount
Fall 2022 10,914 headcount

Fall term tuition revenue down 600K from PY
(dual enrollment excluded)

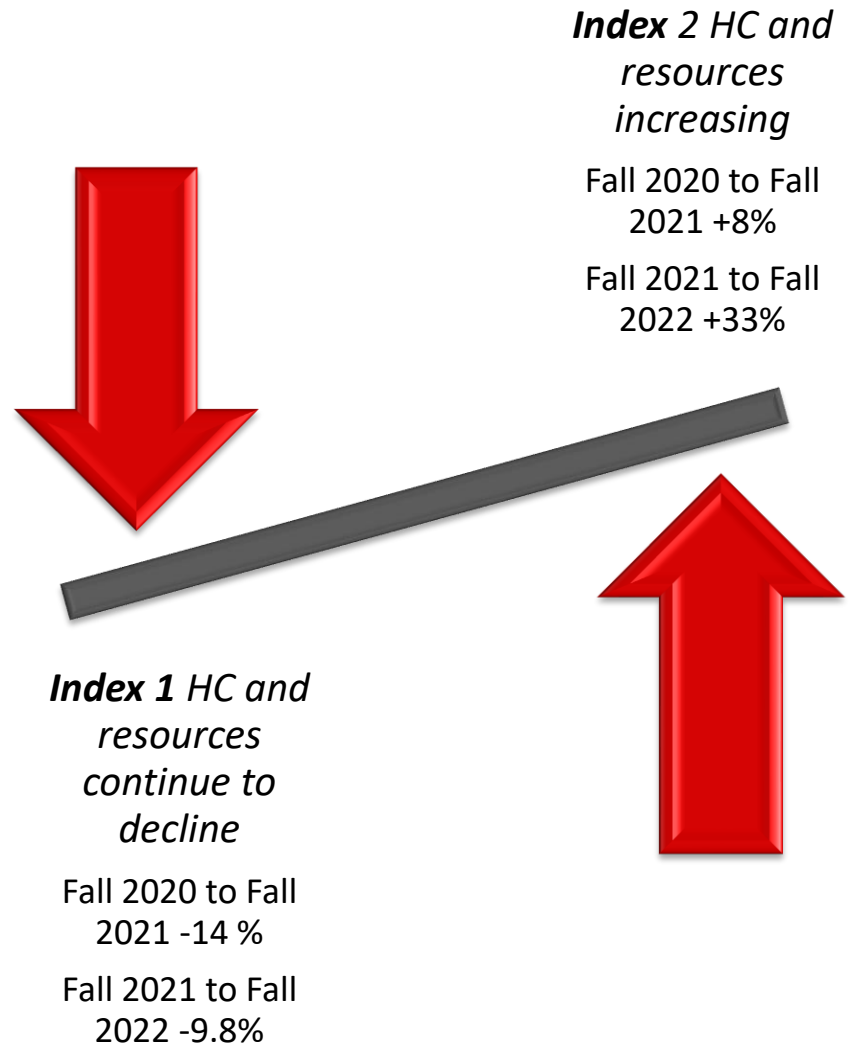
Index 1- General Fund

The continuing enrollment decline and resulting resources has created the continuing budget gap in the general fund.

Index 2-

Enrollment and resource growth has produced additional net revenue to the university.

- Online graduate programs
- Running Start
- College in the High School
- Other self support academic programs



Fall 2022 Enrollment Index 1 F011

Fall 2022 Projection-

*Budget model for FY2023
compared to Fall census*

Changes from Fall 21

- FTIC 1400 (actual 1366)
- New Transfers -39% (actual -20%)
- Retention +3.1% (moves from 66.9% to 70%) (actual 67%)
- Graduate no change (actual -13%)
- Persistence no change
- Projection
 - 7,677 headcount (actual 7549, -128HC)
 - Down 8.25% from Fall 2021 (actual 9.8%)

AAHC

- FY22 7,767
- FY23 Approx 7,131 (target reset to 7,012)

Operating fee impact

- Approx \$4.6M decline from FY22 level (moves to \$5.6M due to headcount and fee mix)

Fall 2022 Enrollment Index 1

Fall Enrollment

- Budget model -8.25%
- Census actual -9.8%

FY2023 Revenue Impact (annualized projection)

- Original budget plan -\$4.6M
- Revised budget plan -\$5.6M
 - Mix impact ~ 300,000
 - Headcount impact ~ 700,000

Fall 2022 Index 1 Census				
Planning Group	Headcount	Target Value	% Actual to Target	Actual v Target HC Variance
FTIC Student	1,366	1,400	97.6%	-34
Continuing Student	4,612	4,747	97.2%	-135
New Transfers	657	550	119.5%	107
Returning Student	143	113	126.5%	30
Graduate Student	751	867	86.6%	-116
other	20	-		20
Totals	7,549	7,677	98.3%	-128

FY23 Operating (Tuition) Fee Revenue

	FY22	FY23
AAHC Enrollment Level	7,767 AAHC	7,131 AAHC
General Tuition Rate Increase	2.8%	2.4%
Gross Operating (Tuition) Fee Revenue	59,582,000	52,905,000
Less: EWU Grant Program add RCW	(2,383,000)	(2,116,000)
Plus: Interest Income	275,000	275,000
Net Operating (Tuition) Fee Revenue	57,474,000	51,064,000
Tuition Change	1,258,000	925,000
8,409 AAHC Change (Original)	(3,002,000)	(4,558,000)
7,767 AAHC Change (Revised)	(4,500,000)	
7,012 FY23 AAHC Revised		(1,000,000)

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 – FY2023 funds	1,300,000	1,300,000	750,000
Running Start- FY2023 funds	1,100,000	1,100,000	1,100,000
College in the High School- FY2023 funds	1,400,000	1,400,000	1,400,000
Summer Session- FY2023 funds	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

FY24 and beyond structural budget gap will be impacted (+/-) by state funding, enrollment, tuition rates, organizational decisions and investments, inflation, and labor cost

Resources to Smooth Shorter Term Budgetary Impacts

- Permanent budget reductions
- Stimulus funding through 2023
- Compensation savings
 - Salary savings from vacancies
 - Salary savings from furlough, reduction in pay
 - Tenure relinquishment program
 - Voluntary separation/retirement program
- Reduced spending on goods and services
- Index 2 resources

Managing and Resolving the Ongoing Structural Deficit

A structural budget deficit exists when annual expenses are projected to exceed annual revenues for multiple years.

- Solution will typically be a blend
 - Review enrollment and resource fund level model- does index 1 and index 2 model continue to work
 - Permanent budget reductions
 - Short term (1x) budget impacts (personnel and operations)
 - Increase revenue through enrollment and new revenue sources
 - Cash to bridge while accomplishing broader university structural plan
- The solution proportion is connected to achievement of a broader university structural plan
 - Example: academic plan to be achieved by x year
 - Example: investment in student success to achieve desired outcome by year x



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