



## Memo

To: Division/Unit Heads and Directors  
Budget and Finance Managers

From: Michael P. White, VP for Finance and Administrative Services, Chief Financial Officer  
Tim Fater, Associate Vice President for Financial Strategy and Planning  
Rob Eaton, Director, Budget, Planning and Analysis

CC: Francis Doyle, Provost  
Sarah Latham, Executive Vice President for Finance and Administration  
Russell Carey, Executive Vice President for Planning and Policy

Date: December 12, 2023

Subject: FY25 Budget Guidance and FY24 Winter Forecast Guidance

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As we begin development of Brown's FY 2025 budget, we want to start by thanking members of the community for their diligence in managing the University's financial resources. As discussed in the widely-shared *Brown Finance 101* presentation this Fall and the University's Annual Finance Report for FY 2023, it is important to understand the University's multi-generational approach, where fiscal decisions must balance current needs and goals while ensuring the stewardship of our resources for future generations. As we look to next year, there are several items we need to consider as we begin our planning. We invite you to read this letter carefully. It expands upon the following points:

- **Brown's FY25 budget faces pressures with flattening revenues and increased expenditures:** University revenues are projected to flatten due to recent endowment returns, the planned culmination of the BrownTogether Campaign, and several other maturing revenue streams. Operating expenses are expected to grow at a pace higher than revenues, understanding the inflationary and market pressures related to supporting our community, along with other strategic initiatives including research, financial aid, and master's and professional education growth.
- **As investments are focused on the University's strategic priorities, FY25 Budget Requests should include limited/no new spending requests.** Reallocating resources within existing budgets and utilizing gift and endowment balances to support budget needs are recommended.
- **In addition to your FY25 Budget Request, we are requesting a second budget scenario ("FY25 Scenario Plan") that contemplates a more constrained fiscal target.** This is best practice in financial planning, and will become a regularized part of the annual budget process going forward.
- **FY25 Budget Requests and FY25 Scenario Plans are due on February 16, 2024.**

## **FY25 Budget Requests**

Brown's financial processes and planning capabilities have improved significantly over the last several years, with multi-year financial plans providing a five-year outlook at both baseline operating revenues and expenses that have enabled us to anticipate the financial pressures above. With limited revenue growth, continued investment on a number of important University strategic priorities, and a mixed economic outlook, FY25 Budget Requests should include limited/no new spending requests.

Although new spending requests will be limited in FY25, the budget process remains the primary mechanism to request resources, with only emergency requests considered on a limited basis during the fiscal year. Employing the University's zero-based approach, each year we are all responsible for reviewing, scrutinizing, and adjusting, as necessary, each line item within our budgets. Reallocating resources within existing budgets, rather than through requesting incremental resources, is critical. It is also important to utilize gift and endowment balances that allow departments and the University to more carefully manage unrestricted resources. If you anticipate the need for significant new spending requests, please schedule time to proactively discuss options with your respective division/unit leader in advance of the budget request deadline.

## **FY25 Scenario Plan**

As mentioned at the Office of Financial Strategy & Planning (OFSP) Open Forum on October 5th, divisions and units will be asked to submit a "FY25 Scenario Plan" excel workbook that will consider proposed action(s) to achieve a target of unrestricted resources. Scenario planning is a best practice for prudent budget discipline and should be expected each year going forward as part of the annual budget development process.

OFSP will be distributing each division/unit a "FY25 Scenario Plan" excel workbook before Winter Recess, which will be due on February 16th, 2024. These workbooks will generally be developed at the division/unit level (i.e. cost center hierarchy level). Each division/unit senior officer will have the discretion to determine how best to achieve the FY25 Target across their respective departments and cost centers.

Importantly, University leadership will consider both FY25 Budget Requests and options provided in FY25 Scenario Plans to maximize resource allocation effectiveness.

FY25 Targets will be developed for each division/unit as follows:

- Begin with the division's approved **FY24 Budget** for unrestricted expenditures (rebased using latest FY25 fringe rate assumptions).
- (-) Reduce approved **FY24 Budget** for unrestricted expenditures by 2%.
- (+) Increase for **FY25 salary pools** based on latest University Resources Committee (URC) recommendations.
- (+) Increase for significant **division-specific commitments**.

In the provided FY25 Scenario Plan workbook, each division/unit will be asked to itemize a list of proposed action(s) to modify its FY25 Budget request to achieve the FY25 Target. This exercise will require creative thinking to answer the following: *In a more constrained environment, how would your priorities change, and where would you first make changes?* This exercise is focused on unrestricted funding. For example, if a division/unit requests a FY25 Budget of \$20M and has a FY25 Target of \$19M, the Scenario Plan workbook will request identifying a prioritized list of proposed action(s) to

achieve \$1M in unrestricted savings bringing expenditures from \$20M to \$19M. It should be noted that new FY25 spending requests should be considered in order to achieve the FY25 Target.

Below are illustrative examples that divisions/units could consider to achieve its FY25 Target in the Scenario Plan:

- Reduce, phase-in, or eliminate new FY25 spending requests.
- Propose holding positions vacant in FY25 (positions that are currently budgeted and vacant, or anticipated to become vacant soon). No layoffs should be proposed. If proposing a position to be vacant, the position would be removed from the division's staffing plan going forward.
- Division heads should consider vacant positions as an opportunity to re-envision roles and convert them to their unit's highest needs (in lieu of requesting additional resources).
- Revisit and continue to zero-base non-compensation assumptions. Review budget vs. actual expenditure trends over the current and previous years to determine if spending could be reduced or reallocated.
- Utilize restricted funds (endowment, spendable gifts, sponsored research) to offset unrestricted funded expenses. Please contact Maureen Moran, Director of Gifts & Endowments if you have questions about your endowment and gift funds ([maureen\\_moran@brown.edu](mailto:maureen_moran@brown.edu)).
- Implement metrics/standards for how certain categories are allocated (i.e. travel, food, supplies, events).

Proposed action(s) that are deemed unrealistic or unattainable may be returned to the division/unit as incomplete to assess further options. Proposals should limit the impact to "central services" or preventing progress on existing initiatives/priorities.

### **Brown's Financial and Economic Outlook**

**Revenue growth at Brown is expected to flatten, and budgets will need to be developed with that in mind.** The endowment has been a major contributor to Brown's growth over the last several years. Returns have been outstanding for the last decade with the payout doubling in the last five years, largely driven by FY21's "once-in-a-generation" 51.5% return. With those results in mind, it is important to note the last two years returns have resulted in an aggregate -1.9% return (FY22 -4.6% and FY23 +2.7%). Using the University's 12 quarter trailing payout formula means that the endowment payout will flatten over the next few years. It is also important to note, as detailed in *Brown Finance 101*, Brown's endowment consists of thousands of individual funds each with a distinct purpose, which must serve both current and future needs.

While initiatives to grow revenues are underway, particularly in master's and professional education, generating new net revenues require thoughtful planning before returns of those investments are expected. Other revenue generating areas across the University have matured and are not expected to generate significant new revenues outside of annual growth rates. While our research revenues have also grown dramatically over the past decade, they do not cover all of the direct and indirect costs of research and require additional University investment. That being said, growing research advances Brown's mission of preparing students to lead purposeful lives. It strengthens our distinctive approach to undergraduate education and elevates the University's reputation and our ability to attract the very best students, faculty and staff.

While fundraising will remain critical to support the University's operations, we need to remain cognizant that December 2024 (the half-way mark of the University's FY25) will mark the culmination of the BrownTogether Campaign. Fundraising is also influenced by instability in the global economy and financial markets, making it important for us to plan accordingly. In FY23, Brown received \$424 million

in new gifts and pledges from our generous donors and alumni, which represents an 11% decline from the University's all-time high of \$476 million in FY22. It is not uncommon for fundraising to decline modestly after the completion of a capital campaign, though it is an important consideration as we develop the FY25 budget.

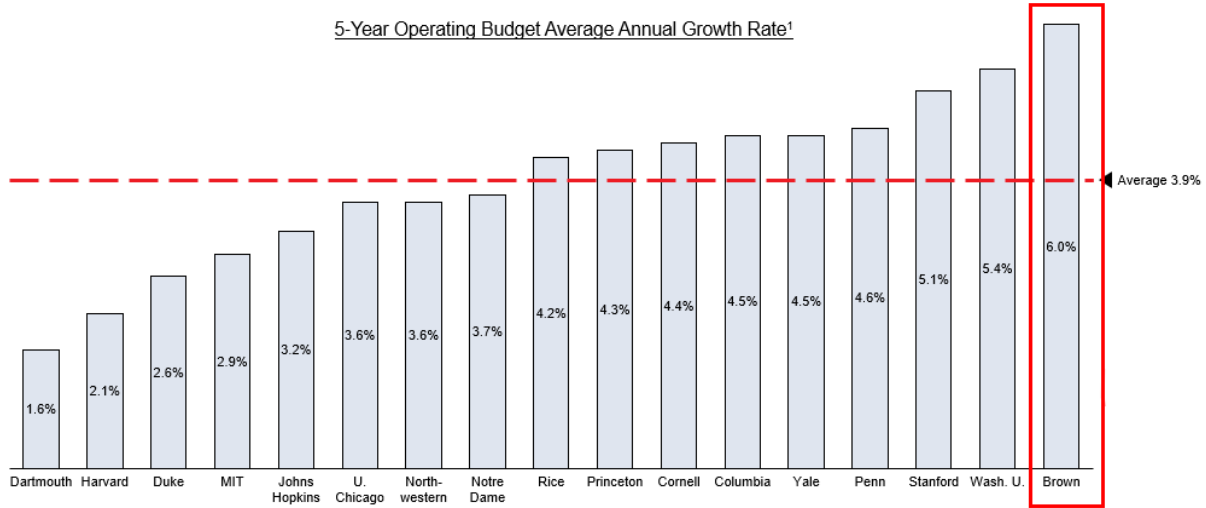
**Operating expenses are expected to grow faster than revenues, which will make the FY25 budget development more challenging.** Spending for faculty and staff compensation and benefits is the University's largest expense category, totaling nearly half of the total budget. The faculty, administrators, students, and staff who are members of the URC determine salary pools in keeping with the committee's charge to ensure that resources are aligned with the highest strategic priorities and further our commitment to supporting all members of the community. The University strives to be an employer of choice for faculty and staff and takes a holistic approach to determining the benefits it offers. This includes generous health care, retirement, tuition assistance, child care stipends and paid time off, as well as other benefits that make Brown an attractive place to work. Understanding the inflationary and market pressures related to supporting our community, funding growth in compensation and benefits will be challenging.

The University has also embarked on a number of other exciting strategic initiatives including growing research, research integration with our local hospital systems, growing master's and professional education, and expanding financial aid. Carefully directing investments in the people, programs and physical spaces on campus that contribute to innovative education, scholarship and research need to be thoughtfully considered as part of the broader budget.

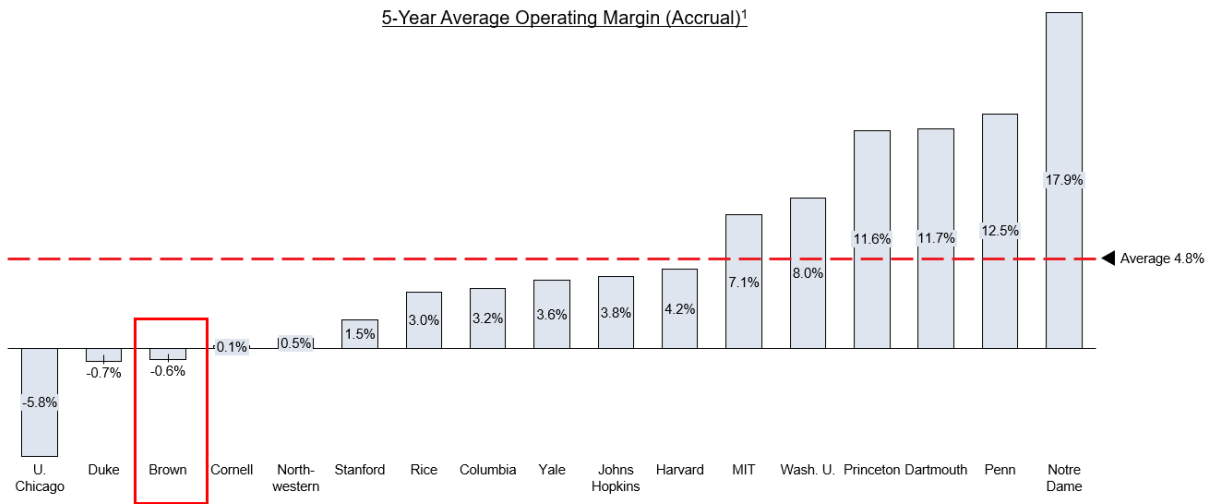
**Brown has experienced tremendous growth over the last several years, fueled in large part by the increase in the endowment and by borrowing long-term fixed rate debt at extraordinarily low rates.** We have used these funds to invest in a variety of projects, such as the Lindemann Performing Arts Center, the acquisition of River House (increasing our graduate housing) and constructing the Brook Street dormitories. As detailed in *Brown Finance 101*, capital expenses are generally funded in four ways: 1) from philanthropic contributions (gifts from individual donors); 2) through the issuance of debt; 3) from University reserves (savings from previous years); and, 4) if available, from positive operating margins (the balance of University revenues after total expenditures). In recent years, Brown's average operating margins have been close to zero; hence, in practice, capital expenses have been funded by philanthropy, debt and reserves. An important priority is to improve the University's operating margins in future years, targeting a surplus of 2% to 3%, which would allow the University to expand the level of resources available for reinvestment in capital expenses, such as renovations of academic buildings and dorms, enhancements to information technology systems, and the development of critical research facilities.

Brown's growth has outpaced many comparable peer institutions (Table 1), which has fueled our competitive and reputational advantage. However, this has also resulted in Brown's average annual operating margins to be lagging versus our peers (Table 2).

**Table 1**



**Table 2**



**The economic forecast through calendar year 2024 is mixed at the regional, national, and global levels.** Recession in the United States appears to be less likely in the immediate future and inflation is projected to continue to decrease from post-pandemic highs. However, inflation is expected to remain in the 2-3% range through calendar year 2025 with the Federal Reserve continuing its policy to achieve a 2% target. Interest and borrowing costs are expected to moderate but remain at elevated levels, making the debt market less attractive.

The effective management of our financial resources through the development of a balanced budget is key to supporting the long-term financial health and mission of the University. Thank you in advance for your continued partnership and we look forward to working with you over the coming weeks and months.

**The following guidance below includes technical planning guidance intended for budget and financial managers. Senior staff are welcome to review, but it is not required.**

### **FY25 Budget & FY 2024 Winter Forecast Deadlines & Deliverables**

As announced at the (OFSP) Budget Open Forum on October 5th, please see the link below that includes key dates and deadlines associated with the budget development process:

#### **[FY24 / FY25 Financial Planning Timeline](#)**

- **December 8, 2023 - Adaptive Planning Opens:** Adaptive Planning was opened on Friday, December 8th and is available for division/units to begin working on their FY25 Budget and FY24 Winter Forecast.
- **December 15, 2023 - Open Forum:** OFSP is hosting an [Open Forum on Friday, December 15th from 12-1 PM via Zoom](#). This will provide an opportunity to review and discuss FY25 Budget Guidance. We will also plan to provide other relevant updates regarding the University's budget and finances. While this Open Forum is primarily intended for budget and financial managers, we have extended the invitation as optional to senior staff, including deans and vice presidents.
- **February 16, 2024 - FY25 Budget and FY 2024 Winter Forecast Due:** FY25 budget and FY24 forecasts due with the following deliverables:
  - FY25 Budget request completed in Adaptive Planning
  - FY24 Winter Forecast completed in Adaptive Planning
  - FY25 Budget Narrative (Appendix I) to be emailed to your OFSP liaison. Similar to last year, narratives provide divisional leadership an opportunity to contextualize their plans and goals (see Appendix 1 for more information).
  - FY25 Scenario Plan workbook (issued by OFSP) to be emailed to your OFSP liaison.

Looking ahead, individual division/unit budgets will be reviewed with University leadership in March and April. The FY25 Budget will be presented for review by the University Resources Committee (URC) and for final approval by the Corporation in May. Budgets will be communicated back to divisions in June.

### **FY25 Budget Requests - Topics of Focus**

Please pay particular attention to the following topics when developing your FY25 budgets:

#### **1. New/Incremental Requests and Strategic Resource Reallocation**

Please be sure to utilize the budget development process as the primary mechanism to identify and request incremental resources, including personnel. We encourage stakeholders to think strategically about resource requests through the 2024-2025 academic year so that they can be evaluated in an increasingly holistic manner and make interim resource requests far more rare. Interim requests during the year will only be considered on a strategic and emergency basis.

Reallocating resources within existing budgets, rather than through requesting incremental resources, is a key step toward financial sustainability. Employing the University's zero-based approach, each of us has the responsibility to review, scrutinize, and adjust, as necessary, each line item within our budgets.

## 2. **Gift and Endowment Utilization**

The “first-dollar principle” guides us to spend restricted funding first before available unrestricted funding. It is important to utilize these resources for stewardship purposes, but also to allow us to more carefully manage unrestricted resources, which in turn provides divisions and the University more financial flexibility.

In follow-up to the [FY24 Fall Forecast Guidance issued on September 28, 2023](#), the review of available and outstanding gift and endowment balances will be a continuing consideration when reviewing a division/unit's incremental resource request for FY25.

Maureen Moran, Director, Gifts and Endowments, will continue to work with divisions/units on developing spending/action plans to utilize unspent gift and endowment fund balances. Divisions/units should incorporate these plans into their FY25 budget requests, including utilizing these balances as a means to offset the need to request incremental unrestricted funding. This includes requests that may be multi-year in nature, but the available gift and endowment balances may only cover expenses in FY25.

A custom report will be distributed to all divisions/units in December including current endowment and gift balances, FY25 estimated endowment payouts, and abbreviated fund terms to aid in these utilization efforts. The Workday “Endowment Income Report” and “Spensible Gift Report” are also always available to financial managers. These reports include balance forwards and fiscal-year-to-date activity, including payouts/contributions, additions/deductions, and expenditures.

Maureen is available for assistance/support on gift and endowment utilization during your budget development. Please feel free to reach out to Maureen directly at [Maureen\\_moran@brown.edu](mailto:Maureen_moran@brown.edu).

## 3. **Operational Plan for Investing in Research**

Brown launched its plan to substantially grow its research activity in October 2022 ([Click here to read the plan](#)). FY25 Budget requests for investments to support the plan should be outlined in question four (4) of the FY25 Budget Narrative (Appendix I).

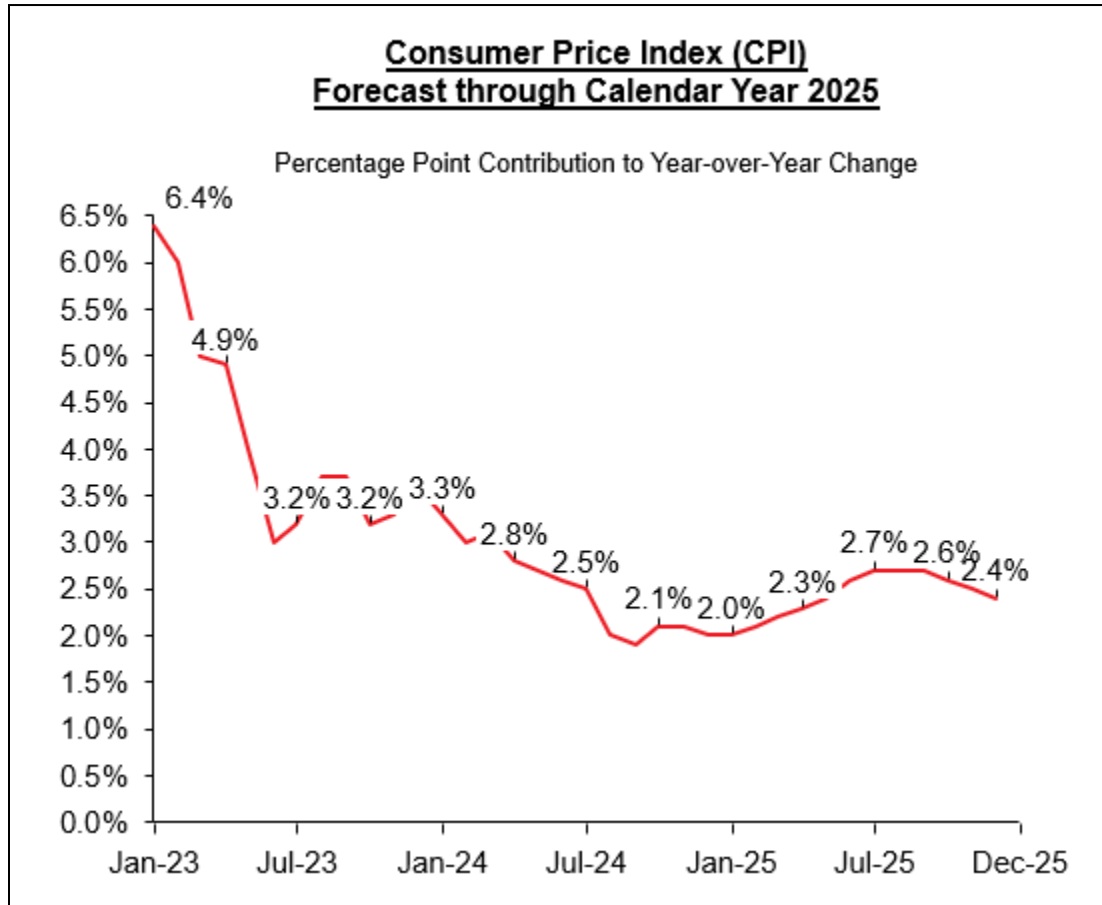
## 4. **Technology Request Process**

Guidance about the new [FY25 Technology Request Process](#) was issued on September 28, 2023. Technology requests should have been made via the [Technology Request Form](#) by October 25, 2023. These requests are now under review and consideration with the Information Technology (IT) Strategic Governance Committee for the FY25 Budget. Divisions/units should not include any direct or indirect costs associated with these project requests as these will be contemplated as part of the approval process. If a project is approved, this will be communicated by OIT and OFSP. Depending upon how the project will be managed, OFSP may include an allocation in your approved FY25 budget(s).

Please visit the [Technology Request Website](#) or contact [OIT-Technology-Requests@brown.edu](mailto:OIT-Technology-Requests@brown.edu) if you have questions about this new process.

5. **Inflation and FY25 Outlook**

The Consumer Price Index (CPI) has come down significantly from its high of 9.1% in June 2022 and we are encouraged that inflation will continue to moderate for the foreseeable future. For October 2023, CPI was 3.2% with Core CPI at 4.0% (CPI less food and energy components). However, inflation is expected to remain in the 2-3% range through calendar year 2025 with the Federal Reserve continuing its policy to achieve a 2% target.



[Source: Wells Fargo CPI Non-Seasonally Adjusted Forecast Report November 9, 2023](#)

We ask divisions/units not to include blanket inflationary factors in their FY 25 budget. If you believe your budget warrants a significant inflation-related assumption, please consult with Rob Eaton and Tim Fater in OFSP by Friday, January 19, 2024. Each specific budget item that is believed to be impacted by inflation should have its own independent assumption. These assumptions should rely on industry-trusted resources, [U.S. Department of Labor](#), [U.S. Department of Commerce](#), and [Federal Reserve](#) data sources.



## 6. **Business travel, events, meetings, food, and professional development**

Cost-saving practices that emerged during the pandemic, such as continuing to reduce travel by leveraging hybrid options and assessing non-critical University events and meetings are critical. While there is pressure for many of these activities to return to “pre-pandemic” levels, it is important to scrutinize and prioritize each request and strategically pursue only the most value-added opportunities, which may vary from year-to-year.

From a budget perspective, “professional development” is a broad category that may take the form of conference fees and related travel (hotels and lodging), professional licenses, and continuing education programs. Similar to above, while cost savings opportunities emerging from the pandemic should continue to be maximized where possible, supporting the university’s faculty and staff development is key to operational excellence. While not all professional development funding requests will be able to be supported financially in any given year, each request should be scrutinized, prioritized, and - ultimately allocated - on a rotating basis from year-to-year to ensure colleagues have access to timely opportunities, in concert with their overall performance management. Brown has many internal resources/programs offered by a variety of departments on campus including University Human Resources, the Office of Institutional Equity and Diversity, the School of Professional Studies, Workday, among others. Please refer to the applicable university department/unit website for more information.

### **FY25 Budget and FY24 Winter Forecast Planning Guidance**

Divisions/unit budgets are pre-populated in Adaptive Planning (opened December 8, 2023) with FY 2024 Fall Forecast data submitted on November 3, 2023. While we hope this data will serve as a helpful “starting point”, please remember to employ the University’s zero-based approach, where each budget line item should be reviewed, scrutinized, and adjusted, as necessary, as described above.

#### 1. Personnel - Salaries, Wages, and Benefits

- **Review Faculty and Staff Sheets (Salary & Allocation) in Adaptive Planning:** Sheets should be reviewed to ensure that all filled positions and unfilled staff positions are accurate. Salaries reflect what was loaded and updated by divisions in the FY 2024 Fall Forecast.
  - **New positions** approved by the Staff Hiring Committee should be added if approval has been received.
  - **Closed Positions** should be removed from staffing plans if they have been closed in Workday.
  - Ensure all positions are fully allocated in Allocation sheets. Positions not allocated will not be included in the budget.
  - **Personnel Allocations Across Divisions & Units:** Please coordinate and collaborate with other divisions/units if you have faculty/staff that are allocated across other budgets. If you are unsure of who to contact, please reach out to OFSP or use the [Find your Budget and Financial Operations contact](#) on the OFSP website.
  - **Post Docs & Limited Term Faculty/Staff & Seasonal:** Budget these under pooled compensation since they are either 100% grant funded or often turn over frequently throughout the year. This will allow for easier budgeting.
- **New FY25 Staff Position Requests:** Personnel requests should be limited for FY25 based on the context and guidance previously discussed. However, the budget process is the

primary mechanism to request resources and interim requests during the year will only be considered on a strategic and emergency basis. All new personnel requests should be clearly identified in Adaptive Planning under Pooled Compensation sheets and labeled “New Position Request.” These should also be addressed in the division/unit’s Budget Narrative in Question 2 (Appendix I). Division/units should not assume any new staff positions requests are approved until notification is received as part of the budget approval process or the Staff Hiring Committee.

- Note: Workday and Adaptive Planning do not generate new position numbers (POS) until positions are approved, which is why new personnel requests need to be included under Pooled Compensation. Users should also toggle the Approval Status required field for each new position as either “Pending Approval (on-going)” or “Pending Approval (one-year).”
- **FY25 Faculty & Staff Salary Pools:** The University Resources Committee (URC) is currently in the process of deliberating salary pools and final recommendation of these pools will be presented to the Brown Corporation during its meetings in February 2024 for approval.
  - **Non-Union Staff:** in the early to mid-December timeframe, the Office of Financial and Strategic Planning (OFSP) will input the anticipated FY25 non-union staff merit allocation into pooled compensation by cost center and funding source for all divisions. Additionally, OFSP will allocate non-union staff equity to central divisional cost centers for unrestricted funds.
  - **Collective Bargaining Unit Staff:** OFSP will also be loading the preliminary and estimated cost of union wage increases for those applicable division/units. However, these estimates should be reviewed and updated based in accordance with current bargaining agreements.
  - **Faculty:** OFSP will input preliminary salary pools for regular and non-Regular faculty. Division/units should review these estimates and update where needed. To improve financial planning and analysis of these compensation components, it is advised that budgets distinguish between merit and the dean’s allocated percentage.
- **Fringe Benefit Rates:** Fringe rates have been updated in the Adaptive Planning “FY25 Budget” version to reflect the proposed new rates for next fiscal year per the table below. These proposed rates below are subject to change.

| Category  | FY 2024 Budget | FY 2024 Forecast | FY 2025 Budget |
|-----------|----------------|------------------|----------------|
| Full-time | 31.0%          | 31.0%            | 29.5%          |
| Part-time | 7.1%           | 7.1%             | 6.9%           |

2. Enrollment and Revenue Projections

- A cross-university Enrollment Management Group has generated FY25 and revised FY24 undergraduate enrollment projections, which may be used to validate existing local-level projections. These projections have been distributed to many key stakeholders (housing, dining, business services, etc.). If you believe your division/unit could benefit from these projections, please reach out to Rob Eaton and Tim Fater.

### 3. Internal Transfers & Billing Rate Planning Values

- Internal transfers should be reviewed and updated to ensure they net to zero within the consolidated University budget.
- Collaborate with other divisions to ensure internal transfers are budgeted correctly across division budgets. If you are unsure of who to contact, please reach out to OFSP or use the [Find your Budget and Financial Operations contact](#) on the OFSP website.

### 4. University Contributions and Dean Start-up Commitments

- University contributions should be reviewed and updated to ensure they net to zero within the consolidated University budget. Please contact Rob Eaton to review centrally-funded University contributions.
- The Division of Biology and Medicine, School of Public Health, and School of Engineering should reflect actual and projected year-end spending with dean start-up commitments for FY24 and FY25 only. Please contact Rob Eaton to discuss these as they will be budgeted by centrally-funded University contributions.

### 5. Central Fees (administrative and facilities service)

- FY25 central fees and contributions (Internal Contributions to Non Central E&G 9001) will be updated and loaded into Adaptive Planning in December 2023. OFSP will be contacting divisions impacted by central fees individually.

## **Supplemental FY24 Winter Forecast Guidance**

The Winter Forecast is critical to help ensure personnel and operating projections and information are accurate. OFSP utilizes this information to inform the university-wide consolidated forecast presented to senior leadership and the Brown Corporation. It is important that we continue to closely monitor year-to-date financial results and project future fiscal conditions to guide decision-making and limit surprises compared to the approved FY 2024 Budget.

- Known changes to your approved FY 2024 Budget should be captured through the forecast process. Any new and incremental spending requests should only be included after discussion with your OFSP budget liaison or financial analyst. Ultimately, we will refer to three primary financial markers: the budget, forecast, and year-to-date actuals. Comparing expected and unexpected variances between these markers will support our financial planning and reporting.
- FY 2024 Forecasts should be developed by reviewing FY 2024 Budgets and year-to-date actuals, adjusting pre-populated amounts as necessary to reflect expected annual revenue and expenses. Materiality should be considered in evaluating and developing your current forecast. Adaptive users should run budget reports from Adaptive using the version “FY24 Winter Forecast (Working).”
- Forecasts should include all funds and should plan for maximizing the use of restricted funding sources whenever possible. Endowments and spendable gifts should be projected at the worktag level and not use the generic worktag. Please utilize the “Endowment Income Report” and “Spendable Gift Report” in Workday to provide updated yields and available balances with these restricted funds. The “other revenue” sheet should include restricted revenue forecasts that equal the restricted expense forecasts.
- Compensation forecasts should be completed at the position level and should reflect expected actual spending.

- o All compensation sheets must be reviewed for accuracy.
- o Regular and fixed-term positions should be planned using the annual salary on the salary sheet, driving the budget/forecast using the Effective Start and Effective End dates on the salary sheets.
- o Faculty and staff salary sheets have been updated to reflect what was submitted for the FY24 Fall Forecast Period. Users should review and adjust salaries with “Effective Start” and “Effective End” dates to reflect the period the position is expected to be filled. You should include any assumptions for position(s) that were/or are expected to be vacant for any period during the fiscal year.
- o Positions filled or approved by the Staff Hiring Committee that were not included in the FY 2024 Budget submission will need to be added manually by users. Positions need to be added to the salary sheet (using the full year salary and corresponding Effective Start and Effective End Dates) as well as adding to allocation sheets.
- o FY 2024 merit and equity pools have been removed university-wide with the assumption that these funds were fully utilized during the annual salary increase process. Division/units should zero-base budgets to reflect any unspent amounts from these pooled amounts that they expect to spend in the fiscal year.
- Regarding vacancy savings, please reference the [Staff Compensation Vacancy Savings Policy](#) when determining if temporary or permanent salary savings are available to repurpose.
- Revenue forecasts should reflect any anticipated changes including those related to updated enrollment projections or program/service changes.

OFSP will load each division/unit’s Winter Forecasts into Workday and will be notified by mid-March once this is completed.

Please reference the OFSP [website](#) for more information on the FY24 forecast and FY25 budget development process and deadlines.

Thank you in advance for your continued support and partnership. As always, OFSP is available to work with you and your financial manager(s) to support the development of your budgets(s). Please reach out to your financial analyst or budget liaison if you need additional assistance. For a list of budget contacts, please visit our [website](#).