

All Staff Email Sent February 16, 2007

Colleagues,

At the board meeting last Wednesday we reviewed five year projections at the \$483 million level (Governor's budget) and the \$529 million level (State Board request) It is clear that we have a long term problem and that we will face annual deficits unless either the revenue or expense side changes in a significant way.

I also shared with the board a paper on Fiscal Sustainability. In this paper I have tried to lay out all the ideas about solving our budget problem that have come up so far. These ideas have come from individuals and groups within the college, as well as budget committee members and community members. I am not promoting these ideas at this time, simply cataloging them and pointing out that none of them alone is a panacea. In many cases, the ideas may look practical at first glance but it doesn't take long to realize that they also offer pitfalls. Some of these ideas are very unpopular. I understand that, but I don't think we can ignore them. Since these ideas have come up we must respond thoughtfully.

Included in the paper are some ideas for how we might strategically grow enrollment as well as possibilities for creating non public revenue streams. I have become convinced that we will not be able to survive on public resources alone.

Both the projections and the paper will be posted on the budget development website on Tuesday. The board will be discussing the paper in the future.

In the meantime, the Budget Review Group is continuing with its work. I am told that I can expect preliminary budget reduction recommendations by mid March. It will probably be early spring term when I have a set of recommendations for the board.

As always, if you have questions or concerns let me know.

Thanks.

Mary.