REPORT OF THE COMMITTEE ON PRIORITIES AND RESOURCES

TO THE ADVISORY BUDGET COMMITTEE

MAY 2009

The Committee on Priorities and Resources (CPR) is pleased to submit this Report and its recommendations to the Advisory Budget Committee (ABC). Our discussions have focused on how to slow the projected growth in the College's future budgets, with as little damage as possible to our mission and our reputation. To protect both, we have stayed attuned to the fiduciary responsibility of the Board of Trustees, our stewards of the endowment, which is not only necessary for current expenditures but is the bedrock on which the future of Amherst rests. We have also wanted to show to our colleagues and to those interested in Amherst's future that we have been and will continue to be good managers of the gifts, grants, comprehensive fees, and other sources of income that come annually to the College. We were motivated by other priorities as well: attracting the best national and international students, regardless of financial need; ensuring a faculty cohort that is competitive with the nation's best colleges and universities; and maintaining a first-rate and experienced staff.

We have tried to make recommendations that would slow growth in projected expenditures, rather than to make irreversible cuts that would affect our mission. We have been motivated by the premise that the earlier we make substantial reductions in projected growth, the easier it will be to control that growth over time without damaging our curriculum, our employee base, or our physical plant. We have been especially sensitive to the morale of the faculty and staff, and to the fact that living in indecision is not only personally difficult, but affects the day-to-day business of the College. We have also assumed that "everything was on the table," namely, that there were no areas excluded from our investigation or from our eventual recommendations.

<u>Should these recommendations be accepted, we estimate that they will result in $34,877,000 in</u>

savings from the projected budgets over the next three fiscal years. (See details below and in the appended worksheet.) The Board of Trustees has asked the Administration to bring the projected spend-rate from the endowment back down to 5% by FY19. The Administration has estimated that, if the national economy does not worsen significantly, a reduction of approximately $37,000,000 is needed from the projected budgets for FY10, FY11 and FY12 in order to put the College's finances on track to achieve that goal. Notwithstanding the numerous uncertainties involved in devising long-range budgets, the Committee believes its proposals will bring the College's projected budgets over the next three years into an acceptable range consistent with the Board's stated goal.

Also, our readers should know why we have concentrated our attention on FY10, FY11, and FY12. We concluded that to make a strong effort at slowing growth substantially within this period will make it much easier to make more modest changes in projected budgets through FY19. Finally, it is important to keep in mind that all of our estimates are based on an assumption for inflation of 2.5% annually.

We are aware that several of our suggestions slow growth by postponing expenditures, e.g., deferred maintenance and fringe benefit reserves, that will eventually have to be reintegrated into the budget. Continuing to increase the number of faculty, new capital projects, and other of the listed temporary adjustments will have to be re-examined. Still, we think that slowing growth, finding out where our budgets have been unnecessarily increased—while not cutting into the muscle of the College's mission--are strategies that will give us time to think more long-term about the values that we want to protect.

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The CPR has met twice weekly for the last four months, and has had two public meetings with the community, where we explained the above principles. We have met with members of the Board of Trustees, with the Advisory Committee on Personnel Policy, and with most of the managers of major departments of the College (see appendix). Finally, we have published our minutes on the Dean of Faculty's website, accessible to members of the Faculty.

Traditionally, the CPR, a standing committee of the Faculty, has examined annual budgets, and made recommendations to the Administration about changes in that budget. It meets once a year with the Board of Trustees, and prepares an annual report on the status of faculty salaries and compensation. In the past, given the success of the endowment's performance, it has paid less attention to long-range projections. But this year, all that changed. Its members (see appended list) include three faculty members (nominated by the Committee of Six, and elected by the Faculty); three student members, nominated by the Amherst Association of Students; and several ex officio members of the Administration. This year, given the College's financial problems, the CPR invited the Legal and Administrative Counsel, and two staff members (elected by the ACPP) to attend as full participants in our discussions.

So far this year, the CPR has:

- Made a thorough review of the College's benefits, their present and projected costs, and considered changes in them
- Reviewed and made recommendations in the planning of the Comprehensive Campaign, "Lives of Consequence"
- Reviewed facilities planning, including deferred maintenance and new capital projects
- Endorsed savings in the FY09 budget [c. $3,500,000]
- Endorsed savings in the FY10 budget [c. $11,000,000]
- Requested and discussed financial data for all programs, policies, and budget units of the College
- Interviewed or gathered information from an extensive group of constituencies and managers (see appendix).

We have evaluated and discussed extensively the following aspects of the College's finances:

- The assumption that reductions in FY09 and FY10 budgets are permanent and continuing
- That any projected, or higher, increase in the endowment will not suffice by itself to solve our problems
- Whether to emphasize reduction in head-count (FTEs) or constrain salary pools for staff and faculty
- How reductions in total compensation for employees (staff, Trustee-appointed, tenure and tenure-track faculty, coaches, lecturers, visiting professors, 5-college [and other] borrows) might affect the campus
- The weighing of financial aid budgets against other major College expenditures
- The advantages and disadvantages of increases in the comprehensive fee
- The evaluation of short-term and long-term costs in deferred maintenance and major capital projects, especially costs of debt service
- Whether to postpone CAP-recommended growth in faculty FTEs and/or new academic programs
- The analysis of costs of faculty research support
- Whether to curtail extra- and co-curricular programs
- What magnitude of savings might be made by restructuring the ways we deliver education (class size, technology, calendar)
- Whether to consider increasing the student body more than projected
- The possibility of real savings in the consolidation of inter-college or 5-college services or curricula
- How to re-examine the goals and priorities of the current Comprehensive Campaign, so that

future College budgets not be unnecessarily encumbered.

Pursuant to all of these activities, the CPR offers the following recommendations to the ABC. For now, we are comfortable that our recommendations could go far to slow growth and reduce the College's financial vulnerabilities over the next decade.

Recommendations:

I. <u>Salaries, Compensation, and Head-Count (FTEs)</u>

[Note: FY stands for "fiscal year." The academic year 08-09 = FY09, 09-10 = FY10, etc.; FTE = full-time employee]

Salary pools for all employees have been frozen at FY09 levels for FY10. The CPR has discussed at some length the economic and morale costs of freezing them again for FY11, or even of recommending pay cuts for some or all employee groups for FY11. We have also considered the possibility of lay-offs. Our recommendations will require no non-voluntary reductions in our employee base; however, this assumes major cuts in other areas, some of which we have recommended below, and perhaps others yet to be determined. It also assumes that all of our recommendations will be accepted, and that the financial situation will not worsen.

The CPR has discussed the risks of reducing growth in faculty and staff salaries. Such an option carries a possible future liability, namely, having to make up for these reductions in order to stay competitive with other institutions of higher learning. The argument that "everyone else is in the same boat" only goes so far, for it does not offer predictions of when others will leave the boat or how fast. If we are to avoid lay-offs and further reductions in financial aid, we have to slow growth in compensation, but it is not an unencumbered decision.

Future budgets assume that salary pools will be increased by inflation +1% for staff, and inflation +1.5% for faculty. With the caveats mentioned above, we recommend:

A. **That projected salary pools be increased by inflation (est. 2.5%) for faculty, staff, and Trustee appointments (administration) in FY11 and FY12. This will result in a total savings of $2,786,100 through FY12.**

At present, there are 25 frozen [unfilled] non-faculty positions in the FY10 budget with a combined annual compensation of $1,500,000. We expect that further attrition will afford sufficient flexibility so that the College may fill those current positions deemed essential, e.g., in the Library, while still achieving significant savings in compensation.

Consequently, we recommend:

B. **That the projected compensation budget for staff and Trustee-appointed employees be reduced (through attrition, retirements, and the maintenance of some of the frozen positions) by $1,800,000 for FY11 and $2,000,000 for FY12, for a total of $3,800,000.**

This recommendation could be effected through a combination of voluntary separations, retirements, and by maintaining some positions as frozen. Indeed, we have had substantive discussions concerning a variety of short- and long-term programs that would allow for staff options in re-training and job transfers, voluntary retirements, voluntary reductions in working hours, voluntary adjustment of annual schedules (12-month to 10-month), and job-sharing. Immediate savings from these initiatives, if approved, are unclear, but long-term reduction of compensation expenses, without lay-offs, could provide significant savings. We recommend:

C. **That a judicious, efficient, and immediate plan of action be instituted by the Administration to encourage voluntary reductions in weekly or annual hours, early retirement options,**

re-training, and similar employee options.

In order to find savings in the instructional costs for FY10, the Dean of Faculty has reduced his budget for hiring visiting professors by $850,000. (The current projections had anticipated that the funding for these positions would be restored over a four-year period.) The reduction in visiting faculty will adversely affect the faculty's workload for next year, as well as the curricular offerings available to students, and the much-watched student/faculty ratio. A visiting professor, search, salaries, and benefits included, costs the College around $90,000-$100,000 per year. That person teaches four courses, sits on thesis committees, directs Independent Study courses, etc., but does not otherwise reduce the administrative workload of the Faculty. A local per-course hire, or a 5-College borrow, costs the College $6500-$7500 per course. This person does little other than teach the course for which he/she was hired. Permanent, long-term reliance on such borrows and reduction in visitors would have a decidedly negative effect on our curriculum; however, we must recommend, for the short term,

D. That the current reduction in the instructional budget ($850,000) for visiting faculty be maintained, and further adjusted to reflect an additional reduction of three full-time visiting appointments annually for FY11 and FY12. This will provide savings of $605,000 and $938,000, respectively.

One of the recommendations of the CAP Report [January 2006] was a net increase in student enrollment, i.e., 80 more. With that recommendation (and ignorant of the need later to add 100 more for financial reasons), the CAP also recommended, and the Board of Trustees approved, raising the Faculty FTE cap from 165 to 183 by increments of two to three new FTEs per year until the new ceiling is reached. With the caveats expressed in the discussion above regarding visiting appointments, the CPR recommends:

E. **That only one, instead of three, new (CAP-recommended, Board-approved) FTE's be added each year for FY11 and FY12, for a total savings of $637,500.**

The College has been able to achieve savings against benefit cost projections in FY10 by means of a negotiated renewal of health insurance for employees. In addition, when retiree health insurance was reviewed in FY03, the Trustees requested that the Administration increase the benefit charges to the budget so as to establish a pool of funds to pay for the long-term liability associated with providing health insurance to employees in retirement. To date, $6,000,000 has been accumulated against a $20,00,000 projected liability. The College can reasonably reduce the annual allocation to this pool for a short period, and still achieve the long-term goal of funding the liability within a 10-15-year period. <u>This reduction in funding will not change or reduce any current employee benefits.</u> Therefore, we recommend:

F. **That the College reduce fringe-benefit allocations for future retirements projected in the operating budget for three years. This will result in savings of $1,992,000.**

II. <u>Comprehensive Fee</u>

The College has made, over the last several years, a perceptible effort to keep the comprehensive fee as close to the rate of inflation as possible. We were able to do this primarily because we had an endowment performing, at times, ten times higher than the rate of inflation. This policy was a sound one then, and the Board is to be commended for having worked to keep Amherst as affordable as possible vis-à-vis its peers.

We think now that we must carefully review that policy. Even though raising the comprehensive fee puts more of a burden on those able to pay for the full ride, and causes the College's tuition discount rate to grow, there is no avoiding the fact that an increase in the comprehensive fee brings a strong revenue stream to our operating budgets. Consequently, we recommend:

G. That the College increase its comprehensive fee by 5% [or 2.5% above projected inflation) per year in FY11 and FY12. This would increase revenues by $662,400 in FY11 and $1,392,000 in FY12, and would continue to provide significant additional revenues in subsequent years.

III. Financial Aid

Few subjects are as nettlesome and sensitive as financial aid. A substantial reason that we are one of the most respected colleges in the world is our generous and fair financial aid policies. The CPR has studied this subject with deliberative attention, and our recommendations are made with equal care.

First, the FY10 budget assumed that 60% of the student body would be on financial aid. This was done in anticipation of a spike in financial-aid requests. Our current best estimates (and as of this writing, the CPR does not have the exact figures for the Class of 2013) is that the actual percentage of aid is likely to be about 54%. For every 1% reduction in the percentage of students on financial aid, we will save $684,476 in FY11. If the prediction of 54% turns out to be correct, the College will realize savings of about $3,900,000 in FY10 and subsequent years. We also anticipate that the percentage on aid will not reach the 60% level in FY11 or FY12, but rather stay close to 55% for those two years. Consequently, we anticipate additional savings of approximately $3,400,000 in FY11 and $3,600,000 in FY12. We remind our readers that this estimated reduction in our financial aid budget is neither a change in policy nor a cut in our financial aid budget, which remains at record levels, but rather is due to fewer students than originally projected likely to require aid.

Second, for further savings from our financial aid budget, the CPR recommends a reduction beyond the afore-mentioned coincidental savings (see **H** below). The CPR does not intend to make specific recommendations about the financial aid budget, but we would like to draw your attention to suggestions and estimates that Tom Parker, Dean of Admission and Financial Aid, and Stanley Rabinowitz, Chair of the Faculty Committee on Admission and Financial Aid (FCAFA), brought to our attention during their interviews and in their public presentation.

These include:

1. Returning to the College's prior policy that allowed student loans up to $3500/year for students from families with incomes over $60,000. If implemented, this would provide us with $362,250 in savings the first year and $1.45 million in annual savings once the policy was fully implemented over four years.
2. Increasing the summer earnings expectation from $1,200 to $1,400, and thereby realize an additional savings of $112,000 per year. [*NB: These figures have not been recalibrated in several years, so savings may be larger should inflation, for instance, be computed. The same could be said for #1.]*
3. Reducing the number of international students accepted on a need-blind basis from the current 9% back to the approximately 6% that we admitted prior to the CAP Report's recommendations. The estimated annual savings, based on the CAP analysis, was between $1,400,000 and $1,700,000.

These were just a few of the options for savings mentioned in conversations with the CPR and at the public meeting of FCAFA.

Given these and other options that FCAFA might recommend, and given the fact that the CPR has not yet seen FCAFA's report, and that we do not have the final figures for financial aid for FY10, the CPR recommends:

H. That making only minor adjustments to our current admission policies, the College find savings in financial aid amounting to at least $2,000,000 each for FY11 and FY12, for a total of $4,000,000. (Again, this would be in addition to the coincidental savings for FY10 and beyond.)

IV. <u>Below-the-line Budgets</u>

"Below-the-line" budgets refer to operating, non-personnel budgets of all campus departments. Current projections already assume an average 15% reduction in the below-the-line base for all. In full knowledge of the difficulty that this recommendation will cause many departments, and without suggesting across-the-board cuts, we recommend:

I. That Administration not increase the below-the-line budgets as the projections allow, and that it reduce further these budgets by $500,000 per year for each of FY11 and FY12. This results in total savings of $3,800,000 in the projected budgets through FY12.

IV. Campus Facilities

This is a well maintained campus, and we have learned from the Director of Facilities, Jim Brassord, that this success has been accomplished with a staff much leaner than many institutions of our size. That affirmed, we have been able to find areas where savings can accrue over the next few years without substantially or irreversibly harming the physical plant or the campus environment. The College currently budgets around $5,000,000 toward deferred maintenance. Budget projections increase that amount for FY11 and FY12 by inflation plus $200,000 per year. Given the slowdown of projects and the availability of tax-exempt debt proceeds to fund necessary projects over the next few years, we recommend:

J. That the budgeted reserve for deferred maintenance be reduced to $4,000,000 per year, for savings of $1,511,000 in FY11 and $1,851,000 in, or a total savings of $3,362,000.

The College presently has on its horizon the renovation or rebuilding of Merrill Science Center, the renovation or relocation of Frost Library, the replacement of the Southeast dorm complex, the renovation of the Lord Jeffery Inn, and longer-range plans regarding the Arms Music Center and the Mead Art Museum. The Merrill project, once begun in about three or four years, would result in an increase to the College's debt service (cost figures unknown at this time). Should a "domino effect" cause new dorms to be built so that a new Merrill might be moved to the site of the current "social dorms," the debt service would increase even more. Consequently, we recommend:

K. That the College pursue only one large-scale capital project in the near future: the rebuilding of Merrill Science Building, and, if necessary, the replacement of the "social dorms."

The CPR has also been kept abreast of the current analysis of all academic facilities, classrooms, laboratories, offices, etc. Should the consultants recommend later this year that the College budget a substantial amount for the improvement of those facilities, the CPR recommends:

L. That plans to renovate or retro-fit our academic spaces be postponed for at least two years.

We are unable at present to assign dollar figures to the last two recommendations, but are confident that they will result in savings over the next half decade at least, without serious damage to our educational or student-life priorities.

VI. <u>Changes in Campus Culture</u>

Changes in campus culture will and must occur should these recommendations be adopted. While these changes would not necessarily save the College significant sums in the next year or two, they could do so in the longer term. Below are a few suggestions that could bring about future savings. We strongly encourage the community as a whole to initiate new proposals that might alter the campus culture in ways that would make the College use its resources in a more efficient manner. (We have been gratified by the comments already sent to us by Amherst colleagues along these lines.)

1) The community should expect, given the nature of the reductions we have recommended, a lowering in the quality of service it has come to expect in the past. We trust this will be a temporary adjustment, but the redeployment of employees, and the postponement of new hires and renovations will make a tangible difference to the way we have done our business up to now.

2) Information Technology has suggested that all members of the community who use computers undergo mandatory two-hour training sessions on an annual or bi-annual basis. In these training sessions, IT staff would teach the community various strategies that would, in the long term,

make it possible to lower IT staffing levels.

3) The College's faculty members should make an effort to meet deadlines that come from various service departments. In particular, the Library and IT would appreciate earlier submissions of necessary teaching materials so that these offices do not need to maintain peak staffing to work on the influx of material that invariably comes to those offices in August and January.

4) Students should be educated about heating systems in their buildings, and the costs that follow from inefficient use. Teaching students about these matters might begin with hall-by-hall training sessions. Sanctions could be imposed for failure to comply with restrictions imposed to decrease the cost of utilities.

VII. Other options considered, but not recommended at this time

As our Report shows, the CPR has made recommendations that would involve cutting the College's projected budgets through FY12 by some $35,000,000. We believe that these recommendations are in the present best interests of the whole Amherst community. No single constituency will bear the brunt of our projected reductions; no constituency has been held sacrosanct from budget reductions.

We did consider additional potential reductions in the projected budgets of FY11 and FY12, and list some below. At this time, we do not recommend these over the ones in our Report. However, should the ABC, the Administration, or the Board of Trustees decide against some of our recommendations, or should the economic situation worsen, or should some of the financial assumptions on which we have based our projections change, the ABC may wish to consider some or all of the following suggestions for other reductions. We contend that most of them would have a more negative effect on campus life and morale than will ours.

Salaries/compensation:

- Freeze salary pools at FY10 levels for FY11 and, if necessary, FY12
- Reduce staff and administrative positions through lay-offs
- Reduce benefits

Academic programming:

- Postpone implementation of new academic programs
- Return sabbatical compensation for senior faculty to 80% from current 100%

Extra or co-curricular activities:

- Reduce the above-the-line and below-the-line budgets at the Center for Community Engagement and in the athletics program

Financial aid:

- Further reduce financial aid through modification of current admissions practices

Administrative staffing:

- Review departments which have seen substantial growth in the last five years, e.g., Information Technology and Advancement
- Review growth in Administrative positions, especially in the President's and the Dean of Faculty's offices
- Re-evaluate all non-faculty positions

CONCLUSION

To reiterate, the Board of Trustees has asked the Administration to reduce the projected spend-rate from the College's endowment. The Administration has projected that approximately $37,000,000 in savings from projected budgets were needed by the beginning of FY13 to move the College toward that goal. The CPR, after extensive study and reflection, has identified approximately $35,000,000 of that amount in the budgets for FY10, FY11, and FY12. Given the uncertainty of many of our own projections as well as those of the Administration, we are comfortable with this slight discrepancy. The new spend-rate at the end of FY12 would be 6.2% instead of the current projection of 7.4%, if all of our recommendations are accepted. With this Report, we have taken a decisive step toward resolving the financial dilemma that current events put before us.

We remind the Amherst community that we see our recommendations as efforts at slowing the growth of the College's budgets, and anticipate that, should the financial horizon change positively, the College will return, as soon as it can, to its previous salary, benefit, and hiring policies.

None of these recommendations comes without a cost—personal, professional, reputational, morale—but they do come after one of the most transparent processes in the micro- and macro-analysis of College expenses that any of us has ever before experienced. Everyone will be affected, but we trust that our College will have been strengthened by this unique, yet necessary process.

LIST OF CPR MEMBERS

Faculty:

Associate Professor Catherine Epstein, History

Associate Professor Sarah Turgeon, Psychology & Neuroscience

Professor Ronald Rosbottom (Chair) , French & European Studies

Students:

W. Evan Braun '10

Philip Johnson '11

Jonathan Salik '09

***Ex officio members*:**

Kathryn Bryne, Director of Human Resources

Gregory Call, Dean of the Faculty

Shannon Gurek, Associate Treasurer & Budget Director

Peter Shea, Treasurer

Participating Guests (08-09):

Heidi Kellogg, Custodial Services

Paul Murphy, Administrative & Legal Counsel

Ryan Willey, Telecommunication & Networking

LIST OF CONSULTATIONS

- Dean of Admission and Financial Aid
- Director of Facilities
- Director of Human Resources [present at all CPR meetings]
- Facilities planning consultants (Shepley Bulfinch)
- Chief Advancement Officer
- Director of Information Technology
- Director of Mead Museum
- Interim Librarian of the College and the Library Council
- Dean of Students
- President [present occasionally at CPR meetings], the Dean of the Faculty, and the Treasurer [both always present]
- Director of Athletics
- Director of the Center for Community Engagement
- Administrative and Legal Counsel [present at all CPR meetings]
- Chairs of the Committee on Educational Policy and the Committee on Admission and Financial Aid
- Housing Committee

SUMMARY OF CPR RECOMMENDATIONS

A. That projected salary pools be increased by inflation (est. 2.5%) for faculty, staff, and Trustee appointments (administration) in FY11 and FY12. This will result in a total savings of $2,786,100 through FY12.

B. That projected compensation budget for staff and Trustee-appointed employees be reduced (through attrition, retirements, and the maintenance of some of the frozen positions) by $1,800,000 for FY11 and $2,000,000 for FY12, for a total of $3,800,000.

C. That a judicious, efficient, and immediate plan of action be instituted by the Administration to encourage voluntary reductions in weekly or annual hours, early retirement options, re-training, and similar employee options.

D. That current reduction in the instructional budget ($850,000) for visiting faculty be maintained, and further adjusted to reflect an additional reduction of three full-time visiting appointments annually for FY11 and FY12. This will provide savings of $605,000 and $938,000, respectively.

E. That only one, instead of three, new (CAP-recommended, Board-approved) FTE's be added each year for FY11 and FY12, for a total savings of $637,500.

F. That the College reduce fringe-benefit allocations for future retirements projected in the operating budget for three years. This will result in savings of $1,992,000.

G. That the College should increase its comprehensive fee by 5% [or 2.5% above projected inflation) per year in FY11 and FY12. This would increase revenues by $662,400 in FY11 and $1,392,000 in FY12, and would continue to provide significant additional revenues in subsequent years.

H. That by making only minor adjustments to our current admission policies, the College find savings in financial aid amounting to at least $2,000,000 each for FY11 and FY12, for a total of $4,000,000. (Again, this would be in addition to the coincidental savings for FY10 and beyond.)

I. That the Administration not increase the below-the-line budgets as the projections allow, and that it reduce further these budgets by $500,000 per year for each of FY11 and FY12. This results in total savings of $3,800,000 in the projected budgets through FY12.

J. That the budgeted reserve for deferred maintenance be reduced to $4,000,000 per year, for savings of $1,511,000 in FY11 and $1,851,000 in, or a total savings of $3,362,000.

K. That the College pursue only one large-scale capital project in the near future: the rebuilding of Merrill Science Building, and, if necessary, the replacement of the "social dorms."

L. That plans to renovate or retro-fit our academic spaces be postponed for at least two years.

Amherst College
CPR Cost Savings Recommendation Summary

Rpt. Ref.		FY 10	FY 11	FY 12	Total
	Spend rate:				
	As projected	5.05%	6.09%	7.43%	
	With recommended adjustments	4.79%	5.29%	6.16%	
	Net reduction in projected spend rates	0.26%	0.80%	1.27%	
A.	Projected salary pool increases held to inflation only (2.5%) for all three employee groups:				
	Faculty		$471,300	$996,600	
	Administration		147,200	306,000	
	Staff		282,000	583,000	$2,786,100
B. & C.	Achieve dollar savings in staff and administrative positions.		1,800,000	2,000,000	3,800,000
D.	Reduction in visiting faculty positions		605,000	938,000	1,543,000
E.	Reduce additional CAP positions to one per year rather than projected three per year		209,500	428,000	637,500
F.	Reduction of fringe benefit rate associated with health insurance	$177,000	886,000	929,000	1,992,000
G.	Increase Comprehensive fee 5% per year for FY11 and FY12		662,400	1,392,000	2,054,400
H.	Financial Aid:				
	Adjust percentage of studnets on financial aid to 54% in FY10 and 55% in FY11 and FY12	3,867,000	3,420,000	3,591,000	10,878,000
	Additional reduction in financial aid budget		2,000,000	2,000,000	4,000,000
I.	Below line budgets:				
	Hold below line budgets flat		924,000	1,900,000	2,824,000
	Additional reduction in below line budgets		500,000	500,000	1,000,000
J.	Reduce Deferred Maintenance provision to a level of $4 million per year		1,511,000	1,851,000	3,362,000
		$4,044,000	$13,418,400	$17,414,600	$34,877,000
	Total projected savings	$34,877,000			