

Executive Team Recommendations for Revenue Increases and Program/Service Reductions

		<u>Change Amount</u>	<u>DEFICIT</u>	<u>Comments</u>
	March 10 Projected Revenue Shortfall		\$ (5,876,000)	
	Additional anticipated State revenue reduction	(1,317,000)		State revenue less than Governor's Budget
	Estimated savings from PERS legislation	1,243,000		8% cap on assumed rate and new mortality tables
	Other Revenue/Expenditure changes	(226,000)		Miscellaneous changes to Revenue & Expenditures
	April 7 Projected Revenue Shortfall		\$ (6,176,000)	
	Revenue Changes			
	Revenue Increases			
1	Tuition increase to \$62 per credit	3,854,000		Tuition rate of \$62 per credit hour, an increase of \$13 or 27 percent (2002/03 tuition was \$49 excluding the temporary spring term surcharge). Correspondingly, nonresident & international tuition will increase \$45, from \$168 to \$213.
2	Differential Pricing Pilot Program	575,000		Differential pricing for selected professional technical programs and transfer courses on a one-year pilot program basis (setting fees based on the number of contact hours students have with instructors in the classroom or lab)
3	Summer Program Changes and Tuition Surcharge	198,000		Summer term tuition surcharge of 10 percent increasing per credit rate from \$62 to \$68; programming changes
4	Transportation Fee (\$20/\$10)	911,000		Non-refundable fee of \$20 per quarter for credit students and \$10 per quarter for noncredit students. Fee will fund free bus pass for credit students and help fund parking lot improvements.
	Revenue Offsets			
5	Tuition Revenue losses from program reductions and decreases in enrollment	(444,000)		Approximately 56 FTE loss from reductions. Approximately 2% enrollment loss from tuition increases.
	TOTAL REVENUE CHANGES	5,094,000	\$ (1,082,000)	
	Expenditure Changes			
	Expenditure Reductions			
1	Projected PERS rate reduction from selling bonds	(500,000)		PERS expense reduction from sale of bonds to reduce PERS unfunded liability
2	Projected savings from retirements & vacancies	(729,000)		
3	Reduce extra section funding	(422,000)		Reduce funds for extra sections; based on funds saved in FY03; will not affect enrollment projections
4	Respiratory Care	(90,000)		Respiratory Care general fund reduction with clinical instruction provided by local hospitals.
5	Art & Applied Design-Jewelry	(80,000)		Metals and Jewelry studio art credit courses eliminated
6	Business Development Center	(127,000)		Business Development Center general fund reduction
7	Adult Basic/Secondary Education	(94,000)		Adult Basic and Secondary Education general fund reduction by reorganization
8	McKenzie CLC: Reduction in services	(29,000)		McKenzie Learning Center service reduction; fall, winter and spring hours to be set after local usage analysis; already closed summers.
9	Churchill CLC: Reduction in services	(26,000)		Churchill Learning Center service reduction; fall, winter and spring hours to be set after local usage analysis; already closed summers
10	Intercollegiate Athletics	(94,000)		Athletics second year of the three-year general fund reduction plan
11	Facilities Management & Planning	(82,000)		One position eliminated each from Grounds, Housekeeping
12	KLCC	(25,000)		Reduction in general fund support to minimum for viability of station
13	M&S reduction	(350,000)		General reduction in Materials & Services; to be allocated later
14	Reduced funding for part-time classified	(150,000)		General reduction to be allocated later
	TOTAL EXPENDITURE REDUCTIONS	(2,798,000)		
	Expenditure Increases			
15	LTD subsidy increase (passes for all credit students)	262,000		Increase current subsidy to provide free LTD term passes for all credit students
16	Parking lot maintenance & bus pass administration	285,000		Parking maintenance; 3-year plan for improvements (striping, top coating, lighting, emergency phones, possibly more parking spots); administration of bus passes and free parking stickers
17	Tutoring Program	82,000		Funding for minimum level of services
18	Accreditation	121,000		Funds to cover accreditation self-study
19	Quality & innovation: infrastructure to advance teaching and learning environment	158,000		Recurring funding to systematically improve the learning environment; curriculum development; previously funded ad hoc
20	Investment in streamlining work processes	40,000		Support for employees to plan & implement streamlining of work processes
21	Property/Liability insurance premium increases	655,000		Higher than expected increases to property/liability insurance premiums
22	Health & Safety: safety compliance & emergency plan	30,000		Increase efforts to improve safety for students & employees
23	Fiscal accountability: internal controls	69,000		Accountant position; to bring college into compliance with due diligence standards
	TOTAL EXPENDITURE INCREASES	1,702,000		
24	Change in Unappropriated Ending Fund Balance	(33,000)		Adusted to 3% of projected expenditures by Board policy
	TOTAL EXPENDITURE CHANGES	(1,129,000)	\$ 47,000	

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	<i>*Note: All dollar figures rounded to the nearest thousand</i>			