



MEMORANDUM

TO: Shari McMahan, President
Jon Anderson, Provost
Mary Voves, Vice President of Business & Finance
Lea Jarnagin, Vice President of Student Affairs
Barb Richey, Vice President of Advancement
Mark Baldwin, Chief of Staff
Tim Collins, Associate Vice President/Director Athletics

FROM: Toni Habegger, Associate Vice President and CFO *Toni Habegger*

DATE: December 14, 2023

SUBJECT: FY2025 General Budget Planning Directions

This planning period provides an opportunity to revise FY2025 index 1 and self-support budget plans due to changes or impacts that have occurred since the FY24 budget plan last year.

The FY2025 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 FY2025, please ensure you are incorporating efficiencies into your area's planning conversation and resulting budget plan.

The Axiom Budget Planning System (BPS) will open December 18th for the FY25 budget plan updates.

To assist with the full budgetary preparation timeline please ensure budgetary updates, including proposed fee adjustments, are completed by March 15, 2024.

Assumptions for FY25

- Eastern currently has a structural budget deficit in Index 1 resulting from the decline of enrollment, primarily undergraduate enrollments.
- Chart of account changes due to organizational or budgetary realignment should be submitted by March 1, 2024 to allow for incorporation into the FY25 planning process.
- Index 1 on-going budget levels for the following divisions will remain at FY2024 levels- Academic Affairs, Student Affairs, Advancement, Athletics, President's Office, and Business and Finance. This is subject to change depending on decisions made at the university or division level due to service and staffing adjustments reflecting changes in revenue or additional investments. This plan is consistent with the Board of Trustees approved budget plan.

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- Self-support fees may increase up to the fiscal growth factor of 6.4%. Please base the fee revenue calculation on estimated index 1 enrollment, estimated index 2 program level enrollments, or service levels as appropriate.
 - Fees should be reviewed and adjusted accordingly in conjunction with budgetary planning.
 - Index 1 salary savings will be managed centrally to assist with the structural budget gap.
 - Anticipated classified COLA increase of 3% on July 1, 2024.
 - Include faculty general salary increase in accordance with the collective bargaining agreement, effective September 1, 2024.
 - Include exempt represented COLA increase of 3% on July 1, 2024.
 - Include exempt non-represented base wage increase 3% on July 1, 2024.
 - Benefits will change based on OFM/legislative approved levels.
 - Administrative Cost will be 8% for auxiliaries and summer session.

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 the supplemental planning details to the Budget Office.

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. For those auxiliaries with debt coverage requirements, the proforma income statement will be evaluated to ensure requirements are considered.

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 700).

All Indexes

Departments are requested to make comments for all budget changes as these comments are used by the budget office to understand the increases/decreases in requested budget authority and to 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 Tammy Felicijan, Director of Budget Services at (509) 359-7364 or tfelicijan@ewu.edu.
