

**The Evergreen State College  
College Budget Council**



**03/14/04 Meeting Minutes**

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**Opening and Review of CBC's Charge**

Sonya and Stacey asked that we begin the meeting with a discussion regarding clarifying the role of the College Budget Council in this years budget planning. They were particularly interested in what others in the group saw as being the value of having faculty on the CBC. Individual members relayed that they saw the value of the faculty participation in many different ways that boil down to the following important process issues:

Continuity and efficiency in the membership given the learning curve required  
Broader perspective that faculty can bring to the table, and  
Enhanced communications with the faculty

They then posed the following questions for the group:

Is CBC truly a thinking and decision making body?  
What decisions are to be made by the CBC?  
Are there decisions that have already been made outside of the CBC process?

A general conversation followed that ultimately concluded that CBC's work this year has is less demanding compared to last year since we are no longer in a state budget crises requiring budget reductions, tuition increases, or re-allocations. An acknowledgement was reached that most members would prefer to be working on BIG long-term strategic issues and the charge of the CBC this year was relatively light in what could be done by a group such as the CBC.

**Final 2004 Legislative Budget**

Steve went over several documents to quickly summarize the results of the 2004 special legislative session concerning the state budget balance sheet, the higher education system-wide supplemental budget changes and focused attention of the approved changes to TESC's budget highlighting the following:

- \$202,000 was added for 37 general enrollment slots that closes the gap between our actual over-enrollment level and the state funded enrollments level to 137 FTE students. The additional \$202,000 appropriation will be added to the previously identified level of base hold back contingency.

- Employee health care premiums will not go up from \$78.63 per month to scheduled level of \$110.64 per month next year because the legislature provide a direct appropriation to hold employee costs as current rates.
- We will be able to re-apply for state support for our MPA tribal track due to an addition 324 high demand enrollment pool allocated to the HECB. If successful we will receive needed general fund support and our over-enrolled level would reduce to 112 FTE students
- The legislature added to the State Need Grant to cover the impact of new state budgeted enrollments, the additional high demand student slots and to serve 35% of the un-served but eligible students.

### **Base Budget Hold back Contingency Fund**

Ann Daley, reported on the work the Vice Presidents and Budget Coordinators had done in developing their best thinking for the College Budget Council to consider regarding unavoidable cost increases or other permanent base changes that would impact the level of hold back contingency funds. She indicated that several meetings had occurred that ultimately led their group (noting that Don was unable to attend the final meeting) to reach a collective understanding and ultimate recommendation that we not allocate any of the hold back contingency resources for permanent base changes. Instead, the Vice Presidents believe the college would be best served by **postponing permanent base budget allocation decisions** until the full 2005-07 budget request and allocation processes. She went on to say that budget **shortfalls would be addressed temporary and without long-term commitment** by the Vice Presidents using college flexibility in one-time resources.

There was a discussion about the role of the CBC. Stacey stated that she did not want to be handed decisions that had already been formulated and then be asked to “rubber stamp” those decisions as being CBC’s. Art noted that the vice presidents had been meeting, discussing issues and presenting their recommendations to the CBC. He stressed that the work of the vice presidents has been to provide CBC with their best thinking consistent with the expectations in Les’s charge but the final decision of what to recommend concerning changes to the permanent budget to the president is the responsibility of CBC.

Steve asked that the group take a few moments to re-review the charge to CBC taking these questions into consideration. This stimulated further discussions that led to a common understanding that **CBC’s work is centered on permanent changes** to the base budget and that the management of one-time resources is the prerogative of the Vice President’s. It was observed that in our campus communications that CBC should be held accountable only for the decisions of the CBC and that the Vice Presidents need to be responsible for communicating decisions they make regarding one-time resources.

## **Summary of CBC Decisions regarding 04-05 Budget Balancing Strategies**

### **A. February – CBC recommends eliminating the 1% Budget Reduction and changes how we account for new revenues from the Financial Futures Group**

In early February the CBC examined the state fiscal conditions and made the following recommendations to the President to modify the 2004-04 budget balancing strategies given the improvement in state economic conditions:

1. Eliminate the 1% divisional budget reduction expectations in the previously adopted 2004-05 budget plan approved by the Board of Trustees.
2. Change how we account for new net revenues assigned to the Financial Futures Group because those revenues are not being generated in the college's operating budget. Instead new net revenues are being realized in other non-operating revenue accounts.
3. Retain the estimated \$550,000 operating base hold back contingency fund pending further analysis and final recommendations from the CBC.

*President Purce accepted the CBC's recommendation stating that he was prepared to take CBC's conclusions about the 1% budget reduction and the new net revenue accounting to the Board of Trustees once the legislature adjourned if they did not require further reductions from the college next year.*

*He acknowledged that CBC would be facing difficult choices regarding how best to apply the limited operating base hold back contingency. He asked that CBC to be as strategic as possible in formulating recommendations regarding the hold back contingency that would best position the college for future periods.*

### **B. March – CBC recommends holding the \$751,511 Base Hold Back Contingency for the 2005-07 budget request and allocation processes.**

The final legislative budget contained additional state resources to cover part of the college's currently overenrolled students and, as a result, increased the level of hold back contingency from the earlier projected \$550,000 to \$751,511. Following several meetings of the vice presidents, the budget coordinators and the College Budget Council consensus was reached that to best position the college for next biennium we would:

1. Defer any decision during the interim that could make permanent on-going base budget commitments and thereby retain the full \$751,511 permanent base hold back contingency for more inclusive college-wide 2005-07 biennial budget planning.
2. Place the \$751,511 of base resources for the 2004-05 fiscal year into institutional reserve status. If needed, these funds can be used to solve one-year only budget shortfalls. Otherwise this one-time resource will be carried forward as sources for flexibility for the 2005-07 budget period.
3. Make explicit that the Vice Presidents, not the College Budget Council, are responsible for managing internal budget pressures that they face on a one-time basis from sources of one-time reserves.

## **Report on Enrollment Growth Planning**

Steve Hunter and Tom Womeldorff outlined what are the stages and tasks of the Enrollment Coordinating Committee and the Enrollment Growth Work they broadly outlined as:

1. Analysis of trends in our historical growth patterns
2. State population forecasts
3. Subject interests of prospective new students
4. Enrollment Scenarios with Cost/Revenues (by May)
5. Enrollment Scenarios critiqued and curricular implications developed (June Faculty Institute)
6. Refined scenarios critiqued by broader group of faculty (Sept. Faculty Institute)
7. Refined scenarios critiqued by full faculty (October)

They provided detailed information regarding their analysis of our trends in historical enrollment growth patterns for the past five years and they highlighted the following key observations:

1. Overall actual growth was 326 FTE students or a 8.7% increase
2. Since 97-98 all growth has occurred at the undergraduate level
3. 50% of the growth has been in Olympia campus full-time programs
4. 25% of the growth came from Olympia students carrying more than 16 credits
5. 25% of the growth was at Tacoma and reservations based programs
6. Resident student population increased by 10.5% while non-resident student population decreased by 9% over this time frame resulting in nearly a \$1 million decline in tuition revenue.

They stressed that the campus believes that all the growth has happened in the evening and weekend options and that we need figure out ways to communicate with the campus to set the record straight.

They then concluded by saying that the next steps are to get the budget coordinators to do some detailed costing and revenue work to more fully understand the fiscal implications of our current curricular configuration so that we have a baseline understanding for fold into the enrollment growth discussions.

## **Meeting Wrap Up**

Steve indicated that we are now moving into the next phase of the College Budget Councils work where we will focus our attention on planning for the 2005-07 Legislative Operating Budget Request Cycle. He asked that the group prepare for our next meeting by reviewing the materials that were provided at the meeting titled:

- General 2005-07 Operating Budget Request/Allocation Cycle
- Highlights of the 2003-05 Operating Budget Request.

Meeting Adjourned.