

2017-19 Operating & Capital Budgets

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June 24, 2018
2nd Read

Board of Trustees Statement of Budget Principles

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Utilize budget **INVESTMENTS** in the strategic plan to achieve the mission of the university

Invest in Eastern's **COMMITMENT** to student access and success

Conduct a collaborative and transparent budget **PROCESS**

FOCUS on the teaching mission of the university

Place university **PRIORITIES** over unit priorities

Evaluate and **IMPLEMENT** any and all feasible revenue enhancement strategies



Budget Process Timeline

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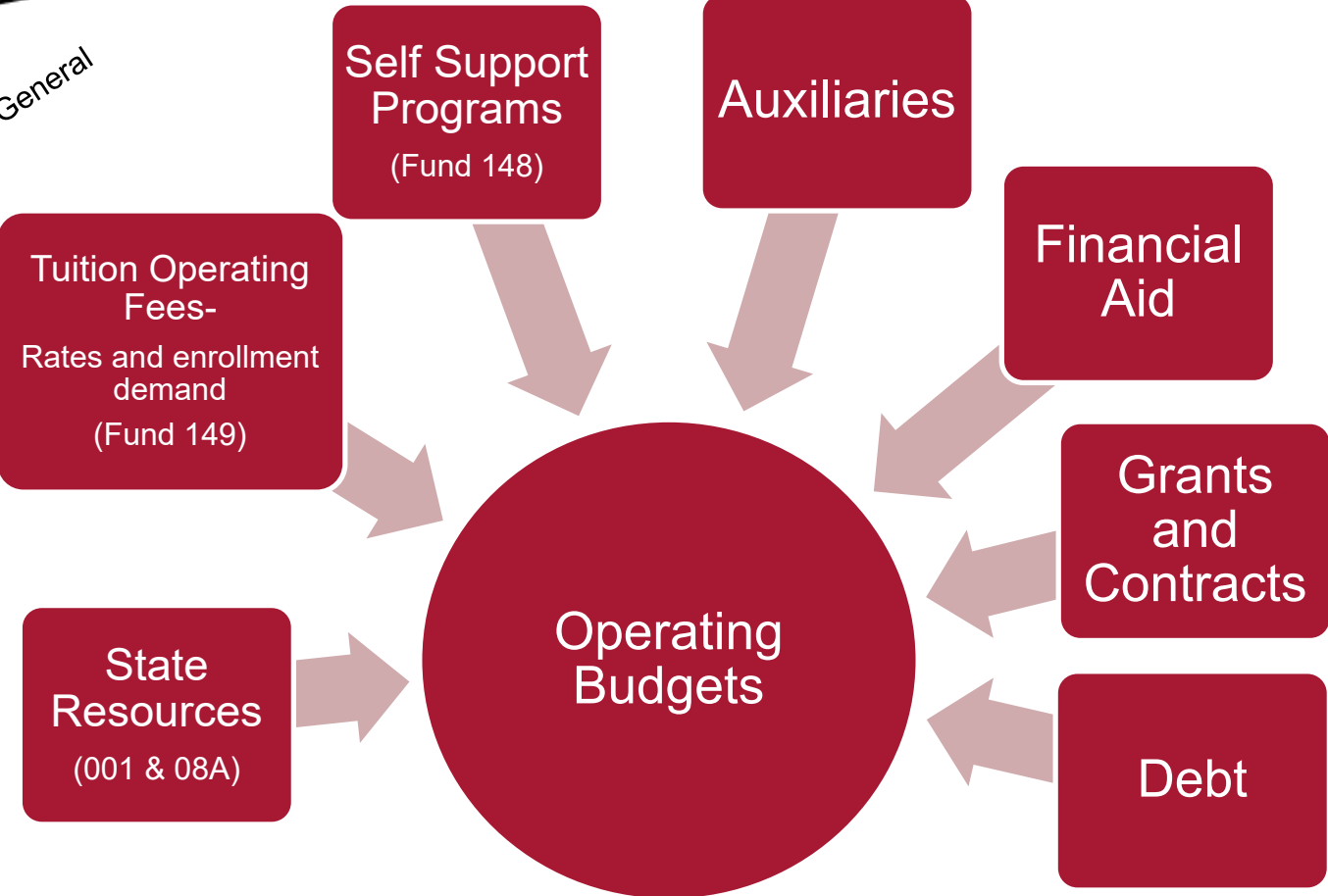
Fall 2016	▪ Unit level planning started 17-19 biennium
May 2017	▪ 1 st read of FY18 & FY19 Budget
June 2017	▪ Approved state biennial budget
July 2017	▪ Implement FY18 Budget July 1, 2017
Fall 2017	▪ Supplemental budget requests - technical adjustments
December 2017	▪ Governor's Budget released
March 2018	▪ House and Senate proposed budgets approved
April 2018	▪ Approved state supplemental budget
May 2018	▪ 1 st read FY19 Budget with Board of Trustees
→ June 2018	▪ 2 nd read (Approval) FY19 Budget
July 2018	▪ Implement FY19 Budget July 1, 2018



Impacts to Eastern's Budget Planning

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Education and General
Operations



Internal Budget Planning Process

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Colleges/Departments submit budget request for
Division review

Division narrows college/departmental
requests based on priorities

Division leaders present to the
President

Divisional budget
requests submitted
and reviewed by
UBC

UBC recommends
funding priorities to
President

Divisions

- Athletics
- Academic Affairs
- Advancement
- Business & Finance
- Student Affairs
- Diversity & Inclusion
- President's Office



University Budget Committee



Membership

UBC members are appointed by the president based on recommendations from each appropriate member affiliation. The committee meets monthly, and is chaired by the VP for Business and Finance, who exercises no voting rights.

Voting Membership

Six faculty members nominated by faculty senate representing each college and library

Faculty Senate Treasurer

One classified staff member

One student representative

One dean

One representative from exempt staff

One representative from professional staff (PSE – Exempt represented staff)

One representative from each of the VP areas & President's Office

One representative from Athletics



Role of University Budget Committee



- Presidential advisory body consisting of representatives from faculty, classified staff, exempt staff, students, and administrators.
- The committee reviews and makes recommendations to the president in response to new budget proposals, including budget reduction plans in times of reversions.
- The committee works closely with the university president to consider the university's finances, enrollment, tuition, financial aid, the legislative session, and priority funding programs, and their interaction and connection with Eastern's Strategic Plan.
- Committee members actively participate and represent their constituencies while applying a university wide perspective during budget deliberations to deliver comprehensive, thoughtful, and balanced recommendations to the university president.



Student Committees' Contribution to Operating Budget



Services and Activities Fee Committee

- Proposes to the administration and governing board program priorities and budget levels for the Services and Activities Fees
- Comprised of 12 members: six students, four university members and two ex-officio members

Student Technology Fee

- All students taking 6 or more credits are assessed the full student technology fee (average 10,238 students) are charged \$40 per quarter
- Allocation of resources is recommended by the Student Technology Fee Committee
- Fee funds general and open access student computing labs replacement and renewal of equipment and operations, key technology services such as student email and other web services
- Annual replacement of 150-250 computers along with software, printers, storage, servers
- Software renewal
- Investment in the storage area network

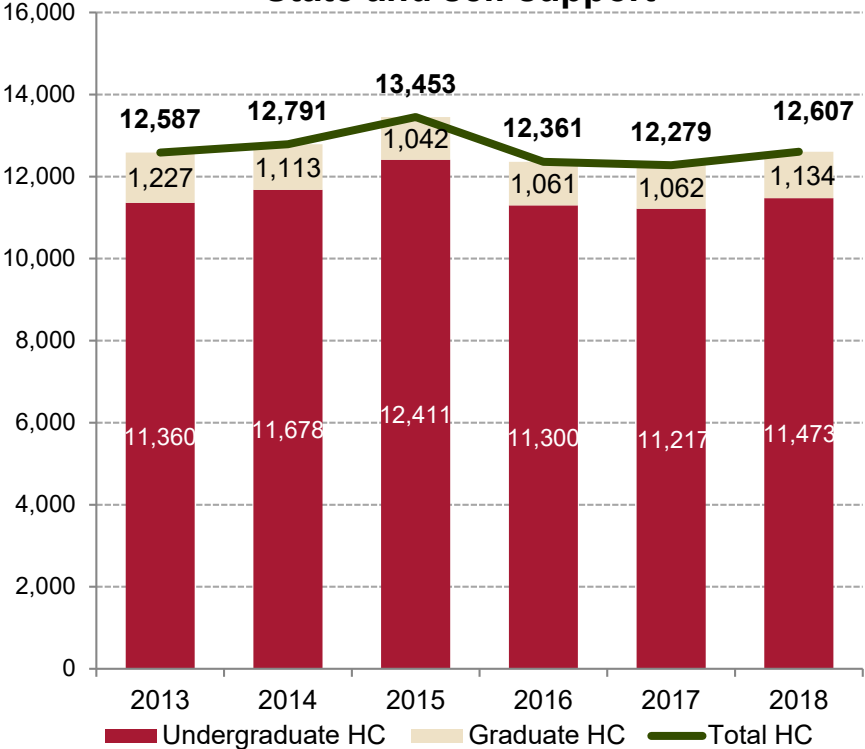


Fall Enrollment

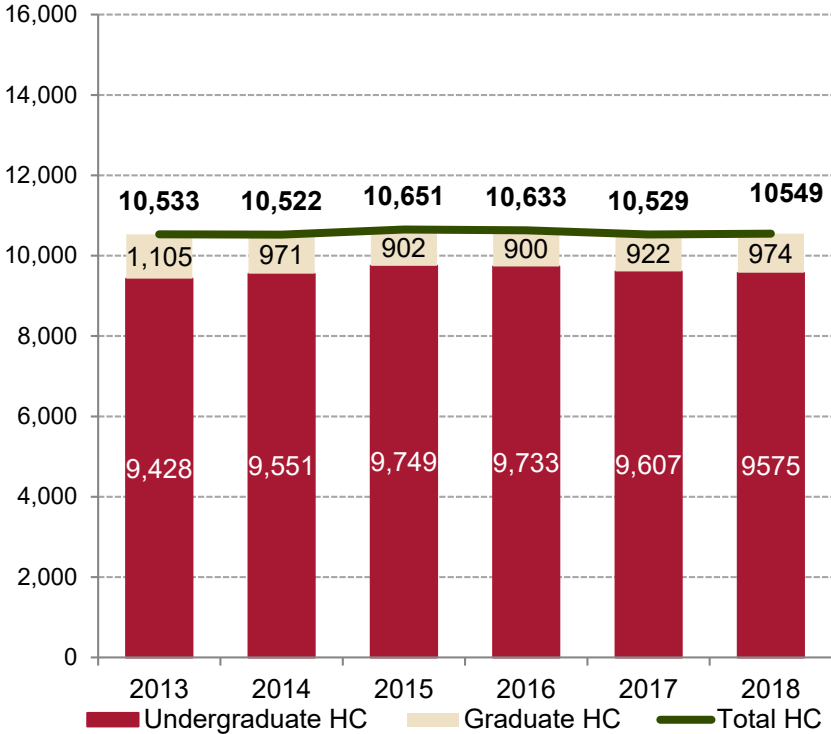
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Enrollment remains relatively stable. Future goals will consider access, capacity and fiscal balance within the context of the strategic plan.

**Total Fall Head Count
State and self support**



State Support – Average Annual Head Count



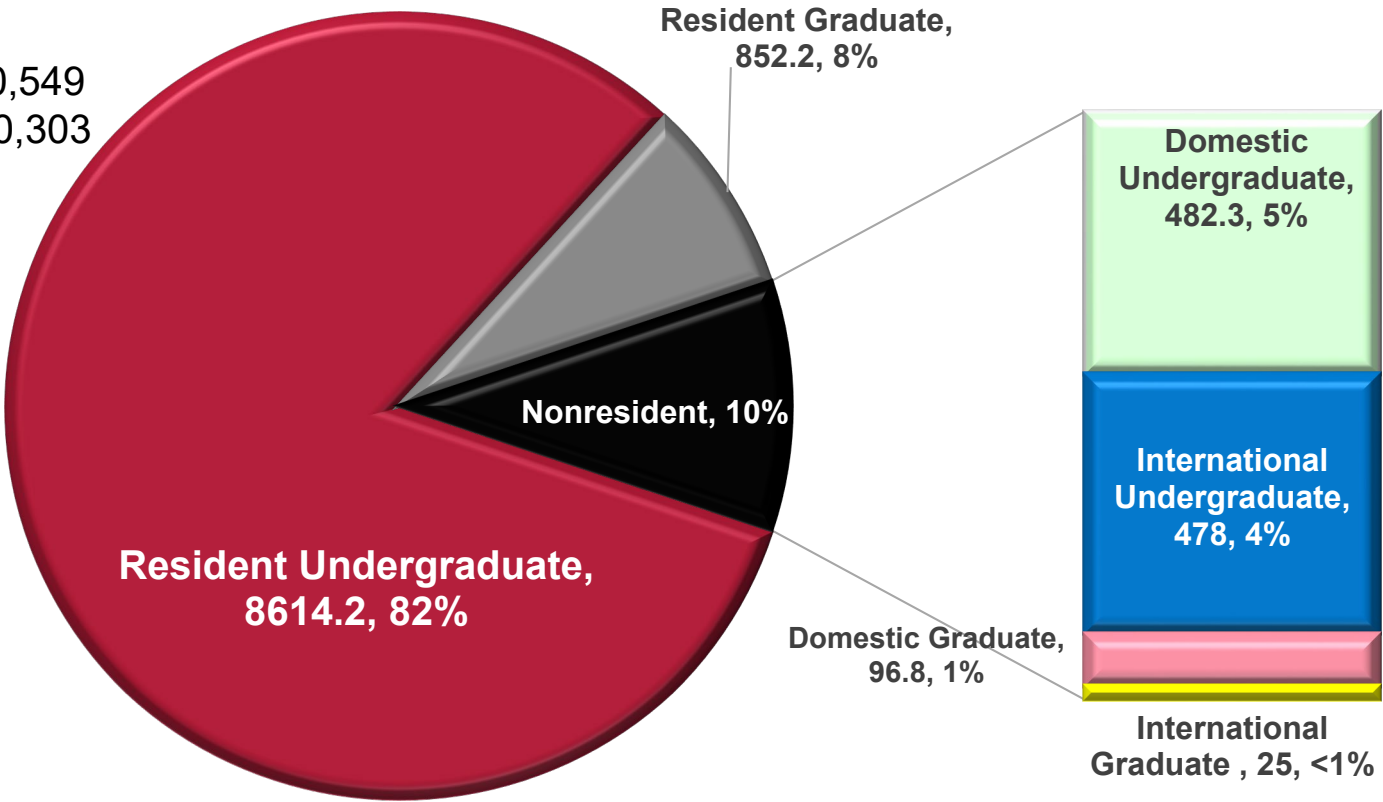
Source: EWU Institutional Research Enrollment Reports, 10th day



FY18 State Enrollment

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Total AAHC – 10,549
Total AAFTE – 10,303



- Resident Undergraduate
- Resident Graduate
- Domestic Undergraduate
- International Undergraduate
- Domestic Graduate
- International Graduate

Source: 201735 201740 201810 201815
201820 Annual Enrollment Mix

2018 Supplemental Approved Budget

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State Funding	Approved Budget
2017-19 Biennium Funding Level	\$118,647,000
Maintenance Level	101,000
Central Services	247,000
Gold Star Families	55,000
Native American Curriculum	20,000
Benefit changes	(251,000)
Enacted Funding Level, 2017-19 Biennium	\$118,826,000



State Budget Overview

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Policy implications

Student freedom of expression

International baccalaureate exam credit

Responsible bidder criteria

Apprenticeship utilization

Student Service & Activities fee increases

Student loan assistance

Expanding higher education opportunities

Intercollegiate athletics

Student loan bill of rights

Passport to College Promise



OPERATING BUDGET



2019 Tuition and Fees

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- Tuition Rate Increases
- Mandatory Fees
- Housing and Dining Rates



FY19 Operating (Tuition) Fee Assumptions

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	FY2019
Budgeted HC – state supported	10,651
Enrollment Growth over FY18 plan	0%
Operating Fee	2.2%
Tuition Waivers	\$12.3M
EWU Financial Aid	4%



FY19 Tuition & Fee Increases

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	FY2019 % Change	FY2019 Annual Rates
Resident Undergraduate	2.2%	\$6,381
Nonresident Undergraduate	2.2%	\$23,502
Resident Graduate	2.2%	\$11,439
Nonresident Graduate	2.2%	\$26,569
Building Fee	2.2%	Included in tuition rate
Service & Activity Fees	4%	Included in tuition rate
Housing & Dining Rates	5.5%	Rates Vary
Transportation Fee		\$60
Comprehensive Health & Wellness Fee	5.00%	\$312.24
Parking Permits – all lots	10%	Rates Vary

FY19 Operating (Tuition) Fee Revenue

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Index 1

	FY2018	FY2019
Gross Operating (Tuition) Fee Revenue	77,693,109	79,083,177
Less: Tuition Waivers	(12,318,608)	(12,318,608)
EWU Grant	(2,597,980)	(2,653,583)
Uncollectible Allowance	(425,000)	(425,000)
Plus: Interest Income	275,000	275,000
Net Operating (Tuition) Fee Revenue	62,627,000	63,961,000
Increase		1,334,000

*Totals are rounded to nearest thousand



Total State Funding and Operating Fees

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Index 1

	FY2018	FY2019	2017-19 Total
General Fund State	50,213,000	52,015,000	102,228,000
Education Legacy Trust Fund	8,304,000	8,294,000	16,598,000
Operating (Tuition) Fees	62,627,000	63,961,000	126,588,000
Recharges	2,396,773	2,396,773	4,793,546
Total	123,540,773	126,666,773	250,207,546



Significant Funding Sources

- Running Start/High School Programs
- Eastern On-line
- Summer Session
- Student Technology Fee/Health & Wellness Fee
- Course Fees
- Program Fees



FY19 Local Dedicated Funds Budgets

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Index 2

	FY2019		
	Revenue/ Additions	Expenditures/ Deductions	Change in Unrestricted Net Assets
President's Office	0	15,000	(15,000)
Academic Affairs	27,471,940	26,003,196	1,468,744
Business & Finance	9,116,750	9,569,347	(452,597)
Student Affairs	5,338,750	5,698,022	(359,272)
Information Technology	1,410,090	1,396,069	14,021
Funds Total	\$43,337,530	\$42,681,634	\$655,896

These funds finance their own asset renewal and replacement.

FY19 Service Funds Budgets

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Index 3

	FY2019		
	Revenue/ Recharges	Expenditures/ Deductions	Change in Unrestricted Net Assets
Workforce Construction	2,235,000	2,263,251	(28,251)
Telecommunications	1,116,251	999,362	116,889
Motor Pool	568,000	568,000	0
Service Funds Total	\$3,919,251	\$3,830,613	\$88,638

- Service funds provide goods and services to other university units.
- The funds finance their own asset renewal and replacement.
- Budget gaps may be mitigated with cash reserves.

Housing and Dining Rates

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	FY2018 Average Quarterly Rate	FY 2018 Annual Rate	FY2019 Average Quarterly Rate		FY2019 Annual Rate
Double Room/Gold Meal Plan	\$3,883	\$11,793	\$3,900		\$12,058
Single Room/Gold Meal Plan	\$4,283	\$12,993	\$4,300		\$13,258

* Ave increase over PY	5.8%		5.5%
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Increases in accordance with Housing & Dining long-term financial plan

Housing and Dining offer 7 variations of room plans and 6 dining plans



FY19 Auxiliary Funds Budgets

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Index 3

	FY2019			
	Revenue	Expense	Xfer (In)/Out	Change in Unrestricted Net Assets
Housing & Dining	\$25,556,551	\$21,241,627	\$2,963,100	\$1,351,824
*S&A Fee Fund	12,037,437	5,867,608	6,258,697	(88,868)
Recreation Center Fees	192,000	194,011	0	(2,011)
Intercollegiate Athletics	4,479,500	7,275,164	(2,388,300)	(407,364)
Bookstore	6,080,000	6,078,318	0	1,682
Pence Union Building	625,000	544,338	0	80,662
Parking	1,021,718	1,017,844	35,000	(31,126)
Auxiliary Funds Total	\$49,992,206	\$42,218,910	\$6,868,497	\$904,799

These funds finance their own asset renewal and replacement.

*FY19 the PUB Fund will be reported with the S&A Fee Fund for financial statement purposes

Intercollegiate Athletic Programs- SSB 6493



- Bill related to transparency and accountability for intercollegiate athletic programs at public universities
- Board of Trustees must approve annual budget in an open public meeting
- If operating deficit at end of any fiscal year, the Board of Trustees
 - must approve a plan as to how operating deficits will be reduced in future years
 - Post financial statements for the prior three years
 - Approve in advance any transfer exceeding \$250,000
 - Approve in advance any expenditure over \$250,000 that was not included in the approved annual budget



FY19 Athletics Budget

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Index 1 and 3

Athletics Budget	Revenue	Expenses
Index 1	\$5,523,132	\$5,523,132
Index 3		
Department Revenue	3,399,500	
Student Support	2,225,000	
Operating Expenses		6,195,164
Athletic Camps	1,080,000	1,080,000
Institutional Support	163,300	
Total	\$12,390,932	\$12,798,296
Projected net revenue deficit		(407,364)

6/30/18 estimated cumulative operating Net Assets deficit range is \$5.6 to \$5.85 million

October 2018- Revised FY19 budget plan and 5 year plan will be presented to the Board of Trustees

Student Service and Activity Fee Fund

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Index 3

Sources	FY2018	FY2019
S&A Fees (part of tuition)*	\$7,092,153	\$7,348,049
Recreation Center Fee	2,100,000	2,100,000
PUB Fee	2,100,000	2,725,000
Transportation Fee	610,000	610,000
Clubs (use of activity generated revenue)	205,900	148,000
Total Revenues	\$12,108,053	\$12,931,049

* Based on 4% increase

Student Service and Activity Fee

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Index 3

Uses	FY2018	FY2019
Debt Payments (PUB & URC)	\$3,707,747	\$3,703,697
S&A Fee Allocation	3,259,295	3,399,276
Housing Allocation	645,000	645,000
Transportation Contract	610,000	610,000
PUB Renovation/Operations	0	1,027,893
Transfer to Athletics	2,075,000	2,225,000
Financial Aid, Admin Cost	520,408	541,791
Clubs (use of activity generated revenue and reserve)	205,900	183,000
URC Facility Improvements & Operations	353,810	354,260
URC equipment replacement	330,000	330,000
Total Uses	\$11,707,160	\$13,019,917



Scholarships and Fellowships (Index 5)

Scholarships	FY2018 Budget	FY2019 Budget
Federal Financial Aid Grants (includes Pell grant and the Supplemental Educational Opportunity Grant – SEOG)	\$19,750,000	\$20,000,000
State Financial Aid Grants (includes State Need Grant)	17,750,000	18,000,000
EWU Financial Aid Grants (includes EWU grant, endowed scholarships and license plate)	3,200,000	3,400,000
Private Financial Aid Grants (foundation endowed scholarships)	950,000	1,000,000
Total	\$41,650,000	\$42,400,000

- Scholarships and Fellowships include funds for student aid programs, some federal and state aid programs and privately endowed scholarships.
- Funding levels assumed to remain relatively flat year-to-year.
- Total increases driven by assumed enrollment growth rates.

Sponsored Programs (Grants & Contracts)

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Index 5

Sponsored Programs	FY2018 Budget	FY2019 Budget
Federal Research	\$4,330,000	\$4,028,000
State Research	4,125,000	4,400,000
Local Research	2,805,000	3,535,000
Private Research	2,516,000	2,680,000
Total	\$13,776,000	\$14,643,000

Funding and contracts are dependent on state and federal agency funding levels as well as the ability of local governmental and private agencies need for contracted services.



FY2017-19 University Operating Budget

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Revenues- All Funds

	FY2018	FY2019	2017-19
Education and General			
General Fund State	50,213,000	52,015,000	102,228,000
Education Legacy Trust	8,304,000	8,294,000	16,598,000
Tuition Operating Fees	62,627,000	63,961,000	126,588,000
Recharges	2,396,773	2,396,773	4,793,546
Dedicated local Funds	42,506,738	43,337,530	85,844,268
Service Funds	3,809,763	3,919,251	7,729,014
Total Education and General	169,857,274	173,923,554	343,780,828
Auxiliary Enterprises	48,858,586	49,992,206	98,850,792
Scholarships & Fellowships	41,650,000	42,400,000	84,050,000
Sponsored programs	13,776,000	14,643,000	28,419,000
2017-19 Operating Revenues	274,141,860	280,958,760	555,100,620



FY2017-19 University Operating Budget

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Expenditures- All Funds

	FY2018	FY2019	2017-19
Education and General			
General Fund State	50,213,000	52,015,000	102,228,000
Education Legacy Trust	8,304,000	8,294,000	16,598,000
Tuition Operating Fees	62,627,000	63,961,000	126,588,000
Recharges	2,396,773	2,396,773	4,793,546
Dedicated local Funds	44,596,587	42,681,634	87,278,221
Service Funds	3,856,454	3,830,613	7,687,067
Total Education and General	171,993,814	173,179,020	345,172,834
Auxiliary Enterprises	44,539,772	42,218,910	86,758,682
Scholarships & Fellowships	41,650,000	42,400,000	84,050,000
Sponsored programs	13,776,000	14,643,000	28,419,000
2017-19 Operating Budget	271,959,586	272,440,930	544,400,516



2017-19 CAPITAL BUDGET

New Appropriations

Local Capital



2017-19 State Capital Budget

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	2017-19 Biennial Budget
Interdisciplinary Science Center	67,009,000
Total State Capital Projects- 057	\$67,009,000
Engineering Building	345,000
Minor Works – Facility Preservation	7,500,000
Minor Works Program	2,500,000
Preventative Maintenance	2,217,000
Total EWU Capital Projects- 061 Building Fees	\$12,562,000
Local Capital (approved June 2017)	3,757,500
Reappropriations (approved June 2017)	9,125,000
2017-19 Capital Budget	\$92,453,500



2017-19 Capital Budget – Local Capital

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Local Capital	FY2018	FY2019	2017-19
Housing Renewal and Replacement	735,000	735,000	1,470,000
Dining Renewal and Replacement	867,500	250,000	1,117,500
EWU Recreation Center	330,000	330,000	660,000
Parking Lot Repair and Maintenance	25,000	35,000	60,000
Student Athlete Academic Success Center	450,000	0	450,000
Total	\$2,407,500	\$1,350,000	\$3,757,500



Board of Trustees Action

2019 Operating and 2017-19 Capital Budgets



FY2017-19 University Operating Budget

For approval by the Board of Trustees

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Expenditures- All Funds

	FY2018	FY2019	2017-19
Education and General			
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FY2017-19 University Capital Budget

For approval by the Board of Trustees

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2017-19 Capital Budget	
Reappropriation	\$9,125,000
New Appropriation	\$79,571,000
Total State Capital	\$88,696,000
Local Capital	\$3,757,500
2017-19 Capital Budget	\$92,453,500

Future Financial Impacts

Enrollment

- Strategic Enrollment Plan will shape Eastern's future enrollment mix and size
- Affordability and access
- Diverse enrollment mix
- Impact of enrollment growth on revenue
- New programs- location and mode of delivery

Revenues

- State investment in higher education
- State tuition policy
- Annual revenue growth rate v. inflation and expenses
- Fully allocated revenue base- to invest further requires additional resources
- Revenue growth must increase annually by 4% or greater to meet commitments



Future Financial Impacts

Costs and Investments

- Compensation and benefits
- Implementation of institutional strategic plan
- Enhanced investment in student success measures
- Continued growth in deferred maintenance backlog
- Renewal and investment in technology
- Efficiency savings throughout campus
- Financial aid needs
- Intercollegiate Athletics
- Investment in capital campaign
- High demand programs may require additional investment

These investments may require measured use of reserves



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EASTERN

WASHINGTON UNIVERSITY

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