



# THE EVERGREEN STATE COLLEGE

June 10, 2004

## Executive Summary

**TO:** Board of Trustees  
**FROM:** Thomas L. Purce, President  
**REFERENCE:** **2005-2007 Operating Budget Request**

### 1.) Administrative Recommendation

Approve the 2005-2007 Proposed Operating Budget Request as summarized below:

<u>2005-2007 Operating Budget Request</u> <i>(Dollars in Thousands)</i>	<u>Biennial Funding Request</u>
2005-07 Current Service Level Budget	\$88,152
Maintenance Level Adjustments	<u>3,223</u>
2005-07 Maintenance Level Budget	91,375
2005-07 Policy Requests	
• Faculty & Staff Salary Increases	Narrative Request
• Campus Vitality	1,020
• Core Support for Student Success	4,518
• Stewardship & Sustainability	1,880
• Increase Budgeted Enrollment Levels	<u>2,037</u>
Sub-Total Policy Requests	9,455
Total 2005-07 Operating Budget Request	100,830
Percent increase above Maintenance Level Budget	10.7%

### 2.) Explanation:

a) Present Policy: The proposed 2005-07 legislative operating budget request is one element of a set of efforts to correct our core funding structure to a reasonable sustainable and competitive level. At the May 2004 meeting the Board reviewed the detailed components of the college's 2005-2007 budget request that will be converted into the required decision package format for submittal to the Governor's Office of Financial Management (OFM) September 1, 2004.

The college will likely continue to face significant pressure on the core budget in the ensuing biennium given that state revenues continue to remain relatively flat while state caseloads and health care costs continue to

increase. In addition, the state is going through the first state-wide collective bargaining process which will likely place state-wide employee salary increases center stage in the upcoming legislative session. At the same time the system of higher education is facing significant pressures to increase the numbers of student slots in the system to accommodate the projected levels of growth. This budget request has been constructed within this fiscal and political context. In an effort to help simplify the college's message there are no requests for funding of new initiatives, including expanding student access, in this recommendation. The recommended action delineates the essential elements necessary to establish a basic core funding structure for the college in the 2005-2007 biennium.

There are no additions to the request initiatives presented and reviewed by the Board in May. Our policy recommendation is to request legislative support to provide base level funding to address: basic faculty and staff recruitment and retention programming including competitive compensation levels, core student success programs, stewardship and sustainability responsibilities, and to increase our state supported budgeted enrollment level to our current service level.

Although we are recommending the above mentioned policy initiatives the final documents may require slight modifications due to continued work towards developing a higher education agenda through:

- The Council of President's work to develop a COP common legislative agenda,
- The Governor's Priorities of Government work to develop guidance to agencies on higher education investment priorities, and
- The Higher Education Coordinating Board's work in preparing the 2004 Strategic Master Plan for Higher Education.

At this point we assume that these additional processes will not materially change the underlying details of our request and will only affect how we package our final document for submittal. However, if any material modification to this request becomes necessary as a result of those processes we will ask that the board consider approving a modified biennial budget request at a subsequent regular board meeting.

b) Proposed by: Thomas L. Purce, President

c) Purpose: To approve the 2005-2007 Operating Budget Request to be forwarded to the Governor and Legislature.

### 3.) Scheduling:

Upon approval of the proposed 2005-2007 Operating Budget Request staff will finalize preparation of the necessary documentation for submission of the college's 2005-07 operating budget request that is due to OFM on September 1, 2004.

4.) Fiscal Impact:

The Legislature will determine final budget policy in the coming session and will establish the final state funding levels for the college operations and the state need grant program for the 2005-07 biennium. At that time, we expect they will also establish parameters for governing boards regarding for tuition and fee increases.

5.) Program Impact:

The funding increases requested in this recommendation will improve areas of significant college concern regarding the lack of adequate state funding levels. Adequate compensation for faculty and staff and basic funding sufficient to serve our current student population levels continue to be our highest college priorities.

6.) Legal Process:

Washington State Law and the Board of Trustees Delegation of Authority requires that the Board formally approve the college's legislative biennial operating budget requests.

7.) Staff Review:

\_\_\_\_\_ Executive Associate to the President

\_\_\_\_\_ Executive Director of Operational Planning and Budget

\_\_\_\_\_ Recording Secretary to the Board

# DRAFT -- SUMMARY OF THE 2005-07 Biennial Operating Budget Request

Summary	2005-06		2006-07		Comments
	FTE	Amount	FTE	Amount	
Current Appropriation Level		\$ 24,206,000		\$ 24,206,000	Appropriations less special WSIPP study allocations
Current 2004-05 Net Tuition Forecast		\$ 19,870,000		\$ 19,870,000	
<b>Current 2004-05 Operating Budget Level</b>	<b>590.24</b>	<b>\$ 44,076,000</b>	<b>590.24</b>	<b>\$ 44,076,000</b>	Combined State General Fund & Tuition Levels as adjusted by supplementa
<b>Estimated Maintenance Level (Bowwave)</b>	<b>11.00</b>	<b>\$ 1,661,714</b>	<b>11.00</b>	<b>\$ 1,661,714</b>	Only Costs to Continue Previous Legislative Intent + Rate Increases
<i>% above Current Funding Levels</i>	1.86%	3.77%	1.86%	3.77%	

## Policy Requests (Decision Packages):

<b>PRIORITY 1: Faculty &amp; Staff Recruitment</b>					
		Narrative Request		Narrative Request	
Faculty/Staff Salary Increases					
Campus Vitality	3.00	\$ 510,000	3.00	\$ 510,000	
<b>Sub-Total</b>	<b>3.00</b>	<b>\$ 510,000</b>	<b>3.00</b>	<b>\$ 510,000</b>	
<i>% above Current Funding Levels</i>	0.51%	1.16%	0.51%	1.16%	

<b>PRIORITY 2: Core Support for Student Success</b>					
		Narrative Request		Narrative Request	
Basic Instructional Support	17.00	\$ 666,830	17.00	\$ 666,830	
Basic Student Service Support	6.70	\$ 419,000	6.70	\$ 419,000	
Meeting Technology Demands	8.50	\$ 764,340	8.50	\$ 764,340	
Basic Equipment Repair & Replacements	-	\$ 409,000	-	\$ 409,000	
<b>Sub-Total</b>	<b>32.20</b>	<b>\$ 2,259,170</b>	<b>32.20</b>	<b>\$ 2,259,170</b>	
<i>% above Current Funding Levels</i>	5.46%	5.13%	5.46%	5.13%	

<b>PRIORITY 3: Stewardship and Sustainability</b>					
		Narrative Request		Narrative Request	
Physical Plant	8.00	\$ 429,600	8.00	\$ 429,600	
Institutional Management	2.50	\$ 162,000	2.50	\$ 162,000	
Developing Partnerships	2.50	\$ 348,500	2.50	\$ 348,500	
<b>Sub-Total</b>	<b>13.00</b>	<b>\$ 940,100</b>	<b>13.00</b>	<b>\$ 940,100</b>	
<i>% above Current Funding Levels</i>	2.20%	2.13%	2.20%	2.13%	

<b>PRIORITY 4: Increase Budgeted Enrollment Levels</b>					
		Narrative Request		Narrative Request	
MPA Tribal Track	5.33	\$ 171,724	5.33	\$ 171,724	
General Undergraduate Enrollment Growth	10.00	\$ 847,000	10.00	\$ 847,000	
<b>Sub-Total</b>	<b>15.33</b>	<b>\$ 1,018,724</b>	<b>15.33</b>	<b>\$ 1,018,724</b>	
<i>% above Current Funding Levels</i>	2.60%	2.31%	2.60%	2.31%	

<b>TOTAL POLICY REQUESTS</b>	<b>63.53</b>	<b>4,727,994.00</b>	<b>63.53</b>	<b>4,727,994.00</b>	
<i>% above Current Funding Levels</i>	10.76%	10.73%	10.76%	10.73%	

<b>GRAND TOTAL BUDGET REQUEST</b>	<b>664.77</b>	<b>\$ 50,465,708</b>	<b>664.77</b>	<b>\$ 50,465,708</b>	
\$'s Above Current Budgeted Levels	74.53	\$ 6,389,708	74.53	\$ 6,389,708	
<i>% above Current Funding Levels</i>	12.63%	14.50%	12.63%	14.50%	
<i>% above State General Fund Levels</i>		26.40%		26.40%	Note: We will not be asking the Legislature to Increase Tuition Levels

## DRAFT -- Details of the 2005-07 Biennial Operating Budget Request Initiatives

Maintenance Level Adjustments:	2005-06		2006-07		Comments
	FTE	Amount	FTE	Amount	
Supplemental Enrollment Adds	3.00	\$ 265,000	3.00	\$ 265,000	This is the cost of annualizing incremental enrollment growth funding
Maintenance Shift to Capital	6.00	\$ 296,000	6.00	\$ 296,000	This is the cost to restore maintenance cost on the operating budget
Seminar II Main. & Operations	2.00	\$ 256,000	2.00	\$ 256,000	This is the cost of annualizing incremental funding for Seminar II Maint. & Ops.
8.7% Electrical Rate Increases		\$ 106,393		\$ 106,393	Include the 3.7% May 04 & 5% December 04 Electrical Rate Increase
4% LOTT/Sewer Rate Increases		\$ 10,185		\$ 10,185	The increased costs of the January 04 Sewer Rate Increases
15.5% Projected Natural Gas Rate Increases		\$ 89,136		\$ 89,136	The projected costs of proposed June 04 & Oct. 04 Natural Gas Hikes
Health Benefit Rate Changes		\$ 512,000		\$ 512,000	This is the cost to annualize the rising costs of Health Insurance Coverage
Faculty/Exempt Recruitment & Retention		\$ 127,000		\$ 127,000	This is the cost to annualize faculty/exempt recruitment and retention resources
<b>Sub-Total</b>	<b>11.00</b>	<b>\$ 1,661,714</b>	<b>11.00</b>	<b>\$ 1,661,714</b>	

### FACULTY & STAFF RECRUITMENT & RETENTION

Faculty & Staff Recruitment & Retention: Compensation Increases	2005-06		2006-07		Comments
	FTE	Amount	FTE	Amount	
Support Collective Bargaining Agreement		????		????	Unknown at this time.
Faculty & Exempt Salary Increase		2-5%??		2-5%??	Despite our internal efforts to improve salary conditions, our faculty salaries lag the national marketplace by 12.5% placing Evergreen at the 28th%ile in 2002-03.
Faculty/Exempt Recruitment/Retention		1% of base		1% of base	Continue to express the concern for resources to address faculty & staff recruitment and retention impacts.
<b>Sub-Total</b>	<b>-</b>	<b>Narrative</b>	<b>-</b>	<b>Narrative</b>	

Faculty & Staff Recruitment & Retention: Campus Vitality	2005-06		2006-07		Comments
	FTE	Amount	FTE	Amount	
2 Faculty Sabbatical lines	2.00	\$ 146,000	2.00	\$ 146,000	To restore funding for faculty professional leaves by 24% to bring Evergreen's level back up to legally authorized level.
Increase Summer Institutes	1.00	\$ 80,000	1.00	\$ 80,000	The current \$117,000 budget is not sufficient to meet increased academic program planning to improve teaching needs and to provide opportunities for new faculty orientation that takes place during these sessions.
Diversity/Multicultural Efforts		\$ 50,000		\$ 50,000	To establish resources for on-going campus work regarding diversity and multiculturalism.
Retreat Facilitation		\$ 15,000		\$ 15,000	To provide permanent resources for various planning retreat facilitation costs.
Min. Civil Svs. Reform Costs		\$ 23,000		\$ 23,000	Current cost of annual bargaining contract with the Governor's Office
Campus Wide Training		\$ 100,000		\$ 100,000	To fund increased training and staff development for all staff
IT Technical Upkeep Training		\$ 96,000		\$ 96,000	To fund advanced technical training for information technology staff
<b>Sub-Total</b>	<b>3.00</b>	<b>\$ 510,000</b>	<b>3.00</b>	<b>\$ 510,000</b>	

### CORE SUPPORT FOR STUDENT SUCCESS

Core Support for Student Success: Basic Instructional Support	2005-06		2006-07		Comments
	FTE	Amount	FTE	Amount	
Reinstate 2 Lines for FT Curriculum	2.00	\$ 146,000	2.00	\$ 146,000	Additional support is needed in faculty lines as flexibility to create programs quickly for unpredictable student interests.

Science Instructional Tech.	1.00	\$ 48,000	1.00	\$ 48,000	To provide instrumentation instruction and repair and to increase the level of support for evening/weekend activity.
Performing Arts Staff Support	2.00	\$ 55,000	2.00	\$ 55,000	Increases 3 part-time positions to full-time to support the performing arts curriculum.
Sem II Visual Arts/Critique Rm. Staff	0.50	\$ 25,000	0.50	\$ 25,000	Staff support for the new visual arts studio and critique room activities
LRC QRC specialist	0.50	\$ 28,000	0.50	\$ 28,000	Increase the level of support for general education implementation
EW Media Svs. Support	1.00	\$ 43,000	1.00	\$ 43,000	Provide a senior Media Tech. Position to support evening/weekend programming.
Evening/Weekend Tech. Support	1.00	\$ 64,830	1.00	\$ 64,830	To fund increasing demands for technology support beyond M-F, 8-5
Library Circulation Staff	1.00	\$ 39,000	1.00	\$ 39,000	Support for the new WA//OR shared materials cooperative agreement
Institutional Student Workers	5.00	\$ 30,000	5.00	\$ 30,000	Combination of increasing minimum wage and need for expanded student help
Tacoma Counseling/Student Support	0.50	\$ 28,000	0.50	\$ 28,000	To create a new on-site student counselor/advisor position
Ctr. For Community Partnerships	2.50	\$ 160,000	2.50	\$ 160,000	Currently funded from one-time resources and we desire program continuation
<b>Sub-Total</b>	<b>17.00</b>	<b>\$ 666,830</b>	<b>17.00</b>	<b>\$ 666,830</b>	

Core Support for Student Success: Basic Student Services	2005-06		2006-07		Comments
	FTE	Amount	FTE	Amount	
Freshmen Transition Program	1.20	\$ 67,000	1.20	\$ 67,000	To strengthen orientation activities to make a smooth transition to college.
Mental Health Counselors	2.00	\$ 100,000	2.00	\$ 100,000	To enhance our counseling support for students in crisis.
Marketing & Publications	2.00	\$ 117,000	2.00	\$ 117,000	One new FTE to handle direct marketing and a second to handle management responsibilities related to increased student recruitment publications. Includes \$5,000 for increased goods and services to support the new FTEs.
Admissions Support	0.75	\$ 100,000	0.75	\$ 100,000	Increase admissions staffing and student recruitment materials budgets
Stable Outdoor Program	0.75	\$ 35,000	0.75	\$ 35,000	To support outdoor programs which provide both academic enrichment as well as social and recreational outlets for our students.
<b>Sub-Total</b>	<b>6.70</b>	<b>\$ 419,000</b>	<b>6.70</b>	<b>\$ 419,000</b>	

Core Support for Student Success: Meeting Technology Demands	2005-06		2006-07		Comments
	FTE	Amount	FTE	Amount	
Server Platform Replacement Prog.	-	\$ 100,000	-	\$ 100,000	To fund regular replacement of server hardware to maintain system capacity and capability.
Computer Lab Replacements	-	\$ 200,000	-	\$ 200,000	Establishes a permanent base repair and replacement fund for student computer labs.
Info. Tech. Specialist	1.00	\$ 48,000	1.00	\$ 48,000	An unfunded institutional priority to support the Banner Advancement database. Position manages the security, continuity, upgrade testing and reporting functions. Without permanent funding all of these responsibilities will need to be assumed by Admin Computing Services.
Web Phase III	2.00	\$ 127,010	2.00	\$ 127,010	Web Phase III Implementation includes increasing two .75 FTEs to full time (Info Tec Apps Specialist & Media Designer), a new System Specialist FTE, a .5 FTE Editor, plus additional goods, services, equipment and student assistance.
Sem. II Media Tech. Staff	1.00	\$ 47,000	1.00	\$ 47,000	Currently funded from one-time resources in supporting Seminar II activity.
Network Services ITS3	1.00	\$ 64,830	1.00	\$ 64,830	Additional staff for operating and maintaining increased server-based applications
Sem. II Media Support	0.50	\$ 28,200	0.50	\$ 28,200	Additional staff to support increased volume of media equipment in Seminar II
Student Worker 20hrs/week	0.50	\$ 9,600	0.50	\$ 9,600	Additional student staff to support evening & weekend programming+G142
TS&S Help Desk - ITSS 2positions	1.00	\$ 42,700	1.00	\$ 42,700	To improve quality of support from the Help Desk
Scaled Back Learn/Tech/Resource/Ctr.	1.50	\$ 97,000	1.50	\$ 97,000	To provide technology training and support for faculty
<b>Sub-Total</b>	<b>8.50</b>	<b>\$ 764,340</b>	<b>8.50</b>	<b>\$ 764,340</b>	

Core Support for Student Success: Basic Equipment Replacements	2005-06		2006-07		Comments
	FTE	Amount	FTE	Amount	
Inc. Annual Equip. Base		\$ 200,000		\$ 200,000	Increase level of the annual equipment repair and replacement budget.
Inc. Annual Equip. Base		\$ 34,000		\$ 34,000	Additional divisional FTEs will require new computers & software. Included are: \$6,000-Operations, \$13,000-Graphics, \$15,000-Marketing.
Furniture Replacement Program		\$ 50,000		\$ 50,000	To establish reliable funding for classroom furniture
Facilities Vehicle Replacement Prog.		\$ 25,000		\$ 25,000	To provide for regular replacement of Facility vehicles
Fleet Vehicle Replacement Prog.		\$ 80,000		\$ 80,000	To provide for regular replacement of Fleet vehicles
On-going Emergency Supply Prog.		\$ 10,000		\$ 10,000	To replace emergency supplies on a rotating basis
License Fee for Advancement Phone System		\$ 10,000		\$ 10,000	The cost to purchase the system was originally funded by the College so that it could be used for the emergency response & preparedness as well as use for the Annual Fund.
<b>Sub-Total</b>	<b>-</b>	<b>\$ 409,000</b>	<b>-</b>	<b>\$ 409,000</b>	

#### STEWARDSHIP & SUSTAINABILITY

Stewardship & Sustainability: Physical Plant	2005-06		2006-07		Comments
	FTE	Amount	FTE	Amount	
Dangerous Waste Disposal Prog.		\$ 10,000		\$ 10,000	To establish a program for handling increasing needs for dangerous waste disposal
Asst. Dtr. For Operations	1.00	\$ 85,000	1.00	\$ 85,000	Staff to manage daily operations, allowing the Director to concentrate on Capital and other demands
Safety Officer	1.00	\$ 57,000	1.00	\$ 57,000	To provide staff for increasing demands for campus safety
M&O Backlog	6.00	\$ 277,600	6.00	\$ 277,600	To help reduce the deferred maintenance backlog
<b>Sub-Total</b>	<b>8.00</b>	<b>\$ 429,600</b>	<b>8.00</b>	<b>\$ 429,600</b>	

Stewardship & Sustainability: Institutional Management	2005-06		2006-07		Comments
	FTE	Amount	FTE	Amount	
Institutional Research	0.50	\$ 23,000	0.50	\$ 23,000	Increase a half-time position to full-time status to help address campus research and assessment activities.
Internal Audit/Budget Support	1.00	\$ 75,000	1.00	\$ 75,000	Creates a needed internal auditor position and provides support to the Operational Planning and Budget functions to improve management reporting.
BOT underfunding		\$ 8,000		\$ 8,000	Increase the base budget to cover current costs
Perm. Funding for Business Analyst	1.00	\$ 56,000	1.00	\$ 56,000	To fund new position for Banner Finance support
<b>Sub-Total</b>	<b>2.50</b>	<b>\$ 162,000</b>	<b>2.50</b>	<b>\$ 162,000</b>	

Stewardship & Sustainability: Developing Partnerships	2005-06		2006-07		Comments
	FTE	Amount	FTE	Amount	
Prospect Manager	1.00	\$ 50,000	1.00	\$ 50,000	This position was funded for 1 year but is key to the management of prospect research and management of constituents. This is critical to the success of the fundraising effort.
Inc. Evergreen Mag to 3 40pg. Issues		\$ 41,500		\$ 41,500	The current budget is inadequate to publish the current two annual issues @ 32 pages each. Beginning in 2005, the plan is to increase to 3 annual issues @ 40 pages each. Sale of ads will offset some of the increased costs.

Increased Annual Fund		\$ 86,000		\$ 86,000	Additional base budget operational needs exist in support of Annual Fund operations. Div. Reserves have funded increased number of student calling hours, increased student callers, implementation of summer calling hours, increased long distance and misc. office supplies. All of this is to reach more people thereby giving them the opportunity to provide unrestricted funds to support scholarships, fellowships, faculty and college discretionary.
Increased Mailing Series		\$ 54,000		\$ 54,000	In an effort to reach more prospective donors we increased the number of mailings and began mailing to more people than we have in the past. Postage and printing costs have increased significantly. Examples of mailings include several new Annual Fund mailings as well as the frequency and the number of people mailed to, Library Appeal mailing developed and a Planned Giving mailing developed.
Increased Fund Raising Expenses		\$ 10,000		\$ 10,000	In order to build and maintain relationships with donors and prospective new donors we have experienced additional costs related to long distance, office supplies, some travel and presentation materials.
Office Assistant	1.00	\$ 40,000	1.00	\$ 40,000	A position to support fundraising operations, research and other activities is an essential need.
Students/Temporary Workers		\$ 13,000		\$ 13,000	The Alumni Relations office and Operations require additional student assistance in order to continue providing the same level of service. (Alumni require \$8,000; Operations require \$5,000.)
Increase Goods & Services		\$ 29,000		\$ 29,000	Both the Alumni Relations Office and Operations have small goods and services budgets. Inflation costs associated with current activity for Operations (\$8,000) and increased activity related to Alumni Relations (\$21,000).
Events Management	0.50	\$ 25,000	0.50	\$ 25,000	To provide increased support for important campus events
<b>Sub-Total</b>	<b>2.50</b>	<b>\$ 348,500</b>	<b>2.50</b>	<b>\$ 348,500</b>	

### INCREASE BUDGETED ENROLLMENT LEVELS

Increase Budgeted Enrollment Levels: MPA Tribal Track (25fte)	2005-06		2006-07		Comments
	FTE	Amount	FTE	Amount	
Continue a 25 FTE Tribal Track In MPA	5.33	\$ 171,724	5.33	\$ 171,724	We may receive HECB High Demand Funding from the Supplemental Additions -- If so, this package would become part of our Maintenance Level Adjustments for the 2005-07 biennium.
<b>Sub-Total</b>	<b>5.33</b>	<b>\$ 171,724</b>	<b>5.33</b>	<b>\$ 171,724</b>	

Increase Budgeted Enrollment Levels: General Undergraduate Growth (150fte)	2005-06		2006-07		Comments
	FTE	Amount	FTE	Amount	
Faculty to Support Enrollment Growth	7.50	\$ 525,000	7.50	\$ 525,000	To maintain the existing student faculty ratio (teaching, library & acad. Admin.)
Academic Admin. Reorganization	2.50	\$ 180,000	2.50	\$ 180,000	To re-build flexibility to more easily meet student demand on the curriculum
Library Periodicals/Books Inflation		\$ 48,000		\$ 48,000	To fund the inflationary increases in acquisitions and subscriptions
Institutional Membership Inflation		\$ 9,000		\$ 9,000	To fund the rising costs of institutional memberships
Goods/Equipment Underfunding		\$ 5,000		\$ 5,000	To address current shortfalls in goods and equipment demands.
Declining Neg. Reserve Ability		\$ 48,000		\$ 48,000	To reduce the size to the divisional base budget shortfall
Previous Cuts Not Working		\$ 32,000		\$ 32,000	To restore funding for student advisors, Perkins loan matches, program support and training that was previously cut.
<b>Sub-Total</b>	<b>10.00</b>	<b>\$ 847,000</b>	<b>10.00</b>	<b>\$ 847,000</b>	