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**DRAFT Budget Reduction Plan**  
**2009-2010**

**Eastern Oregon University**  
**1 May 2009**

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## Executive Summary

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Oregon's Legislative Fiscal Office (LFO) has directed all state agencies to submit impacts of up to 30% reductions in state appropriations for 2009-11. Impacts for the Oregon University System (OUS) are available at [http://www.leg.state.or.us/budget/agency\\_30\\_reductions/DHED.pdf](http://www.leg.state.or.us/budget/agency_30_reductions/DHED.pdf).

OUS has asked all campuses to prepare their own budget scenarios to meet reduction targets up to 30%. Eastern Oregon University (EOU) has responded through careful planning and deliberations that sustain fiscal stability achieved during the 2007-09 biennium (over 10% fund balance) through the 2009-11 biennium. EOU will weather the economic downturns currently affecting the OUS, the state, and the nation through continued strong leadership, conservative fiscal management, and student-centered recruitment and retention efforts. By carefully managing tuition increases, enrollment, revenues, services, personnel functions, and programs, EOU will be well positioned to invest in the future and to secure its long-term position within the region and OUS.

EOU's response to this budget challenge was to create a set of planning scenarios of 18%, 20%, and 23% reduction of State support. In each tier of progressive cuts, the overarching principles were 1) to retain for all students the features of a high-quality educational experience, 2) to continue to provide students with an affordable education where there is ample access to programs, 3) to retain all academic and student service programs, 4) to serve the community and be responsive to the region, and 5) to retain all employees.

# Draft Budget Reduction Plan

Version 5.12

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## I. Introduction, Context, and Method

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### Introduction

In January 2008, President Lund unveiled to the Eastern Oregon University (EOU) community the *Repositioning Plan for the Future*. Faced with a perfect storm of unfortunate events, the plan called for EOU to change directions and reposition itself towards solid principles of allegiance and an already strong commitment to student service. Faculty, staff, students, and administration responded to the challenge. Within a short eighteen-month period, EOU proved its restructuring was sustainable. By right-sizing the university administration, reorganizing units and structures, re-visioning processes and procedures, retooling enrollment management and retention, and reapplying rigor to the financial management of the institution, we built a solid and sustainable university by the end of the 2007-09 biennium. Without the latest economic downturn and the drastic reductions in State support, EOU would have built its reserves to over 10% and would have been well positioned to invest in the future to improve its long-term position within the region and OUS.

We have, however, the responsibility to accommodate severe cuts in State support due to the economic crisis. The severity of the impending reductions seems to inch higher with each State economic forecast and each meeting of the Oregon State Board of Higher Education (OSBHE). In the past six months, the instructions for preparing 2009-11 budget scenarios have gone from an increase in State support to a decrease of almost 30%.

### Context

Our best information, as of May 1, 2009, is that EOU's budget reduction target will be somewhere between 18 - 30% with the hope that the final number will be as small as possible. What makes accurate prediction difficult is the number of variables that remain in play. While most pundits agree that the State revenues will likely lag by 30% for 2009-11, it is not known how much the Federal stimulus package, the rainy day funds, or the potential for increases in State taxes may affect the total revenue picture.

Beyond the State issues, the OUS does not yet know if system campuses will be reduced proportionally to the State reduction. Further, once OUS is funded, we will await word on how those monies will be distributed within the system. Although the OSBHE has agreed that there will not be an across-the-board approach to the budget reduction, there are a host of variables that remain uncertain at this time:

- Whether baseline funding is last year's base funding, or the Essential Budget Level (EBL is an inflationary budget based on the previous year plus a fixed percentage increase)
- Whether Engineering and Technology Investment Council (ETIC), the Rural Access Initiative, or the Health Initiative will be funded at some level or rolled into base funding
- Whether Education & General (E&G) capital projects and debt service will be factored into reductions
- Whether a proportion of regional subsidy will be continued
- Whether public service funds will be reduced at a higher rate than other funds
- Whether EOU will be funded differentially considering geography, mission, and special considerations

Given our circumstances, we can choose one of two behaviors—do nothing and hope for the best, or plan. The EOU administration chooses the latter course. We must do the best job we can to assess the climate and to set reasonable expectations of what may occur, and then plan accordingly. Because we do not know the definitive facts related to EOU's portion of OUS budget reductions, we must plan for a set of scenarios. If we are looking to an 18 - 20% budget reduction target, that demands one set of strategies. If it is closer to 30%, we are faced with a very different problem.

## **Method**

This plan creates three scenarios or tiers that are “stacked” such that if the problem becomes more serious, we will implement progressive tiers of budget reductions. The tiers employ principles and priorities intended to maintain the fiscal and structural integrity of the University. In each tier, EOU ensures quality service to students, quality programs and services, and employees who perform mission-critical functions for the University. With each progressive tier of reductions, these principles are kept in mind and recommendations are made to protect and preserve the University community.

The overarching principles employed in considering this work were 1) to retain for all students the features of a high-quality educational experience, 2) to continue to provide students with an affordable education where there is ample access to programs, 3) to retain all academic and student service programs, 4) to serve the community and be responsive to the region, and 5) to retain all employees.

**The Expected Range of Reductions.** Based on the variables before us, there are some general assumptions we might make. 1) All of the features that are negative will not likely occur simultaneously. We should not expect, for example, that we would have the highest cuts combined with the loss of all categorical funds. 2) Similarly, we should not expect that all will come together in the most positive manner. A conservative approach to predicting some middle ground should be a target for our planning.

An important technical observation must be articulated at this point. EOU is supported by two basic revenue streams, one from the State, and one from tuition and fees. The reductions we are facing are in State support, not tuition and fees. State support is approximately 52% of the total revenue stream. A 20% reduction on this amount roughly calculates to a 10% overall reduction in resources.

In light of this information, it is helpful to calculate and report the effects of predicted reductions in State support as equivalent dollar amounts and percentages so that appropriate targets are addressed. The dollar magnitude of an 18-23% reduction—with no tuition increase, no savings, and flat personnel costs—ranges from \$2.5M to \$3.5M. See Appendices B1 – B3, which show the projected effect that such a range of reductions would have on the institution if we were to do nothing.

**Approaching Potential Solutions: The Process.** The normative process in budget reductions that result in program reductions is to invoke provisions of the EOU-AAP Collective Bargaining Agreement. For this current challenge, EOU administration honors its union contract timelines and preserves EOU's mission fulfillment. A transparent budget reduction process was developed through input from all major constituencies and governance groups. The process and guidelines are provided in Appendix P1-P3 and at <http://www.eou.edu/pres/budget/index.html>.

The President received input on this planning process from the advisory Budget and Planning Committee, University Council, Faculty Senate, Classified employees, and AAP. Based upon their recommendations, the planning process was modified and posted to the campus website for all employees to view. See [http://www.eou.edu/pres/documents/EOUBudgetFlowchartandExplanations\\_000.pdf](http://www.eou.edu/pres/documents/EOUBudgetFlowchartandExplanations_000.pdf).

The process ensures that all members of the EOU community have had an opportunity to provide input to a draft budget reduction plan. From March 13, 2009 through April 6, 2009, all employee groups were encouraged to draft their own ideas about what might be done to solve the problem. See Appendix I.

The President then appointed an Executive Planning and Budget Team, consisting of the Cabinet and academic Deans, to draft a proposal that incorporated the input from constituencies as well as other data. A variety of information sources were used to determine the recommendations in this plan, including Mission, Goals, Institutional Priorities, the Strategic Implementation Plan resulting from the *Repositioning Plan* of January 2008, recommendations from SEM Works consulting, housing consultants, and Noel Levitz recommendations, OUS Board directives, EOU budget figures, enrollment trends, staffing levels and salaries, historical trends in spending, and organizational charts. See <http://www.eou.edu/pres/> for access to official institutional research, planning, and budget documents.

The Executive Planning and Budget Team consists of President Lund, Provost Jaeger, Vice President Key, Associate Vice President Seydel, Dean Consolvo, Dean Levine, Dean Cannon, Associate Dean Lauritzen, Associate Dean Mueller, and Associate Provost Witte. These

individuals studied the input from each of the constituencies, examined the data, and deliberated between April 6, 2009 and May 1, 2009. The substance of these deliberations and work is this *Draft Budget Reduction Plan: 2009-10*. If economic forecasts during 2009-10 indicate that further reductions are necessary, this document will be updated accordingly.

The University community will have web access to the *Draft Budget Reduction Plan: 2009-10* at the conclusion of the President's presentation on May 1, 2009, with a hard copy to be distributed, per contract, to AAP's Vice President in the absence of AAP's President. Employees and students are encouraged to forward comments through their constituency(ies), including the Budget and Planning Committee, University Council, Faculty Senate, AAP, SEIU, and/or ASEOU. These groups will have until May 22, 2009 to provide further input and commentary to the President.

The state will publish an updated official economic forecast on May 15. The May forecast will be considered by the Executive Planning and Budget Team in preparation for the final plan published in June. However, until the Governor approves a statewide budget and the OSBHE approves EOU's allocation, EOU will not know for sure its State allocation for FY 2009-10. OSBHE normally approves OUS budgets in September.

**EOU's Mission and Promise to Students.** As the Executive Planning and Budget Team began its work to draft this plan, it became clear that the starting place was not the budget or the strategies, but rather, the mission of the University and the promises we make to students. Most importantly, we want to preserve what makes EOU special to students. Therefore, we relied upon EOU's mission, vision, goals, and promise to students as a way to ground our discussions.

The work of the Executive Planning and Budget Team preserves the integrity of EOU's mission, ensures the promise to students is kept, assures fiscal sustainability, honors current employees, preserves jobs, and meets accreditation standards while reducing dependence upon State of Oregon resources.

Another aspect of our planning is that initial discussions on the EOU promise to students through achievement of its mission, values, goals, and strategic planning are taking place through the governance process.

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## II. Revenue

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It is recognized throughout the OUS that some of the 2009-11 anticipated State support reductions for higher education will need to be replaced by an increase in what students pay for their education. The trend in diminished State of Oregon support for higher education has outpaced most other states, placing a greater burden on the student to cover the increasing costs of a post-secondary education. At EOU, increases in tuition are always met with serious reservations, as our students are perhaps the most price-sensitive in the system. Our students 1) depend on financial aid more heavily than students at other campuses, and 2) they have alternatives they may consider when choosing a university. There are a number of universities in Washington and Idaho that offer competitive rates and/or attractive scholarships for students in Oregon—especially those students living in certain border counties.

### **Tuition**

Based on historical patterns, EOU's experience with raising tuition beyond that of OUS peer institutions has been met with a downturn in enrollment. In 2006-07 online tuition was increased by 7%. The resulting impact on enrollment saw a devastating, double-digit decline in online enrollment in spring of 2007. OUS carefully tracks the impact of tuition increases over time. The study indicates that for the mainstream of universities, a significant impact on enrollment can be felt when the rate of increase exceeds 7-8%. For EOU, we believe that threshold is 7% or less for on-campus programs and significantly less for online and graduate programs. Raising the tuition too high too fast results in a drop in enrollment.

### **Tuition & Revenue Allocation Model (RAM): Revenue Projections vs. Enrollment**

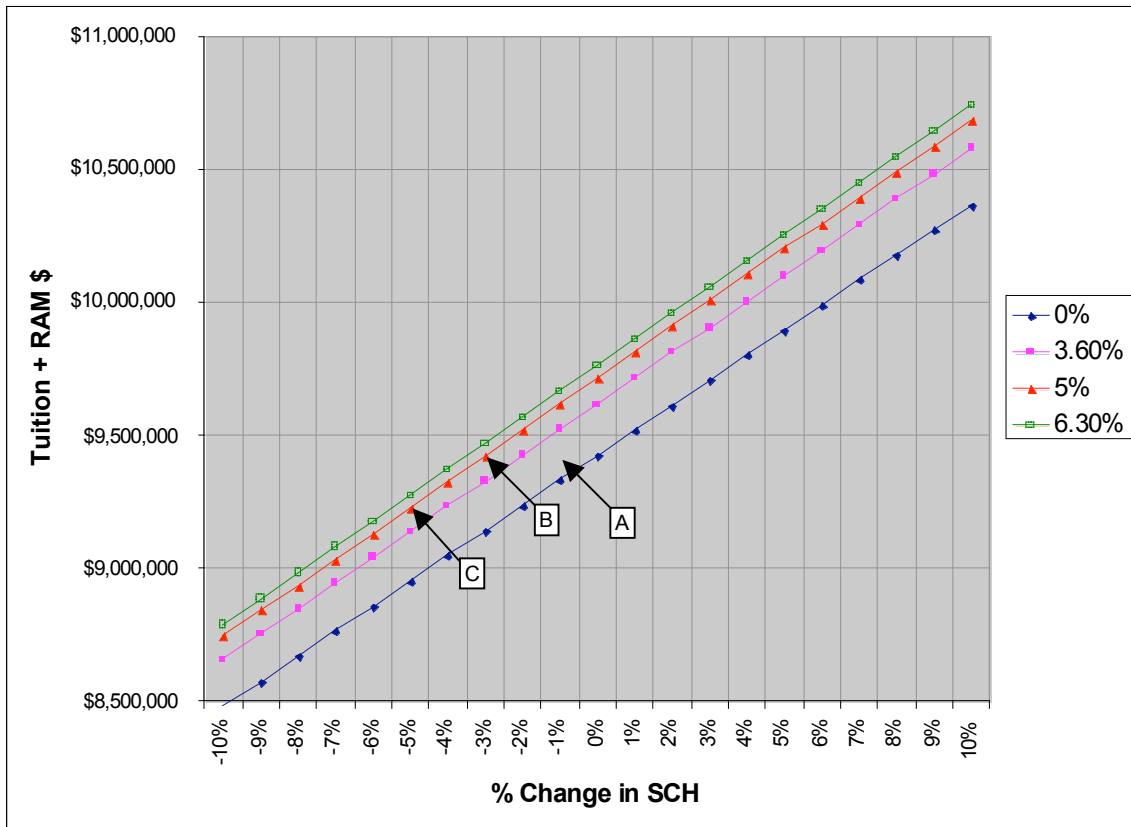
**Possibilities.** The following chart is intended to depict the possible combinations of revenue from both tuition and RAM funding, and compared to possible changes in enrollment, as measured by SCH (Student Credit Hours). For the sake of simplicity, an average RAM value was calculated, using current RAM dollar figures. (RAM funding varies with student level and type of academic program).

In general, mild increases in tuition can be anticipated to be absorbed by the student population with little or no effect on enrollment. However, at *any* level of tuition increase, and in *any* socio-economic environment, the possibility of a drop in enrollment must be contemplated, as at some point, some students will find the overall cost of college out of their reach. This concept is referred to as *tuition elasticity*: estimating the range of a tuition increase that might be absorbed by students before that increase begins to yield a drop in enrollment.

The tuition increases utilized in this chart are arbitrary, but close to the range of those being contemplated for EOU in FY09-10. Also, only a chart for on-campus tuition is displayed. Similar charts could be constructed for online and onsite enrollments, using slightly different tuition values, but the concepts are the same.

An important consideration here, especially in today’s socioeconomic climate, is that change in enrollment may be driven by a number of factors other than our own tuition increases. The employment status of the student and/or the parents, the possibility of a job after graduation that is relevant both to today’s economy and to the education the student is pursuing, competition from other institutions, tuition increases and/or enrollment policy changes in neighboring states (e.g., most recently in CA and WA) – all can have a direct bearing on our own enrollment. There is no crystal ball for determining the net effect of all of these factors, nor is this an exhaustive list.

**On-campus Tuition Increase Scenarios.**



Explanatory Notes: *This is for illustration purposes only. The exact RAM dollars will not be known until the OUS budget is published in September 2009. The principles of the relationship between numbers of students participating, tuition dollars, and RAM dollars, however, are still constants in this example. The slopes inform us about the impact of increasing tuition at the expense of losing students.*

- Point A represents revenue generated by current tuition and average RAM funding, FY 08-09.
- Each of the other three graph lines represents a possible tuition increase, noted in the key to the right.
- Moving up or down the x-axis correlates with a change in SCH (Student Cr Hrs).
- The net effect of any changes in tuition and enrollment can easily be estimated.

If, for example, tuition increases by 3.6%, and enrollment drops by only 2% (point B), revenue remains essentially the same.

If enrollment drops by any more than 2% (at the same tuition increase), revenue would decrease. Point C represents a 3.6% tuition increase, and a 4% decrease in enrollment, resulting in a decrease in revenue from about \$9.4M to \$9.25M.

In the case of an enrollment increase, regardless of percentage of tuition increase, revenue will increase.

Given the cautions and analysis noted above, tuition increases are recommended at the following levels for AY 2009-10:

On campus undergraduate: 3.6% increase on tuition. Student incidental fees have been increased from \$230 to \$240, and student health fees from \$119 to \$125.

Online undergraduate: 3.6% increase adjusted to \$139 per credit. Keeping the basic tuition at less than \$140 is an important optical barrier in attracting students' attention when comparing programs. Fees such as the energy surcharge and technology fee are in addition to this base amount.

Online graduate: 3.6% increase, \$290 per credit. Holding graduate credit below \$300 is especially important as one reason that the MAT, MBA, and MS maintain enrollments is because EOU's rates garner attention in comparison to competitive programs. Moving the graduate tuition beyond the \$300 mark slots our programs within the same general "optical" range of others who charge in the low \$300s. Fees such as energy surcharge and technology fee are in addition to this base amount.

On site undergraduate: Charged the same rate as online undergraduate.

A modest increase in tuition rates supports EOU's core value to maintain affordable access to post-secondary education for east Oregonians.

**Important Note:** As a point of reference, if EOU raised its on-campus tuition 6.3% instead of 3.6%, we would only net an increase of about \$127,000 per year. Any increase over 3.6% is subject to a 30% reduction in net revenue. The Oregon State Board of Higher Education (OSBHE) has required that the 30% be applied to tuition remission scholarships for on-campus undergraduate students most in need. Increases in online enrollment are accompanied by increased labor costs so the total increase in net revenues is smaller than expected. Any tuition increases beyond the 3.6% tuition rate may have a greater negative effect in harming enrollment, hence the proposed amount. We believe that this rate of increase can be used to our recruitment advantage statewide.

## Enrollment

Based on predictive models of enrollment forecasting, EOU's overall student credit hour production is predicted as flat. However, as freshmen enrollment and retention rates increase from Fall 2008 forward, overall enrollment on campus will also begin to increase. The ongoing issue of previous small freshmen classes with sub par retention will continue to pull overall enrollment down over the next two years in spite of increases in online participation and stable graduate and on site enrollment. Current freshmen retention rates are more positive. Appendix E1 shows the predictive trends for these data. A summary is given below:

### SCH

On site	0.0% increase in enrollment	1252 FTE
Online	6.65% increase in enrollment	7050 FTE
On campus	-6.0% decrease in enrollment	5036 FTE
Graduate	0.0% increase in enrollment	1898 FTE

The Division of Enrollment Services (DES) and Marketing, Development, and Public Affairs (MDPA) have incorporated a variety of strategies to help improve recruitment and retention of students to EOU. Among the several strategies employed thus far, below are a few highlights of continued practices communicated through President and Provost infoline updates during 2008-09 (<http://www.eou.edu/pres/>):

- Financial aid restructuring to help a broader range of students
- Statistical modeling to determine how to “revisit” students who show interest in the university
- Regional high schools return visits
- On-campus visitations
- Faculty visits to high schools
- Gear-up summer activities
- Transfer scholarships
- Consistent and persistent communication strategies with prospective students
- Persistent advising between admission and matriculation
- Curricular pathways with community colleges
- Billboards in key areas along I-84
- Regional Directors’ increased attention to Community Colleges
- Web pages updated to focus on students
- Online university application and housing application
- Web banner with engaging faculty-student photos
- FYE, Hum 110, Excel, small class size for mathematics, low cost 040/070/095 and HUM classes, placement requirements
- Professional advising for all freshmen

## Revenue Projections

Based on the increase in tuition rates and the overall flat enrollment projections, Table 1 provides a snapshot of projected tuition revenues for 2009-10 which are being used to mitigate the impact of budget reductions in each tier by 4%.

**Table 1. Projected Tuition Revenue for 2009-10**

<b>Modality</b>	<b>Tuition Increase</b>	<b>Enrollment Projection</b>	<b>SCH</b>	<b>Projected Tuition Revenue 2009-10</b>
<b>On campus</b>	\$115 sch	-6.0%	5036 FTE	\$ 4,874,000
<b>Online</b>	\$139 sch	6.65%	7050 FTE	\$ 6,901,000
<b>On site</b>	\$139 sch	0.0%	1252 FTE	\$ 1,226,000
<b>Graduate</b>	\$290 sch	0.0%	1898 FTE	\$ 1,864,000
<b>Net Total</b>				<b>\$14,865,000</b>

The projected net tuition revenue for 2009-10 is \$781,000 greater than revenues gathered in 2008-09.

## Other Revenues

In addition to tuition, inputs from the university community delineated several ideas for enhancing revenue through strategic investments. See Appendix I. The University will bring these ideas forward using normative processes that are informed by the mission, goals, and priorities of the institution and that are currently being vetted through the governance process.

Until that process is in place, certain revenue enhancement plans may be approved if their given impact in returning positive revenue outcomes is significant, and the strategy or activity is consistent with the mission, goals, and current Strategic Implementation Plan.

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### III. Developing the Tiers

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Since the magnitude of the reduction in State support may vary from 18 - 30%, the actions taken by the University will vary. The more serious the reduction, the more serious is the measure that will be taken. A series of three tiers have been articulated below that will be employed dependent on the level of cut ultimately indicated. If OUS and the State levy a reduction in support < 18%, then the first tier of budget reductions will be enacted. If the reduction is 20%, then all of Tier 1 will be implemented as well as Tier 2. Within each Tier, budget items are prioritized.

The impact of the tuition revenue projections described above is applied to each tier. By adding the cost reductions and the revenue projections, an effective “reduction proportion yield” is given. As we are given our final numbers from OUS and the State after the May forecast, we can then apply these strategies to the problem without reassessment or last minute calculation.

Some inputs suggested that the way to solve EOU’s budget reductions would be to simply reduce the overall administrative structure. The institution demonstrates historically that the administrative and administrative faculty support structure of the University has been significantly reduced since AY 2006-07. Please examine Appendix H to see the overall distribution of FTE among each class of EOU employees.

**Important Notes:** Each tier details the budget reduction that must be realized during the first year of the biennium (2009-10). Should targeted budget reductions for 2009-10 not be realized in Tier 3, one option would be to request approval to use reserves. Budget reductions for year two will be subject to normative budget allocation processes currently under review through the governance process. Also, tuition increases are expected to be implemented at the same rate for both years of the biennium.

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#### **Tier 1: Retain All Current EOU Functions: No layoffs, no staffing cuts, no program reductions, and no reduction in services. ( 18%)**

The first tier of reductions follows a guiding principle that the University should remain intact. All of the recommended reductions are temporary measures designed to preserve people, programs, and services with the expectation that we will have a restoration of funding at the close of the biennium. Although these temporary measures preserve the structure and function of the University, the recommended plan is not without sacrifice. The University will remain lean in terms of instructional materials, support for professional travel, replacement of equipment and furniture, and other discretionary spending. All employees will need to sacrifice to help preserve people, programs, and services.

Below is a list of the specific recommendations for a Tier 1 budget scenario.

**Reductions/Savings**

1. \$1,042,000 Services & Supplies (S&S)

*Description:* Continued *temporary* restrictions on travel, discretionary purchases, furniture, replacement equipment that is non-critical, and other expenses. *No permanent change in budget.*

2. \$50,000 Finance & Administration (F&A) vacant position elimination

*Description:* Vacant position in Student Accounts will not be filled and duties absorbed through restructuring existing positions in the Unit.

3. \$173,000 College of Arts and Sciences (CAS), College of Business (COB), College of Education (COE), and Pierce Library (LIB) faculty inload of courses and reduction of reassigned time

*Description:* Identified cost savings for inload of online course payments originally budgeted to faculty overload payments. Budget reduction in lines assigned to pay for online instruction in CAS, COE, COB and Library.

4. 4.6% Temporary Furlough Program (equivalent to one unpaid day per month)

The Governor and OUS have called for an entire State system response to the budget crisis. The proposed policy is that all employees will take a 4.6% reduction in the form of a temporary furlough, FTE reduction, or salary reduction for the 2009-11 biennium. This is a significant contribution to the budget deficit comprising some \$50 million dollars in savings from OUS alone. EOU’s anticipated reductions include the Governor’s reductions in 2009-10 salary pool dollars. EOU will receive 4.6% less in FY 2009-10 for all employee salaries. Based on the principle of fairness and parity, all employees are asked to share in the Governor’s call.

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	<b>4.6% Salary Reduction</b>	<b>Related OPE</b>	<b>Total Savings for month</b>	<b>Total Savings for year</b>
<b>Faculty</b>	\$29,299	\$8,497	\$37,796	\$340,162
<b>Administrative Faculty</b>	\$13,312	\$3,860	\$17,172	\$206,066
<b>Classified</b>	\$13,069	\$3,790	\$16,859	\$202,307
<b>Executive Administrators</b>	\$4,371	\$1,268	\$5,640	\$ 65,459
<b>Total</b>				<b>\$813,994</b>

**Description**

*Classified employees* are subject to the final disposition of discussions at the State level. The current discussion follows a “Furlough Day” plan. The equivalent of any such plan is aimed at a 4.6% overall reduction.

*Administrative Faculty* employees will work with their supervisors to identify one day per working month as a “Furlough Day.” These days shall be unpaid days for which no work contribution to EOU will be required or accepted. A temporary FTE reduction of 4.6% would be equivalent to a 4.6% reduction of base salary.

*Executive Administrators* will work with their supervisors to identify one day per working month as a “Furlough Day.” These days shall be unpaid days for which no work contribution to EOU will be required or accepted. A temporary FTE reduction of 4.6% would be equivalent to a 4.6% reduction of base salary.

The application of the 4.6% reduction in overall faculty compensation will be subject to discussions with AAP regarding the manner in which such reductions can be applied. *Faculty* have the option of furloughs, temporary salary reductions, FTE reductions, or other possibilities. The outcome of this equivalent overall reduction will be 4.6% of the current salary pool dollars for faculty.

### **Impact on Mission**

There will be no measurable impact on mission, personnel, programs, and services to students. Institutional integrity will be maintained.

### **Effect of Cuts**

The effect of these cuts to programs and services is modest. Faculty, staff, and administration must continue to work as frugally as possible to conserve dispensable materials, energy, and commodities. We cannot reduce these expenses further than this level or we risk not meeting contractual obligations, ongoing fees, and charges for essential services and supplies.

The most serious impact will be on the wages of all employees. This sacrifice will have a lasting and deep impact on all, yet is a significant and meaningful sacrifice that will help to retain as many employees as possible.

### **Summary**

<b>S&amp;S Reductions</b>	\$1,042,000
<b>F&amp;A Vacant Position</b>	\$50,000
<b>Inload Instruction</b>	\$173,000
<b>Furlough Classified</b>	\$202,307
<b>Furlough Administrative Faculty</b>	\$206,066
<b>Furlough Executive</b>	\$65,459
<b>Furlough Faculty</b>	\$340,162
<b>Total Reduction</b>	<b>\$2,078,994</b>

Based on the most aggressive enrollment growth model and the application of the highest increase in tuition reasonable (3.6%), Tier 1 strategies total the equivalent of an 18% reduction

in State support. If the total reductions in State support are equal to or less than this proportion, then the University will remain fiscally able to meet all obligations while retaining a 6% reserve.

See Appendix S1 for the complete analysis of revenue, cost saving measures, and all other anticipated variables for FY 2009-10.

***Important Note: If a university-wide 4.6% reduction in salary is not realized in Tier 1, the plan will immediately progress to Tier 2 and Tier 3 budget reductions.***

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**Tier 2: Retain All Current EOU Functions: No layoffs, no program reductions. Selective FTE reductions, reduction of administrative services, preservation of all functions, but an operational slow down. (20%)**

In addition to all Tier 1 reductions, Tier 2 will employ measures that will reduce selected positions further. Although all University functions are preserved, the work done will be redistributed, delayed, or omitted. Certain individuals within programs, service organizations, and administration will be reduced in FTE or transferred from administrative function to teaching load, thereby reducing adjunct cost.

**Reductions/Savings**

*1. Informational Technology (IT)*

\$141,000 Technology Fee transfer to IT

*Description:* Temporarily transfer the budget line for Technology Fee Grants to underwrite student-related IT services/purchases within the regular budget. No permanent change in budget authority or process.

*2. Finance and Administration (F&A)*

\$111,000 in temporary reassignment of employees to capital funding projects

*3. Student Affairs (SA)*

\$35,000 Reduction of FTE

*4. Academic Affairs (AA)*

\$89,000 Selected reductions of positions in multiple areas. All cuts are .5 FTE or less. No layoffs are recommended in any of these positions (Provost's Office, DES, LIB, COE, COB).

**Summary**

IT	\$141,000
F&A	\$111,000
SA	\$35,000
AA	\$89,000
<b>Total</b>	<b>\$376,000</b>



3. IT Division \$ 106,000 FTE reductions and vacancies  
*Description:* Reduction of support staff, delay in services to the University.

4. LIB \$ 17,000 FTE reductions  
*Description:* Reduced Library hours

5. MDPA \$ 5,000 1% FTE reduction  
\$ 10,000 S&S reductions

6. CAS \$ 95,000 FTE reductions  
*Description:* No layoffs are recommended. However, a total of 1.25 FTE, approximately 8 partial fixed-term reductions, will be divided over a number of programs. Both quantitative and qualitative information was used to prioritize possible reductions. The academic vitality of the college and EOU overall were considered in each instance.

7. F&A \$ 36,000 Position reclassification

**Summary**

<b>DES</b>	\$15,000
<b>COE, CAS, COB</b>	\$15,000
<b>IT</b>	\$106,000
<b>LIB</b>	\$17,000
<b>MDPA</b>	\$15,000
<b>CAS</b>	\$95,000
<b>F&amp;A</b>	\$36,000
<b>Total</b>	<b>\$299,000</b>

**Impact on Mission**

There will be no direct impact on the achievement of mission and promise in support services by reducing program FTE selectively. However, administrative infrastructure will need to be managed carefully in order to ensure that oversight and compliance standards are being met, and that principles, policies, and procedures integral to the functioning of the university are maintained.

**Effect of Cuts**

Tier 3 includes all elements of Tiers 1 and 2 as well as \$299,000 of additional recommended cuts. Tier 3 strategies total the equivalent of a 23% reduction in State support. If the total reductions in State support are equal to or less than this proportion, then the University will remain fiscally able to meet all obligations while retaining a 6% reserve.

See Appendix S3 for the complete analysis of revenue, cost saving measures, and all other anticipated variables for 2009-10.

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**Summary**

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Had the nation not been gripped with a global economic crisis, EOU would have entered FY 2009-10 in excellent position to sustain and enhance services to its mission region. Had we not been required to relinquish 5% of the 2007-09 total State of Oregon support this last winter, EOU would have begun 2009 with a 10 per cent fund balance—perfectly poised to move forward with the kinds of investments we believe would have strengthened our enrollment and our mission fulfillment.

Instead, we are faced with the following three tiers of strategies to fill the void left by an unknown level of state support. Given below is a summary of the tiers in terms of dollar amounts, percentages, and FTE impact by each division of the University.

Tier 1

S&S	\$	1,042,000
F&A Position Vacancy	\$	50,000
Inload of Online Courses	\$	173,000
4.6% Compensation Reduction	\$	813,994
Impact of Increased Revenues	\$	781,000
<b>Total Net Reduction Impact</b>	<b>\$</b>	<b>2,859,994 or 18% of base funding</b>

See Appendix S1

Tier 2	ALL of Tier 1 and, Technology Transfer	\$	2,859,994
	F&A Reductions	\$	141,000
	SA Reductions	\$	111,000
	AA FTE Reductions	\$	35,000
	<b>Total Cumulative</b>	<b>\$</b>	<b>3,235,994 or 20% of base funding</b>

See Appendix S2

Tier 3	All of Tiers 1 and 2 and, FTE Reductions	\$	3,235,994
	<b>Total Cumulative</b>	<b>\$</b>	<b>3,534,994 or 23% of base funding</b>

See Appendix S3

**APPENDICES**

- B1 18% BUDGET FOR FY 2009-10 w/o any actions showing red ink \$ amount**
- B2 20% BUDGET FOR FY 2009-10 w/o any actions showing red ink \$ amount**
- B3 23% BUDGET FOR FY 2009-10 w/o any actions showing red ink \$ amount**
  
- P1 Budget Planning FY 09-11 charges to each constituency**
- P2 Budget Planning Flow Chart RY 2009-11**
- P3 Budget Planning Flow Chart Explanations**
  
- E1 Enrollment projections**
  
- I Input from Constituencies**
  
- H Historical Record of Position Eliminations/Reductions**
  
- S1 Balanced 18% BUDGET FOR FY 2009-10 for Tier 1**
- S2 Balanced 20% BUDGET FOR FY 2009-10 for Tier 2**
- S3 Balanced 23% BUDGET FOR FY 2009-10 for Tier 3**

EOU Budget Projection - 18 % Budget Reduction  
FY2010 and FY2011  
No Tuition Increase - No Savings

	Expense Projection Updated 04/20/09 Per Budget Projections Updated 04/20/09			Expense Projection Updated 04/20/09 Per IR Projections Updated 04/20/09			Expense Projection Updated 04/20/09 Per IR Projections Updated 04/20/09			
	Actual FYE 6/30/08	Enrollment Percent Change	Tuition Percent Change	Projected 6/30/2009	Enrollment Percent Change	Tuition Percent Change	Projected 6/30/2010	Enrollment Percent Change	Tuition Percent Change	Projected 6/30/2011
<b>EDUCATION &amp; GENERAL - LIMITED</b>				(1)						
<b>REVENUES</b>										
ETIC	225			225						
Health Professions	262			370						
Rural Access	284			296						
General Fund	16,262			16,575						
State General Fund	<b>17,033</b>			<b>17,466</b>			18,493			18,493
State General Fund - Reduction							(3,329)			(3,329)
Total State General Fund							15,164	(2)		15,164
OUS Budget Reduction 11/25/08 - 1.095%				(381)						
Additional OUS Budget Reduction Projection (6/30/09)				(1,558)						
OUS RAM Settle-Up				299						
E&G Paid - Debt Service				16						
FY2010-11 - 60% Public Service/Rural Access Reduction Projection							(320)			(320)
				15,842			14,844			14,844
Tuition & Resource Fees, net of Remissions On Campus										
Total On Campus	5,423	-9.43%	1.90%	5,005	-6.00%	0.00%	4,705	-4.00%	0.00%	4,516
On Site	1,071	11.10%	0.00%	1,190	0.00%	0.00%	1,190	0.00%	0.00%	1,190
On Line	5,724	9.76%	0.00%	6,283	6.65%	0.00%	6,700	6.29%	0.00%	7,122
Graduate	1,395	26.60%	1.90%	1,800	0.00%	0.00%	1,800	0.00%	0.00%	1,800
Special Student and Resource Fees	701			524			717			717
Total Tuition & Resource Fees	14,314			14,801			15,112			15,345
Less Remissions	(1,779)			(1,558)			(1,800)			(1,800)
Tuition & Resource Fees, net of Remissions	12,535			13,243			13,312			13,545
Other	982			963			916			916
Transfers In	468			20			20			20
<b>Total Revenues &amp; Transfers In</b>	<b>31,018</b>			<b>30,068</b>			<b>29,092</b>			<b>29,325</b>
<b>EXPENDITURES</b>										
Personnel Services	(24,665)			(23,577)			(23,577)	(3)		(23,577)
On Line				(2,098)			(2,170)	(4)		(2,306)
PEBB Increase FY2010 at 10%							(426)	(5)		
BART Year 3 Cuts							299			
Total Personnel Services				(25,675)			(25,874)			(25,883)
Supplies & Services	(4,061)			(4,099)			(5,242)	(6)		(5,242)
Capital Outlay	(463)			(625)			(480)			(480)
One-Time Spending Authority				(301)			0			0
Transfers Out	(27)			(53)			(53)			(53)
			Natural Savings	0		Natural Savings	0		Natural Savings	0
<b>Total Expenditures &amp; Transfers Out</b>	<b>(29,216)</b>			<b>(30,753)</b>			<b>(31,649)</b>			<b>(31,658)</b>
<b>Net from Operations and Transfers</b>	<b>1,802</b>			<b>(685)</b>			<b>(2,557)</b>			<b>(2,333)</b>
Fund Additions/Deductions	0			0			0			0
Change in Fund Balance	1,802			(685)			(2,557)			(2,333)
<b>Beginning Fund Balance</b>	<b>592</b>			<b>2,394</b>			<b>1,709</b>			<b>(848)</b>
<b>Ending Fund Balance</b>	<b>2,394</b>			<b>1,709</b>			<b>(848)</b>			<b>(3,181)</b>
<b>% Operating Revenues</b>	<b>7.7%</b>			<b>5.7%</b>			<b>-2.9%</b>			<b>-10.8%</b>
Adjustment for summer DDE										
Ending Fund Balance, adjusted				6.0%			6.0%			6.0%
% Operating Revenues				-0.3%			-8.9%			-16.8%
				Available fund balance \$			Available fund balance \$			Available fund balance \$
				(\$95)			(\$2,594)	(7)		(\$4,941)

**Notes and Assumptions**

- (1) FY09 projection ties to Q3 Management Report.
- (2) FY2009 E&G of \$17,466,387 + settle-up of \$298,718 = \$17,765,105 x 4.1% = \$18,493,474 less 18% estimated budget reduction of \$3,328,825 = \$15,164,649.
- (3) Personnel Expense for FY2010 & FY2011 reflects no change from FY09
- (4) On Line expense reflects an increase in online cost (3% reduction in online instruction rate and a 6.65% increase in enrollment growth ex: \$2,098 less 3.0%, plus 6.65%)
- (5) PEBB Increase projected for FY2010 at 10% (\$4,256,727 x 10% = \$425,673)
- (6) FY2009 - Projected actual Service & Supplies \$4,400,000, FY2010 & 11 - Services & Supplies reflects budgeted from FY09.
- (7) Savings needed to balance the budget at a 6% fund balance.

EOU Budget Projection - 20 % Budget Reduction  
FY2010 and FY2011  
No Tuition Increase - No Savings

	Expense Projection Updated 04/20/09 Per Budget Projections Updated 04/20/09			Expense Projection Updated 04/20/09 Per IR Projections Updated 04/20/09			Expense Projection Updated 04/20/09 Per IR Projections Updated 04/20/09			
	Actual FYE 6/30/08	Enrollment Percent Change	Tuition Percent Change	Projected 6/30/2009	Enrollment Percent Change	Tuition Percent Change	Projected 6/30/2010	Enrollment Percent Change	Tuition Percent Change	Projected 6/30/2011
<b>EDUCATION &amp; GENERAL - LIMITED</b>				(1)						
<b>REVENUES</b>										
ETIC	225			225						
Health Professions	262			370						
Rural Access	284			296						
General Fund	16,262			16,575						
State General Fund	<b>17,033</b>			<b>17,466</b>			18,493			18,493
State General Fund - Reduction							(3,699)			(3,699)
Total State General Fund							14,794	(2)		14,794
OUS Budget Reduction 11/25/08 - 1.095%				(381)						
Additional OUS Budget Reduction Projection (6/30/09)				(1,558)						
OUS RAM Settle-Up				299						
E&G Paid - Debt Service				16						
FY2010-11 - 60% Public Service/Rural Access Reduction Projection							(320)			(320)
				15,842			14,474			14,474
Tuition & Resource Fees, net of Remissions On Campus										
Total On Campus	5,423	-9.43%	1.90%	5,005	-6.00%	0.00%	4,705	-4.00%	0.00%	4,516
On Site	1,071	11.10%	0.00%	1,190	0.00%	0.00%	1,190	0.00%	0.00%	1,190
On Line	5,724	9.76%	0.00%	6,283	6.65%	0.00%	6,700	6.29%	0.00%	7,122
Graduate	1,395	26.60%	1.90%	1,800	0.00%	0.00%	1,800	0.00%	0.00%	1,800
Special Student and Resource Fees	701			524			717			717
Total Tuition & Resource Fees	14,314			14,801			15,112			15,345
Less Remissions	(1,779)			(1,558)			(1,800)			(1,800)
Tuition & Resource Fees, net of Remissions	12,535			13,243			13,312			13,545
Other	982			963			916			916
Transfers In	468			20			20			20
<b>Total Revenues &amp; Transfers In</b>	<b>31,018</b>			<b>30,068</b>			<b>28,722</b>			<b>28,955</b>
<b>EXPENDITURES</b>										
Personnel Services	(24,665)			(23,577)			(23,577)	(3)		(23,577)
On Line				(2,098)			(2,170)	(4)		(2,306)
PEBB Increase FY2010 at 10%							(426)	(5)		
BART Year 3 Cuts							299			
Total Personnel Services				(25,675)			(25,874)			(25,883)
Supplies & Services	(4,061)			(4,099)			(5,242)	(6)		(5,242)
Capital Outlay	(463)			(625)			(480)			(480)
One-Time Spending Authority				(301)			0			0
Transfers Out	(27)			(53)			(53)			(53)
<b>Total Expenditures &amp; Transfers Out</b>	<b>(29,216)</b>			<b>(30,753)</b>			<b>(31,649)</b>			<b>(31,658)</b>
<b>Net from Operations and Transfers</b>	<b>1,802</b>			<b>(685)</b>			<b>(2,927)</b>			<b>(2,703)</b>
Fund Additions/Deductions	0			0			0			0
Change in Fund Balance	1,802			(685)			(2,927)			(2,703)
<b>Beginning Fund Balance</b>	<b>592</b>			<b>2,394</b>			<b>1,709</b>			<b>(1,218)</b>
<b>Ending Fund Balance</b>	<b>2,394</b>			<b>1,709</b>			<b>(1,218)</b>			<b>(3,921)</b>
<b>% Operating Revenues</b>	<b>7.7%</b>			<b>5.7%</b>			<b>-4.2%</b>			<b>-13.5%</b>
Adjustment for summer DDE										
Ending Fund Balance, adjusted		Goal fund balance		6.0%	Goal fund balance		6.0%	Goal fund balance		6.0%
% Operating Revenues		Available fund balance %		-0.3%	Available fund balance %		-10.2%	Available fund balance %		-19.5%
		Available fund balance \$		(\$95)	Available fund balance \$		(\$2,941)	Available fund balance \$		(\$5,658)

EOU Budget Projection - 20 % Budget Reduction  
FY2010 and FY2011  
No Tuition Increase - No Savings

**Notes and Assumptions**

- (1) FY09 projection ties to Q3 Management Report.
- (2) FY2009 E&G of \$17,466,387 + settle-up of \$298,718 = \$17,765,105 x 4.1% = \$18,493,474 less 20% estimated budget reduction of \$3,698,695 = \$14,794,779
- (3) Personnel Expense for FY2010 & FY2011 reflects no change from FY09
- (4) On Line expense reflects an increase in online cost (3% reduction in online instruction rate and a 6.65% increase in enrollment growth ex: \$2,098 less 3.0%, plus 6.65%)
- (5) PEBB Increase projected for FY2010 at 10% (\$4,256,727 x 10% = \$425,673)
- (6) FY2009 - Projected actual Service & Supplies \$4,400,000, FY2010 & 11 - Services & Supplies reflects budgeted from FY09.
- (7) Savings needed to balance the budget at a 6% fund balance.

EOU Budget Projection - 23 % Budget Reduction  
FY2010 and FY2011  
No Tuition Increase - No Savings

	Expense Projection Updated 04/20/09 Per Budget Projections Updated 04/20/09			Expense Projection Updated 04/20/09 Per IR Projections Updated 04/20/09			Expense Projection Updated 04/20/09 Per IR Projections Updated 04/20/09			
	Actual FYE 6/30/08	Enrollment Percent Change	Tuition Percent Change	Projected 6/30/2009	Enrollment Percent Change	Tuition Percent Change	Projected 6/30/2010	Enrollment Percent Change	Tuition Percent Change	Projected 6/30/2011
<b>EDUCATION &amp; GENERAL - LIMITED</b>				(1)						
<b>REVENUES</b>										
ETIC	225			225						
Health Professions	262			370						
Rural Access	284			296						
General Fund	16,262			16,575						
State General Fund	17,033			17,466			18,493			18,493
State General Fund - Reduction							(4,253)			(4,253)
Total State General Fund							14,240	(2)		14,240
OUS Budget Reduction 11/25/08 - 1.095%				(381)						
Additional OUS Budget Reduction Projection (6/30/09)				(1,558)						
OUS RAM Settle-Up				299						
E&G Paid - Debt Service				16						
FY2010-11 - 60% Public Service/Rural Access Reduction Projection							(320)			(320)
				15,842			13,920			13,920
Tuition & Resource Fees, net of Remissions On Campus										
Total On Campus	5,423	-9.43%	1.90%	5,005	-6.00%	0.00%	4,705	-4.00%	0.00%	4,516
On Site	1,071	11.10%	0.00%	1,190	0.00%	0.00%	1,190	0.00%	0.00%	1,190
On Line	5,724	9.76%	0.00%	6,283	6.65%	0.00%	6,700	6.29%	0.00%	7,122
Graduate	1,395	26.60%	1.90%	1,800	0.00%	0.00%	1,800	0.00%	0.00%	1,800
Special Student and Resource Fees	701			524			717			717
Total Tuition & Resource Fees	14,314			14,801			15,112			15,345
Less Remissions	(1,779)			(1,558)			(1,800)			(1,800)
Tuition & Resource Fees, net of Remissions	12,535			13,243			13,312			13,545
Other	982			963			916			916
Transfers In	468			20			20			20
<b>Total Revenues &amp; Transfers In</b>	31,018			30,068			28,167			28,400
<b>EXPENDITURES</b>										
Personnel Services	(24,665)			(23,577)			(23,577)	(3)		(23,577)
On Line				(2,098)			(2,170)	(4)		(2,306)
PEBB Increase FY2010 at 10%							(426)	(5)		
BART Year 3 Cuts							299			
Total Personnel Services				(25,675)			(25,874)			(25,883)
Supplies & Services	(4,061)			(4,099)			(5,242)	(6)		(5,242)
Capital Outlay	(463)			(625)			(480)			(480)
One-Time Spending Authority				(301)			0			0
Transfers Out	(27)			(53)			(53)			(53)
<b>Total Expenditures &amp; Transfers Out</b>	(29,216)		Natural Savings	0		Natural Savings	0		Natural Savings	0
<b>Net from Operations and Transfers</b>	1,802			(30,753)			(31,649)			(31,658)
Fund Additions/Deductions	0			(685)			(3,482)			(3,258)
Change in Fund Balance	1,802			0			0			0
				(685)			(3,482)			(3,258)
<b>Beginning Fund Balance</b>	592			2,394			1,709			(1,773)
<b>Ending Fund Balance</b>	2,394			1,709			(1,773)			(5,031)
<b>% Operating Revenues</b>	7.7%			5.7%			-6.3%			-17.7%
Adjustment for summer DDE				6.0%			6.0%			6.0%
Ending Fund Balance, adjusted				-0.3%			-12.3%			-23.7%
% Operating Revenues				(\$95)			(\$3,463)	(7)		(\$6,735)

**Notes and Assumptions**

- (1) FY09 projection ties to Q3 Management Report.
- (2) FY2009 E&G of \$17,466,387 + settle-up of \$298,718 = \$17,765,105 x 4.1% = \$18,493,474 less 23% estimated budget reduction of \$4,253,499 = \$14,239,975.
- (3) Personnel Expense for FY2010 & FY2011 reflects no change from FY09.
- (4) On Line expense reflects an increase in online cost (3% reduction in online instruction rate and a 6.65% increase in enrollment growth ex: \$2,098 less 3.0%, plus 6.65%).
- (5) PEBB Increase projected for FY2010 at 10% (\$4,256,727 x 10% = \$425,673).
- (6) FY2009 - Projected actual Service & Supplies \$4,400,000, FY2010 & 11 - Services & Supplies reflects budgeted from FY09.
- (7) Savings needed to balance the budget at a 6% fund balance.



## **EOU BUDGET PLANNING FY 09-11 CHARGES TO EACH CONSTITUENCY**

As each constituency within EOU grapples with the daunting task of analyzing our diminished resources and manipulates spreadsheets to determine where to remove function and cost, it is important to have a set of principles that should drive these discussions. Although the bulk of the work ahead is to adjust our spending to match anticipated resources, our process should not solely be directed at considering what to cut or remove from the operation, but should also consider new ideas for how to complete our functions, ways of consolidating and reducing the complexity of operations, and new opportunities that may improve recruitment and retention. The following guiding statements are given to help each constituency delimit deliberations and test potential solutions so as to forward the most efficacious strategies:

Premise: The current economic crisis will end at some point in the future. State support will ultimately be restored to EOU at some pre-crisis level, and we will see recovery after recession. As a campus we must do everything we can to preserve as much of the function of the University as possible so that when we emerge on the other side of the recession we can easily add-back to our organizations. We must believe this to be short-term phenomena as we attend to the guidelines below.

1) All ideas, suggestions, plans and schemes are considered in the grand sense of brainstorming. That said, there are fundamental principles that we must use to test our ideas to assure that we do not risk fiscal, moral, or institutional integrity. We must have a plan that solves our fiscal problem without delaying it to some future plan. We must have a plan that preserves as much of the mission of the University as possible. We must have a plan that preserves as much enrollment as possible. And finally, in this stark reality of global financial crisis, we must have a plan that preserves as many employees as possible. (See *Budget Principles*. A separate set of overarching guidelines to the management of the University.)

2) As we think about budget reductions we must think about what kinds of things we will not do in the future. Although there may be opportunity to still find efficiencies, we have already reduced our labor force to the point that we can no longer take reductions and expect to complete the work we had done in the past. As we go forward, each constituency will have to ask the question “What will we not do in the next biennium?” Or, alternately, “How could we transform some of what we do now into less cumbersome tasks?” It is important to focus on function and not person in this process.

3) If we have a division/unit/service that has a cost benefit to the University, then it should be considered less of a possibility for reduction. Cost centers that return more revenue than expenses should not be considered vulnerable as an ultimate impact may be even less total revenue and more required cuts to balance the loss. As all look at each function of the University, consider the fiscal impact of the loss of the activity or service. Will the loss of this activity lose students? How many? What is the impact on overall revenue? Although all losses at this point will be harmful, there are some more harmful than others.

4) Consider wider, temporary practices such as furloughs (vacation, no paydays). Consider FTE reductions over lay off, as a partial job may be a better way to survive the recession than no job at all. Also consider that on the recovery side of the recession it is easier to add on to an existing FTE rather than layoff and then add employees back to the system. Any of these temporary solutions should be viewed from the perspective that the next two years will be difficult, but we will have recovery and restoration. Those positions that were furloughed or reduced should be considered first as new resources are identified.

5) Consider program reductions, eliminations, or shared programs that will reduce the number of sections that have less than 10 students. Determine how creative scheduling, trading online for on campus, or using partner university course work may help save programs for the long term while transferring short term obligations to other methods. Consider that any program eliminations or furloughs will have to be “taught-out” and that students will need a route to complete their programs online or through another campus.

6) Resist the simple solution of adding more in revenues to make-up the shortfall. Whatever tuition increases we have, whatever enrollment gains, these will be tasked to offset the amounts that we have to reduce the biennium budget. We cannot solve this problem simply by saying we will get more revenue to cover the hole.

7) Resist the simple solution of just resting the problem at the door of the administration. It is likely that even if we had no administration that the cost savings would still be well short of what is needed to solve the problem.

8) Do not delay the major portion of cuts to the second year of the biennium. If we cut only 10% in 09-10 and we should have cut 15%, then we will need to make a 20% cut in 10-11. This added cut in 10-11 artificially reduces institutional capacity in 10-11.

9) Resist the consolidation method of reducing costs by simply having one person do two or more jobs. This is especially true with staff. Remember that if we are going to reduce positions or lay off individuals, we are also shelving things we cannot do or we are extending the time frame for tasks to be completed.

10) To put a context to the problem in terms of dollars may help characterize the challenge ahead. Consider the overall impact of the budget reductions scenarios as

significant sums of money: 10% equals approximately \$1.738M, 15% equals \$2.60M, and 20% equals \$3.48M for each year of the biennium. We will not know the specific value of the cut until July, or perhaps later. During the 2008-9 fiscal year, we have been frugal with spending and have saved about \$1M in service and supplies budgets. We might continue this behavior into the biennium so that the additional new cuts would be more like: \$.738M for 10%, \$1.6M for 15%, and \$2.48M for 20%. Again, these are rough estimates for us to put the problem into a larger context. Something of general interest is the overall distribution of funding. The President's Office uses 1.3% of the University budget, Finance and Administration is 17.99%, Academic Affairs is 74%, Student Affairs is 4.3%, and MDPA is 2.39%.

Instructions for completing the *TEMPLATE FOR FEEDBACK*.

Given the template below, fill-in the sections as given for each idea presented. Please keep one major idea for each *Template* as these will be easier to categorize and separate for the task of assembling similar inputs. Although specific written input is requested in this format for specific strategies, other written feedback is welcome

#### **TEMPLATE FOR FEEDBACK**

A. PROPOSED REDUCTION, CONSOLIDATION, or EFFICIENCY  
(describe)

B. COST SAVINGS  
(describe)

C. IMPACT ON ENROLLMENT  
(predict based on current enrollment or student participation)

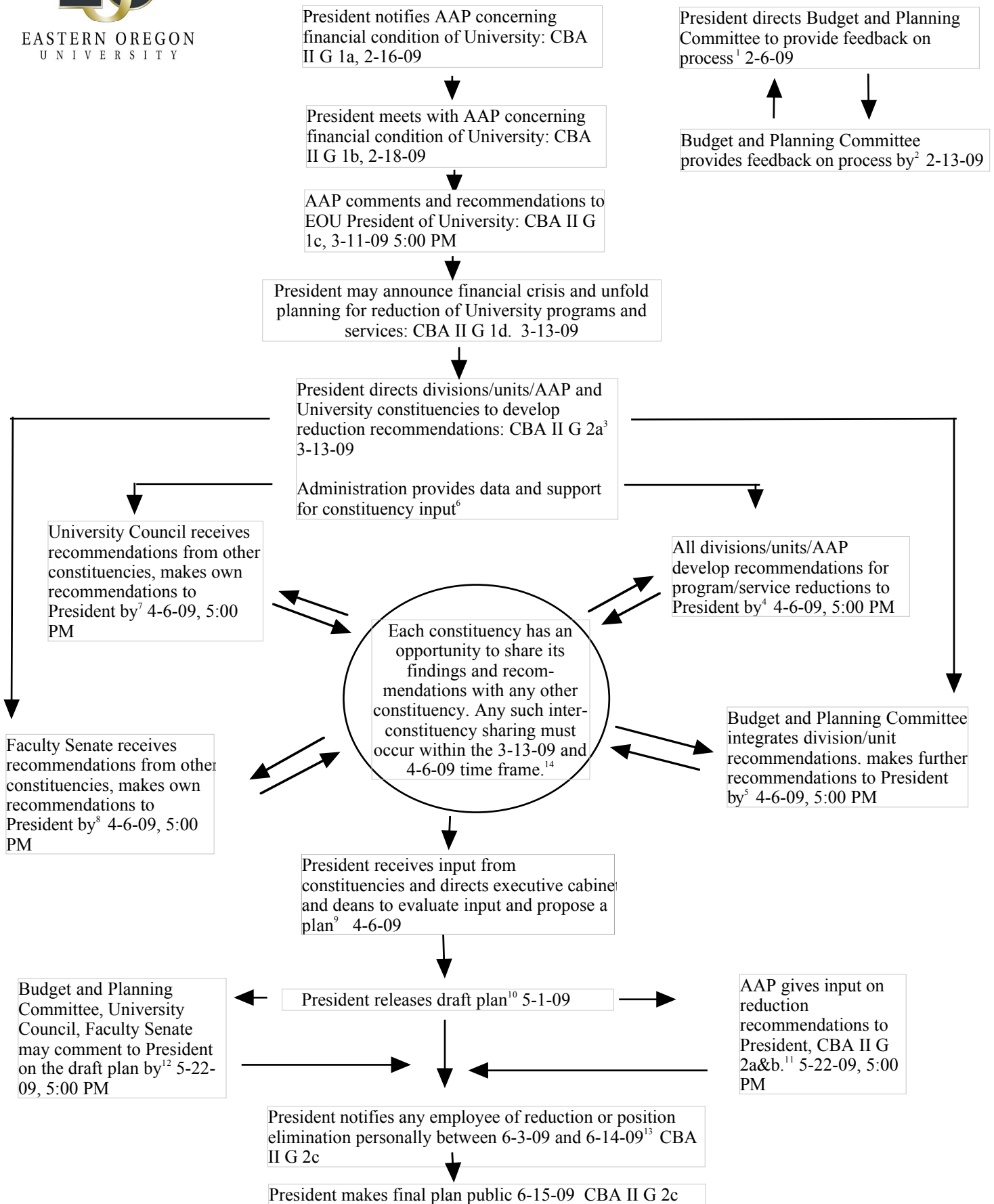
D. IMPACT ON UNIVERSITY  
(What will not get done if we eliminate this function)

E. TIME LINE ON REDUCTION  
(When would it happen and how)

F. COMMENTS



# EOU BUDGET PLANNING FLOW CHART FY 2009-11





## **EOU BUDGET PLANNING FLOW CHART EXPLANATIONS**

1, 2 The President will meet with the Chairs of Budget and Planning, Faculty Senate, and University Council to provide a proposed process for budget reductions. The President will charge the Budget and Planning Committee with a review of the process. The Budget and Planning Committee will have a short time to review the flow chart and offer feedback to the President. After the President receives input from the B&P Committee, the budget process will be communicated to the University Community. Meanwhile, the President follows CBA rules and procedures according to CBA Article II.

3 The President then directs all divisions/units, Faculty Senate, University Council and Budget and Planning Committee to note the process and to attend to the timelines associated with each step. The President notifies AAP according to CBA Article II. G1b. The President then charges each group to examine their own areas of responsibility to determine how reductions of 10, 15, 20 per cent may be made.

4, 7, 8, 14 Divisions/Units will make recommendations for each scenario (10, 15, 20%) based on key principles (maintaining University mission, fiscal solvency, enrollment stability, and overall best interests of the University). Recommendations are given to the President and any other constituency interested in receiving them (Budget and Planning, Senate, University Council, unions). AAP will develop recommendations in accordance with CBA Article II G 2a. Between 3-13-09 and 4-6-09 all constituencies should deliberate about possible reductions. Any communication between constituencies must be accomplished during this time period.

5 The Budget and Planning Committee uses input from the divisions/units as well as information from other University data to make recommendations for functional reductions. This means that rather than picking any individual person, the Committee should examine functions alone. B&P may need financial information, IR information, or other data to help inform their recommendations.

6 Finance and Administration will provide cost features for each unit, Institutional Research will provide academic productivity data.

9 Taking all the input data and recommendations, the President then tasks the Executive Cabinet and Deans to draft a biennium plan that will provide EOU with sustainable budget.

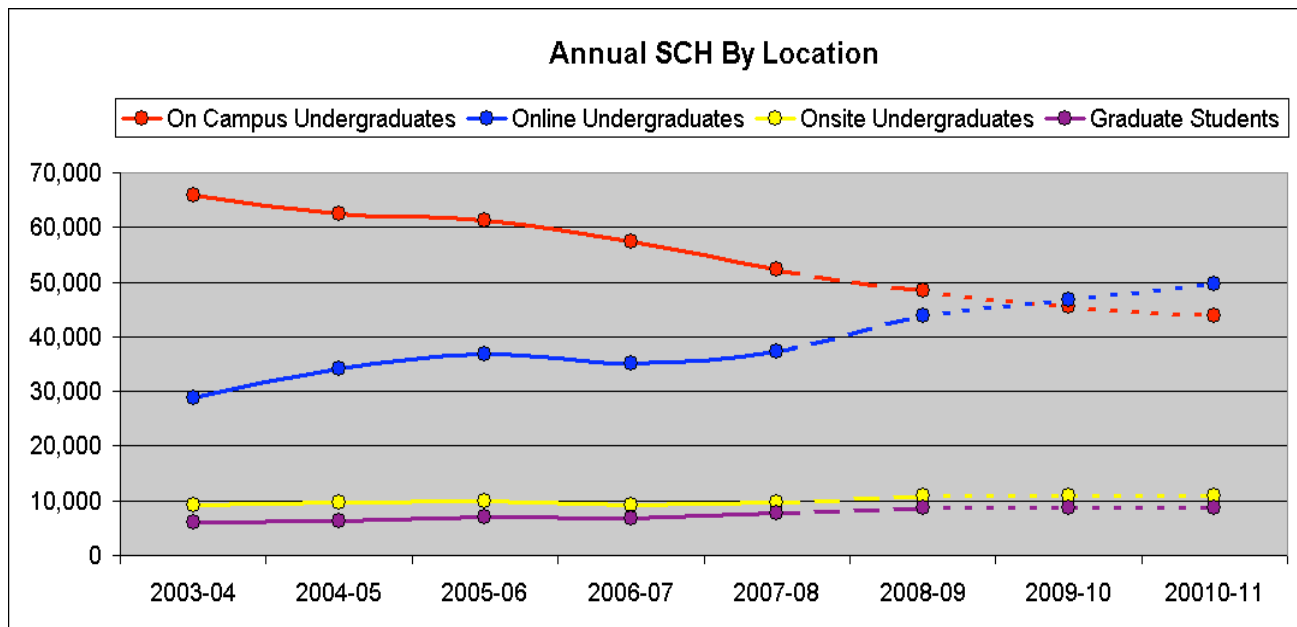
10 The President will release the Draft Plan to AAP in accordance with CB Article II G 2b. The President will provide the Budget and Planning Committee, the Faculty Senate and the University Council with the plan.

11 In the allotted time frame, AAP will provide the President with feedback and recommendations in accordance with CB Article II G 2b.

12 The Faculty Senate, University Council and Budget and Planning may provide written feedback to the President in the time frame noted.

13 The President will consider the input, modify the plan as necessary, and finalize the plan. Any employees affected by a reduction or position elimination will be notified in person prior to the release of the final plan.

## Actual and Projected SCH



## SCH By Location

	2003-04	2004-05	2005-06	2006-07	2007-08	As of April 16 2008-09	Projected 2009-10	Projected 2010-11
On Campus Undergraduates	65,954	62,421	61,284	57,305	52,395	48,542	45,629	43,804
Online Undergraduates	28,788	34,200	36,839	35,151	37,281	43,799	46,712	49,652
Onsite Undergraduates	9,176	9,669	10,033	9,173	9,758	10,854	10,854	10,854
Graduate Students	5,982	6,189	6,906	6,719	7,761	8,670	8,670	8,670
<b>SCH Total</b>	<b>109,900</b>	<b>112,479</b>	<b>115,062</b>	<b>108,348</b>	<b>107,195</b>	<b>111,865</b>	<b>111,865</b>	<b>112,980</b>

## % Change From Prior Year

	2003-04	2004-05	2005-06	2006-07	2007-08	As of April 16 2008-09	Projected 2009-10	Projected 2010-11
On Campus Undergraduates		-5.36%	-1.82%	-6.49%	-8.57%	-7.35%	-6.00%	-4.00%
Online Undergraduates		18.80%	7.72%	-4.58%	6.06%	17.48%	6.65%	6.29%
Onsite Undergraduates		5.37%	3.76%	-8.57%	6.38%	11.23%	0.00%	0.00%
Graduate Students		3.46%	11.59%	-2.71%	15.51%	11.71%	0.00%	0.00%
<b>Total % Change</b>		<b>2.35%</b>	<b>2.30%</b>	<b>-5.84%</b>	<b>-1.06%</b>	<b>4.36%</b>	<b>0.00%</b>	<b>1.00%</b>

## % of Total Population (SCH)

	2003-04	2004-05	2005-06	2006-07	2007-08	As of April 16 2008-09	Projected 2009-10	Projected 2010-11
On Campus Undergraduates	60.01%	55.50%	53.26%	52.89%	48.88%	43.39%	40.79%	38.77%
Online Undergraduates	26.19%	30.41%	32.02%	32.44%	34.78%	39.15%	41.76%	43.95%
Onsite Undergraduates	8.35%	8.60%	8.72%	8.47%	9.10%	9.70%	9.70%	9.61%
Graduate Students	5.44%	5.50%	6.00%	6.20%	7.24%	7.75%	7.75%	7.67%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

\*\* Nursing [OHSU], Agriculture [OSU], Cascade Campus [OSU] and Oregon Dental Services [ODS] excluded from counts

April 6, 2009

President Dixie Lund  
Eastern Oregon Universtiy  
1 University Blvd  
La Grande, OR 97850

President Lund:

Please find attached the Associated Academic Professionals official response to the budget planning process per the official timeline.

Sincerely,

Linda Jerofke, PhD  
AAP President

Official Response by Associated Academic Professionals  
to the President's Announcement of the Budget Crisis

AAP recognizes the demand by OUS and the legislature that EOU prepare a plan for potential budget reductions for the 2009-2011 biennium of percentages ranging between 5% and 30 %. We all realize that the larger the percentage cut is, the more vulnerable EOU becomes as an institution and believe it is in everyone's interest to seek revenue enhancement measures as our priority in addressing projected revenue shortfalls in the state. While that is not the specific responsibility of AAP, as citizens of EOU, we are pledged to participate to the best of our ability in promoting activities related to recruitment and retention of new students and are open to constructive discussions regarding temporary budget reductions that might be necessary during the next biennium. The following are our policy recommendations as you prepare the budget reduction plans you are required to submit to OUS:

First, the union assumes that the administration has explored thoroughly with officials of OUS and through its political contacts in the Legislature the recent news from Arizona that the Federal Stimulus package may stipulate that there be no cuts in higher education by any state receiving the package. Were that to prove true, much of the pain we anticipate in these cuts would be avoidable and unnecessary.

Should budget reductions become necessary, then a date-specific dollar amount for those reductions in the 2009-2011 biennium should be presented by the university administration and be fully justified. Included in this specific dollar amount should be a date-specific figure for the university's fund balance. The amount quoted by the university must be in exact agreement with the amount quoted by OUS, and moneys from the fund balance would need to be committed to filling budget holes before actual positions were cut.

Any reductions in the teaching faculty should be preceded by substantial, measurable cuts in administration.

Viable early retirement packages should be offered to all faculty who are eligible and willing to consider them.

Members of the union and its bargaining unit might consider voluntary FTE reductions only under the following conditions:

1. No program should be eliminated. The public relations impact of such a decision could be lethal to the institution.
2. The same percentage reductions must apply to all degree programs across campus. No degree program should be privileged.
3. Programs should have the primary responsibility for suggesting how to meet reduction expectations. They may reduce teaching load, increase class size (with consideration of teaching quality), move overload inload, eliminate released time, and/or eliminate positions consistent with the AAP contract (including those of exclusively Distance faculty). They may also have the administration decide how the program will meet the reduction expectation, if they do not wish to be responsible for the job loss of a colleague. Programs may incorporate early retirements into their calculations.
4. If a faculty member decides voluntarily to reduce her/his FTE below 1.0, that reduction will be in

the form of a reduction in course load using 45 hours as the total contractual load. In no case will the union consider a reduction in salary at 1.0 FTE, and the purpose of any reduction will be to preserve positions and program integrity. In addition, since such an FTE reduction would be temporary and voluntary, the administration should be flexible and energetic in making such an alternative attractive to the faculty member who volunteers to undertake it, and in setting a date certain on which that reduction would end. Any effort at that time to try to force the faculty member to continue FTE reduction by threatening the loss of other positions in the program would merit a forceful and public reaction from the union.

AAP seeks to be part of the solution to the university's potential budget crisis and will work with the administration to find ways in which the university can survive the coming storm, but the union will not give up the modest progress we have made in salaries and benefits, progress which has still left Eastern far behind its comparator institutions.

**Appendix – I  
CAS (DSSML)**

Good morning Dixie and Michael,

Apparently when I sent out the ideas generated in our division prior to finals week of Winter term, I neglected to send them on up through the channels. My sincere apologies. I hope that these ideas might still be part of the discussions. Indeed some of them are currently being acted on in our own division.

DSSML Ideas in Difficult Budget Times

- Certificates based in weekend colleges: Spanish Certificate, Professional Writing Skills, Computer Science certificate, Lab Tech certificate, Gateway Communication Skills, Intercultural Competence certificate
- Weekend Colleges for High School Students: largely an opportunity to explore subject otherwise not taught at the high school and earn some elective credit.
- Replacement of Liberal Studies degree with Interdisciplinary Studies:  
There may be additional campus constituents with good ideas outside the box who might develop other alternatives for the overhaul of Liberal Studies.
- Community Recruitment: Bring people in to register for courses. Go to Walmart, the Unemployment office, any businesses that have had closures announced that are still in operation as they wind down, Training and Childcare Consortium on Island Avenue
- Childcare opportunities for students funded by foundation as a childcare voucher program
- Run some weekend colleges with Hunt Hall overnights, attract students with Bucks for Books (\$100 discount vouchers)

Date: May 1, 2009

To: President Dixie Lund  
From: Classified Staff of Eastern Oregon University  
CC: Members of the University Council  
Re: Classified Staff Open Forum on Budget Reduction Process

On March 25, 2009 thirty three members of the Classified Staff attended an open forum hosted by the University Council to discuss the Budget Reduction Process as outlined on the President's Webpage. We acknowledge that due to the SEUI bargaining we cannot make recommendations in regards to anything contract related but as the front line staff for Eastern Oregon University we do acknowledge that money can be saved and workloads lightened. The following are recommendations to the Cabinet on behalf of the Classified Staff:

Eastern Oregon University has policies to monitor spending that cost the University more to complete the paperwork then the charges we are monitoring. For example the process of completing the Long Distance Authorization form. For every 10 minute phone call (\$1.00), or repetitive numbers dialed we have to complete a log form. This form requires we contact the employee making the call, verify it is business related and then get department authorization. The amount of time EOU pays an office staff member to do this process exceeds the cost of the bill. The Classified Staff recommends a review of this policy and others like it to see if the process is necessary or can be minimized in some way.

Eastern Oregon University has recently undergone many changes. Due to the repositioning plan and a high turn over rate with employees, many Classified Staff members feel that there is a lot of unnecessary time spent negotiating where staff and job functions are located. If front line staff is trying to figure out who is doing what, we can only imagine how hard it is for students to get the assistance they need. We acknowledge that due to the financial crisis Eastern Oregon University will be seeing more of these changes. Due to these changes the Classified Staff suggest that the Cabinet do more to communicate those changes with all Eastern Oregon University employees on campus and in the Regional Centers.

The following recommendation is not within the Classified Staff purview, but we anticipate that cost saving efforts in courses with low enrollments and offering hybrid courses to offset Faculty overload payments will be utilized before any positions (Classified, Administrative Faculty, and Faculty) will be eliminated.

On behalf of the Classified Staff we want to thank President Dixie Lund for her supporting this open forum. The Classified Staff is excited to welcome Dr. Bob Davies to Eastern Oregon University this summer.

**Appendix – I  
Colleges of Education  
and Business**

To: President Dixie Lund  
From: Faculty and staff of the Colleges of Business and Education  
Re: Recommendations for budget changes

Date: May 1, 2009

The faculty and staff in the Colleges of Business and Education met informally to discuss the pending budget crisis and what actions should be taken to preserve the integrity of the institution. The following items represent a consensus of thoughts.

General recommendations:

First and foremost, we believe the administration should do everything in its power to keep academic programs intact and to focus program delivery on the mission and strategic plan of the institution, that is, to serve the higher education needs of eastern Oregon.

Recommendations for cost reductions:

We focus our recommendations on broad elements of cost reduction, recognizing that specific changes must be made at the department, division and program levels. We believe the following ideas should be taken into consideration when making cost reductions:

- Focus on “right-sizing” the institution based on the funds expected from all sources.
- In-load some portion of online courses that are currently being taught as overload. The College of Business has implemented an approach to in-load online courses that should be considered in other colleges.
- Program areas, in consultation with respective Deans and Directors, should have the option to choose how to meet reduction expectation, given administrative constraints.
- All cuts should be evaluated against the institution’s mission and strategy plan.

Recommendations for revenue enhancement:

While we recognize that the emphasis in the pending budget crisis is to reduce expenses, we believe there are opportunities to increase revenue. Some of these opportunities may require cost re-allocations from existing program areas. We think some of these opportunities could generate sufficient revenues in the short-run to offset the need for cost reductions in the second year of the biennium. Finally, these opportunities could build momentum for the future, a future where Eastern is more sustainable and focused on its mission.

We believe the following idea will generate additional students and more revenue for the institution:

- Consider returning some sports programs to campus, for example the rodeo team, which directly address the regional mission of the institution and enhance opportunities for student activities.
- Offer more courses at night during the fall and spring terms to accommodate non-traditional students.
- Increase the graduate programs in the Colleges of Business and Education by 5 to 8% each year of the biennium.
- Develop a comprehensive marketing program that is faculty driven. The program needs to put faculty in face-to-face situations with perspective students.
- Establish an EOU brand that tells potential students who and what makes this institution unique.

## Appendix – I Faculty Senate

The Faculty Senate of Eastern Oregon University proposes the following in responding the president's recent announcement of an impending budget crisis:

1. Students do not attend a university because of its administrative structure. They come to take classes from professors. Cuts that impact programs and majors should, therefore, be an absolute last resort. The Senate expects that there will be deep and measurable cuts in administration before program cuts are considered. We particularly recommend a reexamination of positions created and reallocated under the BART plan and the number of direct hire contracts since that time.
2. The Senate urges the administration to safe guard against the further erosion of on campus enrollment by discouraging the mandatory hybridization of courses, additional sections of on line courses that directly compete with courses on campus, and the addition of new courses that will adversely affect on campus enrollment. The administration should resist the temptation to find short term savings through conversion of live sections to online.
3. The largest percentage of the campus budget is in personnel, and the best paid among teaching faculty are generally those who have been here the longest, some of whom are near eligible retirement age. The Senate urges the Eastern administration to show maximum flexibility and innovation in coming up with a viable early retirement option for those faculty and administrators who might wish to consider it, but it cautions against failing to *replace* faculty who have taken such an option, since that would constitute the kind of program cut the institution should avoid.
4. The university president has stated repeatedly her intention to hold tuition increases to no more than 2.5% per year. Given, however, that other institutions in the state system and the region are proposing much larger tuition increases, the Senate urges the president to consider a larger increase at Eastern to prevent potentially ruinous cuts in programs and services. The Senate suggests that Eastern increase tuition by no more (and no less) than 50% of the average tuition increases at other institutions in OUS. Such an increase would enable the university to remain competitive while still helping to mitigate the crisis. The Senate also urges that a percentage of this increase continue to be remitted to students in the form of aid as required by OUS policy and state law.
5. The Senate believes that the in-state tuition waiver must remain in place at Eastern. It is one of our most important and vital recruiting tools and the Senate urges the president to resist energetically any efforts in the Legislature or in OUS to end that waiver.
6. Finally, *if* the university administration believes that voluntary FTE reductions might become necessary to save programs, the Senate will require that such reductions be meaningful and not cosmetic, temporary and not permanent, and it urges the administration to make absolutely sure that such reductions will not affect the PERS crediting status of faculty members considering such a reduction. It also urges that the administration work with OUS and PEBB to ensure maximum flexibility in scheduling for faculty who volunteer to reduce their FTE.

Date: May 1, 2009

To: President Dixie Lund

From: The University Council

Re: **University Council Recommendations for Budget Reductions**

Of all the groups directly associated with Eastern Oregon University, the University Council is the only one that represents all constituents equally. The University Council engages these constituencies in open communication to promote more complete knowledge and reduce misinformation. This communication is essential as the Institution addresses the pending financial crisis. After formal deliberation, the University Council submits the following recommendations for consideration.

- **Strategic Plan:** The University Council strongly urges the Cabinet to rely on the Strategic Plan when making budget reductions. The Plan outlines initiatives the Institution should follow to remain sustainable. Since these initiatives are vital to the progress of the University, then funds need to be reallocated to support them even during the current fiscal crisis. The University needs to position itself so that when things improve it can move forward following the strategic plan.
- **Fund Reallocation:** The University Council insists that during this financial crisis reallocation of funds is necessary.
- **Accreditation Report:** The University Council acknowledges the extreme importance of our current accreditation status. The accreditation recommendations and strategic plan must be reviewed together when making budget reductions.
- **Revenue:** The University Council reminds the Cabinet that all programs involved with retaining students generate revenue over time. All First Year Experience programs must remain in order to continue retention efforts.
- **Implementation of Certificate Programs:** The University Council supports the efforts by the Administration and Colleges to reopen Certificate Programs for the displaced workers in Union County receiving Federal Retraining dollars. This opportunity for enrollment growth cannot go unanswered.
- **Qualitative Analysis:** The University Council supports informed budgeting that incorporates interdepartmental communication, cooperation, and assessment, *and* demonstrates department-wide input from within each unit. In each budget proposal, we recommend that unit leaders note the information sources used in their decision-making.

**Appendix - H**

**Historical Summaries of FTE Reductions in Eastern Oregon University Functional Areas**

*Historical FTE reductions are based upon the best information we have to date; footnotes may include position reassignments that did not result in overall FTE reductions.*

**President's Office**

**Comparison of FTE from 2006-07 to 1-Apr-09**

	2006-2007	Footnotes	1-Apr-09	Footnotes	Difference	Footnotes
Administrator	1.00		1.00		0.00	
Director	1.00		0.00		-1.00	
Admin Faculty	1.00		1.00	#1	0.00	
Classified	0.60		0.00	#2	-0.60	
<b>TOTAL FTE</b>	<b>3.6</b>		<b>2</b>		<b>-1.6</b>	

- 1. Dir of Diversity dropped
- 2. .6 OS1 dropped

**Provost's Office**

**Comparison of FTE from 2006-2007 to 1-Apr-09**

	2006-2007	Footnotes	1-Apr-09	Footnotes	Difference	Footnotes
Administrators	2.00		2.00		0.00	
Director	2.00		0.00	#1	-2.00	
Admin Faculty	2.00		2.00	#2	0.00	
Classified	2.00		1.00	#3	-1.00	
<b>TOTAL FTE</b>	<b>9.00</b>		<b>5.00</b>		<b>-3.00</b>	

- 1. Dir of UG Prog, 2. IR position dropped (non-E&G Grants position also dropped and some functions absorbed by MDPA. Pre-award education of grant administration and expanded pre-award budget review were absorbed by F&A), 3. OS 2 Advising & OS1 Grants / IR dropped, IR functions absorbed by Classified position from IT and AVPAA

**Library**

**Comparison of FTE from 2006-07 to 1-Apr-09**

	2006-2007	Footnotes	1-Apr-09	Footnotes	Difference	Footnotes
Administrator	1.00		1.00		0.00	
Faculty	4.38		4.88	#2	0.50	
Admin Faculty	2.00		1.00	#1	-1.00	
Classified	6.00		5.75	#3	-0.25	
<b>TOTAL FTE</b>	<b>13.38</b>		<b>12.63</b>		<b>-0.75</b>	

- 1. Admin Faculty position moved to Library Faculty position
- 2. 1.0 Library faculty position added (see fn. 1), and library faculty position reduced to .5

3. .5 Classified position dropped and .25 added to another classified position

**IT**

**Comparison of FTE from 2006-2007 to 1-Apr-09**

	2006-2007	Footnotes	1-Apr-09	Footnotes	Difference	Footnotes
Administrator	1.00		1.00		0.00	
Admin Faculty	1.00		4.00	#1	3.00	
Classified	11.13		9.00	#2	-2.13	
<b>TOTAL FTE</b>	<b>13.13</b>		<b>14</b>		<b>0.87</b>	

1. Moved 2 Classified positions to Admin Faculty; added 1 Admin Faculty from DDE merger

2. Moved 1 classified position to Provost's Office; eliminated .375 position; moved two Classified positions to Admin Faculty (see fn. 1); added 2 classified positions

**College of Business and College of Education**

**Comparison of FTE from 2006-2007 to 1-Apr-09**

	2006-2007	Footnotes	1-Apr-09	Footnotes	Difference	Footnotes
Administrator-Dean	1.00		1.00		0.00	
Chair (2 x .5)	1.00	# 1	1.00	# 2	0.00	# 5
Faculty	37.58	# 3	35.71	# 4	-1.87	# 6
Admin Faculty	6.43		3.67		-2.76	
Classified	4.75		4.75		0.00	
<b>TOTAL FTE</b>	<b>50.76</b>		<b>46.13</b>		<b>-4.63</b>	

1. 1.0 FTE Dean & .5 FTE Ed Dept. Chair & .5 FTE Bus Dept. Chair, 2. 2.0 FTE Associate Deans

3. 13.69 Bus Faculty & 23.89 Ed Faculty, 4. 14.48 Bus Faculty & 21.23 Ed Faculty

5. Two Associate Deans, no department chairs, & Dean position on hold, 6. .79 FTE Increase Bus Faculty & 2.66 FTE decrease Ed Faculty

**College of Arts and Sciences**

**Comparison of FTE from 2006-2007 to 1-Apr-09**

	AY 06-07	Footnotes	1-Apr-09	Footnotes	Net	Footnotes
Administrator-Dean	1.00		1.00		0.00	
Chair (3 x .5)	1.50		1.50		0.00	
Director	1.00		0.00	#1	-1.00	
Faculty	71.97		72.1		0.13	
Admin Faculty	1.00	#2	1.00	#2	0.00	
Classified	5.75		5.75	#3	0.00	
<b>TOTAL FTE</b>	<b>82.22</b>		<b>81.35</b>		<b>-0.87</b>	

1. Dir Community School of the Arts dropped and absorbed by Eastern Oregon Arts Council

2. Advisor positions moved to DES and not reflected in CAS 2006 and 2009 FTE counts.

2. 1.0 Environmental Health and Safety Technician, .5 Science Lab Tech, .75 ESH Officer (formerly Shop Tech) moved to Facilities in 200, but counted here.

**DES**

**Comparison of FTE from 2006-2007 to 1-Apr-09**

	2006-2007	Footnotes	1-Apr-09	Footnotes	Difference	Footnotes
Administrator-Dean	1.00	#1	1.00		0.00	
Director	25.00		21.00		-4.00	
Admin Faculty	21.18		19.43		-1.75	
Classified	26.05		25.05		-1.00	
<b>TOTAL FTE</b>	<b>73.23</b>		<b>66.48</b>		<b>-6.75</b>	

1. For the purposes of this computation, DES is tallying all of the FTE in the units currently reporting under this structure, even though several of these were not part of this Division at the beginning of the timeline for this count. FTE includes CAS advisors.

**Marketing, Development and Public Affairs**

**Comparison of FTE from 2006-2007 to 1-Apr-09**

	2006-2007	Footnotes	1-Apr-09	Footnotes	Difference	Footnotes
Administrator	1.00		1.00		0.00	
Director	2.00		1.00	#1	-1.00	
Admin Faculty	1.00		0.00	#2	-1.00	
Classified	5.00		5.00	#3, 4, 5	0.00	
<b>TOTAL FTE</b>	<b>9.00</b>		<b>7.00</b>		<b>-2.00</b>	

1. OGSP duties added to Grants and Major Gifts Director and then cut; 2. Alumni Coord. Cut (2007);  
 3. Webmaster position moved from IT to MDPA in 2006 (no new FTE); 4. .5 FTE of OS2 position shared with Finance & Administration since 2007; 5. Union County Center advisor assists with online marketing coordination

**Student Affairs**

**Comparison of FTE from 2006-2007 to 1-Apr-09**

	2006-2007	Footnotes	1-Apr-09	Footnotes	Difference	Footnotes
Administrator	1.00		1.00		0.00	
Director	1.00		0.00		-1.00	
Admin Faculty	16.17		10.17	#1	-6.00	
Classified	5.75		3.75	#2	-2.00	
<b>TOTAL FTE</b>	<b>23.92</b>		<b>14.92</b>		<b>-9.00</b>	

**Historical FTE reductions reflect only non-E&G funded FTE**

1. Assistant Athletic Director, Sports Information, Baseball Coach, Rodeo Coach, Women's Golf Coach eliminated;

Director of Career Services and Admissions Counselor positions eliminated  
 2. AV Tech (HUB) and Office Specialist 1 (Athletics) eliminated

**Finance and Administration**

**Comparison of FTE from 2006-2007 to 1-Apr-09**

	2007	Footnotes	1-Apr-09	Footnotes	Difference	Footnotes
Administrator	1.00		1.00		0.00	
Director	4.00		3.00	#3,6	-1.00	
Admin Faculty	11.75		8.75	#1,4,6	-3.00	
Classified	48.75		47.40	#2,5,6	-1.35	
<b>TOTAL FTE</b>	<b>65.50</b>		<b>60.15</b>		<b>-5.35</b>	

NOTE: All data presented is as of October 2007 and October 2008

1. Per repositioning plan, Accountant II (Bonita Fletcher) – Position reorganized from Student Accounts office to central F&A accounting/financial reporting 12/1/07

Assigned supervision of Student Accounts office and reorganized into a temporary (6 month) unclassified position, 1.0 FTE, 1/1/09

2. Grant Accountant (Sharon Tyrell), 1.0 FTE – position eliminated 1/31/07. Duties reassigned to existing staff.

3. Per repositioning plan, Director of Business Affairs (Mac Taylor), 1.0 FTE – position eliminated 11/19/07. Duties reassigned to existing staff.

Per repositioning plan, Director of Environmental Health & Safety (Rob Yuodelis), 1.0 FTE – position eliminated 11/30/07. Duties reassigned to existing staff.

4. Per repositioning plan, Accounting Manager (Doug Garton), 1.0 FTE – position eliminated 12/31/07. Duties reassigned to existing staff.

Per repositioning plan, Executive Assistant to the VP for Finance & Administration (Lara Moore) - position eliminated 12/31/07

Per repositioning plan, Business Operations Manager (Lara Moore), 1.0 FTE position created 12/31/07.

5. Per repositioning plan, Cashier 1 (Brenda Lovan), 1.0 FTE eliminated from Accounts Receivable office – 1/31/08

- Need determined to increase staffing in Accounts Receivable with a 1.0 FTE

Accounting Technician position. Position Filled (Kami Ricker) 7/7/08.

To help offset this increase within Finance & Administration,

the Accounting Technician (Carrie Pollard) position in Accounts Payable is reduced from 1.0 FTE to .47 FTE 7/7/08.

6. Budget Director (Lee Lindsey) Resignation – 4/30/08, - Budget position is reorganized into two classified positions:

Budget Analyst and Accountant I

Accountant (Joyce De Priest) is hired– 5/19/08

Revenue Agent 2 (Janelle Shorb), 1.0 FTE, hired 11/10/08.

Bursar (Farideh Shahbazi) Resignation – 3/18/09 & Student Accounts Accounting

Tech (Kami Ricker) resignation – 3/27/09

To cover workload from the two vacant positions,

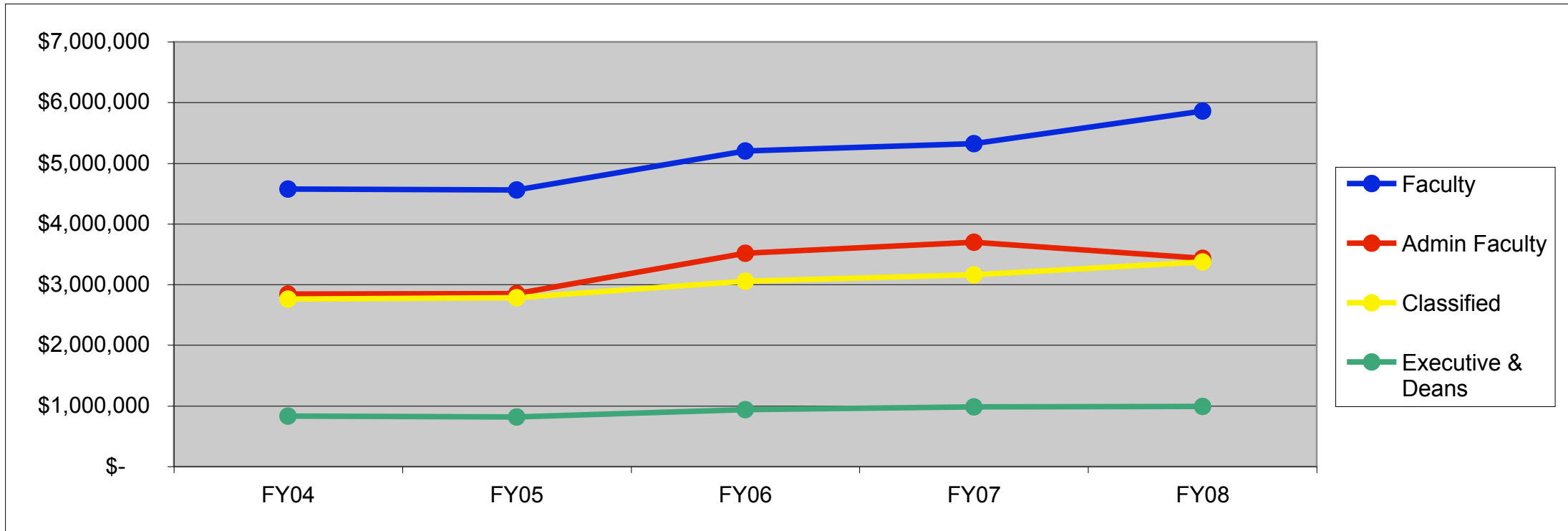
- a 1.0 FTE Cashier was hired in Student Accounts (reclass Ricker position down from Acct Tech to Cashier)
- The .5 FTE Cashier was increased to .65FTE to assist in workload.
- The .47 FTE Accounting Tech in Accounts Payable (Carrie Pollard) ,  
was increased to .65 FTE, and will assume accounting technician duties for Students Accounts  
as well as provide full time cashiering assistance in Student Accounts the first two weeks of each term.

**University-wide FTE Reduction 2006-2007 to 1-Apr-09****Appendix - H****All Units**

	2006-2007	<i>Footnotes</i>	1-Apr-09	<i>Footnotes</i>	<i>Difference</i>
Administrator	11.00		11.00		0.00
Chair	2.50		2.50		0.00
Director	36.00		25.00		-11.00
Faculty	113.93		112.69		-1.24
Admin Faculty	63.53		51.02		-12.51
Classified	115.78		107.45		-8.33
<b>TOTAL</b>					<b>-33.08</b>

## 5 Year Historical Salary Trend

Appendix - H



Classification	FY04	FY05	FY06	FY07	FY08
Faculty	\$ 4,573,057	\$ 4,560,264	\$ 5,198,930	\$ 5,321,399	\$ 5,861,422
Admin Faculty	\$ 2,843,812	\$ 2,852,893	\$ 3,516,413	\$ 3,698,655	\$ 3,430,787
Classified	\$ 2,757,330	\$ 2,781,276	\$ 3,055,694	\$ 3,160,095	\$ 3,372,055
Executive & Deans	\$ 829,316	\$ 819,392	\$ 939,504	\$ 984,000	\$ 986,592
<b>Total</b>	<b>\$ 11,003,515</b>	<b>\$ 11,013,825</b>	<b>\$ 12,710,541</b>	<b>\$ 13,164,149</b>	<b>\$ 13,650,856</b>

Tier 1 - EOU Budget Projection  
Tuition Increase  
18% State General Fund Reduction

	Actual FYE 6/30/08	Expense Projection Updated 04/20/09 Per Budget Projections Updated 04/20/09		Expense Projection Updated 04/20/09 Per IR Projections Updated 04/20/09		Expense Projection Updated 04/20/09 Per IR Projections Updated 04/20/09	
		Enrollment Percent Change	Tuition Percent Change	Enrollment Percent Change	Tuition Percent Change	Enrollment Percent Change	Tuition Percent Change
<b>EDUCATION &amp; GENERAL - LIMITED</b>							
<b>REVENUES</b>							
ETIC	225						
Health Professions	262						
Rural Access	284						
General Fund	16,262						
State General Fund	<b>17,033</b>						
OUS Budget Reduction 11/25/08 - 1.095%							
Additional OUS Budget Reduction Projection (6/30/09)							
OUS RAM Settle-Up							
FY2010-11 - 60% Public Service/Rural Access Reduction Projection							
E&G Paid - Debt Service							
Tuition & Resource Fees, net of Remissions							
On Campus							
Total On Campus	5,423	-9.43%	1.90%	5,005	-6.00%	3.60%	4,874 (3)
On Site	1,071	11.10%	0.00%	1,190	0.00%	3.00%	1,226 (3)
On Line	5,724	9.76%	0.00%	6,283	6.65%	3.00%	6,901 (3)
Graduate	1,395	26.60%	1.90%	1,800	0.00%	3.60%	1,864 (3)
Special Student and Resource Fees	701			524			717
Total Tuition & Resource Fees	14,314			14,801			15,582
Less Remissions	(1,779)			(1,558)			(1,800)
Less Remissions - Hold Back 30% UG- On Campus				0			0
Tuition & Resource Fees, net of Remissions	12,535			13,243			13,782
Other	982			963			916
Transfers In	468			20			20
<b>Total Revenues &amp; Transfers In</b>	<b>31,018</b>			<b>30,068</b>			<b>29,562</b>
<b>EXPENDITURES</b>							
Personnel Services	(24,665)			(23,577)			(22,763) (4)
On Line				(2,098)			(2,170) (4)
PEBB Increase FY2010							(213) (5)
Inload Course Savings - Library, CAS, COB, & COE							173 (6)
BART Year 3 Cuts							299 (7)
Tier 1 - FTE Reduction - Cashiers Office (Manager)							50
Total Personnel Services				(25,675)			(24,624)
Supplies & Services	(4,061)			(4,099)			(4,200) (8)
Capital Outlay	(463)			(625)			(480)
One-Time Spending Authority				(301)			0
Transfers Out	(27)			(53)			(53)
Strategic initiatives							(141)
Total Expenditures & Transfers Out	(29,216)			(30,753)			(29,498)
Net from Operations and Transfers	1,802			(685)			64
Fund Additions/Deductions	0			0			0
Change in Fund Balance	1,802			(685)			64
Beginning Fund Balance	592			2,394			1,709
Ending Fund Balance	2,394			1,709			1,774
% Operating Revenues	7.7%			5.7%			6.0%
Adjustment for summer DDE							
Ending Fund Balance, adjusted							
% Operating Revenues							
Goal fund balance				6.0%			6.0%
Available fund balance %				-0.3%			0.8%
Available fund balance \$				(\$95)			\$234

**Notes and Assumptions**

- (1) FY09 projection ties to Q3 Management Report.
- (2) FY2009 E&G of \$17,466,387 + settle-up of \$298,718 = \$17,765,105 x 4.1% = \$18,493,474 less 18% estimated budget reduction of \$3,328,825 = \$15,164,649.
- (3) Tuition Increases for FY2010 & 2011 reflect: +3.6% On Campus (\$111x3.6%=\$4.00 for \$115/Cr), +3.0% On Site (\$135x3.0%=\$4.05 for \$139/Cr), +3.0% On Line (\$135x3.0%=\$4.05 for \$139/Cr), +3.6% Graduate (\$280x3.6%=\$10.08 for \$290/Cr).
- (4) Personnel Expense for FY2010 & FY2011 reflects a 4.6% reduction in base compensation & related OPE.  
On Line expense reflects an increase in online cost (3% reduction in online instruction rate and a 6.65% increase in enrollment growth).
- (5) PEBB Increase projected for FY2010 at 10% (\$4,256,727 x 10% = \$425,673), Scenario above reflects a 5% Cap increase to E&G (\$4,256,727 x 5% = \$213,836).
- (6) Estimated Inload Course Savings - Library, CAS, COB, & COE.
- (7) BART Year 3 Cuts.

<u>Index</u>	<u>Amount</u>	<u>Notes</u>
AAB001	\$ 8,000	2nd phase to eliminate position
AAB003	\$ 25,000	Business Program - Adjuncts
AAE032	\$ 18,367	Phased in retirement - Will go to 1/2 time in FY10
AAE036	\$ 79,450	Retirement - not being replaced
AAB034	\$ 48,172	Academic Affairs
DDE001	\$ 74,829	Retirement - not being replaced
ALB001	\$ 33,003	Library faculty reduce to 1039 - (Retirement - effective 3/01/09 - Max 1039 hrs/yr)
ALB001	\$ 12,022	Library faculty reduce to 9 month - effective 9/16/09
<b>TOTAL</b>	<b>\$ 298,843</b>	

- (8) FY2010 & FY2011 S&S - project same base as FY2009 of \$4,100K, plus an increase in utilities of approx \$100K.

**Tuition Revenue Changes**

- On Campus - Original (provided by IR - 11/10/08) projection of -6.17% change for FY2009. YTD2009 change thru Spring 3rd week = -9.43% based on actual tuition revenue.
- On Site - Original (provided by IR - 11/10/08) projection of +8.90% change for FY2009. YTD2009 change thru Spring 3rd week = +11.10% based on actual tuition revenue.
- On Line - Original (provided by IR - 11/10/08) projection of +16.10% change for FY2009. YTD2009 change thru Spring 3rd week = +9.76% based on actual tuition revenue.
- Graduate - Original (provided by IR - 11/10/08) projection of +18.12% change for FY2009. YTD2009 change thru Spring 3rd week = +26.60% based on actual tuition revenue.

Tier 2 - EOU Budget Projection  
Tuition Increase

20% State General Fund Reduction

Expense Projection Updated 04/20/09  
Per Budget Projections Updated 04/20/09

Expense Projection Updated 04/20/09  
Per IR Projections Updated 04/20/09

Expense Projection Updated 04/20/09  
Per IR Projections Updated 04/20/09

	Actual FYE 6/30/08	Enrollment Percent Change	Tuition Percent Change	Projected 6/30/2009	Enrollment Percent Change	Tuition Percent Change	Projected 6/30/2010	Enrollment Percent Change	Tuition Percent Change	Projected 6/30/2011
<b>EDUCATION &amp; GENERAL - LIMITED REVENUES</b>										
ETIC	225			(1) 225						
Health Professions	262			370						
Rural Access	284			296						
General Fund	16,262			16,575						
State General Fund	17,033			17,466			14,794 (2)			14,794 (2)
OUS Budget Reduction 11/25/08 - 1.095%				(381)						
Additional OUS Budget Reduction Projection (6/30/09)				(1,558)						
OUS RAM Settle-Up				299						
FY2010-11 - 60% Public Service/Rural Access Reduction Projection				16			(320)			(320)
E&G Paid - Debt Service				15,842			14,474			14,474
Tuition & Resource Fees, net of Remissions										
On Campus										
Total On Campus	5,423	-9.43%	1.90%	5,005	-6.00%	3.60%	4,874 (3)	-4.00%	3.60%	4,847 (3)
On Site	1,071	11.10%	0.00%	1,190	0.00%	3.00%	1,226 (3)	0.00%	3.00%	1,262 (3)
On Line	5,724	9.76%	0.00%	6,283	6.65%	3.00%	6,901 (3)	6.29%	3.00%	7,556 (3)
Graduate	1,395	26.60%	1.90%	1,800	0.00%	3.60%	1,864 (3)	0.00%	3.60%	1,932 (3)
Special Student and Resource Fees	701			524			717			717
Total Tuition & Resource Fees	14,314			14,801			15,582			16,314
Less Remissions	(1,779)			(1,558)			(1,800)			(1,800)
Less Remissions - Hold Back 30% UG- On Campus				0			0			0
Tuition & Resource Fees, net of Remissions	12,535			13,243			13,782			14,514
Other	982			963			916			916
Transfers In	468			20			20			20
Total Revenues & Transfers In	31,018			30,068			29,192			29,924
<b>EXPENDITURES</b>										
Personnel Services	(24,665)			(23,577)			(22,763) (4)			(22,763) (4)
On Line				(2,098)			(2,170) (4)			(2,306) (4)
PEBB Increase FY2010							(213) (5)			(213) (5)
Inload Course Savings - Library, CAS, COB, & COE							173 (6)			
BART Year 3 Cuts							299 (7)			
Tier 1 - FTE Reduction - Cashiers Office (Manager)							50			
Tier 2 - Temp. Reassignment of E&G to Capital Funding (Facilities Dir.)							111			
Tier 2 - Academic Affairs - Position reduction (.5 FTE or less)							89			
Tier 2 - Student Affairs - FTE Reduction							35			
Total Personnel Services				(25,675)			(24,389)			(25,282)
Supplies & Services	(4,061)			(4,099)			(4,200) (8)			(4,200) (8)
Tier 2 - Tech Fee Transfer to IT							141			
Capital Outlay	(463)			(625)			(480)			(480)
One-Time Spending Authority				(301)						
Transfers Out	(27)			(53)			(53)			(53)
Strategic initiatives							(169)			
Total Expenditures & Transfers Out	(29,216)			(30,753)			(29,150)			(30,015)
Net from Operations and Transfers	1,802			(685)			42			(91)
Fund Additions/Deductions	0			0			0			0
Change in Fund Balance	1,802			(685)			42			(91)
Beginning Fund Balance	592			2,394			1,709			1,752
Ending Fund Balance	2,394			1,709			1,752			1,660
% Operating Revenues	7.7%			5.7%			6.0%			5.5%
Adjustment for summer DDE				6.0%			6.0%			6.0%
Ending Fund Balance, adjusted				-0.3%			0.0%			-0.5%
% Operating Revenues				(\$95)			\$0			(\$135)

**Notes and Assumptions**

- (1) FY09 projection ties to Q3 Management Report.
- (2) FY2009 E&G of \$17,466,387 + settle-up of \$298,718 = \$17,765,105 x 4.1% = \$18,493,474 less 20% estimated budget reduction of \$3,698,695 = \$14,794,779
- (3) Tuition Increases for FY2010 & 2011 reflect: +3.6% On Campus (\$111x3.6%=\$4.00 for \$115/Cr), +3.0% On Site (\$135x3.0%=\$4.05 for \$139/Cr), +3.0% On Line (\$135x3.0%=\$4.05 for \$139/Cr), +3.6% Graduate (\$280x3.6%=\$10.08 for \$290/Cr).
- (4) Personnel Expense for FY2010 & FY2011 reflects a 4.6% reduction in base compensation & related OPE.  
On Line expense reflects an increase in online cost (3% reduction in online instruction rate and a 6.65% increase in enrollment growth).
- (5) PEBB Increase projected for FY2010 at 10% (\$4,256,727 x 10% = \$425,673), Scenario above reflects a 5% Cap increase to E&G (\$4,256,727 x 5% = \$213,836).
- (6) Estimated Inload Course Savings - Library, CAS, COB, & COE.
- (7) BART Year 3 Cuts.

<u>Index</u>	<u>Amount</u>	<u>Notes</u>
AAB001	\$ 8,000	2nd phase to eliminate position
AAB003	\$ 25,000	Business Program - Adjuncts
AAE032	\$ 18,367	Phased in retirement - Will go to 1/2 time in FY10
AAE036	\$ 79,450	Retirement - not being replaced
AAB034	\$ 48,172	Academic Affairs
DDE001	\$ 74,829	Retirement - not being replaced
ALB001	\$ 33,003	Library faculty reduce to 1039 - (Retirement - effective 3/01/09 - Max 1039 hrs/yr)
ALB001	\$ 12,022	Library faculty reduce to 9 month - effective 9/16/09
<b>TOTAL</b>	<b>\$ 298,843</b>	

- (8) FY2010 & FY2011 S&S - project same base as FY2009 of \$4,100K, plus an increase in utilities of approx \$100K.

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- On Site - Original (provided by IR - 11/10/08) projection of +8.90% change for FY2009. YTD2009 change thru Spring 3rd week = +11.10% based on actual tuition revenue.
- On Line - Original (provided by IR - 11/10/08) projection of +16.10% change for FY2009. YTD2009 change thru Spring 3rd week = +9.76% based on actual tuition revenue.
- Graduate - Original (provided by IR - 11/10/08) projection of +18.12% change for FY2009. YTD2009 change thru Spring 3rd week = +26.60% based on actual tuition revenue.

Tier 3 - EOU Budget Projection  
Tuition Increase  
23% State General Fund Reduction

	Actual FYE 6/30/08	Expense Projection Updated 04/20/09 Per Budget Projections Updated 04/20/09			Expense Projection Updated 04/20/09 Per IR Projections Updated 04/20/09			Expense Projection Updated 04/20/09 Per IR Projections Updated 04/20/09		
		Enrollment Percent Change	Tuition Percent Change	Projected 6/30/2009	Enrollment Percent Change	Tuition Percent Change	Projected 6/30/2010	Enrollment Percent Change	Tuition Percent Change	Projected 6/30/2011
<b>EDUCATION &amp; GENERAL - LIMITED REVENUES</b>				(1)						
ETIC	225			225						
Health Professions	262			370						
Rural Access	284			296						
General Fund	16,262			16,575						
State General Fund	17,033			17,466			14,240 (2)		14,240 (2)	
OUS Budget Reduction 11/25/08 - 1.095%				(381)						
Additional OUS Budget Reduction Projection (6/30/09)				(1,558)						
OUS RAM Settle-Up				299						
FY2010-11 - 60% Public Service/Rural Access Reduction Projection							(320)		(320)	
E&G Paid - Debt Service				16						
				15,842			13,920		13,920	
Tuition & Resource Fees, net of Remissions On Campus										
Total On Campus	5,423	-9.43%	1.90%	5,005	-6.00%	3.60%	4,874 (3)	-4.00%	3.60%	4,847 (3)
On Site	1,071	11.10%	0.00%	1,190	0.00%	3.00%	1,226 (3)	0.00%	3.00%	1,262 (3)
On Line	5,724	9.76%	0.00%	6,283	6.65%	3.00%	6,901 (3)	6.29%	3.00%	7,556 (3)
Graduate	1,395	26.60%	1.90%	1,800	0.00%	3.60%	1,864 (3)	0.00%	3.60%	1,932 (3)
Special Student and Resource Fees	701			524			717		717	
Total Tuition & Resource Fees	14,314			14,801			15,582		16,314	
Less Remissions	(1,779)			(1,558)			(1,800)		(1,800)	
Less Remissions - Hold Back 30% UG- On Campus				0			0		0	
Tuition & Resource Fees, net of Remissions	12,535			13,243			13,782		14,514	
Other	982			963			916		916	
Transfers In	468			20			20		20	
<b>Total Revenues &amp; Transfers In</b>	31,018			30,068			28,638		29,370	

EXPENDITURES									
Personnel Services	(24,665)		(23,577)		(22,763)	(4)		(22,763)	(4)
On Line			(2,098)		(2,170)	(4)		(2,306)	(4)
PEBB Increase FY2010					(213)	(5)		(213)	(5)
Inload Course Savings - Library, CAS, COB, & COE					173	(6)			
BART Year 3 Cuts					299	(7)			
Tier 1 - FTE Reduction - Cashiers Office (Manager)					50				
Tier 2 - Temp. Reassignment of E&G to Capital Funding (Facilities Dir.)					111				
Tier 2 - Academic Affairs - Position reduction (.5 FTE or less)					89				
Tier 2 - Student Affairs - FTE Reduction					35				
Tier 3 - IT Division - FTE reduction					106				
Tier 3 - Library - FTE reduction					17				
Tier 3 - DES - FTE reduction					15				
Tier 3 - COE, CAS, COB - FTE reduction and administrative inload					15				
Tier 3 - CAS - Faculty reduction					95				
Tier 3 - MDPA - FTE reduction					5				
Tier 3 - FA - FTE reduction					36				
Total Personnel Services			(25,675)		(24,100)			(25,282)	
Supplies & Services	(4,061)		(4,099)		(4,200)	(8)		(4,200)	(8)
Tier 2 - Tech Fee Transfer to IT					141				
Tier 3 - MDPA - Reduction					10				
Capital Outlay	(463)		(625)		(480)			(480)	
One-Time Spending Authority			(301)		0			0	
Transfers Out	(27)		(53)		0			(53)	
Strategic initiatives					0			0	
Total Expenditures & Transfers Out	(29,216)	Natural Savings	(30,753)	Natural Savings	(28,629)		Natural Savings	(30,015)	
Net from Operations and Transfers	1,802		(685)		9			(645)	
Fund Additions/Deductions	0		0		0			0	
Change in Fund Balance	1,802		(685)		9			(645)	
Beginning Fund Balance	592		2,394		1,709			1,719	
Ending Fund Balance	2,394		1,709		1,719			1,073	
% Operating Revenues	7.7%		5.7%		6.0%			3.7%	
Adjustment for summer DDE		Goal fund balance	6.0%	Goal fund balance	6.0%	Goal fund balance	6.0%	6.0%	
Ending Fund Balance, adjusted		Available fund balance %	-0.3%	Available fund balance %	0.0%	Available fund balance %	-2.3%	-2.3%	
% Operating Revenues		Available fund balance \$	(\$95)	Available fund balance \$	\$0	Available fund balance \$	(\$689)	(\$689)	

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