

Present: Anne Mills, Marsha Denniston, Bob Froning, Jim O'Dell, Kevin Eichner, Hal Germer, Marvin Wilson, Wilbur Wheaton, Jim Billick, and Peter Sandstrom.

It was agreed that formal minutes would not be kept, but only a record of major conclusions and directions.

REVIEW OF 5-YEAR TRENDS

I. Campus

It would be helpful to have an FTE number for personnel in order to be able to determine whether the personnel expenditure increase is due to an increase in numbers of persons or due to salary raises. It would also be helpful to have this same information for student personnel.

It would be helpful to have capital expenditures separated out from other expenditures.

It was noted that the margin (net revenue per student) is holding rather well over the past five years.

The gross margin before admissions expenses shows a 26.6 percent increase over two years.

The gross margin after admissions' expenses shows a 17.5 percent increase over two years.

The ratio is 27 percent.

It was noted that Ottawa University does not have a margin-trend problem, but does have a margin problem because the margin is not sufficient to cover expenses. It was also noted that the solution cannot simply be more students because the costs after taking out auxiliary, scholarship and admissions expenses tend to be variable costs that would increase with additional students. After discussion, it was agreed that this matter needed to be looked into carefully.

It was noted that a major source of deterioration in the net from campus educational and general expenses is in the operations line because (?) there is a heavy load of capital expenditures that is unrecognized as such.

Personnel costs have risen 65.7 percent over five years. In connection with this, it was mentioned that the jump in personnel costs from \$1170 in '86/87 to \$1457 in '87/88 needs to be explained. It was also noted that in '89/90, '90/91, and '91/92, Title III personnel is not included and that if it is, \$216,000 would have to be included to cover this in the latter two years, and \$100,000 in 89/90.

Campus Deficit:

After considerable discussion and calculation, it was agreed that the campus was really at a one million dollar deficit operation each year. This includes a \$600,000 operating deficit, \$200,000 for Title III personnel, \$200,000 in anticipated raises for salaries. Examination at the gift-income line noted that \$985,000 of the budget million dollars in gift income goes to the essential administration functions of the campus. It was agreed that it was not likely that the campus can "fine tune" itself out of this serious million dollar deficit problem.

II. Centers

The net operating margin remains relatively stable for both Centers.

Major deviations are possible (and in fact have occurred) -- volatility is high at the Centers. In this connection, it was noted that the cost of the Centers is very related to enrollment.

Key measures for the Centers include growth in FTE, percent net contribution, contribution per FTE, and total contribution.

The degree completion program at both Centers is the most profitable program.

III. International Program

It was agreed that the numbers here are not as adequate as in the other reports because the overhead expenditures are not included as clearly.

The question remains as to what is the future of the program. It was agreed that the potential of the program is greater than the university's capacity as we are now organized, and as the program is now delivered.

IV. Enrollment Data

Enrollment is heavily concentrated in a few areas.

No major trends or changing.

Issues: What is the future of the Computer Center and the objectives of the Computer Center?

Are we a liberal arts college or a college of applied liberal arts?

V. Task Force Sub-Groups

Campus Sub-group (Mills, Wilson, Sandstrom, Denniston, Germer, Wheaton)

What would it take to get another million dollars in gift income? (Wheaton and Smith).

What would build enrollment on the campus. (Germer, Wilson, Sandstrom).

How can the deficit be reduced? (Mills, Denniston)

Sub-group on Centers (Eichner, O'Dell, Billick, Froning)

How can the university grow in its Center operations?

The full task force will meet again on August 12 at 8:30 a.m. to hear reports from the various sub-committees.