

To: All Staff & Faculty DL
Subject: College Budget Update

As you know, the legislature recently approved the college's 2005-07 operating and capital budgets. A detailed summary of the budget process is posted on our Web site:
<http://www.evergreen.edu/President/Budget/Budget2005-2007.htm>.

While the college's legislative budget request was not fully funded, I am pleased with how well Evergreen's budget fared given the magnitude of the state budget shortfalls. Following are the highlights:

Operating Budget:

- The legislature set a 6% per-year cap on the level tuition can be raised for resident undergraduate students. Although raising tuition level remains the prerogative of the Board of Trustees, the structure of the final legislative budget requires raising resident undergraduate tuition to avoid operating budget cuts.
- The state budget enhances financial aid, so that recipients of the State Need Grant will not pay more due to tuition increases during the 2005-07 biennium. The legislature also expanded the State Need Grant program so that more students will qualify, including part-time students.
- Evergreen received permanent funding to continue our Tribal Administration track in the Master in Public Administration program.
- We received funding for faculty and staff cost-of-living salary increases of 3.2% in 2005-06 and 1.6% in 2006-07. Increases will take effect on July 1st for classified employees and September 1 for Faculty and Exempt employees.
- We received funding to cover the rising costs of health care payments and utility rates. Employees will continue to pay 12% of the health care costs.
- We received funding to add 5.25 faculty positions in 2005-06, which will allow us to re-build flexibility in faculty lines to support the existing level of student enrollments. Plus additional funding in 2006-07 that will enable the college to add another 5.25 faculty positions to expand our curriculum to accomplish the 105 FTE enrollments growth expectation.

Capital Budget:

- The legislature funded our \$22.3 million request for Phase II of the Daniel J. Evans Library Building Modernization Project.
- We received \$3.1 million to renovate the 1st Floor Classroom/Lab in Lab I building.
- We were funded nearly \$7.8 million for campus health, safety, code and building preservation projects campus-wide.

We have much to be appreciative about. This is quite a contrast to the last half decade of significant budget cuts and double-digit tuition increases. Our college-wide collaborative efforts last year outlined principles that served us well over the last several years. Because of this solid fiscal foundation, we are well prepared to enter into the coming two-year budget cycle. We have a solid financial blueprint and a comprehensive institutionally endorsed list of core funding priorities developed in last year's budget cycle to guide our allocation decisions.

- The budget levels will allow us to address some of our most pressing core funding needs, such as shortfalls in the current budget, and to address some of our most critical basic infrastructure needs.
- The Vice Presidents and I working towards a plan to hold in reserve some resources to help finance new targeted initiatives in 2006-07 that will likely emerge from next year's strategic planning process.

Next week, I will share a preliminary budget policy framework with the Board of Trustees during their regular work session. The Vice Presidents and I will continue to work on finalizing the budget. The Board is scheduled to approve the college's 2005-07 spending plans in June.