

EWU President – Budget Message
April 8, 2019

Dear Campus Community:

During this past year, EWU faculty and staff have received budget-related information through open forums, work sessions, and the official budget process. However, since budget reductions can profoundly affect university faculty and staff, we thought that a brief overview of the financial situation we're addressing would be helpful.

University revenues, as you know, come primarily from student tuition and state funding. State funding has decreased and is always unpredictable. Given our mission, we have always worked to keep tuition as low as possible. And now the legislature limits tuition increases.

At the Board of Trustees' work session in December, we anticipated a budget realignment of \$3.6 million. Budget gaps that large are unsustainable for a university our size. They hamper our ability to provide financial assistance to students and to invest in our faculty and staff. Moreover, softening enrollments in winter and spring terms have led us to expect further reductions in the annual budget proposal that will be presented at the May BOT meeting.

To be financially responsible, we cannot continue to spend down reserves to address short-term financial problems. If we don't begin to reshape the institution now, we will be forced to make deeper, non-strategic cuts in the future. It is our fiduciary responsibility to make decisions that will enable the university to remain financially healthy.

EWU faculty and staff are doing excellent work to ensure that the university responds to the changing needs of students and our region. Work has begun across academic departments and with Faculty Senate to move forward thoughtfully with restructuring colleges and academic departments. Faculty have been sharing ideas about how the university's curricula could be organized in dynamic ways that will be exciting to prospective students and also to employers.

National and regional competition for students is intense; this reorganizing will be a key strategy for increasing our enrollment, which is essential in increasing revenue. A reimagined organizational structure will help EWU in responding to the region's emerging needs as well as the needs of our 21st century students.

Work is also being done to increase fundraising revenue—and that effort has already been very successful: our fundraising this year has doubled over last year. However, while fundraised dollars contribute significantly to student scholarships, those dollars will not support ongoing university expenses.

We must cut costs, and that work involves difficult decisions affecting all of us. While some services can be reduced, many of our expenses include items such as interest payments and energy costs. Cutting these would damage our ability to operate. Salaries are the lion's share of our costs. We can't meet our target for reduced expenses without affecting people.

We're not alone in our situation. Universities nationwide are experiencing revenue and enrollment pressures similar to ours. EWU is in a position of strength: we are already working together to build the university of the future. We must continue to collaborate with each other and with our community constituencies. The important decisions that lie ahead need to be well informed and deliberate.

This is not an easy time for any of us. However, by embracing this effort together, we will enable EWU to continue serving students and powering our region.

Please know that we always welcome your ideas and thoughts as we move forward, working to keep Eastern thriving for generations to come.

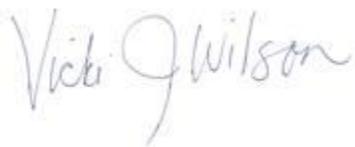
Sincerely,

A handwritten signature in black ink that reads "M. Cullinan". The signature is written in a cursive style with a large, prominent initial "M".

Mary Cullinan, President

A handwritten signature in black ink that reads "Uriel Iñiguez". The signature is written in a cursive style with a long, sweeping horizontal line extending from the end of the name.

Uriel Iñiguez, Chair, Board of Trustees

A handwritten signature in black ink that reads "Vicki J. Wilson". The signature is written in a cursive style with a large, prominent initial "V".

Vicki Wilson, Vice Chair, Board of Trustees