

# Operating and Capital Budgets

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Fiscal Year 2025  
2023-2025 Biennium

*1<sup>st</sup> Read May 17, 2024*

# Overview

- Budget Model Project
- Key Planning Drivers
- 2025 Supplemental Legislative Session
- General Fund Overview- Index 1
- Self Support Overview- Index 2
- Auxiliaries Overview- Index 3
- Grants and Financial Aid- Index 5
- Capital Budget Overview

# Eastern Washington University

*The university is adaptable to changing landscapes and changing student needs while ensuring Eastern remains competitive with a growth mindset to serve the region and will thrive, innovate, and contribute meaningfully to our community and society.*

*Source: EWU Strategic Planning*

# Looking Forward

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New budget model for managing resources

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Enhanced Identity

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Innovation and growth mindset

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Invest in new initiatives

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Develop new academic programs

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Flexible and responsive to the economic environment over time

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Use of reserves for strategic investment to facilitate growth

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Comprehensive Campaign

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New Strategic Plan

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Updated Campus Facilities Master Plan

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SRA investments, efficiencies, disinvestment

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Invest in student engagement program to enhance retention

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# Budget Model Redesign Project

# Project Overview

In response to the University's changing economic and business models, EWU has engaged Moss Adams to assist the University in developing an efficient and effective budget model to innovate and invest.

The intent of the revised budget model is to design a methodology that blends revenues, supports transparency, and enables strategic decision-making for years to come.

# Project Objectives

Our work together has the following primary objectives:

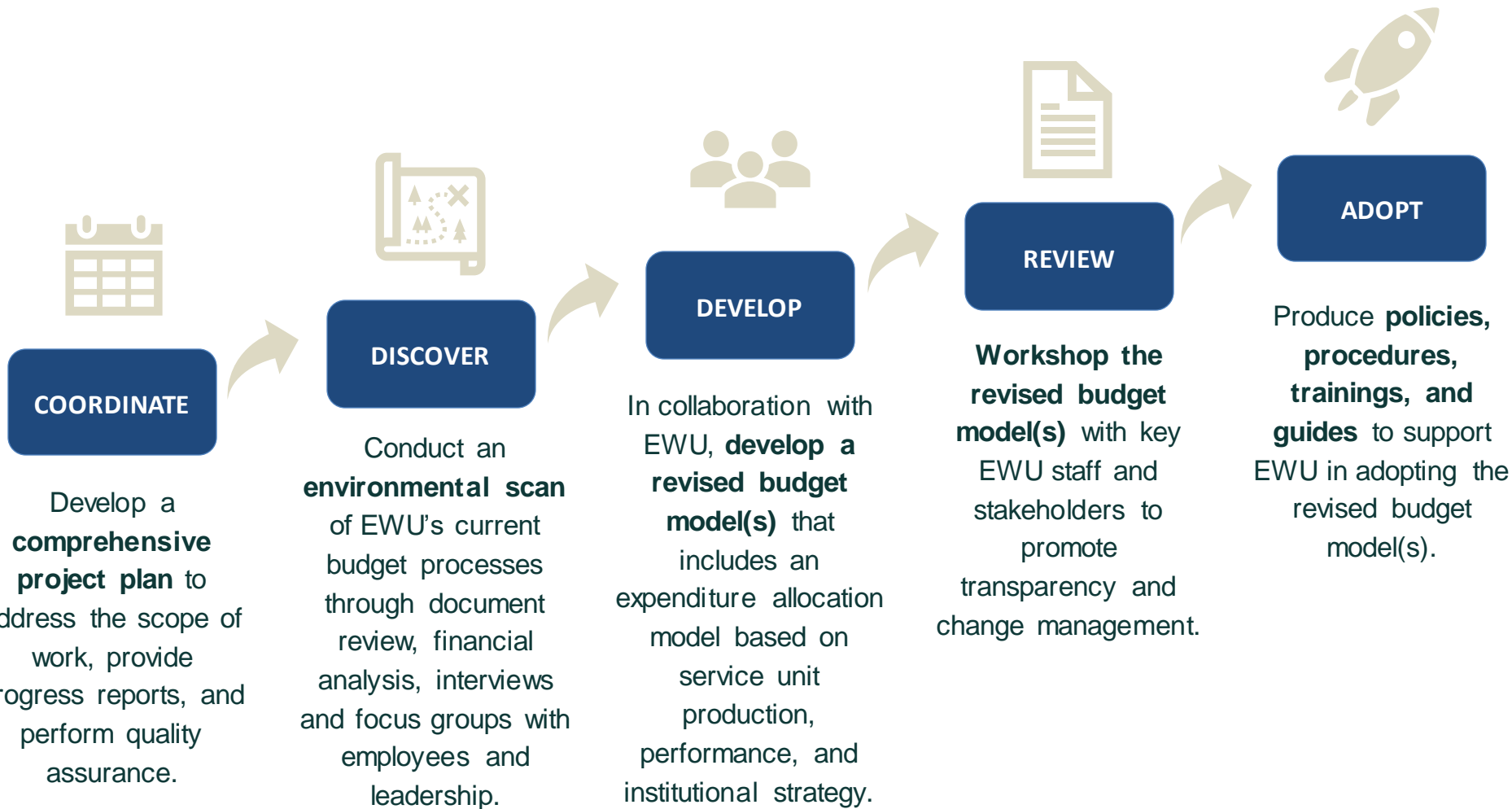
1. Evaluate the strengths and weaknesses of EWU's existing budget model(s) and process (centralized and decentralized) to identify opportunities for improvement and greater alignment with the strategic direction of EWU.
2. In collaboration with EWU stakeholders, develop a comprehensive budget model(s) and process that incorporates blended revenue and expenditure allocation methods to align services, performance, and enrollment changes with the strategic direction of EWU.
3. Promote transparency and accountability in budget allocations, strategic decision-making, and resource optimization.
4. Support implementation of the revised budget model and processes.

# ***Objectives of the future models***

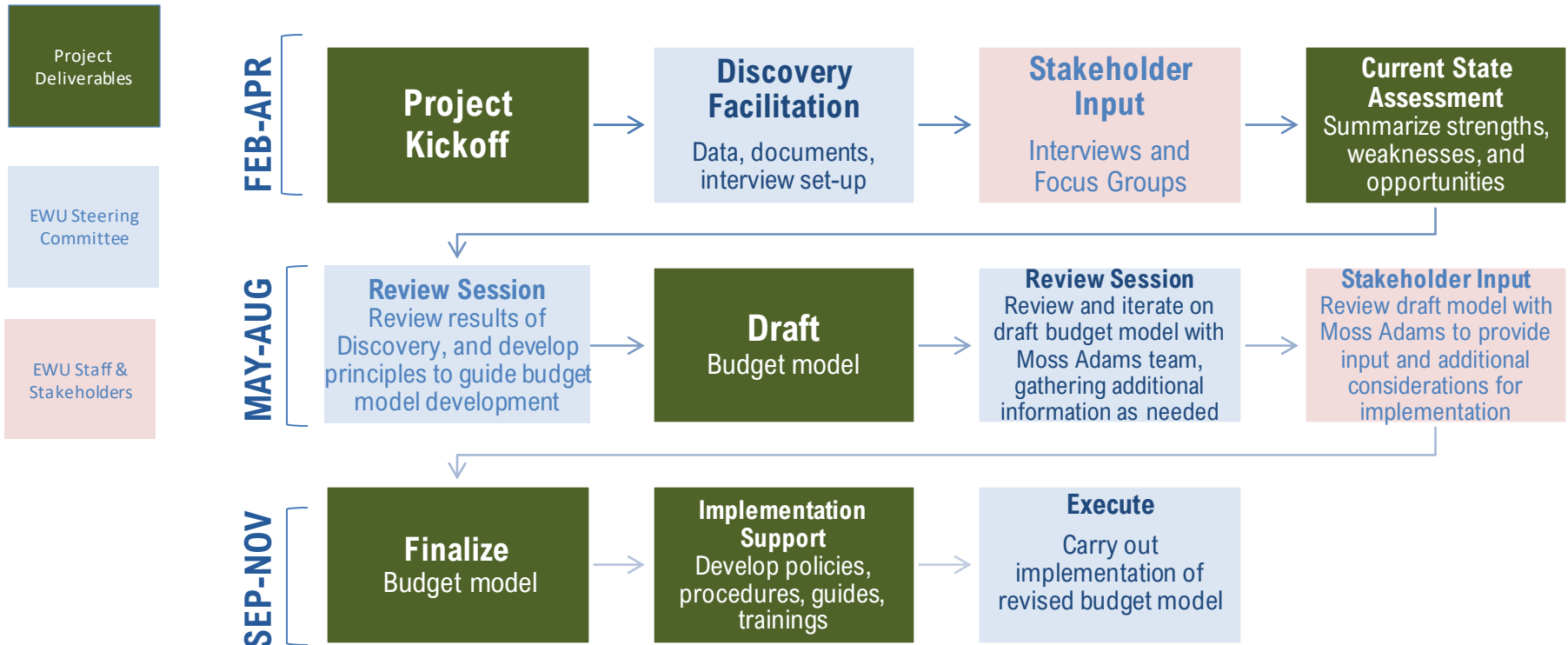
- Develop a comprehensive budget model
  - Establish a Board of Trustees policy that defines governing budget principles and establishes board expectations for maintaining fiscal health
  - Incorporates a blended revenue/expense model
  - Aligns resources to services, enrollment changes, performance
  - As part of a new model, develop methodologies to allocate resources to academic and service units



# Budget Redesign Process



# Project Milestones



# **FY 2025 Operating Budget**

# **FY2025 SUPPLEMENTAL BUDGET STATE APPROPRIATIONS**

# FY2025 Supplemental Budget Operating Appropriations

New Revenue Index 1

State Funding	Type of Funding	Conference Budget
<b>Maintenance Level – New Funding</b>		
Central Services	Ongoing	\$345,000
Benefit Changes	Ongoing	124,000
CAP Tuition Backfill	One-time	310,000
College in the High School	Ongoing	(1,023,000)
<b>Policy Level – New Funding</b>		
Central Services	Ongoing	92,000
Benefit Changes	Ongoing	(129,000)
College in the High School	One-time	535,000
MESA Program	Ongoing	520,000
Emergency Management	Ongoing	144,000
Postsecondary Student Needs (HB 1559)	Ongoing	20,000
Higher Ed Opioid Prevention	Ongoing	95,000
Dental Therapy	One-time	127,000
<b>Increase in State Resources</b>		<b>\$1,160,000</b>

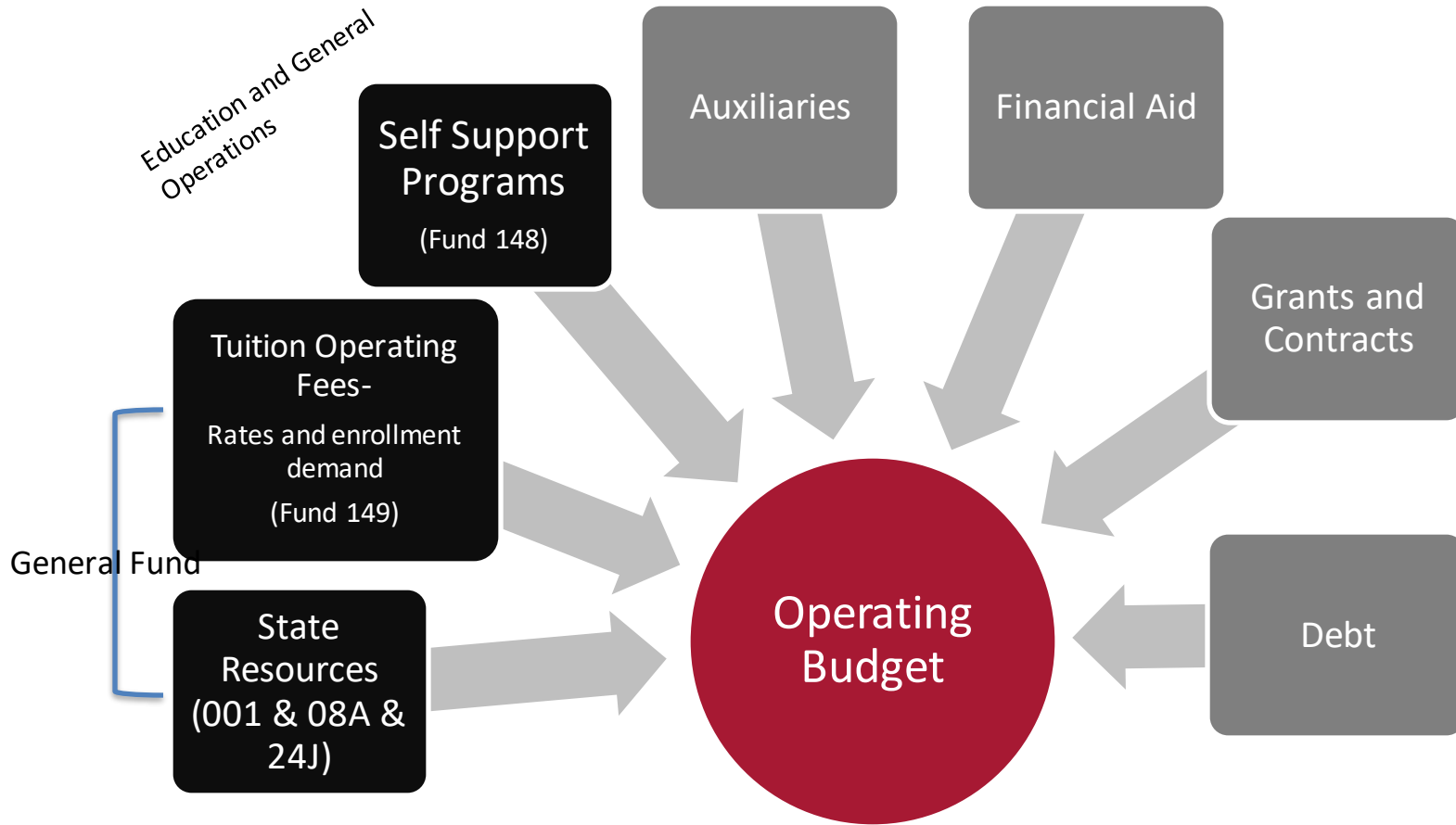
# FY2025 Supplemental Capital Appropriation

State Funding: Biennial Perspective	Conference Budget
Sports and Recreation Center Energy Improvements	\$9,998,000

# **KEY PLANNING DRIVERS**

## ***OPERATING BUDGET***

# Impacts to Eastern's Budget Planning

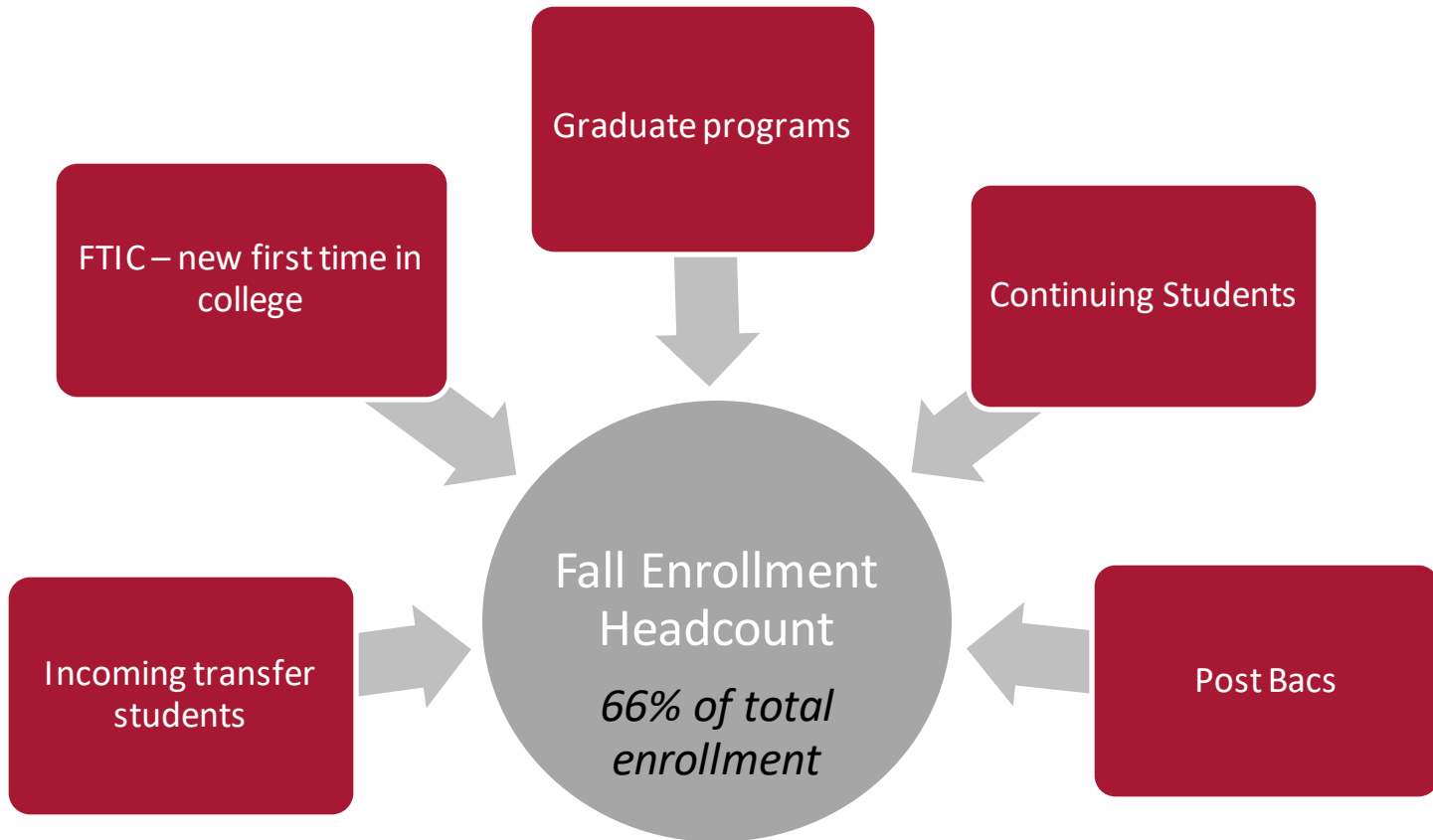




# **GENERAL FUND INDEX 1 DETAILS**

# Enrollment- Index 1

General Fund, F011



Fall 2023 Census

# Fall 2024 Enrollment

## General Fund - Index 1 - F011

- Changes from Fall 24
  - FTIC -6.9%
  - New Transfers -3.6%
  - Retention/Persistence – no change
  - Graduate no change
  - Projection
    - 6,612 headcount
    - Down 7.4% from Fall 2023
- AAHC
  - FY24 6,675 AAHC
  - FY25 Plan 6,188 AAHC
- Operating fee impact
  - Approx \$2.6M decline from FY24 level based on change in tuition and enrollment

# FY25 Tuition & Fee Increases

*Approved by Board of Trustees December 8, 2023*

	FY2025 % Change	FY2025 Annual Rates
Resident Undergraduate	3%	\$7,520
Nonresident Undergraduate	0%	\$24,895
Resident Graduate	0%	\$12,738
Nonresident Graduate	0%	\$28,100
Building Fee	3%	Included in tuition rate
Service & Activity Fees	4%	Included in tuition rate
Housing & Dining Rates	4%	Rates vary
Transportation Fee	0%	\$75
Comprehensive Health & Wellness Fee	11%	\$465
Parking Permits – all lots	5%	Rates vary

Rates rounded for presentation purposes

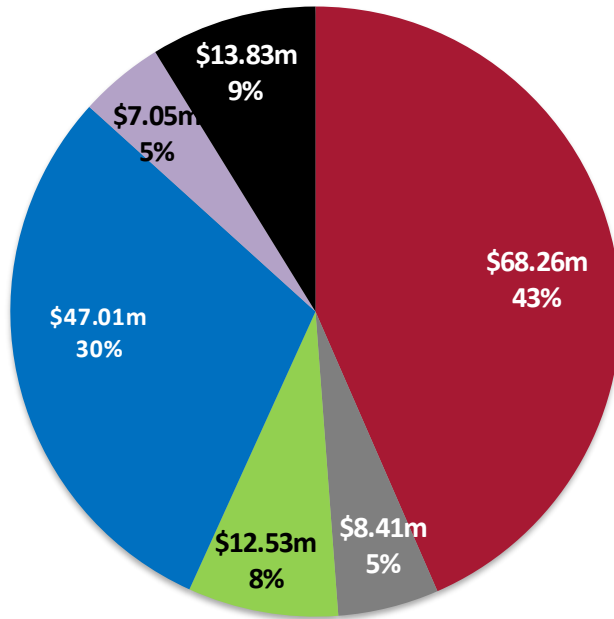
# 2023-25 Operating Fee Revenue Index 1

	FY24	FY25
Fall Term Enrollment Level	7,137	6,612
AAHC Enrollment Level	6,708 AAHC	6,188 AAHC
RU Tuition Rate Increase	3%	3%
<b>Net Operating (Tuition) Fee Revenue</b>	<b>\$49,619,000</b>	<b>\$47,007,000</b>

# Total State Funding and Operating Fees

## Index 1 Sources

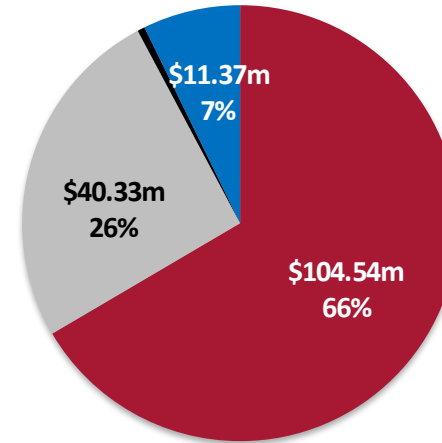
Total Sources \$157,099,509



- General Fund State - 43%
- Education Legacy Trust - 5%
- Workforce Education Investment - 8%
- Operating (Tuition) Fees - 30%
- Recharges - 5%
- 1x Funding - 9%

\$1,160,000 in new 2023-25 state funding  
36% is restricted (provisio)

## Index 1 Uses

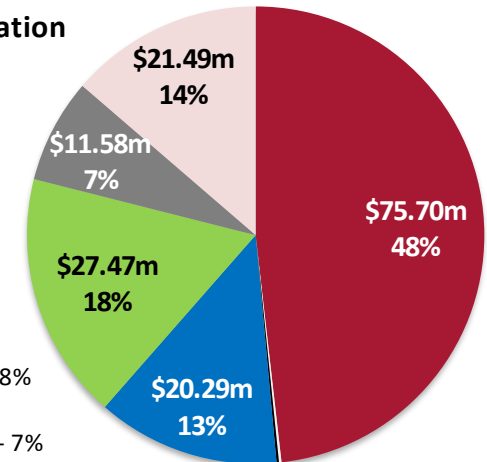


### Natural Classification

- Labor - 66%
- Direct Expense - 26%
- Capital Equipment - 1%
- Scholarships & Grants - 7%

### Functional Classification

- Instruction - 48%
- Public Service - 0%
- Research - 0%
- Student Svcs - 13%
- Plant Ops & Maint - 18%
- Institutional Support - 7%
- Academic Support - 14%



Total Uses \$157,099,509



# SELF SUPPORT PROGRAMS

# Self-Support Budgets

## Index 2 and Index 3

- Revenue impacts related to programming, enrollment, fees
- Fees adjusted annually in relation to operational plan



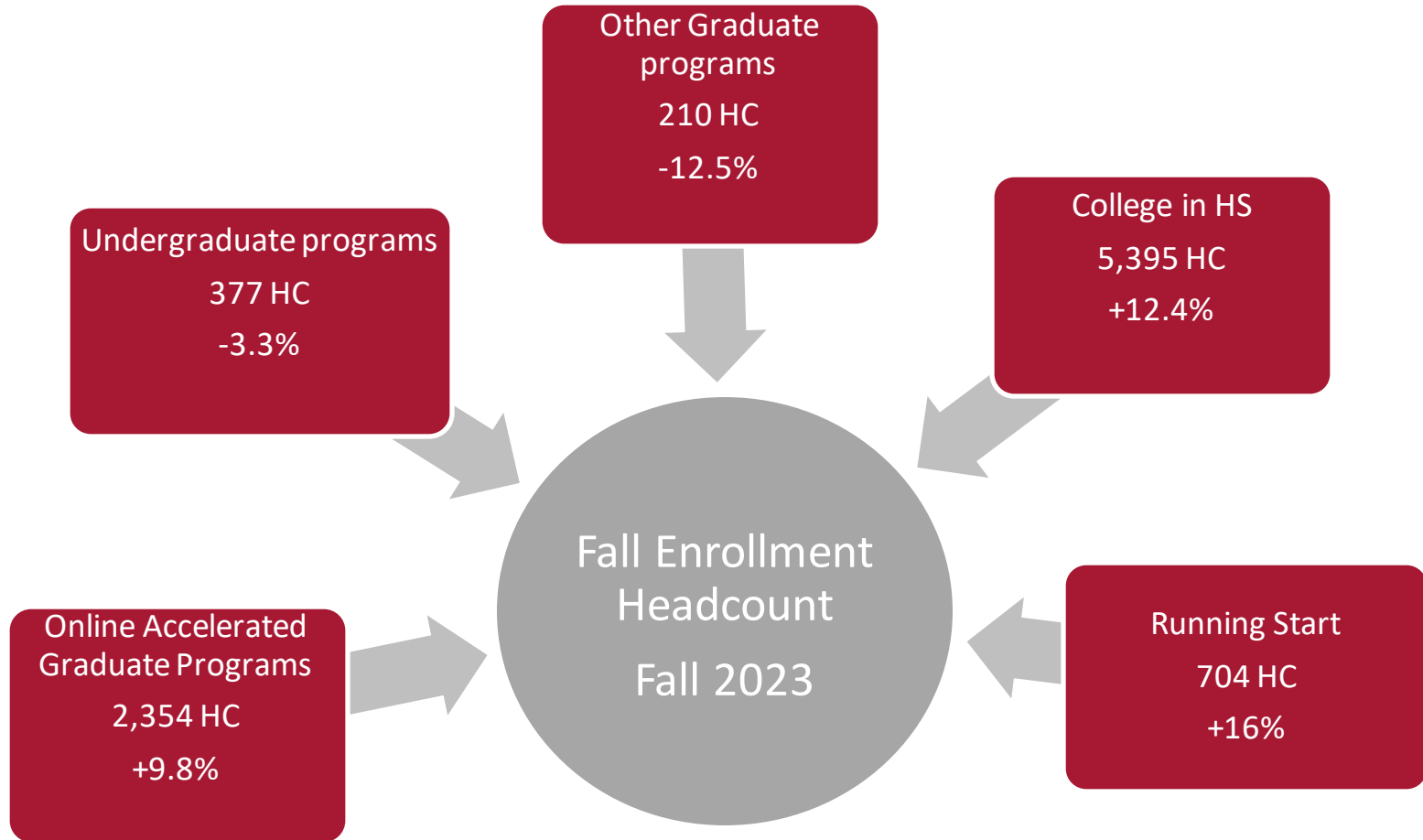
# Index 2

## Significant Funding Sources

- Dual Enrollment Programs
- Professional and Continuing Education Programs
- On-line Programs (significant historical growth- now maturing and flat)
- Summer Session (maturing and flat)
- Student Technology Fee
- Health & Wellness Fee
- Course Fees
- Academic Program Fees
- Administrative Fees
- Offsite Locations- Bellevue

# Enrollment- Index 2

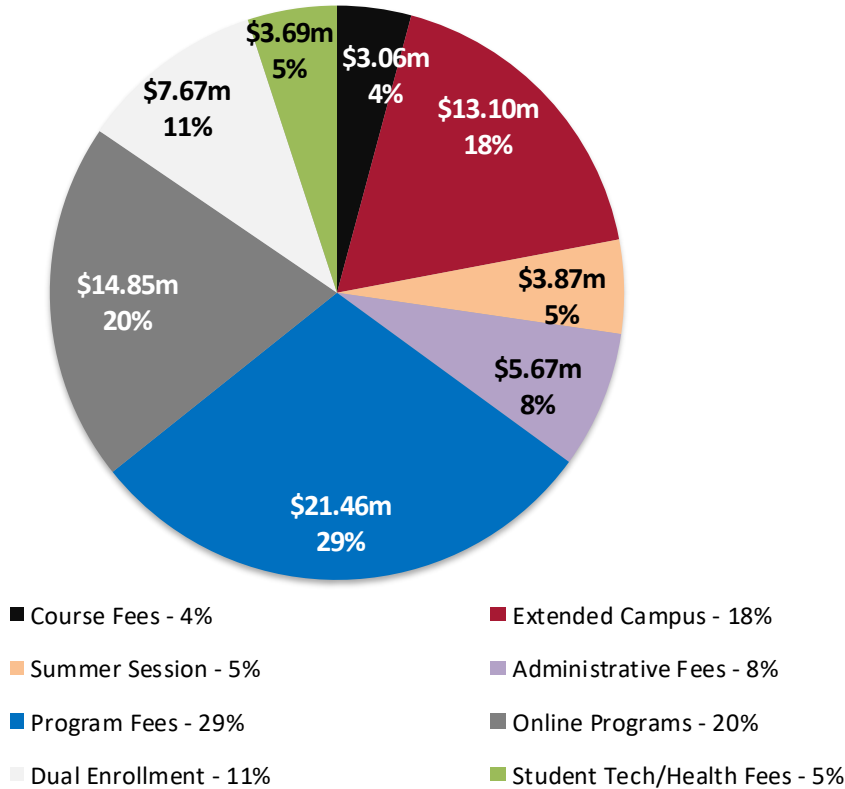
F015



Fall 2023 Census; percent change from Fall 2022 census  
Fall 2023 end of term count- CiHS

# FY2025 Index 2 Funds

## Index 2 Sources

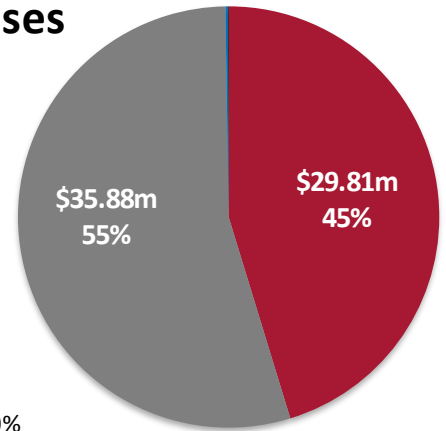


**Total Sources \$73,363,623**

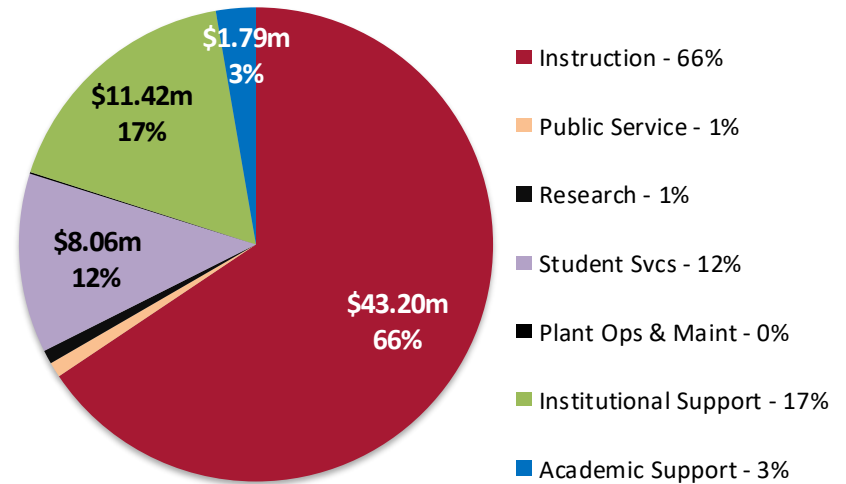
## Index 2 Uses

### Natural Classification

- Labor - 45%
- Direct Expense - 55%
- Capital Equipment - 0%
- Scholarships & Grants - 0%



### Functional Classification



**Total Uses \$65,846,128**

# Index 3

## Auxiliaries

- Housing and Dining
- S&A Fee Fund
- Recreation Center
- Intercollegiate Athletics
- Eagle Store
- Pence Union Building
- Parking Services

# FY2025 Auxiliary Funds

## Index 3

FY2025		
	Revenue	Expense/ Debt
Housing & Dining	\$20,172,184	\$18,122,066
S&A Fee Fund	9,337,826	9,337,826
Recreation Center Fees	150,000	150,000
Intercollegiate Athletics	10,460,825	10,460,825
Eagle Store	4,700,000	4,678,371
Pence Union Building	1,182,000	1,434,390
Parking	755,410	755,410
<b>Auxiliary Funds Total</b>	<b>\$46,758,245</b>	<b>\$44,938,888</b>

These funds finance their own asset renewal and replacement.

# FY2025 Intercollegiate Athletics

## Indexes 1 and 3

Intercollegiate Athletics	FY2025 Revenue	FY2025 Expenditures*
<b>*Institution Funding</b>		
Institutional Funding	\$8,282,453	
Institutional Financial Aid	970,000	
<b>Index 3</b>		
Department Revenue	2,665,500	
Program Support	4,455,325	
Student Support (estimated)	1,500,000	
Contributions	1,010,000	
Camps	830,000	\$830,000
<b>Compensation</b>		6,466,839
<b>Operating expenses</b>		7,796,439
<b>Scholarships</b>		4,620,000
<b>Totals</b>	<b>\$19,713,278</b>	<b>\$19,713,278</b>

RCW 28B.15.120 – Detail athletics budget presented

\*Budget will incrementally increase as a result of salary and benefit cost adjustments, which are centrally funded

# Student Service and Activity Fee

## Index 3

Sources	FY2025	Allocation	FY2025
S&A Fees (part of tuition)*	\$5,348,976	Debt Payments	\$3,323,196
Recreation Center Fee	1,550,000	S&A Fee Allocation	2,388,163
PUB Fee	1,800,000	Housing Allocation	400,000
Transportation Fee	464,100	Transportation Contract	464,100
Clubs (use of activity generated revenue)	174,750	Transfer to Athletics (estimated)	1,500,000
		Financial Aid, Admin Cost	510,817
		Clubs (use of activity generated revenue and reserve)	174,750
		Pence Union Building and Rec Center Operations	576,800
<b>Total Sources</b>	<b>\$9,337,826</b>	<b>Total Uses</b>	<b>\$9,337,826</b>

# Index 5

Scholarships and Fellowships

Grants and Contracts



# Scholarships and Fellowships (Index 5)

Scholarships and Fellowships	FY2025 Budget
Federal Financial Aid Grants - (includes Pell grant and the Supplemental Educational Opportunity Grant – SEOG)	\$15,000,000
State Financial Aid Grants - (includes State Need Grant)	20,500,000
EWU Financial Aid Grants - (includes EWU grant, endowed scholarships and license plate)	2,100,000
Private Financial Aid Grants - (foundation endowed scholarships)	2,150,000
<b>Total</b>	<b>\$39,750,000</b>

- Scholarships & 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 rates.

# Sponsored Programs (Grants & Contracts)

## Index 5

<b>Sponsored Programs</b>	<b>FY2025 Budget</b>
Federal Research	\$5,143,000
State Research	5,187,000
Local Research	5,259,000
Private Research	765,000
<b>Total</b>	<b>\$16,354,000</b>

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

# University Budget Summary

# FY2025 University Operating Budget

## Revenue - All Funds

	FY2025 Revenue
<b>Education and General</b>	
General Fund State, Current ML	\$68,260,000
Education Legacy Trust Fund	8,414,000
Workforce Education Investment Fund	12,535,000
Tuition Operating Fees	47,007,000
Recharges	7,056,081
<b>Index 1 Permanent Total</b>	<b>\$143,272,081</b>
1X Funding	13,827,428
<b>Index 1 Total</b>	<b>\$157,099,509</b>
Dedicated Local Funds	73,363,623
Service Funds	3,832,853
<b>Total Education and General</b>	<b>\$234,295,985</b>
Auxiliary Enterprises	46,758,245
Scholarships & Fellowships	39,750,000
Sponsored Programs	16,354,000
<b>FY2025 Operating Budget</b>	<b>\$337,158,230</b>

# FY2025 University Operating Budget

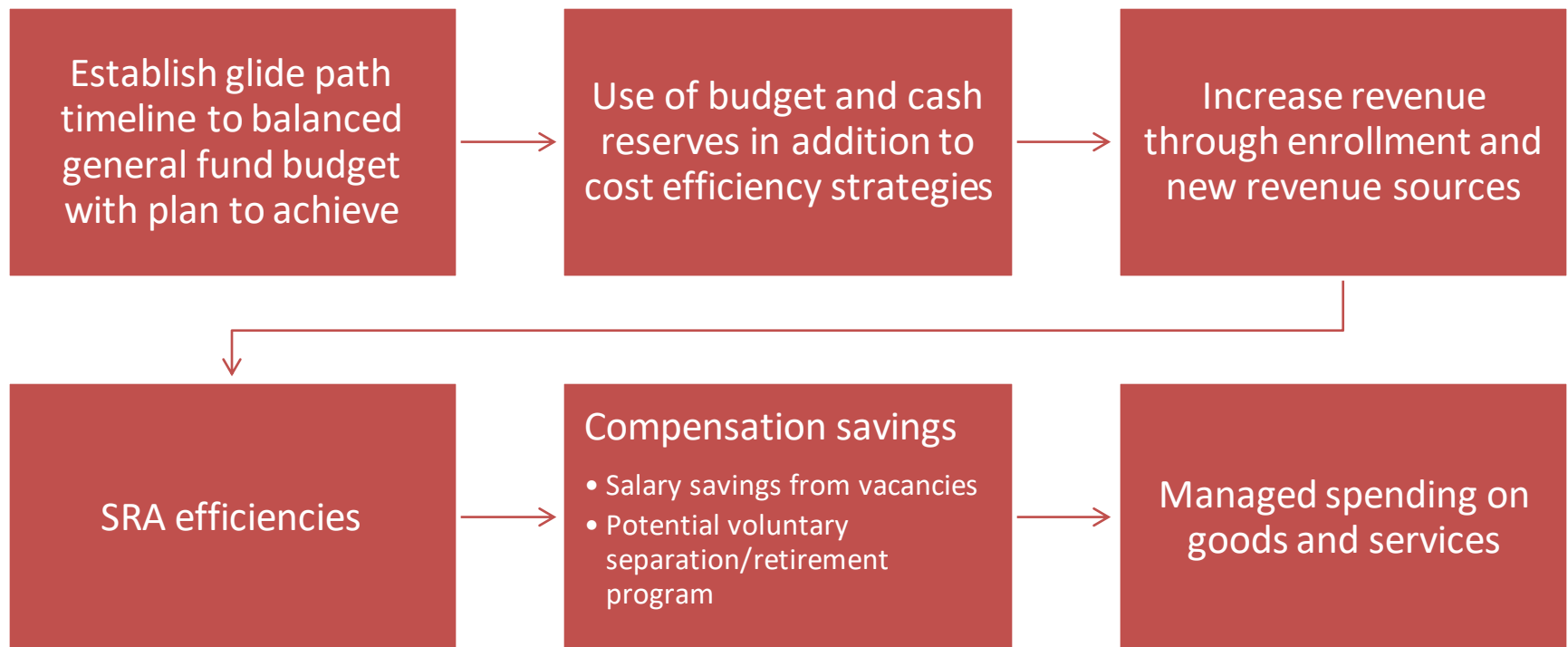
## For Approval by Board of Trustees June 2024

### Expenditures - All Funds

FY2025 Expenses	
<b>Education and General</b>	
General Fund State, Current ML	\$68,260,000
Education Legacy Trust Fund	8,414,000
Workforce Education Investment Fund	12,535,000
Tuition Operating Fees	47,007,000
Recharges	7,056,081
<b>Index 1 Permanent Total</b>	<b>\$143,272,081</b>
1X Funding	13,827,428
<b>Index 1 Total</b>	<b>\$157,099,509</b>
Dedicated Local Funds	65,846,128
Service Funds	3,802,931
<b>Total Education and General</b>	<b>\$226,748,568</b>
Auxiliary Enterprises	44,938,888
Scholarships & Fellowships	39,750,000
Sponsored Programs	16,354,000
<b>FY2025 Operating Budget</b>	<b>\$327,791,456</b>

Transfers between funds are not included

# Smoothing Budgetary Impacts



# **2023-25 BIENNIUM CAPITAL BUDGET**

# 2023-25 State Capital Budget

For Approval by Board of Trustees June 2024

Project	2023-25 Biennial Budget Appropriations
Science Renovation	\$58,000,000
Infrastructure Renewal	12,000,000
Minor Works – Facility Preservation	5,375,000
Martin Williamson	350,000
District Energy (HB 1390)	200,000
Sports and Rec Ctr Energy Improvements (New)	9,998,000
<b>Total State Capital Projects- 057 &amp; 26C</b>	<b>\$85,923,000</b>
Minor Works Program	6,000,000
Preventative Maintenance	2,217,000
<b>Total EWU Capital Projects- 061 Building Fees</b>	<b>\$8,217,000</b>
Local Capital	1,570,000
Reappropriations	30,374,000
<b>2023-25 Capital Budget</b>	<b>\$126,084,000</b>

Note: EWU Capital Projects Account (061) spend level is reflective of revenue levels based on enrollment





# 2023-25 Capital Budget – Local Capital

<b>Local Capital</b>	<b>FY2024</b>	<b>FY2025</b>	<b>2023-25</b>
Housing System- minor improvements	\$410,000	\$410,000	<b>\$820,000</b>
Dining Renewal Replacement	25,000	25,000	<b>50,000</b>
University Recreation Center- equipment replacement	250,000	250,000	<b>500,000</b>
Parking lot repairs	100,000	100,000	<b>200,000</b>
<b>Total</b>	<b>\$785,000</b>	<b>\$785,000</b>	<b>\$1,570,000</b>



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