Membership Year 2005

September Survey

SUBJECT: ***What Do CEOs Want to Know About – Budget Issues?***

Below are the results of our quarterly survey of League Alliance CEOs about budget issues. This survey was a follow-up to our 2002 study of budget issues faced by community colleges after September 11, 2001.

Here are some highlights of the findings:

- Compared with last year's 2004-2005 budgets, 82 percent of college CEOs reported an average 7 percent 2005-2006 budget increase, 6 percent reported an average 2 percent budget decrease, and 12 percent reported no change in their budgets.
- In order to increase revenue in the current fiscal year, 75 percent of college CEOs reported that they are increasing tuition, 56 percent are increasing grant applications, and 55 percent are increasing marketing efforts.

The top 10 areas or cost centers that CEOs believe will face the greatest future challenges include technology, student support services, energy/utilities, maintenance, benefits, capital projects/spending, health insurance, operational costs, state funding, and salaries.

What Do CEOs Want to Know About. . .
BUDGET ISSUES?

A Quarterly Survey of League Alliance CEO's.

This survey was a follow-up to our 2002 study of Budget Issues faced by community colleges after September 11, 2001.

These survey results are composed of the responses submitted by your fellow CEOs as part of the* Alliance *quarterly CEO survey service. The response rate for this survey was 25% (n=144).

1. How does your overall FY 2005-2006 budget compare to last year's (FY 2004-2005) budget?

6% of colleges reported an average **2% decrease**
82% of colleges reported an average **7% increase**
12% of colleges reported an **even** budget

2. Please note the percentage of your institutional budget from the following sources:
FEDERAL: **6%** STATE (PROVINCE): **40%** LOCAL: **19%** TUITION: **28%** OTHER: **7%**

3. How does your current (FY 2005-2006) state funding compare to last year's state (province) funding?

13% of colleges reported an average **3% decrease**
66% of colleges reported an average **6% increase**
21% of colleges reported an **even** budget

4. How does your current (FY 2005-2006) local funding compare to last year's local funding?

9% of colleges reported an average **6% decrease**
59% of colleges reported an average **9% increase**
32% of colleges reported an **even** budget

5. How does your projected institutional budget for next year (FY 2006-2007) compare to this year's (FY 2005-2006) budget?

6% of colleges reported an average **4% decrease**
61% of colleges reported an average **6% increase**
33% of colleges reported an **even** budget

6. Which, if any, of the following REVENUE INCREASES has your institution experienced this current fiscal year?

58% Enrollment
37% Increased donations
53% Increased operational funding
39% Funded enrollment increase
40% Increased interest income
39% Increased capital funding
42% Increased grant funding
11% Increased student services funding
11% Other – Tuition increase, property tax increase, state funding, auxiliary funding, college bonds for capital construction, and no data available due to hurricanes

7. What steps has your institution taken to INCREASE REVENUE in the current fiscal year?

75% Increased tuition
56% Increased grant applications
30% Increased contract education
2% Other – Differentiated tuition
54% Increased fees
52% Increased donation solicitation (in-kind or financial)
55% Increased marketing efforts
42% Initiated or increased entrepreneurial activities
15% Increased or new tax levy

8. What steps has your institution taken to REDUCE EXPENSES in the current fiscal year?

17% Reduced course offerings
31% Reduced employee travel
13% Hiring freeze
17% Other:
5% Reduced hours of operation
13% Employee layoffs
17% Flat budget reduction across all areas
4% Enrollment limits
49% Employee reduction by attrition
52% Differential budget reductions

- Increased class size decreases adjunct cost
- Eliminated higher level administration
- Benefits contribution reduction
- Consolidated accounts
- Reduced expenditures in operating fund
- Hiring delays
- Improved technology and decreased supply budget
- Hire people at lower rate of pay
- Employee severance pay
- Hiring hiatus

9. What institutional areas or cost centers do you believe will face the greatest funding challenges in the near future?

- Technology
- Student support services
- Energy/Utilities
- Maintenance
- Benefits
- Capital projects and spending
- Health insurance
- Operational costs
- State funding
- Salaries

Thank you for taking the time to complete this survey