

May 4, 1978

MEMO TO: University Trustees

FROM: W. L. Pankratz

RE: Narrative Accompanying Budget Submission:

We have had a difficult time in adjusting the budget to a balanced condition, more difficult than was anticipated in February. With the passage of time inflation has taken its toll. The following explanatory notes need to be brought to your attention.

1. Enrollment for the on-campus program is computed on the basis of 515 full-time equivalent (FTE) students; this will require an opening Fall head count of 569. This number is better than actuarial data indicate we will have. The actuarial data compute to head counts of 336 returning and 205 new students, for a total of 541 (490 FTE).

The Basis for increasing the Fall enrollment projection is a plan submitted by the Athletic Department, and endorsed by the Admissions Staff, whereby they will recruit an additional 28 new students for the Fall enrollment. We are also hopeful that the "O.U. Sunday" promotions will have a positive effect.

Beyond this it seems that there is a consensus among the administrative officers that we must have not fewer than 500 FTE in order to sustain the program with a feasible economic base. Continued severe cutting necessitated by enrollment levels below 500 FTE can only result in questioning our continuance.

2. The Gift Income requirement has been increased to \$650,000 (from \$625,000). We believe this is achievable, but will require an increased promotional effort.

3. On-campus General & Educational (G. & E.) Expenditures have been further reduced, reflecting cuts in on-campus programs and services. Levels of G & E Expenditures in recent years:

1974-75	\$2,378,483 (actual)
1975-76	2,874,756 (actual)
1976-77	2,532,486 (actual)
1977-78	2,322,806 (budgeted)
1978-79	2,184,200 (proposed)

4. Our Student Aid Budget is increased by \$25,000. Our experience during the current school year indicates we will need a minimum of \$450,000 in University-funded aid to sustain the enrollment. This is indicative of the tough competitive market that exists. This is a budget increase of 5.5%, which parallels our overall price increase.

5. Our Auxiliary Enterprises loss is limited to \$50,000, per a proposal submitted to the Department of Housing and Urban Development in 1977. We believe they will accept this plan, though it does require a new review and approval in the Fall of 1978.

6. The budget does not provide for debt-reduction on our short term current fund loans. Earlier we had hoped that we could generate an additional \$50,000 surplus for this purpose, but it became apparent with the February revisions of the budget that this would not be feasible in the 1978-79 year.

OTTAWA UNIVERSITY

CURRENT OPERATIONS SUMMARY

MONTHS ENDING

		11/77	2/12/78	5/4/78
	1977-78	1978-79	78-79	78-79
	BUDGET	PROPOSED	PROPOSED	PROPOSED
ON-CAMPUS				
Tuition (524-500.5)	1132185	1141140	1141140	1174200
Summer School	40000	35000	35600	25600
Misc. Fees *(REDUCE OFF-CAMPUS)	66500	* 60000	66500	53000
Endowment	88000	88000	90000	90500
Govt. Sources	381994	306016	306016	318010
Gifts	253596	348500	348500	341400
Other	25700	25700	20000	12000
TOTAL ON-CAMPUS INCOME:	1987975	2004356	1977756	2014700
TOTAL ON-CAMPUS EXPENSE	< 2322806 >	< 2175550 >	< 2214536 >	< 2184200 >
OVERHEAD TRANSFER	184760	226300	211200	208820
NET ON-CAMPUS	< 1500711 >	55106	< 5960 >	39320
KANSAS CITY - CWC				
Income (450-500)	766642	839000	683053	693349
Expense	< 550192 >	< 619000 >	< 501953 >	5111749
Overhead Transfer	< 134100 >	< 155000 >	< 161100 >	< 156600 >
Net K.C.-CWC	76350	65000	20000	25000
PHOENIX - CWC				
Income (140-200)	263340	336000	271460	217168
Expense	< 221620 >	< 248000 >	< 221340 >	< 171908 >
Overhead Transfer	< 41720 >	< 62000 >	< 50120 >	< 45260 >
Net Phoenix - CWC	5	26000	0	0
GRADUATE PROGRAM				
Income (30)	43600	44000	15485	40445
Expense	< 34461 >	< 34500 >	< 15485 >	< 33485 >
Overhead Transfer	< 8940 >	< 9300 >	0	< 6960 >
Net	199	200	0	0
NET G & E SURPLUS (Deficit)		146306	14140	64320
AUXILIARY ENTERPRISES				
Income	701465	722000	722000	698800
Expense	< 784444 >	< 810000 >	< 772000 >	< 748800 >
Net Surplus (Deficit)	< 82979 >	< 88000 >	< 50000 >	< 50000 >

CURRENT OPERATIONS (cont'd)

		77-78	11/77 78-79	2/13/78 78-79	5/4/78 78-79
		BUDGET	PROPOSED	PROPOSED	PROPOSED
STUDENT AID					
	Income:				
	Endowment	44 00 0	44 00 0	44 00 0	45 00 0
	Gifts-Restricted	6 00 0	6 00 0	6 00 0	6 00 0
	Gifts-Unrestricted	19 89 0	19 9 0	19 9 0	23 11 0
	Govt- S.E.O.G.	12 20 9	12 2 0	12 2 0	11 39 0
	Total Income	42 50 0	42 5 0	42 5 0	45 00 0
	Scholarship Expense				
	Restricted	6 00 0	6 00 0	6 00 0	6 00 0
	Unrestricted	24 29 0	24 29 0	24 29 0	24 29 0
	Govt Grants	12 20 9	12 2 0	12 2 0	12 20 9
	Total Expense	42 50 0	42 5 0	42 5 0	45 00 0
	Net Student Aid	0	0	< 432 060 >	< 450 00 0 >
PLANT FUND					
	Gifts-Unrestricted	17 50 0	17 50 0	17 50 0	17 50 0
	Annual Payment	< 17 50 0 >	< 17 50 0 >	< 17 50 0 >	< 17 50 0 >
D.I.C. BOND PAYMENTS		< 11 48 5 >	< 12 77 3 >	< 12 77 3 >	< 12 77 3 >
CURRENT YEAR SURPLUS(DEFICIT)		< 16 79 8 >	45 53 3	< 55 69 3 >	154 7