



EASTERN
WASHINGTON UNIVERSITY

start something **big**

October 1, 2015

Governor Jay Inslee
Office of the Governor
PO Box 40002
Olympia, WA 98504

Dear Governor Inslee:

This letter transmits the 2016 supplemental budget request for Eastern Washington University. Developed within the guidelines set by the Office of Financial Management, this request represents Eastern's university-wide efforts to focus on its mission to expand opportunities for personal transformation through excellence in learning.

Eastern Washington University requests funding the employer paid portion of employee health care and pension rate changes. The state funding provided is less than the total actual increase in cost, and the College Affordability Program prevents Eastern from generating additional revenue to cover the funding gap.

The University also requests additional tuition backfill funding to cover revenue losses due to the College Affordability Program in the 2015-2017 biennium.

Eastern Washington University remains focused on our mission and works hard to serve the educational needs of the region. Your support for, and recognition of, the role of higher education in a successful state economy is critical to our institution, our citizens, and our state.

I request your thoughtful consideration of this supplemental request and look forward to discussing Eastern's plans with you and your staff. Thank you for your continued support.

Sincerely,

Mary Cullinan, PhD
President

Recommendation Summary

Agency: 370 Eastern Washington University

10:48:41AM

10/2/2015

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
2015-17 Current Biennium Total				
Total Carry Forward Level				
Percent Change from Current Biennium				
M1 NA Nonappropriated Fund Adjustments			(10,562)	(10,562)
Carry Forward plus Workload Changes			(10,562)	(10,562)
Percent Change from Current Biennium				
M2 EB Employee Benefit Funding		1,238		1,238
Total Maintenance Level		1,238	(10,562)	(9,324)
Percent Change from Current Biennium				
PL T9 Tuition Backfill		1,239		1,239
Subtotal - Performance Level Changes	0.0	1,239		1,239
2015-17 Total Proposed Budget		2,477	(10,562)	(8,085)
Percent Change from Current Biennium				

Recommendation Summary

Agency: 370

10:48:41AM

10/2/2015

Dollars in Thousands

Annual Average FTEs	General Fund State	Other Funds	Total Funds
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M1 NA Nonappropriated Fund Adjustments

2013-15 Biennium tuition adjustments. Adjusted to actual in 2015-17 biennium.

M2 EB Employee Benefit Funding

The 2015-17 biennial budget provided no state funding to fund the increase in the employer contribution to the employee pension plans.

The 2015-17 biennial budget funding provided for the employer paid portion of employee health care changes was funded on a different basis than the compensation funding.

The state funding provided is less than the total actual increase in employee benefits. The College Affordability Program prevents Eastern from generating additional revenue to cover the funding gap.

This package requests additional funding necessary to fund the employer portion of employee benefits.

PL T9 Tuition Backfill

This package requests tuition backfill funding to cover tuition revenue loss due to the College Affordability Program in the 2015-17 biennium.

Agency: Eastern Washington University
Decision Package Code/Title: College Affordability Program Tuition Backfill
Budget Period: 2015-17
Budget Level: PL-T9

College Affordability Program Tuition Backfill

Recommendation Summary:

This package requests tuition backfill funding to cover tuition revenue loss due to the College Affordability Program in the 2015-17 biennium.

Fiscal Detail:

	FY2016	FY2017	Total
Tuition backfill projection	\$162,000	\$1,077,000	\$1,239,000
Total Cost	\$162,000	\$1,077,000	\$1,239,000

Package Description:

The College Affordability Program calculates enrollment based on full-time equivalent students (FTES). Headcount is a more accurate basis for projecting revenue because students individually pay tuition. Eastern Washington University's tuition projection is based on headcount rather than FTES.

The current College Affordability Program tuition backfill calculation is based on 8,338 resident undergraduate FTES, the annual average for FY14. Eastern's resident undergraduate FTE enrollment increased by 293 students (3.5%) from FY14 to FY15.

The College Affordability Program intended to reduce tuition rates while providing state funding to backfill the entire loss in tuition revenue so that Eastern would not experience a budget reduction due to the Program. The tuition backfill should be based on actual FY16 and FY17 headcount enrollment to achieve this result.

Contact: Alexandra Rosebrook, Director of Budget Services, Eastern Washington University, 509-359-7364, arosebrook@ewu.edu.

NARRATIVE JUSTIFICATION AND IMPACT STATEMENT

What specific performance outcomes does the university expect?

The backfill funding replaces current funding, which is already committed in existing programs.

Performance Measure Detail:

Is this decision package essential to implement a strategy identified in the university's strategic plan?

Not applicable

Does this decision package provide essential support to one of the Governor's priorities?

Not applicable

Does this decision package make key contributions to the statewide results? Would it rate as a high priority in the Priorities of Government Process?

Not applicable

What are other important connections or impacts related to this proposal?

Not applicable

What alternatives were explored by the agency and why was this alternative chosen?

Not applicable

What are the consequences of not funding this package?

Not applicable

What is the relationship, if any, to the state's capital budget?

None

Expenditure and revenue calculations and assumptions:

Revenue calculations and assumptions:

Assumptions:

- Annual average headcount FY15 – modest growth FY16 - .75%,
FY17 – 1.5% (.75% per year)
- FY14 actual waiver percentage for resident undergraduates

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs are ongoing

Agency:	Eastern Washington University
Decision Package Code/Title:	Employee Benefit Funding
Budget Period:	2015-17
Budget Level:	M2-EB

Employee Benefit Funding

Recommendation Summary:

The 2015-17 biennial budget provided no state funding to fund the increase in the employer contribution to the employee pension plans.

The 2015-17 biennial budget funding provided for the employer paid portion of employee health care changes was funded on a different basis than the compensation funding.

The state funding provided is less than the total actual increase in employee benefits. The College Affordability Program prevents Eastern from generating additional revenue to cover the funding gap.

This package requests additional funding necessary to fund the employer portion of employee benefits.

Fiscal Detail:

	FY2016	FY2017	Total
Additional Employee Benefit Funding	\$531,000	\$707,000	\$1,238,000
Total Additional Employee Benefits	\$531,000	\$707,000	\$1,238,000

Package Description:

State funding was not provided for the employer paid pension contributions in the 2015-17 biennial budget.

The 2015-17 biennial budget funded the increase in employer paid portion of employee health care changes on a different basis than the compensation funding.

Eastern is requesting the state fully fund the increase in benefit costs.

Contact: Alexandra Rosebrook, Director of Budget Services, Eastern Washington University, 509-359-7364, arosebrook@ewu.edu.

NARRATIVE JUSTIFICATION AND IMPACT STATEMENT

What specific performance outcomes does the university expect?

Not applicable

Performance Measure Detail:

Is this decision package essential to implement a strategy identified in the university's strategic plan?

Not applicable

Does this decision package provide essential support to one of the Governor's priorities?

Not applicable

Does this decision package make key contributions to the statewide results? Would it rate as a high priority in the Priorities of Government Process?

Not applicable

What are other important connections or impacts related to this proposal?

Not applicable

What alternatives were explored by the agency and why was this alternative chosen?

Not applicable

What are the consequences of not funding this package?

Not applicable

What is the relationship, if any, to the state's capital budget?

None

Expenditure and revenue calculations and assumptions:

Expenditure calculations and assumptions:

Assumptions:

- FY16 actual benefit costs
- FY17 projected benefit costs based on July 1, 2016 positions

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs are ongoing