

Date: May 28, 2024

To: Senior Staff, Academic Deans and Budget Leaders

From: Harold Hewitt Jr., EVP/COO
Crystal Barney, Interim AVP for Finance and Budget

Subject: 2025-26 Budget

Colleagues – we are writing to provide you with information and deadlines for the 2025-26 budget planning process. The process has been designed to ensure university-wide participation in the allocation of operating resources. The 2025-26 budget year is the third year of the current 5-year strategic plan. Because all budget requests must demonstrate a connection to the Strategic Plan in order to be considered, please contact your area's EVP for insights about the strategic priorities.

The budget process timeline starts now and concludes with final action by the Board of Trustees in December. The period from today through August 1 is the window of opportunity for faculty, staff, and administrators to provide input into the 2025-26 budget process.

We present the full operating budget (both revenue and expenses) to the Board of Trustees in December when the Board must act on tuition price level proposals. Chapman sends offers of admission with tuition pricing and financial aid information beginning in December to students entering in Fall 2025. Tuition prices are a matter of concern for Chapman parents, students, and trustees. Higher Education prices are under scrutiny nationally. Therefore, we present our expense proposals together with tuition price recommendations so that Trustees can evaluate the expense investments supported by proposed tuition increases when making decisions about tuition.

As most of you know, approved operating and capital budget increases for the *current* fiscal year ('24-'25) are on hold pending confirmation of Fall '24 enrollment. As of the date of this memo, FAFSA continues to have problems and both first-year and returning student enrollment, and thus projected FY25 net tuition revenue, is not clear. 2025-26 budget parameters will not be known, and planning cannot be solidified, until the 2024-25 enrollment picture is clear. Nonetheless, due to the amount of time required to manage the budget process, we will proceed now and provide you with updates regarding budget parameters later once the Fall '24 enrollment picture solidifies.

As in the past year, it is important that before you commit time to developing detailed budget proposals you consult with EVP/Provost Norma Bouchard, EVP/COO Hewitt or EVP/CAO Parlow as is appropriate regarding the potential for their consideration this year. These requests are to be prioritized by the appropriate EVP prior to their submission to the Budget Office. After Budget Office review, all prioritized requests are submitted to President Struppa who makes all final budget decisions each year. Resources that are available beyond what is required to fund the baseline budget will be allocated to the University's highest priorities. As usual, the administration, staff, and faculty salary budgets will be based on approved positions.

For those of you who are considering making budget requests for new full or part-time positions, whether staff, faculty or administration, there is an additional requirement added several years ago. Office and research space is increasingly hard to find both in Orange and in Irvine. Despite significant investments in new facilities over recent years, substantial growth in our student and employee population has absorbed most of the facilities space that has been created. Accordingly, anyone requesting a new position will need to include a description of the space(s) where these new colleagues, if approved, will

work and/or conduct research. For assistance with identifying and describing the space you wish to assign, and for help reviewing whether the space(s) meet Chapman office standards and civic code requirements, please contact Vice President of Campus Planning and Design Collette Creppell. Please also know that all spaces are assigned and must be authorized by either EVP/Provost Norma Bouchard or EVP/COO Harold Hewitt, depending upon the position's reporting relationships.

To ensure robust participation in this year's process, please distribute the enclosed information to the budget partners and employees within your area. The budget form is available in MS Excel format on the Chapman website at <http://www.chapman.edu/campus-services/budget-office/index.aspx>. Please contact your fiscal manager for instructions before preparing your requests on this form as they may prefer requests be submitted in an alternate manner.

The calendar below details the budget development process that culminates with the Board of Trustees meeting on December 9. Please contact Crystal (x. 2878) or Harold (x. 6717) if you have questions.

2025-26 Budget Development Calendar

May 28	Budget calendar and budget request form distributed.
May 28 - August 1	Budget units prepare budget requests and reallocations – <i>your opportunity for input into the process.</i>
August 1	Budget requests due to EVPs for prioritization.
August 14	Proposed changes in fees other than tuition due to EVPs. VP of Enrollment Services notifies deans of recommended tuition rates.
September 3	Budget requests and reallocations from EVPs due to Budget Office.
September 6	Finance Committee reviews key assumptions including enrollment, housing, tuition price levels and fees.
September 4 – October 1	Budget Office analyzes requests, identifies issues, holds discussions, and prepares recommendations.
October 2 – October 31	Executive Vice President/COO reviews the proposed budget with the President and EVPs.
November 22	President presents the proposed budget to the Finance Committee.
December 9	Board of Trustees considers and acts on all tuition price levels and the proposed budget.