

EAP Budget Plan. Five year projects, 2009-10 - 2013-14

**Model Assumes General & Opportunity Fund reductions as Indicated**  
**Notes to Governing Council on Assumptions used in Current Projections:**

Reflects median estimated enrollment drop between 15-20% beginning 10-11 due to increased student fees, reduced campus recruitment resources, and program closures  
 Reductions in FTE are assumed proportional for participants - currently it takes 1.75 participants to equal 1 FTE.  
 Reflects increase mid year (15% 2009-10) and full year (15% 2010-11) in student fees as proposed by Board of Regents.  
 Reflects program specific supplemental fees per fee document attached.  
 Reflects establishment of a contingency reserve (incl. in student fees) building proportionately over 5 years to \$1.5M.  
 Reflects RTA on those fees that are subjected to all students (excl supplemental program specific fees) @ 33% (1st year) and 28.4% thereafter.

Notes		2009-10	2010-11	2011-12	2012-13	2013-14
(a)	Carry Forward	(\$1,429,121)	(\$633,706)	(\$1,405,876)	\$98,874	\$549,202
	<b>Revenue:</b>					
(b)	<b>Appropriations</b>					
	Original General Fund	\$19,330,834	\$19,330,834	\$19,330,834	\$19,330,834	\$19,330,834
	Prior Years Reduction in General Fund	(\$16,330,834)	(\$16,730,834)	(\$17,430,834)	(\$18,230,834)	(\$19,130,834)
	Opportunity Fund	\$1,131,666	\$1,131,666	\$1,131,666	\$1,131,666	\$1,131,666
	Searles	\$0	\$0	\$0	\$0	\$0
	Total Current Year Appropriations - All Funds	\$4,131,666	\$3,731,666	\$3,031,666	\$2,231,666	\$1,331,666
	Additional Current Year Reduction by OP	(\$400,000)	(\$700,000)	(\$800,000)	(\$900,000)	\$0
	Current Year Appropriations Remaining	\$3,731,666	\$3,031,666	\$2,231,666	\$1,331,666	\$1,331,666
(c)	Lowenhaupt Endowment Fund	\$261,780	\$261,780	\$261,780	\$261,780	\$261,780
	Subtotal Appropriations	\$3,993,446	\$3,293,446	\$2,493,446	\$1,593,446	\$1,593,446
	<b>Fees:</b>					
(d) thru (g)	<b>Student Fees</b>	\$24,510,528	\$23,412,020	\$26,849,892	\$27,339,327	\$27,828,612
	Cooperative Program (non UC students)	\$250,000	\$20,000	\$20,000	\$20,000	\$20,000
	STIP	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
(h)	Less: Return To Aid	(\$6,597,070)	(\$6,895,999)	(\$8,030,496)	(\$8,192,010)	(\$8,353,474)
	<b>Total Revenue</b>	<b>\$22,246,904</b>	<b>\$19,919,467</b>	<b>\$21,422,841</b>	<b>\$20,850,763</b>	<b>\$21,178,584</b>
	<b>Expenses:</b>					
(i)	UOEAP Salaries	\$4,401,100	\$4,348,287	\$4,456,994	\$4,456,994	\$4,456,994
	Benefits	\$1,036,700	\$1,024,260	\$1,049,866	\$1,049,866	\$1,049,866
	Supplies & Expenses	\$415,800	\$426,195	\$436,850	\$447,771	\$458,965
	Equipment (IT UO & Study Centers)	\$225,700	\$125,000	\$100,000	\$100,000	\$100,000
	Consultants/Prof. Services (Legal)/Other Services	\$93,200	\$170,000	\$50,000	\$30,000	\$30,000
	Sub Total rent	\$753,000	\$629,188	\$572,462	\$589,635	\$607,325
	<b>Total UOEAP Expenses</b>	<b>\$6,925,500</b>	<b>\$6,722,929</b>	<b>\$6,666,172</b>	<b>\$6,674,267</b>	<b>\$6,703,150</b>
	Systems upgrades / strategic initiatives	\$200,000	\$400,000	\$200,000	\$200,000	\$200,000
(j)	Int'l. Office Academic / Instructional / Admin. Expenses	\$12,649,061	\$13,091,778	\$13,549,990	\$14,024,240	\$14,515,088
	Reciprocity Support for Campuses	\$2,265,149	\$2,265,149	\$2,265,149	\$2,265,149	\$2,265,149
	Lowenhaupt Endowment Fund	\$261,780	\$261,780	\$261,780	\$261,780	\$261,780
	Campus Financial Support	\$0	\$0	\$0	\$0	\$0
	Subtotal	\$15,175,990	\$15,618,707	\$16,076,919	\$16,551,169	\$17,042,017
	Less: Program/Staff Reductions					
(k)1	Int'l. Directors and Staff reductions / LO additions	(\$555,000)	(\$1,480,000)	(\$2,590,000)	(\$2,590,000)	(\$2,590,000)
(k)2	Reduction in Program Instructional expenses	(\$125,000)	(\$250,000)	(\$375,000)	(\$375,000)	(\$375,000)
(k)3	Plus: Additional Faculty Oversight	\$30,000	\$80,000	\$140,000	\$140,000	\$140,000
	Sub Total Program/Staff Reductions	(\$650,000)	(\$1,650,000)	(\$2,825,000)	(\$2,825,000)	(\$2,825,000)
	<b>Expenses Total</b>	<b>\$21,451,490</b>	<b>\$20,691,637</b>	<b>\$19,918,091</b>	<b>\$20,400,436</b>	<b>\$20,920,167</b>
	<b>Surplus/(Deficit) - Current Year</b>	<b>\$795,414</b>	<b>(\$772,169)</b>	<b>\$1,504,750</b>	<b>\$450,327</b>	<b>\$258,416</b>
	<b>Surplus/(Deficit) - Cumulative</b>	<b>(\$633,706)</b>	<b>(\$1,405,876)</b>	<b>\$98,874</b>	<b>\$549,202</b>	<b>\$807,618</b>
	<b>Average Revenue Per-FTE</b>	<b>\$8,690</b>	<b>\$9,094</b>	<b>\$9,670</b>	<b>\$9,307</b>	<b>\$9,349</b>
	<b>Enrollment:</b>					
	<b>Participants</b>	<b>4,300</b>	<b>3,569</b>	<b>3,569</b>	<b>3,569</b>	<b>3,569</b>
	<b>FTEs:</b>					
	Regular Academic Year	2,157	1,790	1,790	1,790	1,790
	Summer Stand alone	250	250	275	300	325
	Pre-ILP/ILP	153	150	150	150	150
	<b>Total FTE</b>	<b>2,560</b>	<b>2,190</b>	<b>2,215</b>	<b>2,240</b>	<b>2,265</b>
	<b>Reciprocal Students Inbound (FTE)</b>	<b>1,379</b>	<b>1,242</b>	<b>1,230</b>	<b>1,217</b>	<b>1,205</b>

Reflects incremental addition of \$100 to participant fee in 10-11; initiation of \$200 per Exchange Participant fee; initiation of \$100 per participant in contingency reserve.  
 Reflects RTA @ 33% (1st year) for participation fees, exchange fees, and contingency reserve fees. 28.4% thereafter.  
 Reflects no sublet until 2010-11 year (Poor Comm. RE Mkt). 09-10 Income shown is actual. Projected income is @\$1.20 NNN. cost = 6% commission  
 Beginning in 09-10, cooperative income reduced as current NUC program dissolves.

**Notes:**

**2009-10 and subsequent years**

**Assumes:**

- (1) Introduction of fee-based financing in 2009-10. Educational, Registration, most Summer fees reflect UC-wide projected amounts in 2009-10  
 EAP retains fees and remits Return-to-Aid
  - (2) Summer enrollment projected at + 10% in 2011-12, then 8-9%
  - (3) Beginning 2010-11, reflects a projected cost increase at parity with global long term growth rate of 3.5%.
- (a) Reflects prior year operating balance
  - (b) No debt repayment anticipated. EAP will eliminate deficit over time.
  - (c) Lowenhaupt Endowment Fund is used to make reciprocity payments. Scholarship appropriations returned to campus.
  - (d) Registration & Educational Fees proj. to incr as proposed by Regent's Cmte on Finance (9-16-09) in 2009-10 (\$585) and 2010-11 (\$1,170); in 2011-12 (\$1,344)  
 2008-09 Registration & Ed Fees = \$864 +\$6,262 = \$7,126; 2009-10 Registration & Ed Fees = \$7,788 + \$585 (1/2 year incr.) ;  
 2010-11 Registration & Ed Fees = \$8,958; 2011-12 Registration & Ed Fees = \$10,302. Maintained thereafter.  
 Summer and Pre-ILP/ILP fees adjusted accordingly beginning in 2010-11 (fee increases minimal impact in 2009-10).
  - (e) Participation Fee increased to \$400 per participant in 09-10; \$500 thereafter.
  - (f) Program specific supplemental fees are levied for a number of high cost semester and year programs
  - (g) Campus fees no longer collected and remitted to campuses. Fees charged at the discretion of the campuses
  - (h) In 2009-10, Return to Aid is 28% of Educational/Registration/Summer/Pre-ILP & ILP fees; 33% (1st year) on participation, exchange, reserve fees
  - (i) - Personnel expenses are reduced by 5% in 10-11 but adjusted for 4% increase; headcount flat thereafter but adjusted for 2.5% incr in 11-12.  
 - Rent increase 3% passed thru to sub lessee per year (4% max. per escalation clause in agreement). Sub let rate to 3rd party assumed to commence in 10-11 year at projected sub let rate of \$1.20/sq.ft. used to "get a tenant in ASAP" (Commercial RE market under extreme distress currently).
  - (j) - All scholarship appropriations removed. No additional supplement will be provided by UOEAP.  
 - EAP will continue to provide financial support for reciprocity students and other costs  
 - Campus EAP support will henceforth be determined by the campuses  
 - 15% drop in Reciprocal enrollment expected to offset increase in campus fees & Reg fees => no \$ impact.
  - (k) 1-3 Field Office Director positions reduced by 3, then 8, then 14. Also assumes phased reduction in staff FTE.
  - (k) 1 Assumes a Liaison Officer position replaces each eliminated Field Office Director @ salary of \$40k
  - (k) 2 Program instructional expenses are reduced over time by focusing on class size and program offerings
  - (k) 3 Allotment for alternative Faculty oversight of Study Centers.