ANTIOCH UNIVERSITY

REPORT TO THE BOARD OF TRUSTEES

1998-99 YEAR END PROJECTION

1999-2000 PROPOSED BUDGET

June 4-5, 1999

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I. INTRODUCTION

The 1999-2000 Proposed Budget contains the spending plans developed by each of the Campuses and operating units for consideration and action by the Board of Trustees. The Proposed Budget for each Campus reflects a careful analysis of their future revenues and expenditures with appropriate adjustments for changes in enrollment and other demand factors. In nearly every case, program redirection and changing circumstances have necessitated adjustments in staffing and support cost levels. In some cases, the 1998-99 experience dictated changes for 1999-2000 in order to comply with the policy of the Board of Trustees that each Campus submit and maintain a balanced Operating Budget. One quarter remained of the 1998-99 year at the time the Proposed Budget was developed, and the year-end projections in this report were made with two months remaining in the fiscal year. The 1998-99 full-year performance of each Campus will be reviewed at the October meeting of the Board of Trustees following the close of the fiscal year.

The financial information in this report is presented using the Financial Accounting Standards Board (FASB) 117 reporting standards that became mandatory for independent colleges and universities on July 1, 1995. The objective of this FASB standard is to enhance the relevance, clarity and comparability of financial statements issued by not-for-profit organizations, regardless of the nature of their operation or mission. The material presented in this report provides a detailed view of the budgeted revenues and expenses of the University and is intended to promote the understanding of University operations as a whole and of each of its units. If you are familiar with the terms and format of this report, you may want to begin reading at the 1998-99 Year-End Projection section on page 7.

II. FORMAT AND CONTENT

The 1999-2000 Proposed Budget contains summary schedules for the entire University and similar schedules for each Campus. In addition, each Campus has prepared a narrative description of the significant events that have occurred in the current year as well as those that are expected to occur during the next year. The purpose of the narrative is to give an overview of how each Campus is managing and what problems and opportunities it anticipates in the coming year. In addition, each Campus has proposed capital expenditures for 1999-2000 that are part of the Five-Year Capital Plan.

Under Board of Trustee policy, Trustee approval is required for any facility or equipment expenditure of more than $25,000. Expenditures between $10,000 and $25,000 require the advance approval of the Vice Chancellor and they must be reported to the Finance Committee in a timely manner. The capital expenditures contained in this report are proposed for purchase in 1999-2000. Campuses frequently identify planned purchases of less than $10,000 in order to provide a more complete picture of their capital spending plan.

Board of Trustee action is needed to authorize tuition and fee schedule changes for 1999-2000. Each Campus has included a schedule of proposed student charges showing the prior year rates, the proposed rates, and the percentage change. Although a schedule of tuition rate changes is included for the College, the Board of Trustees approved tuition and fees for the College at the February meeting. Early action on College tuition and fee rates is needed in order to allow the timely preparation of financial aid packets for prospective students.

III. THE FUNCTION SCHEDULE

For the University as a whole and for each of the Campuses, the Proposed Budget contains two schedules. The first is the 1999-2000 Proposed Budget by Function. This schedule provides information about Revenues by Type and Operating Expenses by Function. The purpose is to show what is happening to the various major revenue streams that support the University and to show how Operating Expenses are assigned to the various programs or functions.

In both the Revenues and Operating Expenses sections of this schedule is a reference to "E&G". This abbreviation stands for Educational and General and the Total E&G lines show the Revenues and the Operating Expenses of all functions other than those that are classified as Auxiliary Enterprises. The E&G subtotals are provided to simplify comparison of the revenues and expenses of the primary missions of the University while excluding "support functions" that are not part of the primary missions. Auxiliary Enterprises include support functions such as dining services, housing, bookstore, and similar "businesses".

An additional Revenues item that appears below the Total E&G Revenue totals is Released from Restrictions. The amounts on this line reflect funds that were initially received by the University or Campuses for specific purposes and held until they could be spent to further the specific purpose. Most of this money represents gifts or bequests that have been provided for such things as scholarships or specific program initiatives. Much of the funding of this type is expended in the year it is received but Restricted Funds are often held for several years until they can be expended in accordance with the conditions set out by the donor. For example, scholarship funds that provide for students with certain types of abilities or needs will not be expended until such students can be identified. Restricted Funds do not become part of the Operating Budget until released. Prior to being transferred to the Operating Budget, Restricted Funds are carried in the accounts of the University and invested in accordance with University policy.

Because restricted revenues do not become part of the unrestricted operating funds of the University until they are Released from Restrictions, the amounts shown for Gifts and Grants may vary from the figures reported by the Development Offices for the same period. The Development Offices report gifts on a cash basis, that is, as they are received. The Accounting Office reports gifts on an accrual basis, that is, when they are received or pledged. Pledges are commitments that will be realized at a future date and are not expendable until the funds are actually received. Funds that are given for a restricted purpose are invested until they can be expended for the purpose specified by the donor. Several years may pass before a campus can expend a restricted gift as the donor intended, but the restricted gift is recorded by the Development Office when it is received. The financial schedules contained in this report do not reflect restricted revenue until it is expended. Therefore, reports from the Development Office may show higher or lower giving levels than will appear on these schedules.

Restricted Funds should not be confused with Endowment Funds. Endowment Funds are also separated from unrestricted revenues and are also limited to specific purposes as provided by their donor. The primary difference is that the principal of Endowment Funds must be retained in perpetuity and only the annual income can be expended to satisfy the purpose of the donor. On the other hand, the principal amount of a restricted gift can be used as soon as a valid purpose has been identified. Income from the Endowment Funds appear as a Revenue Item on the Endowment Income line.

The Function schedule in this report for Antioch University as well as the Function schedules for Central Administration and University Wide expenses contain an additional line, "Net Overhead for Central Operations." This line has been added to the Function schedules of these three areas to more clearly display the cost of central operations. Ordinarily, the Overhead used to support the Central Administration and the University Wide expenses budget would appear as a "negative expense" entry, but the Board of Trustees has requested that central operations be displayed more in keeping with the way the budgets of the individual Campuses are displayed. Accordingly, this line has been added to these three schedules and appears as a quasi-revenue entry. It shows how much is transferred from the operating units to meet the costs of central operations and it clearly separates the "revenue" of the central operations from their expenses and makes it easier to see the true cost of these units.

The Operating Expenses section of the Function schedule provides financial information for each of the primary activities or programs. Each operating department of the University is classified in accordance with its primary function. For example, the Languages Department of the College is classified as Instruction and all of its expenditures will be combined with those of other teaching departments and reported on the Instruction line of the Function schedules. A list of the Cost Centers that comprise each of the Functions is presented on page 118.

The columns of the 1999-2000 Proposed Budget by Function schedules present information about the two prior years, the current year, and the coming year. For comparison purposes, the first two columns contain the 1996-97 and 1997-98 actual expenditure history. The third column contains the 1998-99 Budget as approved by the Board of Trustees and the fourth column contains information about how each of the Campuses anticipate their 1998-99 Budget will appear at the end of the current fiscal year. That is, the 1998-99 Budget column is the plan for the current year while the 1998-99 Projected column shows how the plain is likely to play out. The next two columns, Change from 1998-99 Budget to 1998-99 Projected show the dollar amount and percentage variance between the plan for the current year the likely outcome at June 30.

Because the Proposed 1999-2000 Budget is developed from current year operations, it is important to consider how the current year will end before deciding on what is or is not possible in the new year. For this reason, the Proposed Budget schedules show the changes from the current year budget to the anticipated year end amounts.

The Proposed 1999-2000 Budget is segregated from the other columns by solid vertical lines to make it stand out from the other numbers. The next two columns on this schedule compare the Proposed 1999-2000 Budget with the 1998-99 Projected outcome, and the last two columns compare the Proposed 1999-2000 Budget with the 1998-99 Budget as approved by the Board. Each set of comparisons present the dollar variance and percentage variance. Major dollar/percentage changes tend to signify programmatic shifts or restructuring.

FASB 117 requires the presentation of information on an accrual basis, but the actual management of the University also depends on maintaining an appropriate cash flow so that current obligations can be met. The schedules in this Report contain a Conversion to Cash Basis section which identifies those expenses and revenue sources that must be considered when adjusting from an accrual basis to a cash basis. These items are primarily concerned with equipment and facilities which, although occurring in one fiscal year, are depreciated over their useful life. Accumulated depreciation is shown as an offset to the Depreciation Expense that is included as a part of the Plant Maintenance function. Borrowing proceeds, if any, associated with the expenditures shown are reflected on a separate line, as are the Principal Payments necessary to retire the loans of previous years.

The Conversion to Cash Basis section also shows the use of any Prior Year Reserves. Prior Year Reserves are maintained by the University as “funded” or “unfunded”. Whenever the campuses end the year with an operating surplus, this sum is recorded and carried forward on the books. If the University has sufficient surplus cash at year-end, the surplus is funded and invested in an interest bearing account. The "Unfunded Reserves" of the campuses become "Funded Reserves" whenever there is surplus cash at year-end. If there is not sufficient cash to cover the surplus, the uncovered portion becomes a credit to the unfunded reserve. Campuses may propose the use of their Prior Year Reserves in the annual budget, or they may request the Chancellor’s permission to use Funded Reserves to meet unexpected expenses during the year.

IV. THE CATEGORY SCHEDULE

The second major schedule is the 1999-2000 Proposed University Budget by Category. On this schedule, Revenues from the Function Schedule (including Net Overhead for Central Operations) are condensed to a single line, but Operating Expenses from the Function schedule are presented by category (e.g., Salaries & Wages, Benefits, Supplies). These Categories show how the Proposed Budget will be expended by the Major Expense categories that are explained in detail on page 119.

A section of these schedules show the Contingency/Reserves that the Campuses are required to budget. The "Campus Contingency, Mandatory" amount is budgeted at 2% of net student revenue. This Reserve will be retained centrally until the University Administration is reasonably sure that overall University Revenues and Expenditures will balance for the year. At the end of each quarter of the fiscal year, those Campuses which are performing at or above their budgeted level may request the release of a portion of the Mandatory Reserve. In October we do not anticipate releasing more than 10% of the total. In January we would expect to release not more than 50% (cumulative) of the total with the remaining 50% to be released in April. These percentages are guidelines; if total University Revenue appear to be much higher or lower than budgeted, the percentages that can be released at the end of any quarter will be appropriately adjusted.

The "Campus Program Contingency, Discretionary" is a reserve amount determined by individual Campuses. Depending on the volatility of its programs, a Campus may elect to hold an additional sum in reserve to off set possible revenue fluctuations. The amount of this Reserve is determined by the Campus, and the Campus determines when this Revenue is released for expenditure. Not all Campuses elect to place funds in this Reserve.

The Liquidity Reserve is equal to 1.25% (1.5% for Seattle) of the net tuition and fee Revenue of each Campus. The Liquidity Reserve is not available for expenditure for any purpose, but the amounts budgeted are added to the Liquidity Reserve each year and allowed to accumulate in order to increase the financial integrity of the University. The bond issues that have financed facilities at New England and Seattle and retired debt for the College require the University to operate with an excess of revenue over expenses in each year. In order to satisfy this ratio requirement and to build for the time when the University can satisfy Moody Investors Service requirements for a bond rating, this money is accumulated during the year in a University-wide account. As with the Program Contingency, the Liquidity Reserve is removed from the campus budgets and appears as an expense. However, the Liquidity Reserve is not shown in the University Wide section and this makes the University position as a whole appear somewhat worse than it is. Unlike the Program Contingency, the Liquidity Reserve is not credited back to the campuses at year-end because it may not be used to off-set expenditures. Rather, it is intended to provide a budgeted surplus.

The Overhead section shows the assessments that are made against each Campus in order to support operations of the University. The assessments are made at the rate of 13.75% of net student revenue. Net student revenue excludes tuition generated by new programs less than two years in operation, tuition discounts and waivers, and uncollectable tuition and fees. From the overhead, Rebates from the University are transferred to the individual campuses, as is the

Subsidy from Adult Campuses and the Subsidy from Overhead. Campuses that receive Rebates and Subsidies will show negative amounts in the various columns of this schedule because the transfer is shown as a "negative expense" rather than as a Revenue. Although these transfers are "income" to the receiving campus, from the standpoint of the University they represent only the reassignment of revenue from one campus to another.

The Overhead section of the Summary by Category schedule shows the assessments that are made against the student derived revenue of each campus in order to support operations of the University. Although overhead is assessed at 13.75%, Rebates reduce the effective Overhead rate. Rebate increases in 1999-2000 will lower the effective Overhead rate to 9.0% or less for the Adult Campuses. The Other line in this section of the Category schedule shows the effect of various contractual relationships between Campuses as well as certain University-wide assessments such as the University Conference. Because the University Conference will not occur in the 1999-2000, there is no assessment for the Conference.

Depreciation is a major expense for the University, and is carried centrally because all facilities are held in the corporate name of the University. Both the Depreciation Expense and the Add Back Depreciation entries appear in the University Wide expenses section on pages 115 and 116.

The columns on the 1999-2000 Proposed Budget by Category schedule are identical to those on the Budget by Function schedule.

V. 1998-99 YEAR-END PROJECTION

In general, the current year's budget forms the basis for the 1999-2000 budget. If current year revenues are low or expenses high, the 1999-2000 budget may require adjustment. On the basis of the first ten months of operations the operating units are projecting that they will complete the 1998-99 year with a narrow accrual surplus of $28,635. The net cash basis budget surplus is projected to be $329,709. Because the Liquidity Reserve is reflected on the various Campus schedules as an expense item, the year-end accrual surplus that will be reported in October will increase by $349,193. This amount will also be added to the net cash basis budget, which means that the University will complete 1998-99 with both positive accrual and positive cash balances.

While positive accrual and cash balances for the University as a whole is welcome news, the contributing factors behind this performance are less reassuring. At present, the College is projecting an accrual surplus of $580,978, but a cash basis deficit of -$307,282. New England is projecting an accrual basis surplus of $225,127 and a zero cash basis finish. At Seattle, the accrual surplus is projected to be $138,452, while the cash surplus will be about $8,000. McGregor anticipates an accrual basis surplus of $98,580 and a cash basis surplus of $52,406. The best performance is projected by Southern California with an accrual surplus of $243,641 and a cash basis surplus of $215,499. Glen Helen is currently projecting an accrual deficit of -$42,475 and a cash basis deficit of -$46,275. WYSO is projecting positive results on both an accrual and a net cash basis. The largest contribution to the projected net cash basis surplus is in University-Wide, however. Here, a projected surplus of $384,771 is derived primarily from investment income, but these gains are not available as operating cash. Therefore, our functional cash position is not as strong as the summary schedules would suggest.

It is important to remember that these projections were made with two months remaining in the fiscal year. Each of the campuses is taking steps to improve their financial standing and the overall performance numbers are very likely to improve at year-end.

A major reason for the narrow surpluses being projected by the campuses is that tuition and fee revenue is below the budgeted level at every campus except New England. In total, tuition and fee revenue is $2.5 million below the 1998-99 budgeted level.

1998-99 TUITION AND FEE REVENUE

	1998-99 Budgeted	**1998-99 Projected**	**Variance**
Antioch College	12,039,945	10,548,246	-1,491,699
Glen Helen	137,586	118,401	-19,185
New England	8,250,283	8,254,740	4,457
Seattle	7,420,590	6,960,764	-459,826
Southern California	7,921,655	7,818,871	-102,784
McGregor	5,188,545	4,744,977	-443,568
TOTALS	$40,958,604	$38,445,999	-$2,512,605

Fortunately, tuition discounts are projected to be $826,814 less than was budgeted, and this will offset a significant part of the tuition and fee variance. This reduction in the amount of discounts to be awarded occurred at the College and the net tuition and fee variance at the College is projected to be -$658,305.

Other revenues are not sufficient to offset the under performance of tuition and fees. Grants are currently projected to be about $100,000 below budget and Contracts are projected to be about $79,000 below budget. Both of these may well improve by year end. Other income, which includes investment income, is projected to be more than $600,000, or 67%, greater than the budgeted amount.

With Total E&G Revenues expected to be down 2.8% from budget, it was important for the Presidents to move aggressively during the year to reduce expenses. As a result of their managerial actions, Total E&G Expenses are projected to be down 3.77% from budget for a total savings of about $1.9 million. Instruction, which represents more than 34% of Total E&G Expenses, is expected to decline 4.8% from the budgeted level due to actions taken to limit expenditures. As a result, Instruction expenditures are projected to be slightly below the Instruction expenditures in 1997-98.

Salaries and Wages is the single largest expense category and accounts for 46.2% of all expenses. Directly related to Salaries and Wages is Benefits which accounts for 13.7% of total University expenses. Both of these categories are projected to be below budget for 1998-99 with Salaries and Wages being down -.83% and Benefits being down -6.77%. With the exception of Training & Development, which is projected to be -$556,987 below budget (-27.64%); Special Events forecast to be under budget by -$65,722 (-27.43%) and Miscellaneous, which is projected to be -$111,425 below budget (-21.88%), the other expense categories are projected to be above budget. The largest variance from budget is for Student Aid Services which will be $290,813 above budget (23.64%), but this line contains considerable funding from restricted grant scholarships that cannot be used for other purposes. Resale Costs are 22% above budget ($131,084) because Auxiliary sales and inventories have increased.

Capital Expenditures are expected to exceed the budget by $199,617, or 19.51%. A major factor in this increase, $221,974, will be expended by the College for the technology improvements and library roof repairs authorized by the Board. New England projects total Capital expenditures of $525,500, but only $25,500 will be above budget. This money was spent on the "warehouse" space renovation and $182,333 of the total came from funded reserves that New England borrowed from McGregor.

VI. 1999-2000 BUDGET OVERVIEW

With the exception of New England, all of the campuses are projecting double digit percentage increases in their Tuition and Fee Income for 1999-2000. These aggressive forecasts are a reflection of the efforts of the new presidents to expand their enrollments by improved advertising, new programs, and more active involvement of faculty and staff in the identification of potential students. New programs factor large in the forecasts as several campuses are bringing innovative programs on-line. Among these are the new Teacher Education Certification Program at Southern California; an Art Therapy Master's Program within the Psychology Program, Organization Systems Renewal Program in Chicago, and a Corporate Leadership Program for the ALCOA Corporation by Seattle; and a new MA in Educational Leadership with a Principalship Licensure at McGregor. In addition, new cohort sessions are being added and existing cohorts are being expanded. Together, the Presidents forecast that Tuition & Fee Income will reach $43,079,084 in 1999-2000. This is a 5.18% increase over the 1998-99 budget and a 12.05% increase over the projected Tuition & Fee Income.

A comparison of the amounts budgeted in 1999-2000 with the Tuition & Fee Revenue for the current year, by campus, is in the following table:

1999-2000 TUITION AND FEE REVENUE

	1998-99 Projected	**1999-2000 Budgeted**	**Change**	**Percent Change**
Antioch College	10,548,246	12,069,086	1,520,840	14.42%
Glen Helen	118,401	116,440	-1,961	-1.66%
New England	8,254,740	8,306,440	51,700	0.63%
Seattle	6,960,764	8,027,204	1,066,440	15.32%
Southern California	7,818,871	9,286,332	1,467,461	18.77%
McGregor	4,744,977	5,273,582	528,605	11.14%
TOTALS	$38,445,999	$43,079,084	$4,633,085	12.05%

The growth in Tuition & Fee Income at New England would be greater than the amount shown above if it were not for a one-time accounting change that has transferred a portion of New England's summer tuition to the 1998-99 year. This accounting change results from the adoption by New England of the Datatel Student Service modules which permit fee income from a session that spans the fiscal year boundary to be divided between the two fiscal years. Previously, the summer Tuition & Fee Income was allocated to the following fiscal year.

On a budget-to-budget basis, Tuition Discounts are being held constant, but on a projected-to-budget basis, Tuition Discounts will increase by more than 29%. Some of the change is associated with tuition increases, and the College is still honoring its commitment to merit awards that began a few years ago and has increased support for Ohio residents. During the year, the need for College Tuition Discounts may be reduced if external scholarship funds exceed the amount budgeted. The following table shows, by campus, the change between the projected Tuition Discounts for 1998-99 and the amount budgeted in 1999-2000.

1999-2000 TUITION DISCOUNTS

	1998-99 Projected	**1999-2000 Budgeted**	**Change**	**Percent Change**
Antioch College	2,469,296	3,286,264	816,968	33.09%
Glen Helen	0	0	0	
New England	55,000	40,000	-15,000	-27.27%
Seattle	58,353	86,700	28,347	48.58%
Southern California	175,100	212,100	37,000	21.13%
McGregor	45,727	0	-45,727	-100.00%
TOTALS	$2,803,476	$3,625,064	$821,588	29.31%

Tuition discounts are not a major budget factor for the adult campuses. Most of the tuition reductions provided by the adult campuses are granted to employees under the Board's policy.

Gift Income is expected to reach $2,070,399 in 1999-2000. This represents an increase of $107,742 over the 1998-99 budget and approximately the same amount over the amount projected for 1998-99. Gift Income for 1998-99 is projected to be at the budget level which is why the change from projected-to-budget and budget-to-budget are virtually the same.

The College receives approximately 69% of the Gift Income budgeted for 1999-2000, but over time this percentage will decline as the development efforts by the other campuses produce results. Although still small, Gift Income budgeted in 1999-2000 by the Adult Campuses shows significant growth over the prior year.

Endowment income will increase by $120,578 over the 1998-99 budget. With the change in endowment management to a Total Return basis, all of the external administrative costs of endowment investing will be paid from the unrestricted earnings of the endowment. Previously, a portion of these costs were paid from the endowment and others were charged to the University Wide account. Transaction fees for gifts of stock that were sold prior to transfer to the endowment were discounted from the proceeds. Beginning in 1999-2000, all of the management and brokerage fees will be paid from unrestricted earnings of the endowment. This will lower the expense charges to Overhead in the University Wide unit by $35,000.

Contract Income is projected to decrease by 23% from the 1998-99 budget. Because the number of contracts received by Antioch is relatively small, receiving or not receiving one or two contracts in a given year can significantly alter the total. New England, which receives most of the contract income, has decreased its 1999-2000 Contract budget by 42%, or -$183,739. It is possible that the New England faculty will be successful with their grant proposal activities during the year and that this decline will not materialize.

Salaries and Wages in 1999-2000 will increase by $1,991,315, or 8.18%, above the 1998-99 budget. The addition of positions for the new programs at the Adult Campuses as well as full-year financing of some positions started with MacArthur Funds at the College, plus the faculty and staff salary increases, account for this increase. The campuses are proposing salary increases for faculty and staff that will be above the inflation rate of the prior year.

BUDGETED SALARY INCREASES FOR 1999-2000

COLLEGE:	3% for faculty and staff effective 7-1-99; additional 1% effective 1-1-2000 Approximately 2.5% for union staff (20 cents/hour) effective 8-1-99
NEW ENGLAND:	3% for core faculty and staff
SEATTLE:	3% for core faculty and staff effective 1-1-2000 3.5% for adjunct faculty effective 7-1-99
SOUTHERN CALIFORNIA:	2% for staff effective 7-1-99 2% for faculty and administrators effective 1-1-2000
McGREGOR:	2% for faculty and administrators effective 7-1-99 2% estimate for union staff; contract expires 10-16-99
UNIVERSITY ADMINISTRATION:	3% for staff and administrators effective 7-1-99

These increases will provide a small amount of catch-up for the faculty and staff who have seen their salaries erode due to inflation. This is particularly important for those campuses that have skipped annual salary increases in recent years because of enrollment problems. The increases are also important because many faculty and staff will begin health insurance premium sharing on January 1, 2000.

The 1999-2000 budget has reduced the Net Overhead that the campuses pay to support Central Administration and to provide central services. In 1997-98 the Net Overhead Rate for the Adult Campuses was reduced to 10% or less. It was reduced to 9.5% in 1998-99 and will be reduced to 9.0 in 1999-2000. The Net OverheadRate is calculated by reducing the Budgeted Overhead by the amount of Budgeted Rebate and Budgeted Subsidy provided to the individual campuses. The Budgeted Net Overhead is then divided by the Student-Derived Income to get the effective overhead rate. For the adult campuses, the 1999-2000 Net Overhead Rate has been reduced by half of a percentage point. The overall rate for all campuses will be 7.27% in 1999-2000. If Overhead for central operations were calculated as a percentage of all revenues, the rate would be less than 5%.

1999-2000 NET OVERHEAD AND REBATES

Campus	Student Derived Income	Budgeted Overhead	Budgeted Rebate	Budgeted Subsidy	Budgeted Net Overhead	Net Overhead Rate
College	7,243,638	996,000	-550,000	-400,000	46,000	0.64%
New England	7,670,142	1,054,645	-364,332		690,313	9.00%
Seattle	7,563,078	998,673	-317,996		680,677	9.00%
Southern CA	8,279,383	1,140,897	-406,271		734,626	8.87%
McGregor	4,809,166	663,601	-228,435		435,166	9.05%
Totals	$35,565,407	$4,853,816	-$1,867,034	-$400,000	$2,586,782	7.27%

One significant change in the 1999-2000 budget is the reduction in Interest Expense charged to the University Wide account. Interest Expense will decrease by $74,000 in 1999-2000 because the university is expected to complete the repayment of the internal loan from the Endowment Fund. In 1974 the University pledged a portion of its endowment portfolio to secure a line of credit needed to support operations in Yellow Springs and elsewhere. When the University was unable to repay the line of credit, Winters National Bank liquidated the pledged endowment portfolio. Several years later the Board of Trustees adopted a resolution calling for the repayment of the loan principal as well as interest:

- 50% of realized and unrealized gains and losses on the pooled endowment each year have been applied to the repayment of the principal. (Until 1996, Ohio law permited 50% of gains and losses to be treated as unrestricted income that could be expended for any purpose that the Board might determine. In 1996 Ohio law was changed to permit the discretionary use of 100% of gains and losses.)

- University operating funds (overhead) were used to pay interest on the outstanding balance of the loan at the rate of 7% on $450,000 and 8.5% on the remainder of the debt.

The following table shows the history of the repayment of the internal debt:

	Original Amount Borrowed From Endowment	**Amount Repaid**	**Balance**	**Interest**
1979	3,337,343		3,337,343	
1980			3,337,343	276,924.16
1981			3,337,343	276,924.16
1982		100,092	3,237,251	276,924.16
1983			3,237,251	268,416.34
1984		129,908	3,107,343	268,416.34
1985			3,107,343	257,374.16
1986			3,107,343	257,374.16
1987		209,639	2,897,704	257,374.16
1988		195,018	2,702,686	239,554.84
1989		181,330	2,521,356	222,978.31
1990			2,521,356	207,565.26
1991			2,521,356	207,565.26
1992		321,396	2,199,960	207,565.26
1993		89,638	2,110,322	180,246.60
1994		16,096	2,094,226	172,627.37
1995		249,102	1,845,124	171,259.21

	Original Amount Borrowed From Endowment	Amount Repaid	Balance	Interest
1996		381,759	1,463,365	150,085.54
1997		659,080	804,285	117,636.03
1998		571,149	233,136	61,614.23
1999	(projected)	233,136	0	16,319.52
	Total	3,337,343		4,094,745

The repayment of this internal debt to the endowment fund is significant because it satisfy a commitment created by the Board of Trustees at a time when the financial future of the University was uncertain, while serving as an indicator of increasing financial health of the University and its campuses.

Also contributing to the financial stability of the University is the growth in the Liquidity Reserve. The purpose of the Liquidity Reserve is to increase the financial strength of the University. By providing cash for operating expenses, the Liquidity Reserve will reduce and eventually eliminate the need for short-term borrowing to bridge the periods between the major inflows of tuition revenue. Lenders and grant-giving organizations assess an institution's financial strength before granting a loan or providing grants. By increasing the financial strength of the University, each campus is in a better position to attract outside funds or, when needed, to issue bonded indebtedness. Each campus and the Central Administration commit 1.25% (Seattle has been at 1.50% since its bonds were issued) of student-related income to the Reserve. 1999-2000 will be the fourth year in which the Liquidity Reserve fund has been in operation. At the end of 1998-99, we are projecting that the Liquidity Reserve Fund balance will equal $1,177,848. Details of the Liquidity Reserve are on page 117.

VII. SUMMARY OBSERVATIONS

The impact of new leadership is apparent in the 1999-2000 budget as the campuses begin new initiatives to increase enrollments and raise revenues. Faculty and staff restructuring are being put in place to provide better administrative and classroom services, and expectations are high that additional students can be brought to our campuses. This new emphasis on students can be seen in the Instruction portion of the 1999-2000 budget. The proposed budget shows a 6% increase for Instruction over the prior budget and more than 11% above the projected expenditures for this year.

Antioch University

Instruction Expenditures by Campus, 1997 to 2000

	1996-97 Actual	1997-98 Actual	1998-99 Projected	1999-2000 Budgeted
College	3,913,926	3,919,508	4,019,712	4,806,883
New England	4,296,789	4,255,288	4,242,078	4,239,619
Seattle	3,272,043	3,377,932	3,314,288	3,412,450
Southern California	2,769,233	2,877,836	2,795,929	3,612,262
McGregor	2,236,494	2,144,096	2,183,499	2,341,456
Total	$16,488,485	$16,574,660	$16,555,506	$18,412,670

The restructuring of the 1998-99 budget for Southern California was painful, but it has reversed a three-year slide and restored financial integrity to the operations of that campus. On this foundation, Southern California is building new programs and meeting new challenges. The College continues to make progress in attracting additional students as word of its renewed strength circulates to the high school community. McGregor, Seattle, and New England have had a difficult budgeting year, but each has emerged in a stronger position.

New programs, the expansion of existing programs, and salary increases for faculty and staff all signal the concern and attention being paid towards expanding programs and increasing the significance of Antioch in all of the regions where we operate. These initiatives are aggressive, and not without risk, but it is important for Antioch to move ahead. The Strategic Plan will contain additional details for guiding our future growth and will outline additional ways in which the campuses and the University can successfully innovate.

Glenn Watts
Vice Chancellor and
Chief Financial Officer

Antioch University

1999-00 Proposed Budget Summary by Function

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	%	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	%	Change From 1998-99 Budget to 1999-00 Budget $	%
Revenues											
Tuition & Fees	36,216,777	37,183,045	40,958,604	38,445,999	-2,512,605	-6.13%	***43,079,084***	4,633,085	12.05%	2,120,480	5.18%
Less Tuition Discounts	-2,720,777	-2,484,257	-3,630,290	-2,803,476	826,814	22.78%	***-3,625,064***	-821,588	-29.31%	5,226	0.14%
Gifts	1,562,098	2,395,959	1,962,657	1,963,020	363	0.02%	***2,070,399***	107,379	5.47%	107,742	5.49%
Grants	2,743,890	2,514,304	2,997,578	2,899,577	-98,001	-3.27%	***3,051,246***	151,669	5.23%	53,668	1.79%
Endowment Income	240,170	224,211	278,700	278,785	85	0.03%	***399,278***	120,493	43.22%	120,578	43.26%
Contracts	376,880	414,884	483,139	404,283	-78,856	-16.32%	***372,000***	-32,283	-7.99%	-111,139	-23.00%
Other Income	2,650,740	2,202,123	941,095	1,571,333	630,238	66.97%	***1,111,536***	-459,797	-29.26%	170,441	18.11%
Total E&G Revenue	41,069,778	42,450,269	43,991,483	42,759,521	-1,231,962	-2.80%	***46,458,479***	3,698,958	8.65%	2,466,996	5.61%
Auxiliary Enterprises	2,655,342	2,884,208	3,071,190	3,037,536	-33,654	-1.10%	***3,389,936***	352,400	11.60%	318,746	10.38%
Released From Restrictions	3,929,566	2,621,245	2,378,630	2,536,186	157,556	6.62%	***2,591,832***	55,646	2.19%	213,202	8.96%
Total Revenues	47,654,686	47,955,722	49,441,303	48,333,243	-1,108,060	-2.24%	***52,440,247***	4,107,004	8.50%	2,998,944	6.07%
Net Overhead for Central Operations	2,387,040	2,406,928	2,417,372	2,588,210	170,838	7.07%	***2,581,959***	-6,251	-0.24%	164,587	6.81%
Operating Expenses											
Instruction	16,445,646	16,578,061	17,392,302	16,555,506	-836,796	-4.81%	***18,412,670***	1,857,164	11.22%	1,020,368	5.87%
Research	48,491	16,868	0	0	0		***0***	0		0	
Public Service	1,731,015	1,889,511	2,150,654	2,249,257	98,603	4.58%	***2,279,616***	30,359	1.35%	128,962	6.00%
Academic Support	2,088,252	2,540,840	2,562,255	2,493,022	-69,233	-2.70%	***2,953,359***	460,337	18.47%	391,104	15.26%
Student Services	4,808,275	5,102,134	5,139,861	5,226,150	86,289	1.68%	***5,692,997***	466,847	8.93%	553,136	10.76%
Institutional Support	11,479,498	11,346,577	13,656,876	12,663,995	-992,881	-7.27%	***14,302,130***	1,638,135	12.94%	645,254	4.72%
Plant Maintenance	6,006,089	6,787,508	6,401,725	6,317,535	-84,190	-1.32%	***6,970,006***	652,471	10.33%	568,281	8.88%
Scholarships	3,201,234	2,824,617	2,910,958	2,816,737	-94,221	-3.24%	***2,831,888***	15,151	0.54%	-79,070	-2.72%
Total E&G Expenses	45,808,500	47,086,116	50,214,631	48,322,202	-1,892,429	-3.77%	***53,442,666***	5,120,464	10.60%	3,228,035	6.43%
Auxiliary Enterprises	2,415,882	2,449,130	2,510,076	2,570,616	60,540	2.41%	***2,772,710***	202,094	7.86%	262,634	10.46%
Total Operating Expenses	48,224,382	49,535,246	52,724,707	50,892,818	-1,831,889	-3.47%	***56,215,376***	5,322,558	10.46%	3,490,669	6.62%
Excess Revenue over Expenses	1,817,344	827,404	-866,032	28,635	894,667	103.31%	***-1,193,170***	-1,221,805	-4266.82%	-327,138	-37.77%
Annual Budget Conversion to Cash basis											
Capital Expenditures	9,012,493	3,701,291	1,023,216	1,222,833	199,617	19.51%	***609,655***	-613,178	-50.14%	-413,561	-40.42%
Borrowing Proceeds	-6,700,431	-1,797,319	0	-40,110	-40,110		***0***	40,110	-100.00%	0	
Principal Payments	1,294,100	1,066,325	946,752	1,091,576	144,824	15.30%	***984,618***	-106,958	-9.80%	37,866	4.00%
Prior Year Reserves	-236,665	-277,888	-400,000	-375,373	24,627	6.16%	***-167,443***	207,930	55.39%	232,557	58.14%
Add back Depreciation	-1,992,324	-2,503,482	-2,436,000	-2,200,000	236,000	9.69%	***-2,620,000***	-420,000	-19.09%	-184,000	-7.55%
Total Cash Items	1,377,173	188,927	-866,032	-301,074	564,958	65.24%	***-1,193,170***	-892,096	296.30%	-327,138	-37.77%
Net Cash Basis Budget	440,171	638,477	0	329,709	329,709		***0***	-329,709	100.00%	0	

Antioch University

1999-00 Proposed Budget Summary by Categor

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	%	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	%	Change From 1998-99 Budget to 1999-00 Budget $	%
Revenues	50,041,726	50,362,650	51,858,675	50,921,453	-937,222	-1.81%	*55,022,206*	4,100,753	8.05%	3,163,531	6.10%
Operating Expenses											
Salaries & Wages	22,314,039	22,885,358	24,336,289	24,133,911	-202,378	-0.83%	*26,327,604*	2,193,693	9.09%	1,991,315	8.18%
Benefits	6,220,426	6,287,012	7,203,228	6,715,478	-487,750	-6.77%	*7,315,861*	600,383	8.94%	112,633	1.56%
Training & Development	1,306,192	1,512,014	2,015,145	1,458,158	-556,987	-27.64%	*1,636,520*	178,362	12.23%	-378,625	-18.79%
Student Aid Services	1,636,621	1,599,716	1,229,964	1,520,777	290,813	23.64%	*1,293,246*	-227,531	-14.96%	63,282	5.15%
Special Events	206,945	207,120	239,556	173,834	-65,722	-27.43%	*286,815*	112,981	64.99%	47,259	19.73%
Supplies	1,261,997	1,412,738	1,300,482	1,348,200	47,718	3.67%	*1,365,495*	17,295	1.28%	65,013	5.00%
Business Operations	5,111,798	4,832,019	4,484,356	4,592,085	107,729	2.40%	*5,263,016*	670,931	14.61%	778,660	17.36%
Plant Maintenance	3,707,279	3,330,642	3,017,924	3,132,972	115,048	3.81%	*3,229,220*	96,248	3.07%	211,296	7.00%
Interest Expense	1,134,081	1,421,355	1,403,835	1,523,622	119,787	8.53%	*1,312,558*	-211,064	-13.85%	-91,277	-6.50%
Resale Costs	516,543	610,603	594,280	725,364	131,084	22.06%	*758,800*	33,436	4.61%	164,520	27.68%
Miscellaneous	304,359	406,447	509,180	397,755	-111,425	-21.88%	*467,540*	69,785	17.54%	-41,640	-8.18%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	662,025	0	-662,025	-100.00%	*754,340*	754,340		92,315	13.94%
Campus Program Contingency, Discret	6,047	0	435,788	0	-435,788	-100.00%	*580,140*	580,140		144,352	33.12%
Liquidity Reserve	0	0	452,126	443,596	-8,530	-1.89%	*478,925*	35,329	7.96%	26,799	5.93%
Overhead											
To the University	4,310,113	4,443,387	4,444,833	4,444,832	-1	0.00%	*4,853,816*	408,984	9.20%	408,983	9.20%
Rebates from the University	-1,398,074	-1,511,459	-1,664,855	-1,663,582	1,273	-0.08%	*-1,867,034*	-203,452	-12.23%	-202,179	-12.14%
Subsidy from Adult Campuses	0	0	647	647	0		*0*	-647		-647	
Subsidy from Overhead	-525,000	-525,000	-400,000	-400,000	0	0.00%	*-400,000*	0	0.00%	0	0.00%
Other (Intercampus Agree & Univ Conf	118,692	122,812	23,904	145,167	121,263	507.29%	*-61,486*	-206,653	-142.36%	-85,390	-357.22%
Depreciation	1,992,324	2,503,482	2,436,000	2,200,000	-236,000	-9.69%	*2,620,000*	420,000	19.09%	184,000	7.55%
Total Operating Expenses	48,224,382	49,538,246	52,724,707	50,892,818	-1,831,889	-3.47%	*56,215,376*	5,322,558	10.46%	3,490,669	6.62%
Excess Revenue over Expenses	1,817,344	824,404	-866,032	28,635	894,667	103.31%	*-1,193,170*	-1,221,805	-4266.76%	-327,138	-37.77%
Annual Budget Conversion to Cash Basis											
Capital Expenditures	9,012,493	3,701,291	1,023,216	1,222,833	199,617	19.51%	*609,655*	-613,178	-50.14%	-413,561	-40.42%
Borrowing Proceeds	-6,700,431	-1,797,319	0	-40,110	-40,110		*0*	40,110	100.00%	0	
Principal Payments	1,294,100	1,066,325	946,752	1,091,576	144,824	15.30%	*984,618*	-106,958	-9.80%	37,866	4.00%
Prior Year Reserves	-236,665	-277,888	-400,000	-375,373	24,627	6.16%	*-167,443*	207,930	55.39%	232,557	58.14%
Add Back Depreciation	-1,992,324	-2,503,482	-2,436,000	-2,200,000	236,000	9.69%	*-2,620,000*	-420,000	-19.09%	-184,000	-7.55%
Total Cash Items	1,377,173	188,927	-866,032	-301,074	564,958	65.24%	*-1,193,170*	-892,096	296.30%	-327,138	-37.77%
Net Cash Basis Budget	440,171	635,477	0	329,709	329,709		*0*	-329,709	100.00%	0	

ANTIOCH COLLEGE
1999-2000 PROPOSED BUDGET

I. 1998-99 ACCOMPLISHMENTS AND CHALLENGES

During 1998-99 the College's Strategic Plan continued to provide the focus and direction for the College's efforts. The Plan presents a blueprint of action steps for revitalizing Antioch's role as a distinctive and innovative liberal arts institution while at the same time providing benchmarks against which to measure progress. Efforts were directed at strengthening the curriculum, the delivery of the Co-op program, and the climate of the community, while at the same time continuing to improve the infrastructure, building the foundation for a major fundraising effort, and enhancing the College's reputation, both locally and nationally. The College's efforts during the 1998-99 year were directed toward the following areas critical to the long-term health and quality of the College.

Improving recruitment efforts. The College experienced a very poor recruitment outcome in the fall of 1998 due to several factors. First and foremost, we failed to fully implement the sort of cultivation effort, particularly among juniors, that is necessary for developing an inquiry pool capable of sustaining the matriculant numbers essential to the College's continued growth. We were also significantly behind in recruitment of Ohio students (generally accounting for 20% of our entering class), and of transfer students (a percentage that had been slipping for several years). The leadership of the newly restructured Department of Admissions and Financial Aid had not brought the considerable energies of staff together in a focused and coordinated effort, with lists not being mailed, schools not being visited, data not being tracked. The Acting Director resigned at the beginning of the year, and the College enlisted the talents of the Director of the Annual Fund to reshape our recruitment efforts. To strengthen our "recovery" effort for spring and summer, two recent graduates were hired with soft money, and the half-time administrative role, held by former Dean Cheryl Keen, was transferred to the Admissions effort. We continued to work very hard on cultivating the Coalition for Essential Schools connection, realizing that our two years of work with this targeted audience is beginning to have very positive results. We also revamped our merit aid program, creating 50 "Community Responsibility Scholarships" that would be allocated to, and awarded by, schools in our target group. This approach has proven very successful for other small schools in building relationships with target institutions and creating an ongoing "pipeline" of inquiries, applicants and matriculants. Other efforts included (a) packaging Ohio students at 100%, and focusing considerable energy on rebuilding the Ohio base of our inquiry pool; (b) doing "alternative" recruiting with current students, the community managers, and our recent graduates through "tabling" at events, concerts and rallies, recruiting in the informal culture of student "scenes" and working through student, rather than school networks; (c) stepping up our efforts to bring particular targeted groups of prospective students to campus; and (d) targeting specific groups of prospective students that have traditionally been interested in the College -- Quakers, Unitarian Universalists, liberal Jewish youth, Buddhists, etc. -- through youth groups, publications and membership organizations. These focused efforts have begun to show success. Our spring 1999 entering class was the largest on record, and our numbers of inquiries and applications as of week 30 in the recruitment cycle have surpassed last year's year-end numbers. The College conducted a national search for a Dean of Admissions and Financial Aid during the 1998-99 year, and after screening and interviewing five highly qualified candidates, the Search Committee selected the incumbent, Michael Murphy, to lead our efforts.

Improving retention efforts. The Strategic Plan called for building support for various aspects of program, service and community life that would contribute positively to retention. Central to our efforts was a revitalization of the academic program, and in the fall the College brought 16 new faculty into the mix. The increase in student satisfaction was immediate and palpable, as retirements, departures, deaths and leaves had left the College seriously short-handed in the previous year. In an effort to help these new faculty be successful, the College led a year-long orientation effort, bringing new faculty together more than a dozen times for workshops, presentations and discussions on every aspect of the College, its curriculum, its student and community life, faculty life, policies and procedures, and examination of issues of teaching and advising. We are currently administering the Student Satisfaction Inventory that we've used in the past, to assess whether we've made progress in this area. The Dean of Faculty has also renewed our assessment efforts, and a revitalized committee has engaged the faculty in discussions of the cycle of outcomes and program improvement, an effort that we see as contributing to the retention of our students. In the area of Student Services, the Strategic Plan called for the College to build upon our gift- and MacArthur-grant-funded efforts at building an Office of Multicultural Affairs, to consolidate the Writing Center and Learning Lab (again having start-up support from the MacArthur

Foundation grant) with the position of Director of our new Academic Support Center, and to add an additional half-time Health Advocate position to supplement the half-time nursing care provided to our residential campus. These positions have been realized, and again have given indication of contributing significantly to campus climate and, thereby, to retention. In general, the College has held onto -- and in some cases improved upon -- its dramatic retention gains of a year ago, and the graduation rate has inched up from 48% to 50% during a time when the national averages are headed in the opposite direction.

Reconceptualizing and strengthening the Co-op program. The recommendations of the Co-op Committee of the Strategic Planning Task Force have, for the most part, been implemented during the 1998-99 year. Two of our new faculty hires were in the Co-op department, and their contribution to this effort has already been substantial. The plan involves (a) rebuilding stable long-term relationships with employers, and we've begun that process; (b) developing materials and mechanisms for student preparation for Co-op, and we've developed City Guides, refined our job files and, through an OFIC grant, begun to develop classroom curricular modules that provide preparation for students; (c) communication to students in the field, and we've significantly increased our connections with students on Co-op jobs; (d) reflection and integration, and our new faculty orientation and advising work has focused somewhat on this critical dimension; and (e) support for transition, and during this year our program of transition stipends has been implemented in a way that strengthens student participation in this central part of our curriculum. These efforts contribute to the attractiveness of the program for prospective students, and undoubtedly a strengthened program also contributes to retention. In addition, some of Assoc. Professor Pat Linn's long-term research on the outcomes of Co-op learning is coming to publication, and we can expect to see Antioch's Co-op program back on a national stage in the near future. At year end we are in the process of appointing a Dawson Professor of Cooperative Education to provide intellectual leadership for the program.

Addressing technology and infrastructure needs. Technology, infrastructure and facilities continue to be critical negative factors in Antioch College's competitive position among liberal arts colleges nationally. Although we have made some progress in each of these areas in the 1998-99 year, issues of facilities continue to play a key role in both the recruitment and the retention of students. At the center of the College's Technology Infrastructure Plan is the Olive Kettering Library, and the College was able to bring the library on line and make our connections through OPAL and OhioLink fully operational during the 1998-99 year. The wiring and networking of the campus has slowed down considerably, due to availability of funding, and while 160 beds (Birch and Spalt) are wired for data and phone, further progress in wiring dormitories will require significant fundraising, as will the switching capacity necessary to permit phone service in dorm rooms. Efforts were made, with the assistance of MacArthur grant funds, to provide networked desktops to the College's new faculty, but given the slowdown in the wiring of buildings, approximately 1/3 of the faculty remain un-networked. The College convened its Renovation Task Force during the year, to begin the process of inventory and assessment necessary for revisiting, updating and prioritizing campus renovation for the long term. The Task Force has held 16 meetings with constituent groups in the community regarding buildings and facilities, and with the assistance of the architectural firm of Schooley Caldwell, has conducted physical assessments of 15 of the campus' 34 buildings. In the Fall the Task Force will hold community meetings on student spaces and the Library, and will begin dialogues with the community on long term priorities for the campus' physical facilities. The College continues to have an overwhelming amount of deferred maintenance to address if it is to maintain progress and improve its competitive position.

Continuing to strengthen and regularize the summer academic term. After three years of MacArthur funding in support of developing and implementing a summer term to move the College to a year-round academic calendar, the College has successfully moved the functions of the summer program to the College's regular budget. The College clearly realized its goals for the summer program: (a) building our transfer traffic and attracting non-matriculants to contribute new revenue streams; (b) providing the mechanism and context for drawing alums back to the College; (c) increasing the profile and cultural presence of the College, both regionally and nationally, through Institutes, events and visiting speakers/artists; and (d) providing a space for curricular innovation and development. Our second summer program brought 11 new matriculants and 30 non-matriculants into the program, brought 20 alums back to the College to teach, present, perform and participate on panels, brought more than 80 visiting artists, speakers and performers to campus who generated significant press attention and created a continuing "back-feed" of summer innovations -- field work, service learning, team teaching, participatory research, etc. -- in the regular curriculum of the College. The new Entrepreneurship Institute focused our efforts at rebuilding ties to the business community and to Co-op employers, was highly successful for our students, and will be continued and expanded during this next summer term.

Continuing the College's efforts to build an anti-racist and multicultural community. During the 1998-99 year, the College successfully hired a Director of Multicultural Affairs, continued to offer workshops focused on addressing racism and homophobia, and began a series of initiatives aimed at reaching out to the surrounding community. The College developed an ongoing dialogue with the Yellow Springs and Miami Valley community through its Racial Legacies and Learning Program. The monthly meetings have involved the Yellow Springs High School, Village Council, and various non-profits and agencies, and at times have engaged more than 70 local residents in dialogue and interaction. The College also increased its visibility and participation in the Miami Valley through a covenant of agreement with Wilberforce University, and the implementation of an America Reads program (with a dozen student members of the Antioch Literacy Corps doing regular tutoring in the surrounding community, and an Americorps Leadership program (which placed service volunteers at 20 Miami Valley locations).

Strategic Leveraging of Resources. The College continued its efforts to build strategic capacity and attract additional resources to Antioch through the development of grant proposals to the Department of Education, the Luce Foundation, the Hewlett Foundation, and the Bonner Foundation.

II. FINANCIAL SITUATION IN 1999-2000 COMPARED TO 1998-99

The College's financial situation in the coming fiscal year will remain essentially level with the current year, with increased enrollment making up lost ground from the deficiencies of the fall 1998 enrollment effort, and increases in expenditures in some areas being made up by strategic reductions in other areas. The two key factors in making such budget decisions were the Strategic Plan, and our obligations to follow through on commitments initiated with funding from the MacArthur Foundation grant. The significant differences are as follows:

Budgeted revenues from tuition and fees and tuition discounts will remain approximately at the 1998-99 budget level in 1999-2000 even with the combination of an increase of 4% in tuition and fees and a modest increase in enrollment.

Funded student aid will increase due to receipt of endowed scholarship funds from the Michener bequest.

Salary improvements of 3.5% for faculty and staff, and contracted union wage increases have been included in the 1999-2000 budget.

Position changes deriving from Strategic Plan mandates and obligation deriving from the MacArthur grant of $144,000 plus benefits have been included in the budget. These include continuation of a recent graduate admissions counselor, continuation of the Summer Program Coordinator position funded by MacArthur, funding for a Foundation Relations/Grant writer position as part of ramping up to a major fundraising campaign, restoration of the Science Technician position as per our Strategic Plan, and continuation of the position of Network Administrator, critical to our ability to maintain the campus network and system operations.

Support and continuation of functions that were initiated through "soft money" funding represent mandates of the Strategic Plan and obligations derived from MacArthur grant initiatives. These include increased support for Development and fundraising (as per our expenditure of MacArthur funds to ramp up to a capital campaign), increased travel support for the President's office (again for expanded fundraising efforts), increased support for the summer program (to replace MacArthur support), and increased funding in Admissions for publications (part of our continuing efforts to reach our goal of increasing enrollment to 800).

Bequests from Michener and Lang are expected during the 1999-2000 year, as well as an additional $125,000 bequest from the estate of Georgia Lloyd.

Shifts within the proposed budget include reduction in budgeted funds for capital. Our intention is to shift responsibility for capital projects to our ongoing fundraising efforts.

In terms of our financial situation in 1999-2000 as compared to 1998-99, it is significant that the College continues to make progress in reversing past financial ills. It's important to note that in the past several years, the College has worked back from an $800,000 deficit, has voluntarily terminated University subsidies for Public Relations ($125,000), the Olive Kettering Library ($68,000), has agreed to a change in cross-campus tuition billing ($20,000), has managed to integrate all of the initiatives of the MacArthur grant into its ongoing operating budget, while losing the $250,000/year revenue enhancement for the 1999-2000 year, and has initiated a change in the repayment formula for the unrestricted and unrealized bequests from the last capital campaign that results in a shift of $500,000 in the short term benefit from such bequests. While these positive measures point the College in the right direction, at the same time, the College's growth in revenue has been allocated almost entirely to addressing past financial ills. The issues raised vis a vis the College's financial situation are these:

(1) How quickly can the College attain sufficient financial health to make good on the financial difficulties of the past?

(2) How much of the revenue growth of the College can be channeled to such ends, rather than to program and facility support, without demoralizing those who have worked with dogged commitment to restore the College's financial health, and without constraining the College's efforts to remain competitive among private liberal arts colleges nationally?

(3) How will the College approach further changes in the framework of its financial situation within the University in terms of balancing pressures for autonomy against the pressing demands of deferred maintenance and an increasingly competitive market for faculty and students?

(4) How will the College (and the University) strategically address the specific disequilibrium in the College's (and the University's) financing -- the College's lack of sufficient endowment to cover unfunded aid, to maintain a large residential campus, and to maintain its long term health and competitive viability?

For the College these are *the* central issues confronting our financial position as we enter the 1999-2000 fiscal year.

III. ENROLLMENT, RECRUITMENT, RETENTION & FTE PROJECTIONS

The enrollment goal specified by the College's Strategic Plan for 1999-2000 is 278 new student enrollees across the year. Targeted marketing efforts for the 1999 summer term are under way, and the budget anticipates 16 matriculants and 30 non-matriculants. The goal for fall 1999 is 230 new student enrollees. In addition, we anticipate recruiting 32 students to enroll in the spring term of 2000, and expect the College's Limited Residency Degree Completion program to yield 10 students during the 1999-2000 year. Ninety-two year old Richard Atwood was the first Limited Residency Degree Completion student to walk in the College's graduation ceremonies this spring, as he completed a degree in Mathematics initiated during the presidency of Arthur Morgan.

The addition of a Multicultural Affairs Director, an Academic Support Center Director, and a Health Advocate have made a tremendous difference in campus climate, and through the continuing efforts of Scott Warren and Jimmy Williams, we have gotten through the 1998-99 year with minimal turmoil and with our retention gains intact. Against the national trends, we continue to improve on first-year retention and overall retention, and these gains are in large part responsible for maintaining our momentum in enrollment growth. The budget is based on an average retention scenario, even though we have been experiencing numbers that are well above average. Detailed projections for 1999-2000 enrollment of 608 to 628 FTE are included in this package.

IV. TUITION AND FEES.

College tuition reflects an increase of 1.4% In addition to this level of inflationary increase in tuition, room and board fees will be increased by 16.8% in order to bring them closer to a level at which the College recovers costs for these operations. Overall increases in tuition and fees is 4%. The tuition and fees for 1999-2000 are as follows:

Tuition	$17,556
Room and Board	$4,876
Fees	$1,553
CG Fees	$412
TOTAL:	$24,397

V. COMPENSATION

Salary increases of 3.5% for faculty and administrative staff are included in this budget proposal, with 3% increases going into effect in July, and a 1% increase going into effect in January. Discussion continues concerning the establishment of goals for a multi-year faculty salary improvement program. It is worth noting that the College experienced significant compensation-related personnel losses during the 1998-99 year (a) in being unable to sign faculty selected by search and screen committees, and (b) in being unable to retain key continuing faculty members. In two very significant searches we were not able to sign a contract with those selected because of salary and compensation offers from other institutions that were significantly higher -- in one case by 100% -- than College capacity. This Spring we lost our Director of African/African-American Studies to an institution that doubled his salary and offered a compensation package far in excess of what was possible at the College. In terms of our reference group, the GLCA-ACM, College salaries for such comparisons are as follows:

Full Professor	79% of median
Associate Professor	82% of median
Assistant Professor	76% of median

In order to maintain Antioch College's status as a distinctive and innovative private liberal arts institution, it must stay somewhat competitive with peer institutions. In those terms, our compensation proposal is modest, but acknowledges our commitment to continued improvement.

Robert H. Devine
President

Antioch College

1999-00 Proposed Budget Summary by Function

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	%	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	%	Change From 1998-99 Budget to 1999-00 Budget $	%
Revenues											
Tuition & Fees	8,893,663	9,598,204	12,039,945	10,548,246	-1,491,699	-12.39%	*12,069,086*	1,520,840	14.42%	29,141	0.24%
Less Tuition Discounts	-2,310,298	-2,167,392	-3,302,690	-2,469,296	833,394	-25.23%	*-3,286,264*	-816,968	33.09%	16,426	-0.50%
Gifts	1,114,121	1,980,001	1,367,776	1,391,667	23,891	1.75%	*1,427,776*	36,109	2.59%	60,000	4.39%
Grants	1,403,628	1,349,156	1,553,738	1,262,137	-291,601	-18.77%	*1,453,468*	191,331	15.16%	-100,270	-6.45%
Endowment Income	188,687	170,112	225,000	225,085	85	0.04%	*250,000*	24,915	11.07%	25,000	11.11%
Contracts	1,455	996	0	2,550	2,550		*0*	-2,550	-100.00%	0	
Other Income	214,455	752,614	77,181	72,820	-4,361	-5.65%	*208,451*	135,631	186.26%	131,270	170.08%
Total E&G Revenue	9,505,711	11,683,691	11,960,950	11,033,209	-927,741	-7.76%	*12,122,517*	1,089,308	9.87%	161,567	1.35%
Auxiliary Enterprises	2,048,157	2,265,022	2,414,564	2,315,208	-99,356	-4.11%	*2,527,376*	212,168	9.16%	112,812	4.67%
Released From Restrictions	3,244,930	1,766,920	1,777,557	1,757,303	-20,254	-1.14%	*1,771,631*	14,328	0.82%	-5,926	-0.33%
Total Revenues	14,798,798	15,715,633	16,153,071	15,105,720	-1,047,351	-6.48%	*16,421,524*	1,315,804	8.71%	268,453	1.66%
Operating Expenses											
Instruction	3,913,926	3,919,508	4,366,921	4,019,712	-347,209	-7.95%	*4,806,883*	787,171	19.58%	439,962	10.07%
Research	48,491	16,868	0	0	0		*0*	0		0	
Public Service	0	27,839	0	0	0		*0*	0		0	
Academic Support	953,273	928,303	926,685	876,192	-50,493	-5.45%	*1,017,622*	141,430	16.14%	90,937	9.81%
Student Services	1,936,646	2,167,584	2,122,734	2,197,577	74,843	3.53%	*2,387,122*	189,545	8.63%	264,388	12.46%
Institutional Support	1,491,470	1,526,985	2,615,389	2,191,823	-423,566	-16.20%	*2,127,554*	-64,269	-2.93%	-487,835	-18.65%
Plant Maintenance	1,505,662	1,512,379	1,361,648	1,390,364	28,716	2.11%	*1,459,497*	69,133	4.97%	97,849	7.19%
Scholarships	2,120,208	1,929,299	1,844,017	1,746,173	-97,844	-5.31%	*1,818,747*	72,574	4.16%	-25,270	-1.37%
Total E&G Expenses	11,969,676	12,028,765	13,237,394	12,421,841	-815,553	-6.16%	*13,617,425*	1,195,584	9.62%	380,031	2.87%
Auxiliary Enterprises	2,119,233	2,146,793	2,196,698	2,102,901	-93,797	-4.27%	*2,211,387*	108,486	5.16%	14,689	0.67%
Total Operating Expenses	14,088,909	14,175,558	15,434,092	14,524,742	-909,350	-5.89%	*15,828,812*	1,304,070	8.98%	394,720	2.56%
Excess Revenue over Expenses	709,889	1,540,075	718,979	580,978	-138,001	-19.19%	*592,712*	11,734	2.02%	-126,267	-17.56%
Annual Budget Conversion to Cash basis											
Capital Expenditures	2,242,206	1,255,535	278,368	500,342	221,974	79.74%	*175,180*	-325,162	-64.99%	-103,188	-37.07%
Borrowing Proceeds	-484,186	-142,569	0	-40,110	-40,110		*0*	40,110	-100.00%	0	
Principal Payments	444,452	427,109	440,611	428,028	-12,583	-2.86%	*417,532*	-10,496	-2.45%	-23,079	-5.24%
Prior Year Reserves	0	0	0	0	0		*0*	0		0	
Add back Depreciation	0	0	0	0	0		*0*	0		0	
Total Cash Items	2,202,472	1,540,075	718,979	888,260	169,281	23.54%	*592,712*	-295,548	-33.27%	-126,267	-17.56%
Net Cash Basis Budget	-1,492,583	0	0	-307,282	-307,282		*0*	307,282	-100.00%	0	

Antioch College

1999-00 Proposed Budget Summary by Category

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	%	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	%	Change From 1998-99 Budget to 1999-00 Budget $	%
Revenues	14,798,798	15,715,633	16,153,071	15,105,720	-1,047,351	-6.48%	16,421,524	1,315,804	8.71%	268,453	1.66%
Operating Expenses											
Salaries & Wages	6,986,238	7,041,143	7,639,794	7,363,813	-275,981	-3.61%	8,105,798	741,985	10.08%	466,004	6.10%
Benefits	2,150,177	2,048,330	2,451,724	2,129,340	-322,384	-13.15%	2,524,789	395,449	18.57%	73,065	2.98%
Training & Development	357,989	445,517	1,008,949	443,272	-565,677	-56.07%	560,069	116,797	26.35%	-448,880	-44.49%
Student Aid Services	1,407,173	1,383,668	996,217	1,273,174	276,957	27.80%	1,071,417	-201,757	-15.85%	75,200	7.55%
Special Events	89,661	78,671	97,560	59,198	-38,362	-39.32%	121,095	61,897	104.56%	23,535	24.12%
Supplies	677,849	736,264	686,038	752,880	66,842	9.74%	757,527	4,647	0.62%	71,489	10.42%
Business Operations	1,432,237	1,271,995	1,183,826	1,308,431	124,605	10.53%	1,372,556	64,125	4.90%	188,730	15.94%
Plant Maintenance	1,014,477	1,093,328	974,597	1,025,838	51,241	5.26%	1,055,929	30,091	2.93%	81,332	8.35%
Interest Expense	370,367	203,490	126,735	143,100	16,365	12.91%	130,342	-12,758	-8.92%	3,607	2.85%
Resale Costs	335,810	401,125	378,480	343,378	-35,102	-9.27%	345,000	1,622	0.47%	-33,480	-8.85%
Miscellaneous	197,991	256,612	366,515	276,754	-89,761	-24.49%	311,792	35,038	12.66%	-54,723	-14.93%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	145,017	0	-145,017	-100.00%	144,873	144,873		-144	-0.10%
Campus Program Contingency, Discret	0	0	38,517	0	-38,517	-100.00%	57,336	57,336		18,819	48.86%
Liquidity Reserve	65,273	69,832	90,636	90,636	0	0.00%	90,545	-91	-0.10%	-91	-0.10%
Overhead					0						
To the University	782,365	960,187	996,993	996,993	0	0.00%	996,000	-993	-0.10%	-993	-0.10%
Rebates from the University	-550,000	-550,000	-550,000	-550,000	0	0.00%	-550,000	0	0.00%	0	0.00%
Subsidy from Adult Campuses	-200,000	-200,000	-200,000	-200,000	0	0.00%	-200,000	0	0.00%	0	0.00%
Subsidy from Overhead	-525,000	-525,000	-400,000	-400,000	0	0.00%	-400,000	0	0.00%	0	0.00%
Other (Intercampus Agree & Univ Conf	-503,698	-539,604	-597,506	-532,065	65,441	-10.95%	-666,256	-134,191	25.22%	-68,750	11.51%
Depreciation	0	0	0	0	0		0	0		0	
Total Operating Expenses	14,088,909	14,175,558	15,434,092	14,524,742	-909,350	-5.89%	15,828,812	1,304,070	8.98%	394,720	2.56%
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Annual Budget Conversion to Cash Basis											
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Borrowing Proceeds	-484,186	-142,569	0	-40,110	-40,110		0	40,110	-100.00%	0	
Principal Payments	444,452	427,109	440,611	428,028	-12,583	-2.86%	417,532	-10,496	-2.45%	-23,079	-5.24%
Prior Year Reserves	0	0	0	0	0		0	0		0	
Add Back Depreciation	0	0	0	0	0		0	0		0	
Total Cash Items	2,202,472	1,540,075	718,979	888,260	169,281	23.54%	592,712	-295,548	-33.27%	-126,267	-17.56%
Net Cash Basis Budget	-1,492,583	0	0	-307,282	-307,282		0	307,282	-100.00%	0	

ANTIOCH COLLEGE
1999-00 Capital Budget

Campus	Buildings	Amount
	Total Buildings	0
Campus	**Building Improvements**	**Amount**
College	Fire System Upgrade	10,000
	Underground Tank Removal	20,000
	HVAC/Electrical/Plumbing	14,600
	Transformer	28,000
	Total Building Improvements	72,600
Campus	**Equipment**	**Amount**
College	Computer Equipment	32,580
	Total Equipment	32,580
Campus	**Furniture & Fixtures**	**Amount**
College	Dorm Carpeting and Furniture	10,000
	Total Furniture & Fixtures	10,000
Campus	**Library Books**	
College	Library Books	60,000
	Total Library Books	60,000
	Grand Total Capital Budget	**175,180**
		========

Antioch College
Tuition Rate Changes 1999-00

Program	1998-99 Rates	1999-00 Proposed	% Change
Tuition	17,316	17,556	1.39%
Room and Board	4,177	4,876	16.73%
Fees	1,965	1,965	0.00%
Total per Year	23,458	24,397	4.00%

ANTIOCH NEW ENGLAND GRADUATE SCHOOL
1999-2000 PROPOSED BUDGET

I. 1998-99 ACCOMPLISHMENTS AND CHALLENGES

From almost every perspective, save one, Antioch New England Graduate School's 1998-99 experience was highly positive. Supporting "evidence" for that assessment is provided below in the listing of some of the year's salient highlights. The overall financial picture, however, was highly problematic and its pervasive qualities tended to at least partially obliterate the good news and successes we enjoyed. The approximate 37 FTE shortfall, the dollar equivalent of approximately $435,000, caused considerable distress and pain within the institution. Operating budgets were slashed, identified priorities were abandoned, some personnel were reassigned, positions were not filled, and salary increases were not awarded to faculty and staff. Little solace could be found in the reality that this was rather typical stuff for graduate programs in northern New England. In the final analysis, the highlights are a partial antidote and do provide the basic sustenance for moving ahead with a shared sense of optimism. Briefly:

- Quality control and significant external validation came from two sources in1998-99: the Committee on Accreditation of the American Psychological Association (APA) awarded the Doctoral Program in Clinical Psychology full accreditation for the maximum allowable period of time, seven years; and the Commission on Accreditation of the American Association of Marriage and Family Therapy (AAMFT) awarded our master's program (M.A.) in Marriage and Family Therapy full six-year accreditation.

- ANE's project in the Rachel Marshall Outdoor Learning Laboratory in Keene's Ashuelot River Park received several important honors -- a grand gold medal from CASE in the category of school-community partnerships and the New Hampshire Governor's Award for the "Outstanding Service Learning Award" for 1998 in New Hampshire.

- Service Matters, a publication of the Campus Compact, cited ANE's Education by Design© program in Problem-Based Service Learning as a model for the training of faculty in how to integrate service learning into curricular offerings.

- Physical expansion of the Antioch Psychological Services Center (PSC) into the West Wing of the ANE campus enabled the PSC to significantly expand its array of mental health and wellness programs to Keene and the Monadnock Region. Its elevated community profile has led us to seek United Way funding support in1999-2000.

- Institutional visibility remains quite high -- the ANE Speaker's Series continues to draw capacity crowds on a monthly basis, faculty and staff publications and professional involvement continues to be substantial, and the campus remains a focal point for many community meetings and forums.

- Student evaluations reflect a high degree of satisfaction with the educational experiences here, and students have been particularly pleased with increased efforts at providing more student services (pot luck events, relocation support, etc.). Library services, enhanced substantially by the full operation of our on-line card catalogue and an expanded web-based availability of materials, has added to program quality and student scholarship.

- The Board of Visitors is in place and active, providing advice around a strategy for local corporate fundraising, identifying potential new members, and helping to develop "one good ad" as part of our marketing strategy.

- Strategic planning has been taking place throughout the Graduate School through six vertical work groups, organized around priorities identified by the faculty and staff in September 1998. ANE's Strategic Plan should be completed in the summer of 1999.

- Faculty and staff have been active in the strategic planning processes of the larger University, and the staff has worked diligently to get to a point where full implementation of the Datatel system is on the horizon.

- Grant and contract activity continues to be impressive in terms of the scope of activities, uniqueness of program offerings, and the nature and promise of newly formed partnerships. Total of grant and contract activity for 1998-99 will certainly exceed $1 million dollars, a new record total for Antioch New England.

Despite the overarching shortfall issue cited above, the 1998-99 budget projection looks quite reasonable, even healthy, on the surface (we, as anticipated, could not cover the full cost of the capital renovation project, and unfortunately, did not have the hoped for support of the contingency reserves as a backstop), but it is somewhat misleading in that we are utilizing, for the first, and only, time, an accrual accounting principle that every other campus in the system has used previously. A percentage of the revenue and the limited corresponding expense for the summer 1999 semester will be booked/reflected in the 1998-99 report since a portion of our summer 1999 semester is actually delivered in 1998-99 (June 7- June 30). However, this paper display provides no cash relief, and that's an obvious problem for the system.

While we sincerely believe that we are doing all of the "right" things and have worked tirelessly to diversify our array of activities, broaden partnerships, keep in step with the competition, elevate our local and regional visibility, and "market" the Graduate School in every way imaginable within the constraints of a limited budget, we continue to face difficult decisions and dilemmas because the resource base is so tenuous and limited. It serves no meaningful purpose to provide the laundry list of needs and priorities that we believe need to be addressed; certainly for most of the document's readership, it is not an unusual or original story.

II. 1999-2000 ENROLLMENT AND REVENUE PROJECTIONS

The fundamental problem we faced in crafting the 1999-2000 budget is the reality that the enrollment shortfall of one year directly impacts the budget for the following year. The revenue problem simply carries forward, and the campus faces a deep hole that needs to be back-filled by an improved admissions picture, a reduction of expense or some combination of the two. The problem, specifically related to Antioch New England, is exacerbated because our funded campus reserve is at zero and those of other campuses remain largely unfunded, effectively eliminating any kind of cushion to provide some measure of comfort and maneuvering room during problematic times. Hindsight is always 20-20, but had we known we were going to face a $435,000 revenue shortfall in 1998-99, it would not have made fiscal sense to engage in a capital project to expand the

Antioch Psychological Services Center, even though we believe that the investment was necessary to preserve our competitive edge in the market for doctoral-level students in clinical psychology. Hindsight would have tempered any genuine optimism, and, therefore, subsequent thoughtful planning which surrounded the original projections around the expectations of a relatively quick funding of carry-forward reserves back in 1992-93. (Some folks actually do defy actuarial tables in a significant way, and that should be factored into future planning.) And hindsight would have argued that the cash funding of major operating deficits in 1996-97, which effectively contributed to the depletion of cash reserves, should have had some consequence or proactive planning (i.e., "solutions") that did not negatively affect those campuses which contributed.

ANE's "backfill" problems have been compounded by the fact that we made the decision to implement a new tuition structure/schedule, beginning with the summer semester 1999-2000. Following years of study, we determined that it was necessary to develop schedules that are more consistent with credit loads taken by students, that permitted some flexibility for students who might want to shift from full-time to half-time status, and that do not "give away" extra credits within the boundaries of degree programs. The end result of this protracted exercise produced schedules that now make sense and that address all of the key problematic issues that we were attempting to resolve. As one consequence, we have schedules for entering students that do not "frontload" tuition; we expect total revenue from newly matriculating students to be $150,000 - $160,000 less in 1999-2000 than if we had maintained current schedules. However, we expect to capture that "lost" revenue and more, since we are not giving away credits in 2000-01. This is the complex background tapestry for attempting to construct ANE's budget for 1999-2000.

What is presented in the proposed operating budget is based on what we believe to be a realistic, perhaps slightly conservative, scenario which reflects what is known about our carry-over enrollments and what we have for data as of May 5 in the admissions arena, relative to new matriculants in 1999-2000. There clearly is reason for optimism, based on activity in admissions, though it is increasingly difficult to predict what will actually happen on scheduled registration days. We are reasonably confident of the following:

- The entering Psy.D. class will be 26-28, based upon the largest number of applications we have ever received for the doctoral program and an anticipated capture rate of accepted students of 60%. This 1999 first year entering class will replace our smallest Psy.D. class, 17, that moves on to its Internship year. (From a revenue perspective, this helps provide a portion of the backfill.)

- Our fourth class, making a full program cohort, will enter the Ph.D. Program in Environmental Studies this summer. We expect 12-13 new students to enroll and we will not increase the Core Faculty; only new expenses for dissertation advisement will be added. (The net result of this new revenue influx and the lack of major new expenses contributes yet another chunk to the backfill.)

- We fully expect to run three experienced educator "clusters" (in Gilmanton, N.H., Kingston, N.H., and Saco, Maine) next year. In 1998-99, we anticipated a cluster in Saco, but it did not materialize, contributing in a pretty significant way to the shortfall. (While there will be some added expense to provide the required instruction, the revenue gain will add substantially to the backfill.)

There is every indication that enrollment in our master's program in Environmental Studies will continue to rebound, as it did in the spring 1999 when goals for the environmental studies programs were exceeded. We expect historical patterns of new student enrollments in our teacher certification and Waldorf education programs to remain constant, and we have some tempered optimism that the improving job market in the mental health field in New England will provide some modest enrollment increases in our Applied Psychology programs (more applications are on file than at this time last year and a recent Visiting Day drew 35 prospective students). Management programming represents a "wild card" in that we have made the decision to move completely to weekend programming models (combined, with some technological applications) at our Keene and Portsmouth sites, phasing out our weekday programming. We will also phase out the Bennington, Vermont, site after twenty-one years of operation. These delivery change decisions were made following a careful market analysis that surveyed current students and students who made serious inquiry about ANE, but chose not to pursue graduate study or matriculated elsewhere. We will carefully monitor this major change in delivery and trust that the end result will be increased students, greater efficiency and reduced costs.

III. MAJOR CHANGES FROM THE 1998-99 BUDGET

The above representations, a tuition increase of approximately 4%, and a virtually level expense budget, reflecting cuts made in 1998-1999, essentially have given ANE the basic backfill necessary to "cover" the 1998-99 shortfall. We have not factored into the operating budget any major new discretionary monies from overhead that might come in via grant and contract activities; some is reflected in the operating revenue via "overhead" transfers, but we have to be conservative here because of the softness of the funding and the fact that we do not have in hand a major grant which pays substantial overhead rates (e.g. 40+% of salaries and benefits, etc.) Funding for two, and only two critical priorities, is addressed in this budget.

Priority One: Provide 3% raise package plus corresponding benefits to core faculty and staff. It is imperative that we do not go yet another year without providing employees a raise, especially at a time when we have indicated that there would be a health premium share of 5% starting January 1, 2000. Given the reality that a 3% raise package might be heavily offset with a 5% health premium contribution from employees on the low end of the salary range, we might have to adjust the raise percentages for certain employees. It would be easy to make raises contingent on enrollment performances, but employees, we believe, must see the immediate commitment if we are to maintain any kind of positive morale. For purposes of this presentation, however, the total compensation package increase, in round numbers $130,000, has been spread across operating units within the Graduate School.

Priority Two: Beginning with the fall semester 1999, Antioch New England students will be required to have computer and Internet access, along with an e-mail address. While the doctoral programs have had this requirement for some time, we have extended it to master's-level students for a variety of reasons -- direct library access, more efficient academic and administrative communication, accelerated opportunities for appropriate distance learning activities, reduction of paper and postage expense, and the creation of a full-time learning community in a non-residential institution. We need to support this initiative through: (a) expanded technical support which will be outsourced to InfoTech, a proven company operating out of Portland, Maine; and (b) making sure that we begin to directly address the myriad needs related to faculty training, administrative and academic integration, and the development of on-line capacity to deliver pieces of our educational programs. With paper and postage savings factored in and a personnel shift that moves one highly computer-literate faculty member out of the Education Department and the Education By Design© Program to maintain our web site and to lead the educational computing effort, we believe that we can address this priority with an additional $20,000.

In sum, the fundamental need for these two priorities is $150,000, a sum which is roughly equivalent to the revenue that would come in if the decision to change the tuition schedule had not been made. Antioch New

England needed this sum to balance the budget for 1999-2000, and we have done it through the short-term application of $150,000 from ANE's unfunded carry-forward reserves. This approach has ULC support.

Jim Craiglow
President

Antioch New England Graduate School

1999-00 Proposed Budget Summary by Function

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	%	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	%	Change From 1998-99 Budget to 1999-00 Budget $	%
Revenues											
Tuition & Fees	8,247,717	8,224,966	8,250,283	8,254,740	4,457	0.05%	8,306,440	51,700	0.63%	56,157	0.68%
Less Tuition Discounts	-71,698	-60,399	-40,000	-55,000	-15,000	37.50%	-40,000	15,000	-27.27%	0	0.00%
Gifts	35,000	31,600	0	23,112	23,112		41,000	17,888	77.40%	41,000	
Grants	538,338	468,511	547,605	813,348	265,743	48.53%	830,000	16,652	2.05%	282,395	51.57%
Endowment Income	0	0	0	0	0		0	0		0	
Contracts	208,188	208,858	433,739	243,052	-190,687	-43.96%	250,000	6,948	2.86%	-183,739	-42.36%
Other Income	71,262	80,223	60,650	153,690	93,040	153.40%	57,700	-95,990	-62.46%	-2,950	-4.86%
Total E&G Revenue	9,028,807	8,953,759	9,252,277	9,432,942	180,665	1.95%	9,445,140	12,198	0.13%	192,863	2.08%
Auxiliary Enterprises	0	0	0	0	0		0	0		0	
Released From Restrictions	242,868	307,207	142,344	340,717	198,373	139.36%	268,000	-72,717	-21.34%	125,656	88.28%
Total Revenues	9,271,675	9,260,966	9,394,621	9,773,659	379,038	4.03%	9,713,140	-60,519	-0.62%	318,519	3.39%
Operating Expenses											
Instruction	4,296,789	4,255,288	4,171,114	4,242,078	70,964	1.70%	4,239,619	-2,459	-0.06%	68,505	1.64%
Research	0	0	0	0	0		0	0		0	
Public Service	327,340	424,196	441,294	772,711	331,417	75.10%	761,000	-11,711	-1.52%	319,706	72.45%
Academic Support	342,196	425,710	451,224	442,349	-8,875	-1.97%	430,792	-11,557	-2.61%	-20,432	-4.53%
Student Services	558,389	531,638	546,757	601,155	54,398	9.95%	594,691	-6,464	-1.08%	47,934	8.77%
Institutional Support	2,292,566	2,292,495	2,516,080	2,314,112	-201,968	-8.03%	2,524,042	209,930	9.07%	7,962	0.32%
Plant Maintenance	723,263	724,079	698,952	698,639	-313	-0.04%	704,996	6,357	0.91%	6,044	0.86%
Scholarships	463,715	353,202	394,200	477,488	83,288	21.13%	423,000	-54,488	-11.41%	28,800	7.31%
Total E&G Expenses	9,004,258	9,006,608	9,219,621	9,548,532	328,911	3.57%	9,678,140	129,608	1.36%	458,519	4.97%
Auxiliary Enterprises	0	0	0	0	0		0	0		0	
Total Operating Expenses	9,004,258	9,006,608	9,219,621	9,548,532	328,911	3.57%	9,678,140	129,608	1.36%	458,519	4.97%
Excess Revenue over Expenses	267,417	254,358	175,000	225,127	50,127	28.64%	35,000	-190,127	-84.45%	-140,000	-80.00%
Annual Budget Conversion to Cash basis											
Capital Expenditures	138,902	234,027	500,000	525,500	25,500	5.10%	105,000	-420,500	-80.02%	-395,000	-79.00%
Borrowing Proceeds	0	0	0	0	0		0	0		0	
Principal Payments	65,000	70,000	75,000	75,000	0	0.00%	80,000	5,000	6.67%	5,000	6.67%
Prior Year Reserves	0	-49,669	-400,000	-375,373	24,627	-6.16%	-150,000	225,373	-60.04%	250,000	-62.50%
Add back Depreciation	0	0	0	0	0		0	0		0	
Total Cash Items	203,902	254,358	175,000	225,127	50,127	28.64%	35,000	-190,127	-84.45%	-140,000	-80.00%
Net Cash Basis Budget	63,515	0	0	0	0		0	0		0	

Antioch New England Graduate School
1999-00 Proposed Budget Summary by Category

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	Change From 1998-99 Budget to 1998-99 Projected %	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	Change From 1998-99 Proj to 1999-00 Budget %	Change From 1998-99 Budget to 1999-00 Budget $	Change From 1998-99 Budget to 1999-00 Budget %
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Revenues	9,271,675	9,260,966	9,394,621	9,773,659	379,038	4.03%	*9,713,140*	-60,519	-0.62%	318,519	3.39%
Operating Expenses											
Salaries & Wages	4,819,572	4,535,279	4,679,740	4,935,213	255,473	5.46%	*5,067,478*	132,265	2.68%	387,738	8.29%
Benefits	1,284,177	1,334,148	1,400,565	1,465,419	64,854	4.63%	*1,368,852*	-96,567	-6.59%	-31,713	-2.26%
Training & Development	234,417	362,124	259,395	284,685	25,290	9.75%	*202,481*	-82,204	-28.88%	-56,914	-21.94%
Student Aid Services	30,391	19,585	19,200	48,500	29,300	152.60%	*48,000*	-500	-1.03%	28,800	150.00%
Special Events	10,633	12,130	11,710	14,200	2,490	21.26%	*10,910*	-3,290	-23.17%	-800	-6.83%
Supplies	214,617	244,041	205,255	174,474	-30,781	-15.00%	*182,205*	7,731	4.43%	-23,050	-11.23%
Business Operations	753,511	879,482	809,417	874,741	65,324	8.07%	*953,854*	79,113	9.04%	144,437	17.84%
Plant Maintenance	307,674	288,825	290,325	344,625	54,300	18.70%	*312,025*	-32,600	-9.46%	21,700	7.47%
Interest Expense	436,465	441,149	439,132	435,632	-3,500	-0.80%	*429,075*	-6,557	-1.51%	-10,057	-2.29%
Resale Costs	0	0	0	0	0		*0*	0		0	
Miscellaneous	24,980	51,582	31,859	96,825	64,966	203.92%	*105,625*	8,800	9.09%	73,766	231.54%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	163,620	0	-163,620	-100.00%	*164,383*	164,383		763	0.47%
Campus Program Contingency, Discret	0	0	58,185	0	-58,185	-100.00%	*0*	0		-58,185	-100.00%
Liquidity Reserve	81,816	79,947	102,262	102,262	0	0.00%	*102,739*	477	0.47%	477	0.47%
Overhead											
To the University	1,013,870	973,515	993,374	993,374	0	0.00%	*1,054,645*	61,271	6.17%	61,271	6.17%
Rebates from the University	-277,255	-277,000	-313,415	-313,415	0	0.00%	*-364,332*	-50,917	16.25%	-50,917	16.25%
Subsidy from Adult Campuses	61,630	61,800	61,647	61,647	0	0.00%	*60,200*	-1,447	-2.35%	-1,447	-2.35%
Subsidy from Overhead	0	0	0	0	0		*0*	0		0	
Other (Intercampus Agree & Univ Conf	7,760	0	7,350	30,350	23,000	312.93%	*-20,000*	-50,350	-165.90%	-27,350	-372.11%
Depreciation	0	0	0	0	0		*0*	0		0	
Total Operating Expenses	9,004,258	9,006,607	9,219,621	9,548,532	328,911	3.57%	*9,678,140*	129,608	1.36%	458,519	4.97%
Excess Revenue over Expenses	267,417	254,359	175,000	225,127	50,127	28.64%	*35,000*	-190,127	-84.45%	-140,000	-80.00%
Annual Budget Conversion to Cash Basis											
Capital Expenditures	138,902	234,027	500,000	525,500	25,500	5.10%	*105,000*	-420,500	-80.02%	-395,000	-79.00%
Borrowing Proceeds	0	0	0	0	0		*0*	0		0	
Principal Payments	65,000	70,000	75,000	75,000	0	0.00%	*80,000*	5,000	6.67%	5,000	6.67%
Prior Year Reserves	0	-49,668	-400,000	-375,373	24,627	-6.16%	*-150,000*	225,373	-60.04%	250,000	62.50%
Add Back Depreciation	0	0	0	0	0		*0*	0		0	
Total Cash Items	203,902	254,359	175,000	225,127	50,127	28.64%	*35,000*	-190,127	-84.45%	-140,000	-80.00%
Net Cash Basis Budget	63,515	0	0	0	0		*0*	0		0	

ANTIOCH NEW ENGLAND GRADUATE SCHOOL
1999-00 Capital Budget

Campus	Buildings	Amount
	Total Buildings	0
Campus	**Building Improvements**	**Amount**
	Total Building Improvements	0
Campus	**Equipment**	**Amount**
New England	Computer Equipment	30,000
	Total Equipment	30,000
Campus	**Furniture & Fixtures**	**Amount**
New England	Library A-V Equipment	2,500
	Total Furniture & Fixtures	2,500
Campus	**Library Books**	
New England	Library Books	72,500
	Total Library Books	72,500
	Grand Total Capital Budget	**105,000**
		========

ANTIOCH NEW ENGLAND
Tuition Rate Changes 1999-00

Program	Start Term	Term	Rate
Applied Psychology Department			
Dance & Movement Therapy Certificate	Fall	All	$4,000
Dance & Movement Therapy MA	Fall	All	$5,500
Counseling Psychology MA	Fall	Fall, Spring	$5,100
		Summer	$3,200
	Summer	Summer	$2,100
Marriage & Family Therapy MA	Summer	Fall, Spring	$5,100
		Summer	$2,100
Clinical Psychology Psy.D.		Fall, Spring	$8,750
		Summer	$3,700
		Fall, Spring	$7,000
Environmental Studies Department			
Environmental Studies MS		Fall, Spring	$4,700
		Summer	$3,200
Resource Management & Administration MS		Fall, Spring	$4,700
		Summer	$3,200
Environmental Studies MS w Certification		Fall, Spring	$4,700
		Summer	$3,200
Environmental Studies Ph.D.		Summer	$3,100
		Fall, Spring	$6,200
		Summer	$2,200
		Fall, Spring	$4,100

Program	Start Term	Term	Rate
Education Department - Waldorf Programs			
Waldorf Certificate		All	$3,200
Waldorf 3+2 Certificate		Spring	$2,400
		Summer	$2,800
Waldorf MEd year round		Fall, Spring	$4,700
		Summer	$2,800
Waldorf MEd Summer Sequence		Fall, Spring	$2,400
		Summer	$2,800
Education Department - Integrated Learning			
Intergrated Learning MEd		Fall, Spring	$4,700
		Summer	$3,200
Education Department - Experienced Educator			
Experienced Educators MEd (5 semester)		All	$2,600
Experienced Educators MEd (4 semester)		All	$3,200
Organization & Management			
OM Weekend MEd/MHSA	Spring	Fall, Spring	$4,700
		Summer	$3,200
OM Weekend MEd/MHSA -	Fall	Fall, Spring	$3,600
		Summer	$3,200
OM Weekend MS	Fall, Spring	Fall, Spring	$4,700
		Summer	$3,200

Note: New England has instituted a new tuition rate structure for the 1999-00 year which does not facilitate a comparison with the previous year. Overall, the tuition increase averages out to 4%. Also, students who began their programs under the old tuition schedule will continue to be billed according to that schedule while the above rates apply to students beginning their programs in 1999-00 and beyond.

ANTIOCH SEATTLE
1999-2000 PROPOSED BUDGET

I. 1998-99 ACCOMPLISHMENTS AND CHALLENGES

The 1998-99 year for Antioch University Seattle (AUS) has proven to be one of building foundations for our future while confronting a potentially devastating financial situation. It was a year of continued transition and change in academic leadership and organizational and governance structures. It was a year in which the campus held together as a community while it coped with major revenue shortfalls. When one reflects on the financial problems confronted by the campus during 1998-99, it is amazing that so much has been accomplished. These accomplishments are verification of the dedication to the institution of its faculty, staff, administrators, students and alumni.

The greatest challenge faced by AUS in 1998-99 was a **drastic revenue shortfall**. The three primary sources of revenue decline were enrollment shortfall; bankruptcy of our tenant, the Swallow's Nest; and reduced income from the Heritage Institute. Our annualized enrollment for the 1998-99 was 772 FPE which was 58 FPE less than projected. Enrollment decline alone constituted a $455,400 decrease in revenue. The Swallow's Nest bankruptcy and its past rental debt, along with the revenue shortfall from the Heritage Institute, constituted a $146,500 decrease in revenue. Overall, this meant that approximately $600,000 had to be cut from the budget.

Summer enrollments and low Fall inquiry/application numbers gave an early indication that AUS might be in financial difficulty. In **dealing with the revenue shortfall**, the President's Team readjusted the projected enrollment figures downward and drafted a new budget based on a three-phase program to address the revenue shortage. Phase I was an immediate freeze on all open positions. Phase II included freezing all spending in the areas of building improvements, furniture and supplies, computing equipment, miscellaneous line items, business travel, professional development, diversity funding, food, and business entertainment. Phase II followed close on the heels of Phase I as we learned that the Swallow's Nest had filed bankruptcy and we suffered a major drop in our Fall enrollment numbers. When it was seen that we were probably not going to meet our Spring enrollments and the Heritage Institute revenue projections were not met, Phase III was implemented. It resulted in the elimination of one staff position, depletion of the building capital reserve, and the closing out of the WSD Institute bank account, which had been housing continuing education money from various program activities. In order to assist in balancing the budget, it also was necessary to request use of our mandatory contingency funds. At the time of this report, we expect to end the year with a balanced budget after much commitment, sacrifice and community effort.

Although the financial situation hovered as a threatening cloud over the campus, the community optimistically rolled-up its sleeves and immersed itself in a **strategic planning process,** both at the campus and University-wide levels. Two full days in October were dedicated to a campus-wide conference to begin the work of establishing strategic goals and objectives. Don Krebs, an external planning consultant, led the faculty and staff through the planning process, which included a historiogram exercise acknowledging and valuing the past 23 years of Antioch University Seattle. The results of the larger group were turned over to the Planning and Budget Council for continued refinement. Seven strategic goals with objectives were identified for presentation to the campus community by the end of the Spring term. During the planning process I presented a vision for the overall future direction of AUS, which calls for a redesign of the current academic program structure grounded in the principles of learner-centered education, access, and community engagement. As is usually the case with most Antioch planning efforts, we are behind on our completion schedule, which in turn delays the individual program and unit five-year planning process. With continued effort, we hope to have the program and unit proposals completed before October 1999 allowing for the direct integration with the 2000-01 budget process.

Besides attention to strategic planning, the campus completed approval of a **new governance structure**. In a little over nine months, a task force designed a structure and gained consensus among the campus community for implementation in October 1998. The new structure provides for greater distribution of the decision making through three major councils: Academic Council, Planning and Budget Council, and Student Services Council. Students, faculty, and staff are represented on all councils. The Planning and Budget Council has been most active this year through the strategic planning and budget processes. The budget recommended by the Council to the President for 1999-2000 represents a much more creative and responsive budget than the one presented last year. It is a validation that greater participation in the budgeting process through a body such as the Council results in a stronger end-product. The new governance structure is scheduled for evaluation of its efficiency and effectiveness during Spring quarter.

In addition to the three councils, the new governance structure called for the creation of three assemblies: Faculty Assembly, Staff Assembly, and Student Assembly. The **Student Assembly** is the first successful attempt at AUS to establish a student organization that serves as an advocate for students and provides for student representation on the major decision-making bodies. Complementing the Student Assembly is the new Student Services Council, which is composed of all units involved with student services and charged with enhancing and improving student services. This council is the first such body organized at AUS to address student issues. Monthly meetings are held and we are currently blessed with strong leadership from two student coordinators.

The **Faculty Assembly** launched a new series of faculty presentations this year to showcase scholarly works, both in progress and completed. Initially aimed at a campus audience, it has been met with such enthusiasm that there are plans to promote it to the wider Seattle community next year. A small group of faculty have provided leadership in a Homeless Women's Education Project. The project is a partnership between AUS and two community agencies. AUS faculty, staff, students and alumni have provided weekly educational sessions on campus to women who are homeless or living in local shelters. The project has been an experiment in community involvement and an expression of the campus commitment to social justice. The faculty were also actively engaged in hosting the University faculty conference held in Seattle during February and joined on the last day by the University strategic planning teams. The empty Swallow's Nest space was decorated to provide an ambiance more elegant and intimate than the finest restaurants of Seattle for the well-attended Saturday dinner. The theme of the conference was "The Alchemy of Academic Excellence," and the goodwill and collaboration among colleagues continued to linger in the halls long after the closing ceremony.

On several occasions during the first few months of my presidency I expressed concern about the future enrollment health of AUS. The trend analysis of inquiries, applications and enrollments over the last five years indicated the potential for increasingly downward spiraling enrollments. In May 1998, **enrollment management** consultants were brought in to analyze the marketing, recruitment, and admissions system of AUS. Their report, submitted in June, was sobering and called for a complete reorganization of the system with a more centralized and professional structure. A number of other recommendations concerning the Web page, changing the tuition schedule, recruitment material and advertising were able to be implemented with little disruption. The most complicated, disruptive and controversial recommendation, however, was the reorganization. This was doubly compounded by an already declining enrollment picture starting in the summer and continuing through the Fall. The new Director of Enrollment Services did not come on board until mid-October 1998. The transition to centralization of the admissions staff, along with normal staff attrition, has kept the Admission Office short-staffed and scattered through most of the year.

The consultants also called for combining the Admissions, **Financial Aid**, and Registrar's Offices under one umbrella to provide better student services. We opted to bring the Financial Aid Office under the Admissions Office in January 1999. Personnel problems in Financial Aid caused us to terminate the financial aid officer in March causing further disruption of services. As of April, however, the Admissions Office was 3/4 staffed and the Financial Aid Office was 2/3 staffed. It is unknown whether there will be any negative residual effect on the Summer and Fall 1999 enrollments from the reorganization transition. The positive effect of having a strong, professional, and coordinated recruitment and admissions system will hopefully outweigh the negative effect of its slow and rocky transition phase.

Fall 1998 saw another transition in the **academic leadership** at AUS. Gail Martin retired as the Academic Dean effective December 1998. The campus celebrated with Gail by letting its hair down and throwing a huge dance at a local marina. There was singing, dancing, satire, poetry, limericks, laughter, and many tears. Over $5,000 was raised for scholarships in her honor. The next week, Dr. Martin was recognized at the AUS December graduation with the award of Academic Dean Emeritus. Paul David was selected to serve as interim Academic Dean through June 2000. Long-time faculty member Betsy Geist of the Whole Systems Design program was also appointed as Special Assistant to the President. Her primary responsibility this year was to organize the new Planning and Budget Council into an effective and contributing governance body. The addition of these two individuals to the President's Team has greatly strengthened the representation of the academic voice and enhanced the decision-making process. New leadership appeared in the Education program when Dr. Bev Purrington left and Dr. Jeffery Hamley was hired as the program director. I also initiated a monthly Leadership Breakfast to include all the Deans and Program Directors. The group engages in discussions over selected readings and topics associated with leadership and higher education.

Academic Dean Paul David has been instrumental in bringing forth two **new initiatives.** One cause of our enrollment shortfall was the delay by the Illinois Board of Education to approve the Chicago WSD/OSR-MW program in time for either a Fall or Winter start date. Dean David has spent numerous hours working with the staff of the Illinois Board and attended the April board meeting in Chicago. He returned home from a successful mission and the OSR-MW program will enroll its first students in Fall 1999. Dean David and the Psychology department have also been hard at work designing a new Psy.D. program. This program is scheduled to come before the ULC and Board of Trustees at the June 1999 meeting with a proposed Fall 2000 start date. The Art Therapy master's degree/certificate and the weekend Environment and Community program are also new initiatives this year. Enrollments are small this year in both programs because their approval dates were late, which placed them behind the normal recruitment cycle. AUS also initiated a continuing education effort this year, creating the Antioch Center for Community and Professional Learning. The Center is still in an infant stage and will take time and investment to reach the level of outreach and revenue generation we desire.

Countering some of the depression caused by the revenue shortage was the tremendous success of the new University Relations office. In its first full year of operation, the University Relations office has made significant progress in establishing an ongoing **development effort** for the campus. Our list of individual contributors to the campus has increased from 83 to over 220 in one year, and Antioch Seattle will raise significantly more from private donors than its fiscal year goal of $100,000. This has been a benchmarking year for the development effort, with some encouraging results. Our Annual Fund phone-a-thon received a 22% positive response, with an average gift of over $75; both numbers substantially exceeded our goal. We have also increased Horace Mann Society level participation by over 100%, and have received several major gifts of over $5000, with more in the works.

Antioch Seattle now has an active and growing **Board of Visitors**. Seven members serve on this Board, with several other individuals being cultivated for membership. The Board of Visitors represents a cross section of leadership in the Puget Sound area, including representatives from The Boeing Company, major health care organizations, the K-12 community, the legal profession, non-profit leadership, and organizational development. Members from the high-tech sector of the region are being recruited. The Board has met in retreat to begin team building, and is committed to increasing visibility, community partnerships, and fund development for the campus. They will meet with Vice Chancellor Lois Mann in June for an introduction to their relationship with the University.

Increasing communication with **alumni** has been a major initiative in the Office of University Relations. Communication with alumni through regular production of the alumni newsletter and ongoing campus events has generated increased interest in the campus. Board member Barbara Winslow and Carol Krinsky, spouse of Board chair Robert Krinsky, were speakers at campus events that involved alumni. We have identified a number of major donor prospects among our alumni, and are beginning the research and cultivation process with these individuals. **Media relations** efforts have also increased, including my appearance as the featured guest on "Northwest Week," a popular local public affairs television show. Antioch has also been featured in stories in *The Seattle Times* and *Real Change*, a local alternative newspaper, in the past year.

Commitment to **diversity** continues to be a priority of the campus. Through the Ford Foundation's diversity grant, I hosted a dinner with members of the Antioch campus and members of the First AME Church in Seattle. In addition to these participants, Mark Trahant, columnist for *The Seattle Times*, was in attendance. In order to deepen the dialogue regarding diversity in our pedagogy, the AUS faculty held a day-long retreat in October. Personal cultural histories as well as issues confronted in the classroom were explored. This retreat was followed by an Academic Forum during Winter quarter which used a specific classroom incident as a basis for exploring new approaches. The decision for the University to become an affirmative action institution provided the opportunity for Edgar Beckham of the Ford Foundation and AAC&U to hold a seminar for the entire campus on *"What does it mean to be an affirmative action higher education institution in light of I-200?"* Initiative 200 was the anti-affirmative action legislation recently passed by the voters in the State of Washington. Most impressive is the increased diversity in our faculty and staff. Out of new hires this year, 50% of the faculty and 38% of the staff were people of color. Our progress in this area is owing to the hard work of our Human Resource Office and the commitment to diversity at the program and unit level.

The 1998-99 year has experientially felt like a roller coaster ride. There has been the agony of revenue shortfalls and enrollment declines, the fear engendered when any process of budget cuts preside, and the frustrations in dealing with external state boards and other attempted partnership trials. At the same time, the campus has experienced exhilaration of optimism shown in the strategic planning process and enjoyed successful development efforts. During a time of major financial constraints, the campus kept focused and committed to its future by developing a strategic plan, establishing a new Board of Visitors, increasing its development efforts, initiating new programs, implementing a new governance system, and creating a new admissions/recruitment structure.

II. GOALS AND OBJECTIVES FOR 1999-2000 AND ITEMS TO NOTE IN THE 1999-2000 BUDGET

The campus community has devoted an enormous amount of time in the 1998-99 year in developing a strategic plan to guide us through the next five years. Although the plan was not totally completed and approved at the time of the budget discussions, the general direction and priorities of the plan served as a framework upon which to build our 1999-2000 budget.

It is also important to note that the 1999-2000 budgeting process was set in the context of a campus that had undergone severe budget cuts and freezes. We based our approach almost totally on a zero-based model. The 1998-99 budget cuts forced the Planning and Budget Council to go through an exercise of determining not only what new budget requests should be included, but also what items should be restored to the 1999-2000 budget from those cut the previous year. The commitment to the priorities of the strategic plan guided the thinking on the restorations or continued funding of certain items. Compounding the exercise was the need to make a 1% across-the-board cut in all programs and units to balance the new budget.

The primary objectives of the 1999-2000 budget are (1) fiscal conservatism and a desire for financial stability; (2) maintaining academic quality while moving forward with new initiatives; (3) enhancing student services, particularly in terms of technology; (4) supporting the new Office of Enrollment Services; (5) employee retention; and (6) community engagement and development efforts. The proposed strategic plan covers a five year span and identifies seven goals. Special items to note in the budget have been aligned with, and listed under, each of the seven goals:

Academic Quality

Deliver outstanding degree and non-degree programs with a dual focus on innovation and excellence in every field we choose to address.

- The budget supports three new academic initiatives:
  1. Art Therapy master's degree and certificate program within the Psychology program
  2. OSR-MW as a Whole Systems Design master's degree program in Chicago
  3. Corporate Leadership Program as a Management master's degree program for the ALCOA corporation

- The budget also earmarks continuing education funds derived from the prerequisite courses required by the Psychology master's degree program to use as start-up funding for the new psychology doctorate program scheduled for implementation in Fall 2000.
- Establishment of a program development contingency fund to provide for potential program redesign, new program initiatives, and supplemental support for the psychology doctorate start-up budget.
- Funds earmarked to support preparation for accreditation.
- Full reinstatement of the funds for the Academic Dean position.
- Restoration of the funds to support diversity programs to enhance faculty and staff activities in diversity development and curriculum integration.

<u>Student Enrollment</u>

Achieve institutional capacity in student enrollment while increasing diversity and quality.

- The restructuring of the Admissions Office to provide greater professionalism and increased recruiting and marketing efforts has resulted in the salary enhancement of two previous admissions positions to a Director of Enrollment Services, which now includes supervision of the Financial Aid Office, and an assistant director position.
- The budget supports the addition of an admissions administrative assistant position and a Datatel position to primarily support the enrollment services areas but also other units utilizing the Datatel module.
- A simplification of our tuition schedule to move toward a single cost/credit charge presents a less confusing picture to prospective students and enables better financial planning on their part. This change was strongly recommended by the enrollment management consultants.

<u>Student Services</u>

Provide responsive, accessible and high quality student services that meet the needs of a diverse adult population.

- Part-time staff hours have been added to the bookstore to increase the time it is open to better serve our students.

- One percent of the tuition increase has been earmarked for technology to provide better support services to our students. This commitment was made as the result of student demand and represents a 50% increase in overall budgeted dollars for technology support.
- Library directorship position funded at 75%.

Community Engagement

Build relationships that provide educational service to the community and enhance the quality and distinctiveness of the Antioch experience.

- A new secretarial staff support position for University Relations to be added effective January 2000, subject to meeting our enrollment projections.
- Support of the new Antioch Center for Community and Professional Learning to provide increased continuing education programs and outreach efforts.

Employees

Attract, develop, excite and retain an exceptional and diverse group of employees, adequate to support University activities.

- Compensation funds have been budgeted to cover a 3.6% increase in compensation (3% salary increase) for all regular employees beginning January 2000. The increase is subject to meeting our enrollments.
- Adjunct salaries are budgeted for a 3.5% increase per course effective July 1, 1999.
- Faculty and staff development funds are reinstated after freezing those funds during the 1998-99 year.

Technology

Use technology in innovative and appropriate ways to support a learner-focused educational environment.

- A new staff position to support computing services to be added effective January 2000, subject to meeting our enrollment projections.

- Funds earmarked to support efforts to integrate technology into our curriculum and training of faculty.
- The previously mentioned use of 1% of tuition revenues targeted for technology enhancement.

Financial

Create a healthy, diversified financial base to support institutional excellence.

- The facility budget is increased 5% to cover increased security and maintenance expenses and to account for revised cost estimates for utilities now that we have been in the building a full year.
- Reestablishment of the building reserve fund that was depleted during the 1998-99 budget cuts.
- Establishment of a new presidential reserve fund funded at 1/2 of 1% of student derived revenues for contingency use and emergency funding. Our goal is to increase this voluntary contingency fund to a full 1% in 2000-01.

III. FPE AND PROGRAM COSTS

Enrollment Projections

Antioch Seattle is projecting 811.2 Annualized Full Pay Equivalents (FPE) for the 1999-2000 budget. The projection of 811.2 minus the new initiatives of Art Therapy, OSR-MW, and the Corporate Leadership program is actually the same as year's budget, when both are converted to the new FPE methodology. The experience of not meeting our enrollment projections this past year has resulted in carefully developed, conservative projections for the 1999-2000 budget. With the help of our new Director of Enrollment Services, each program was carefully assessed for potential growth or the potential for continued down turn in enrollment levels. For example, the combined graduate programs in Psychology are projected at 267 FPE. The 1998-99 budget was built with 299 FPE for Psychology and we expect them to finish this year with 280 FPE. This budget anticipates that we may continue to experience lower enrollments in Psychology.

High demand for teachers, a good placement rate, and plenty of applications has resulted in a more optimistic projection of enrollments for Education. This year we added an additional Teacher Certification cohort so the figures for Education show a growth of 44 FPE. In other programs the projections are closer to last year's budget and this year's actual enrollments with projections being more conservative for Whole Systems Design, Management, and the Environment and Community Limited Residency Program. The newly developed Seattle Weekend Option of the Environment and Community Program is projected more optimistically as is the BA Completion Program.

This represents our best thinking about a budget built on conservative and attainable enrollment projections.

Revenue

Total revenue projected is $8,640,910, which is 6.6% higher than was budgeted for 1998-99. Most of this increase is from modest enrollment growth from new programs, a tuition increase, and minor changes in other sources of revenue as outlined in the following paragraphs.

The 1999-2000 budget contains a tuition increase that involves two components. The actual tuition levels are based upon extensive program-by-program analysis of local competitive programs calculated by the Academic Dean and Program Directors. The regional analysis resulted in a broad range of increases from 0% in one program to as high as 10% in another. Most programs are in the 2-3% range for full-time students. The overall average tuition increase is 3.4% with 1% of the tuition increase dedicated to technology.

The second component of our pricing changes involves a transition to a level price per credit structure for each program. Because this change caused dramatic increases at some credit levels, especially at 12-15 credits in the BA completion program, we are phasing in the change over two years and giving Antioch Tuition Grants (ATG) to continuing students in the BA completion program if they enroll for 12 or more credits. This change was complicated to implement, but it simplifies our tuition schedule and presents a less confusing picture to prospective students (which was strongly recommended by our enrollment management consultants).

This budget also reflects growth in our continuing education efforts and an increased contribution from development to operations. A decision has been made to eliminate the computer access fee and dedicate a portion of our overall tuition dollars to technology. Rent from our tenant space is budgeted at the rate we anticipate if only 50% of the available space is occupied. There is an offsetting reserve in the budget in the event the space is not rented. Current negotiations with prospective tenants give us optimism that we will have a tenant by this Summer or early Fall. Auxiliary revenues from the Bookstore are increased modestly to the level we expect for this year's actual performance.

IV. OTHER PRIORITIES

If AUS exceeds its enrollment projections, the Planning and Budget Council has requested that the first priority for any excess revenue be used to restore to the programs and units the funds taken in the 1% cut made to balance the 1999-2000 budget. I have asked the Planning and Budget Council to recommend a priority funding list for any potential additional excess revenues.

Toni Murdock
President

Antioch Seattle
1999-00 Proposed Budget Summary by Function

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	Change From 1998-99 Budget to 1998-99 Projected %	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	Change From 1998-99 Proj to 1999-00 Budget %	Change From 1998-99 Budget to 1999-00 Budget $	Change From 1998-99 Budget to 1999-00 Budget %
Revenues											
Tuition & Fees	6,537,877	7,085,708	7,420,590	6,960,764	-459,826	-6.20%	*8,027,204*	1,066,440	15.32%	606,614	8.17%
Less Tuition Discounts	-94,423	-59,353	-68,000	-58,353	9,647	-14.19%	*-86,700*	-28,347	48.58%	-18,700	27.50%
Gifts	20	6,928	10,000	19,126	9,126	91.26%	*20,000*	874	4.57%	10,000	100.00%
Grants	202,788	158,522	181,641	157,942	-23,699	-13.05%	*189,641*	31,699	20.07%	8,000	4.40%
Endowment Income	0	0	0	0	0		*0*	0		0	
Contracts	128,993	67,919	0	26,469	26,469		*10,000*	-16,469	-62.22%	10,000	
Other Income	417,544	202,816	216,951	211,057	-5,894	-2.72%	*188,765*	-22,292	-10.56%	-28,186	-12.99%
Total E&G Revenue	7,192,799	7,462,540	7,761,182	7,317,005	-444,177	-5.72%	*8,348,910*	1,031,905	14.10%	587,728	7.57%
Auxiliary Enterprises	214,337	250,786	263,400	293,818	30,418	11.55%	*285,000*	-8,818	-3.00%	21,600	8.20%
Released From Restrictions	-5,350	65,095	78,000	29,842	-48,158	-61.74%	*7,000*	-22,842	-76.54%	-71,000	-91.03%
Total Revenues	7,401,786	7,778,421	8,102,582	7,640,665	-461,917	-5.70%	*8,640,910*	1,000,245	13.09%	538,328	6.64%
Operating Expenses											
Instruction	3,272,043	3,377,932	3,481,889	3,314,288	-167,601	-4.81%	*3,412,450*	98,162	2.96%	-69,439	-1.99%
Research	0	0	0	0	0		*0*	0		0	
Public Service	0	109	0	690	690		*0*	-690	-100.00%	0	
Academic Support	101,710	391,862	344,408	260,610	-83,798	-24.33%	*336,456*	75,846	29.10%	-7,952	-2.31%
Student Services	536,385	547,792	551,525	595,919	44,394	8.05%	*751,813*	155,894	26.16%	200,288	36.32%
Institutional Support	1,683,570	1,942,423	2,198,460	2,028,773	-169,687	-7.72%	*2,552,770*	523,997	25.83%	354,310	16.12%
Plant Maintenance	687,807	826,264	804,877	820,177	15,300	1.90%	*875,257*	55,080	6.72%	70,380	8.74%
Scholarships	185,232	165,087	270,641	190,941	-79,700	-29.45%	*181,641*	-9,300	-4.87%	-89,000	-32.88%
Total E&G Expenses	6,466,747	7,251,469	7,651,800	7,211,398	-440,402	-5.76%	*8,110,387*	898,989	12.47%	458,587	5.99%
Auxiliary Enterprises	209,761	242,294	252,378	290,815	38,437	15.23%	*270,823*	-19,992	-6.87%	18,445	7.31%
Total Operating Expenses	6,676,508	7,493,763	7,904,178	7,502,213	-401,965	-5.09%	*8,381,210*	878,997	11.72%	477,032	6.04%
Excess Revenue over Expenses	725,278	284,658	198,404	138,452	-59,952	-30.22%	*259,700*	121,248	87.57%	61,296	30.89%
Annual Budget Conversion to Cash basis											
Capital Expenditures	6,456,071	1,968,557	88,404	20,474	-67,930	-76.84%	*139,500*	119,026	581.35%	51,096	57.80%
Borrowing Proceeds	-6,216,245	-1,647,883	0	0	0		*0*	0		0	
Principal Payments	0	100,000	110,000	110,000	0	0.00%	*120,200*	10,200	9.27%	10,200	9.27%
Prior Year Reserves	0	-136,016	0	0	0		*0*	0		0	
Add back Depreciation	0	0	0	0	0		*0*	0		0	
Total Cash Items	239,826	284,658	198,404	130,474	-67,930	-34.24%	*259,700*	129,226	99.04%	61,296	30.89%
Net Cash Basis Budget	485,452	0	0	7,978	7,978		*0*	-7,978	-100.00%	0	

Antioch Seattle

1999-00 Proposed Budget Summary by Category

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	%	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	%	Change From 1998-99 Budget to 1999-00 Budget $	%
Revenues	7,401,786	7,778,421	8,102,582	7,640,665	-461,917	-5.70%	***8,640,910***	1,000,245	13.09%	538,328	6.64%
Operating Expenses											
Salaries & Wages	3,384,195	3,660,270	3,893,437	3,852,694	-40,743	-1.05%	***4,129,699***	277,005	7.19%	236,262	6.07%
Benefits	833,410	877,708	1,027,007	963,515	-63,492	-6.18%	***1,058,158***	94,643	9.82%	31,151	3.03%
Training & Development	152,062	194,663	114,890	109,744	-5,146	-4.48%	***153,050***	43,306	39.46%	38,160	33.21%
Student Aid Services	92,763	105,629	129,647	93,046	-36,601	-28.23%	***58,729***	-34,317	-36.88%	-70,918	-54.70%
Special Events	30,257	50,531	72,550	33,589	-38,961	-53.70%	***58,150***	24,561	73.12%	-14,400	-19.85%
Supplies	73,057	164,392	117,998	113,900	-4,098	-3.47%	***116,640***	2,740	2.41%	-1,358	-1.15%
Business Operations	432,880	590,811	527,153	485,190	-41,963	-7.96%	***530,347***	45,157	9.31%	3,194	0.61%
Plant Maintenance	765,707	301,139	213,364	236,100	22,736	10.66%	***264,827***	28,727	12.17%	51,463	24.12%
Interest Expense	17,195	528,056	617,858	626,058	8,200	1.33%	***606,531***	-19,527	-3.12%	-11,327	-1.83%
Resale Costs	172,813	202,230	207,300	257,586	50,286	24.26%	***215,300***	-42,286	-16.42%	8,000	3.86%
Miscellaneous	-7,471	45,366	27,850	2,911	-24,939	-89.55%	***15,598***	12,687	435.83%	-12,252	-43.99%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	120,859	0	-120,859	-100.00%	***145,262***	145,262		24,403	20.19%
Campus Program Contingency, Discret	0	0	105,015	0	-105,015	-100.00%	***187,496***	187,496		82,481	78.54%
Liquidity Reserve	62,894	99,028	90,644	90,644	0	0.00%	***108,946***	18,302	20.19%	18,302	20.19%
Overhead											
To the University	799,140	840,234	830,907	830,906	-1	0.00%	***998,673***	167,767	20.19%	167,766	20.19%
Rebates from the University	-189,654	-229,154	-262,705	-261,432	1,273	-0.48%	***-317,996***	-56,564	21.64%	-55,291	21.05%
Subsidy from Adult Campuses	45,912	44,400	48,000	48,000	0	0.00%	***51,800***	3,800	7.92%	3,800	7.92%
Subsidy from Overhead	0	0	0	0	0		***0***	0		0	
Other (Intercampus Agree & Univ Conf	11,348	18,460	22,404	19,762	-2,642	-11.79%	***0***	-19,762	-100.00%	-22,404	-100.00%
Depreciation	0	0	0	0	0		***0***	0		0	
Total Operating Expenses	6,676,508	7,493,763	7,904,178	7,502,213	-401,965	-5.09%	***8,381,210***	878,997	11.72%	477,032	6.04%
Excess Revenue over Expenses	725,278	284,658	198,404	138,452	-59,952	-30.22%	***259,700***	121,248	87.57%	61,296	30.89%
Annual Budget Conversion to Cash Basis											
Capital Expenditures	6,456,071	1,968,557	88,404	20,474	-67,930	-76.84%	***139,500***	119,026	581.35%	51,096	57.80%
Borrowing Proceeds	-6,216,245	-1,647,883	0	0	0		***0***	0		0	
Principal Payments	0	100,000	110,000	110,000	0	0.00%	***120,200***	10,200	9.27%	10,200	9.27%
Prior Year Reserves	0	-136,016	0	0	0		***0***	0		0	
Add Back Depreciation	0	0	0	0	0		***0***	0		0	
Total Cash Items	239,826	284,658	198,404	130,474	-67,930	-34.24%	***259,700***	129,226	99.04%	61,296	30.89%
Net Cash Basis Budget	485,452	0	0	7,978	7,978		***0***	-7,978	-100.00%	0	

ANTIOCH SEATTLE
1999-00 Capital Budget

Campus	Buildings	Amount
	Total Buildings	0
Campus	**Building Improvements**	**Amount**
Seattle	Y2K/HVAC Controls	5,500
	Roof, Windows Upgrade	14,500
	Lobby Upgrade	4,000
	Total Building Improvemer	24,000
Campus	**Equipment**	**Amount**
Seattle	Computer Equipment	73,500
	Computer Instruction Cart	10,000
	Total Equipment	83,500
Campus	**Furniture & Fixtures**	**Amount**
Seattle	Upgrade Phone System	12,000
	Classroom Chairs	20,000
	Total Furniture & Fixtures	32,000
Campus	**Library Books**	
	Total Library Books	0
	Grand Total Capital Budget	**139,500**
		========

Antioch Seattle
Tuition Rate Changes 1999-00

Program		1998-99 Rates	1999-00 Proposed	% Change
--------		--------	--------	--------
BA Completion	Per Credit	333	335	0.60%
	Half Time	1,945	2,010	3.34%
	Full Time	3,240	3,540	9.26%
	Overload Add cre	135	295	118.52%
	Non Matriculated	335	335	0.00%
Psychology	Per Credit	370	360	-2.70%
	Half Time	1,440	1,440	0.00%
	Full Time	2,680	2,760	2.99%
	Overload Add cre	180	345	91.67%
	Non Matriculated	370	360	-2.70%
Whole System Design	Per Credit	370	360	-2.70%
	Half Time	1,440	1,440	0.00%
	Full Time	2,680	2,816	5.07%
	Overload Add cre	180	352	95.56%
	Non Matriculated	370	360	-2.70%
Education/On Campus	Per Credit	340	340	0.00%
	Half Time	1,360	1,360	0.00%
	Full Time	2,185	2,240	2.52%
	Overload Add cre	180	280	55.56%
	Non Matriculated	340	340	0.00%
	Site Based	1,885	1,980	5.04%
Education/Teacher Cer	Full Time	3,240	3,400	4.94%

Program		1998-99 Rates	1999-00 Proposed	% Change
--------		--------	--------	--------
Education/TC MA	Per Credit		410	
	Half Time	1,945	1,640	-15.68%
	Full Time	3,240	3,280	1.23%
	Overload Add cre	275	410	49.09%
Management	Full Time	3,900	4,050	3.85%
	(Monthly Rate)	1,300	1,350	3.85%
Organization Systems Ren				
Northwest	Full Time	3,571	3,682	3.11%
Midwest	Full Time	3,714	3,682	-0.86%
Environment & Community LRO				
Cohort 1 & 2	Part Time	2,042	2042	0.00%
Cohort 4 (Win '98)	Part Time	2,165	2165	0.00%
Cohort 4 (Win '99)	Part Time	2,250	2250	0.00%
Cohort 5	Part Time	2,250	2500	11.11%
Environment & Community SWO				
	Per Credit	370	355	-4.05%
	Half Time	1440	1420	-1.39%
	Full Time	2680	2840	5.97%
	Overload Add cre	180	355	97.22%
	Non Matriculated	370	355	-4.05%

ANTIOCH SOUTHERN CALIFORNIA
1999-2000 PROPOSED BUDGET

I. 1998-99 ACCOMPLISHMENTS AND CHALLENGES

The budget crisis of last summer is old news, but we cannot understate the severity of the rapid turns of events on the morale and stability of the organization. Effects linger. Repercussions abound. The good news is that we are on the mend.

Given our current projections for Spring enrollment, we expect to end the year with the Mandatory Contingency and some of the Program Contingency intact and carry the bulk of these monies forward as reserves. This is essential since our reserve situation, after the previous years' deficits, is precarious. Despite the pain it caused, the roughly $400,000 we excised from this year's budget in the summer was a wise move. We have learned the consequences of living beyond our means.

Enrollment for the year, based on the revised projections of the budget reconfiguration, was solid though not spectacular. We should end the year with approximately 777 annualized Full Pay Equivalent (FPE) students in the region, 13 short of our revised projection. This represents a dollar shortfall of $116,300. At about 1.5% of projected tuition income and budgeted FPE, this is an amount we can manage. Vigilance regarding expenses in the final weeks of the year is the key to achieving the results we require to remain stable.

I believe we are getting a handle on how to be more accurate in our enrollment projections. We are refining our methodology of interpolating from inquiries, evaluating what the Antioch University Southern California "funnel" should really be, and studying how to market effectively. (One area we need to work on is retention and that is on the agenda for next year.) These efforts should show up clearly in the accuracy of next year's numbers.

We are also taking seriously the need for careful analysis of trends and outcomes, program by program. In a brief view in those terms, our Los Angeles MFA and both BA programs are performing well. Psychology in Santa Barbara is holding steady after a decline; in Los Angeles, the questions remain about the level at which that program will stabilize. Our greatest weakness is in the MAOM programs at both locations. We need to devise a strategy to make these work; we have begun that process in earnest.

Our most impressive accomplishment has been our ability to survive a year of great turmoil and dislocation. Within that framework and against the odds, we have impressive concrete gains we should acknowledge:

- The build-out of the Los Angeles campus is complete (though now we need additional space for new programs again) and makes the campus a better place to work and study.

- We launched a bookstore in Los Angeles as an auxiliary enterprise and negotiated a successful arrangement to open a cafe there. This looks even better when contrasted with the fact that the prior arrangements for both bookstore and cafe collapsed at startup or shortly thereafter.

- The reorganization of regional structure and governance began with the appointment of Executive Deans for each campus and continued with personnel changes throughout the ending year and planned reorganizations for the beginning year. Most pertinent to mention are the outsourcing of information technology in Los Angeles and the nascent development efforts in the region.

- New academic specialization within MAP began in Los Angeles (child studies) and Santa Barbara (career counseling). At the same time, we explored new delivery systems (Saturday one-day-a-week in Los Angeles). Due to the severity of our technology problems, we slowed the pace of regional distance learning expansion, which is a disappointment.

- We are in the midst of a comprehensive and far-ranging planning process and we are beginning to create a culture of evidence that measures our progress, assesses our capabilities, insists on accountability, and communicates the organizational realities to all.

II. 1999-2000 GOALS AND OBJECTIVES

We enter a new budget year (and new century!) with two overarching goals in the fiscal arena:

- Budget Authenticity: realistically estimating income and ending the underbudgeting of expenses (e.g., the graduations, legal fees).

  The combination of off-the-mark enrollment projections and its effect on income, and the consistent under-budget of known expenses, by $5000 in this area and $10,000 in that (which adds up in total and throws spending out of whack), can no longer be afforded and has not been a principle of the proposed budget.

- Future Investment: prudently (but with a dash of risk-taking) moving into new areas for income generation and program expansion.

  New credit and non-credit programs, an additional location in Los Angeles, building a solid development effort -- these and other initiatives need to be seeded financially next year and can be expected, in the not-too-distant future, to bear fruit by increasing the revenue stream.

Among the objectives our fiscal plans reflect to achieve these goals are:

1. Improve technology infrastructure, service and employee training.

   Both locations are in need of comprehensive technology plans. We are shoring up our technological situations for the next year while we develop the plan for 2000-01. Of particular note is our outsourcing of the entire information technology operation in Los Angeles, which, while costing somewhat more (at least at startup), should finally create the possibility of correction and growth in infrastructure and support there.

2. Launch regional teacher credential/MA in education program

With final approval from the State only weeks away (we hope), we are gearing up to hire the faculty, recruit students, organize support services, and acquire or set up facilities.

3. Open and develop the San Gabriel Valley Center.

The venture into this new catchment area, with implications for our partnerships and academic/community program, along with teacher education, is the other major new initiative for next year.

4. Expand the External Relations and Development efforts.

One full time staff in alumni/ae and community relations has been hired. Two consultants in publications and marketing are on board. The main focus of efforts is the October 1999 presidential inauguration, seen as the kickoff of greatly increased efforts.

5. Increase outreach efforts.

In LA, we added another front desk staff person with an Admissions focus and added a Registrar Datatel staff assistant to free the Student Services Datatel Coordinator to focus on full implementation of Admissions and Communication Management modules. This will facilitate improved management of inquirers and applicants.

In SB, we added a half-time staff assistant to assist with outreach to local communities and to improve data input capabilities.

6. Reorganize the campuses.

The recently formed LA Campus Services Center will be staffed and provided its own budget to manage copying services, order office supplies, distribute incoming and process outgoing mail, and outsource print jobs as needed. Supplies and copying budgets from all cost centers are now consolidated into one function. Under the supervision of the Facilities Manager, the Center will also manage all small equipment maintenance and repairs (except computers).

The Student Services area, partially reorganized in August 1998, will see the full implementation of the original plan. By reallocating salaries of three administrative positions (one resigned in September 98; one will not return to this role from maternity leave; the third wishes to move to a different position in the academic area), the Associate Dean of Administration, Registrar and Director of Admissions positions are being created. An Associate Dean search will begin immediately for an individual who will supervise Admissions, Registrar, Financial Aid, Campus Operations and Facilities.

The LA fiscal office is currently under review after the departure of the Assistant Dean of Business Operations, who headed that office, in September 1998. Thus far, job duties have been reassigned among three staff members, offices have been reorganized, improved internal controls are in place, and the backlog of fiscal tasks is steadily being brought current. Further changes are likely, though the Assistant Dean position will not be replaced.

7. Review uncertain programs:

MA Clinical Psychology: While the LA program has grown slightly in the current year it has failed to meet projections and, overall, it has decreased by 23 FPE over the past three years. In SB the program has decreased by 30 FPE in the same period. Both programs are continuing to add non-clinical concentrations (Child Studies in LA and Career Counseling in SB) but FPE numbers in the 13 to 18 range have not yet made up the difference.

MAOM: LA's program is down from 28 FPE in 1997-98 to 16 FPE in 1999-2000. In SB, the program has remained stable at 40 FPE but did not meet growth targets of 45 FPE in 1998-99.

III. THE BUDGET PROPOSAL: A BIRD'S EYE VIEW

Proposed for next year is a balanced budget which totals $9,859,782, including allocations from Restricted Gift Funds. At the three revenue-generating campuses -- Los Angeles, Santa Barbara, and the San Gabriel Valley Center (fiscally separate but structurally part of Los Angeles), the revenue distribution (by percent of total) is approximately 27.2% from Santa Barbara, 66.1% from Los Angeles, and 2.4% from the San Gabriel Valley Center. The Regional "campus" -- compensation and expenses for regional officers of Antioch University Southern California -- is funded by an overhead payment from Santa Barbara ($202,402 or 26.7%), Los Angeles ($450,507 or 59.5%) and the University rebate ($104,000 or 13.7%).

The regional budget development process for 1999-2000 instructed the rollover of expenses and a careful calculation of enrollment income. Changes from this fiscal year, up or down in income or expense, were justified in narratives submitted with the requests. It should be noted that a more strategic budgeting process will be put in place for future years.

Under the continuing difficult financial conditions of the region, very few new projects or areas could be funded from any source. There are significant planned investments in the San Gabriel Valley Center and Teacher Education Program (delineated below). Two mandated items were funded:

- Los Angeles Core Faculty Position under Past President's Retreat Rights ($80,000)
- University Overhead Increases -- mostly for the third-year start of MFA payments ($192,000)

The following discretionary items were budgeted at $20,000 or more above this year's expense lines:

- Additional Staff for the President's Office ($42,000)
- Inauguration ($25,000)
- Los Angeles Student Services Reorganization ($20,000)
- Tentative Salary Increase and Service Recognition ($48,000)
- New Core Faculty Positions in Los Angeles for MFA and BA ($55,000)
- Los Angeles Technology Outsourcing Contract ($31,000)
- Los Angeles Increase for Student Parking ($42,000)

- Los Angeles Campus Services Center Staff ($23,000)
- Santa Barbara Admissions Office Staff ($22,000)

IV. SOME SPECIFIC ISSUES/ASPECTS

1. Enrollment maintenance and improvement

Our annualized FPE projection for next year is 844. We have been conservative and increased only slightly in the overall projection based on program performance (i.e., BA Los Angeles and Santa Barbara) or program initiatives which will have impact (i.e., MAP Los Angeles child studies specialization). Forty-four FPE are new, based on projections for the first year's cohorts in both locations in the teacher credential/MA in education programs.

2. Tuition/fee increases

We are proposing a full-time tuition increase of $200 per quarter (per semester in the MFA in Los Angeles) for all programs. This represents a larger increase than we would wish to impose, but past practice has not been smooth or prudent.

For the five-year period ending in 2000, the proposed $200 increase, on top of prior increases of varying amounts in 1995-1999, will result in an average increase per year from a low of 1.6% (Los Angeles BA) to a high of 2.8% (Santa Barbara BA) over that period in each of the programs (the two-year-old MFA has its first increase since inception which amounts to 5%). The problem is that these increases have come in fits and starts, thus making next year's increase appear hefty in some programs. Our goal must be to have a reasonable, steady and consistent increase every year -- and that should probably be the 2-4% range. Our analysis of the competition demonstrates we will not be pricing ourselves inappropriately in the current market.

We propose, in addition, modest fee increases in some areas (e.g., the parking fee in Los Angeles).

3. Compensation policy and review.

   Tentative salary increases are pegged at 2% as a cost-of-living, across the board package beginning either July 1 (staff) or January 1 (faculty and administration) as we did this year. Individual adjustments have been made in a few cases for equity reasons, reclassifications of positions, or acknowledgement of added responsibilities (e.g., the Executive Dean roles for the two regional deans). Our Service Recognition Program, which provides a modest salary increase for every three years of service, will be in effect for the second year as a base salary increase for employees so recognized.

   We plan a comprehensive review of our compensation policies and procedures with the intention of a major overhaul over the next two years.

4. Planned Uses for Program Contingency

   Our proposal includes a discretionary program contingency for the region of approximately $100,000. We will use this, if available, to begin to implement the strategic technology plan we will have in place by January.

   We aim to budget 5% of net tuition revenue for the combined contingency categories (mandatory campus and discretionary program) in the next budget if feasible. In this proposed budget, we achieve 3.4% of net tuition revenue.

5. San Gabriel Valley Center

   Negotiations continue for leasing the building in South Pasadena and collaborating with Classes Unlimited and the Fremont Center Theatre, the current occupants. We expect to conclude both before the end of May. We are pleased to report that we have verbal permission from the city planning office to proceed without a Conditional Use Permit.

   Contained in the budget proposal, as a separate cost center/campus for fiscal purposes, is $284,900 in revenue (including $25,000 from the Program Development budget) and $259,887 in expenses for this area.

6. Teacher Education Program

   Final budget figures for this major initiative are still in a bit of flux since we await further directives from the state mandating required actions (e.g., increase library size or facilities, additional computers and software, staffing ratios, and so on). At this moment, our budget proposal includes $484,367 in expenses and $459,300 in revenue (including $73,000 from the Program Development budget) for Teacher Education.

   The roughly $25,000 deficit is acceptable for a new program and may not occur since we are optimistic that we can exceed our enrollment projections. Two additional FPE in the region would just about remove the deficit entirely, making this a break-even program. We should also note that we have been working with a grantwriting consultant to identify and submit appropriate proposals and success in this area will affect positively next year's bottom line.

7. Capital Budget

   We have about $32,000 for technology to sustain current operations in this budget proposal. We plan to achieve the $75,000 goals in the 1999-2000 Capital Budget either by spending released Program Contingency or by only fulfilling the priorities we can afford and postponing the rest. Full revision of last year's Five-year Capital Budget awaits a more careful analysis of needs, since the plan submitted last year seems flawed in concept and certainly could not be executed this year.

   The expectation would be that our 2000-05 Capital Budget submitted next year will be a substantially improved version based on more complete and thorough analysis of needs. Both technology and facilities are in a state of flux, and much clearer information on current realities, near-term requirements and future directions will emerge in the next few months.

8. Restricted Budget Highlights

Antioch University Southern California's restricted budgets include federal grants, several modest scholarship funds, and major gifts for faculty and program development and a presidential discretionary fund. Transfers will occur in faculty development ($18,000 for various activities), program development ($73,000 for Teacher Education, $25,000 for the San Gabriel Valley Center, and $5,000 for Psychology in Santa Barbara), and marketing consultation ($25,000) and professional development ($5,000) from the President's Discretionary Fund.

V. IN CONCLUSION

I hope this brief narrative has provided the Board with the information it needs to assess our 1999-2000 budget proposal. I believe the proposal is a carefully constructed, prudent, sound, and appropriate effort. I think it reflects the current reality and projects a realistic future.

As any good budget should, it juggles all the myriad aspects and keeps us attuned to what we are doing: Trying to serve students with the best possible education we – and they – can imagine. And, in the unique context of the Antioch federal model, it postulates how we can be a good citizen both within the region and within the University.

We hope you will agree with this assessment and welcome your questions and comments.

Mark Schulman
President

Antioch Southern California

1999-00 Proposed Budget Summary by Function

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	%	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	%	Change From 1998-99 Budget to 1999-00 Budget $	%
	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Revenues											
Tuition & Fees	7,425,607	7,439,528	7,921,655	7,818,871	-102,784	-1.30%	9,286,332	1,467,461	18.77%	1,364,677	17.23%
Less Tuition Discounts	-175,925	-182,975	-209,600	-175,100	34,500	-16.46%	-212,100	-37,000	21.13%	-2,500	1.19%
Gifts	14,115	11,705	23,700	63,395	39,695	167.49%	97,500	34,105	53.80%	73,800	311.39%
Grants	303,828	238,306	263,500	264,148	648	0.25%	263,500	-648	-0.25%	0	0.00%
Endowment Income	0	0	0	0	0		0	0		0	
Contracts	0	0	0	0	0		0	0		0	
Other Income	29,943	17,526	20,000	9,852	-10,148	-50.74%	35,550	25,698	260.84%	15,550	77.75%
Total E&G Revenue	7,597,568	7,524,090	8,019,255	7,981,166	-38,089	-0.47%	9,470,782	1,489,616	18.66%	1,451,527	18.10%
Auxiliary Enterprises	0	561	0	105,000	105,000		230,000	125,000	119.05%	230,000	
Released From Restrictions	61,060	64,118	139,100	113,000	-26,100	-18.76%	159,000	46,000	40.71%	19,900	14.31%
Total Revenues	7,658,628	7,588,769	8,158,355	8,199,166	40,811	0.50%	9,859,782	1,660,616	20.25%	1,701,427	20.86%
Operating Expenses											
Instruction	2,769,233	2,877,836	2,940,303	2,795,929	-144,374	-4.91%	3,612,262	816,333	29.20%	671,959	22.85%
Research	0	0	0	0	0		0	0		0	
Public Service	88,006	84,175	82,326	98,437	16,111	19.57%	106,603	8,166	8.30%	24,277	29.49%
Academic Support	542,170	500,821	688,793	617,692	-71,101	-10.32%	760,097	142,405	23.05%	71,304	10.35%
Student Services	1,035,618	1,040,449	1,064,479	993,789	-70,690	-6.64%	1,112,595	118,806	11.95%	48,116	4.52%
Institutional Support	2,073,151	2,007,239	2,073,696	1,946,524	-127,172	-6.13%	2,515,310	568,786	29.22%	441,614	21.30%
Plant Maintenance	1,035,741	1,136,581	998,514	1,116,254	117,740	11.79%	1,219,440	103,186	9.24%	220,926	22.13%
Scholarships	314,806	251,712	282,100	271,000	-11,100	-3.93%	271,000	0	0.00%	-11,100	-3.93%
Total E&G Expenses	7,858,725	7,898,813	8,130,211	7,839,625	-290,586	-3.57%	9,597,307	1,757,682	22.42%	1,467,096	18.04%
Auxiliary Enterprises	0	0	0	115,900	115,900		230,000	114,100	98.45%	230,000	
Total Operating Expenses	7,858,725	7,898,813	8,130,211	7,955,525	-174,686	-2.15%	9,827,307	1,871,782	23.53%	1,697,096	20.87%
Excess Revenue over Expenses	-200,097	-310,044	28,144	243,641	215,497	765.69%	32,475	-211,166	-86.67%	4,331	15.39%
Annual Budget Conversion to Cash basis											
Capital Expenditures	36,568	38,516	28,144	28,142	-2	-0.01%	32,475	4,333	15.40%	4,331	15.39%
Borrowing Proceeds	0	0	0	0	0		0	0		0	
Principal Payments	0	0	0	0	0		0	0		0	
Prior Year Reserves	-236,665	-92,203	0	0	0		0	0		0	
Add back Depreciation	0	0	0	0	0		0	0		0	
Total Cash Items	-200,097	-53,687	28,144	28,142	-2	-0.01%	32,475	4,333	15.40%	4,331	15.39%
Net Cash Basis Budget	0	-256,357	0	215,499	215,499		0	-215,499	-100.00%	0	

Antioch Southern California

1999-00 Proposed Budget Summary by Category

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	%	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	%	Change From 1998-99 Budget to 1999-00 Budget $	%
Revenues	7,658,628	7,588,769	8,158,355	8,199,166	40,811	0.50%	9,859,782	1,660,616	20.25%	1,701,427	20.86%
Operating Expenses											
Salaries & Wages	3,786,358	3,903,729	3,952,677	3,918,776	-33,901	-0.86%	4,641,716	722,940	18.45%	689,039	17.43%
Benefits	894,940	812,557	915,922	865,664	-50,258	-5.49%	1,054,160	188,496	21.77%	138,238	15.09%
Training & Development	106,356	147,803	235,126	223,443	-11,683	-4.97%	284,279	60,836	27.23%	49,153	20.90%
Student Aid Services	106,294	89,834	84,900	69,700	-15,200	-17.90%	75,800	6,100	8.75%	-9,100	-10.72%
Special Events	34,762	34,426	21,510	28,437	6,927	32.20%	57,010	28,573	100.48%	35,500	165.04%
Supplies	137,820	120,152	133,266	139,500	6,234	4.68%	157,148	17,648	12.65%	23,882	17.92%
Business Operations	679,953	722,589	689,426	685,631	-3,795	-0.55%	1,006,985	321,354	46.87%	317,559	46.06%
Plant Maintenance	1,122,666	1,183,403	1,050,731	1,119,208	68,477	6.52%	1,170,203	50,995	4.56%	119,472	11.37%
Interest Expense	15,457	18,390	14,650	11,500	-3,150	-21.50%	13,150	1,650	14.35%	-1,500	-10.24%
Resale Costs	0	0	0	115,900	115,900		190,000	74,100	63.93%	190,000	
Miscellaneous	12,069	7,024	2,148	3,375	1,227	57.12%	2,015	-1,360	-40.30%	-133	-6.19%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	155,425		-155,425	-100.00%	183,058	183,058		27,633	17.78%
Campus Program Contingency, Discret	0	0	100,039		-100,039	-100.00%	100,039	100,039		0	0.00%
Liquidity Reserve	78,818	78,064	89,688	89,688	0	0.00%	103,718	14,030	15.64%	14,030	15.64%
Overhead					0						
To the University	1,062,744	993,908	949,170	949,170	0	0.00%	1,140,897	191,727	20.20%	191,727	20.20%
Rebates from the University	-250,000	-271,066	-325,147	-325,147	0	0.00%	-406,271	-81,124	24.95%	-81,124	24.95%
Subsidy from Adult Campuses	62,378	58,000	54,200	54,200	0	0.00%	53,400	-800	-1.48%	-800	-1.48%
Subsidy from Overhead	0	0	0	0	0		0	0		0	
Other (Intercampus Agree & Univ Conf	8,110	0	6,480	6,480	0	0.00%	0	-6,480	-100.00%	-6,480	-100.00%
Depreciation	0	0	0	0	0		0	0		0	
Total Operating Expenses	7,858,725	7,898,813	8,130,211	7,955,525	-174,686	-2.15%	9,827,307	1,871,782	23.53%	1,697,096	20.87%
Excess Revenue over Expenses	-200,097	-310,044	28,144	243,641	215,497	765.69%	32,475	-211,166	-86.67%	4,331	15.39%
Annual Budget Conversion to Cash Basis											
Capital Expenditures	36,568	38,516	28,144	28,142	-2	-0.01%	32,475	4,333	15.40%	4,331	15.39%
Borrowing Proceeds	0	0	0	0	0		0	0		0	
Principal Payments	0	0	0	0	0		0	0		0	
Prior Year Reserves	-236,665	-92,203	0	0	0		0	0		0	
Add Back Depreciation	0	0	0	0	0		0	0		0	
Total Cash Items	-200,097	-53,687	28,144	28,142	-2	-0.01%	32,475	4,333	15.40%	4,331	15.39%
Net Cash Basis Budget	0	-256,357	0	215,499	215,499		0	-215,499	-100.00%	0	

ANTIOCH SOUTHERN CALIFORNIA
1999-00 Capital Budget

Campus	Buildings	Amount
	Total Buildings	0

Campus	Building Improvements	Amount
	Total Building Improvements	0

Campus	Equipment	Amount
Southern CA	Computer Equp - Teacher Ed	15,000
Southern CA	Instructional Resource Cntr	7,475
	Total Equipment	22,475

Campus	Furniture & Fixtures	Amount
Southern CA	SGV Furnishings	10,000
	Total Furniture & Fixtures	10,000

Campus	Library Books	
	Total Library Books	0
	Grand Total Capital Budget	**32,475**
		========

Antioch Southern California
Tuition Rate Changes 1999-00

Program	1998-99 Rates Per Quarter	1999-00 Proposed Per Quarter	% Change
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Los Angeles - BA Program	3,200	3,400	6.25%
Los Angeles - MAP & MAOM	3,350	3,550	5.97%
Los Angeles - MFA Program	4,000	4,200	5.00%
Los Angleles - Teacher Cert		3,400	
Santa Barbara - BA Program	3,050	3,250	6.56%
Santa Barbara - MAP Progra	3,200	3,400	6.25%
Santa Barbara - MAOM Proc	3,200	3,400	6.25%
Santa Barbara - Teacher Cert		3,400	

THE McGREGOR SCHOOL
1999-2000 PROPOSED BUDGET

I. 1998-99 ACCOMPLISHMENTS AND CHALLENGES

There have been a number of positive accomplishments and milestones at the School during the 1998-99 academic year that are cause for significant optimism as we look forward to the new academic year. Barbara Danley assumed the presidency of The McGregor School on May 1, and Steve Brzezinski began his duties as Academic Dean on the same date. The Teacher Certification Program has continued to expand and is now clearly recognized as a leader in teacher education in the Miami Valley. The McGregor School's participation in AACU's Racial Legacies and Learning Project has received national recognition. The Graduate Management Program and the Intercultural Relations track within the IMA continued their strong resurgence in both students and income over the previous year. Finally, the Educational Leaders Summer Series (ELSS), our summer teacher education institute in continuing education initially funded with a generous grant from the Lovelace Foundation, attracted almost 1,000 teachers to the McGregor campus during the summer of 1998.

However, substantial weakness in several key McGregor School program areas are contributing to a difficult budgetary situation at McGregor as academic year 1998-1999 winds down. With most revenue for the year now either booked, anticipated, or already factored into the budget, it appears that revenue at year's end on June 30 will fall short of budget by approximately $400,000. This $400,000 includes a rollover of an estimated $78,000 in unspent grant income into 1999-2000, so that the actual revenue budget deficit for the academic year will be about $322,000.

As of March 31, expense savings against budget for the academic year total $276,781, or an average of about $31,000 per month. However, with $20,000 in emergency building repairs already committed, in addition to other unavoidable year-end expenses, it is not realistic to project that we will be able to save $31,000/month on expenses during the final quarter of the year. The most realistic projection is that we will be able to save an additional $40,000 against budgeted expenses through careful and prudent expense monitoring over the rest of the year. Comparing booked and projected expense savings, plus utilization of the $49,000 Mandatory Campus

Contingency, against the projected revenue shortfall leaves the prospect for a balanced budget somewhat precarious. Hence, though hopefully it will prove to be unnecessary, I have formally taken the precaution of requesting from the University Vice Chancellor access to $20,000 from The McGregor School's funded reserve account to cover the previously approved emergency building repairs, in the event such an action proves necessary for the School to end the year with a balanced budget.

II. 1999-2000 ENROLLMENT AND REVENUE PROJECTIONS

We are projecting essentially flat revenue for 1999-2000 over the 1998-99 budgeted level. However, this "flatness" is in aggregate, not by program, where there are some large increases and some sharp reductions. For example, the two programs that struggled mightily in 1998-99, the B.A. Completion Program, or Weekend College, and the Conflict Resolution track within the Individualized Master of Arts Program, are each budgeted almost $200,000 below their 1998-99 levels, since large recruitment shortfalls in this calendar year impact next year's budgeting process by reducing the continuing student pool. Stronger programs, like Graduate Management and the Self-Designed Track within the IMA, are targeted for modest student increases in the upcoming year. Finally, assuming Ohio Board of Education approval in October, the growing Teacher Certification Program will add a new MA in Educational Leadership with a Principalship Licensure to its existing programmatic offerings. The first cohort is tentatively scheduled to begin their studies in January 2000. For programs which are experiencing difficulty, like the Weekend College and the Conflict Resolution track in the IMA, new student recruitment targets were set substantially lower than 1998-99 budget targets, but modestly higher than 1998-99 actual student numbers.

Given the "no growth" nature of this budget in the midst of our transition to a President/Academic Dean structure, we have formally requested access to $20,000 of our funded reserves to support a 2% raise for our employees and to continue professional development initiatives during this transitional period.

III. EFFORTS TO INCREASE ENROLLMENTS AND REVENUE

A number of efforts to increase enrollments and provide greater stability in our revenue projections are now in place. The new President/Academic Dean structure positions The McGregor School for a more aggressive external presence in the Miami Valley which should clearly aid in fund-raising, as well as more rapid program redesign and new program development to meet changing market challenges and opportunities. Our Annual Fund should continue to grow as our contacts and relations with alumni are strengthened through alumni newsletters, events, and additional points of contact presently being developed by the Director of Alumni Affairs/Public Relations. The Board of Visitors has pledged to assist our new president in becoming more connected and visible in the Miami Valley and to aid in fund-raising initiatives.

On the programmatic side, we are beginning a comprehensive strategic planning process intended to help us focus on and prioritize organizational priorities, highlight and build on existing program strengths, and directly address areas of weakness and concern. Although this type of scrutiny will be extended to all programmatic offerings at The McGregor School, particular attention will be paid to the areas clearly struggling at present, especially the B.A. Completion Program and the Conflict Resolution track within the IMA.

IV. MAJOR CHANGES FROM THE 1998-99 BUDGET

A. Personnel Additions

Budget constraints and lack of new programs for 1999-2000 keep the addition of new personnel limited to the teacher education area to support our new MA in Educational Leadership with a Principalship Licensure. We are adding one additional faculty position to chair the new program and a program administrator to coordinate both the new program and the existing teacher certification program.

B. Salary Increase Plans

We have a 2% raise in the budget for all employees. For union employees whose contract with the School expires on October 16, 1999, this is an arbitrary number subject to being raised or reduced in subsequent contract negotiations.

C. These funds would be used to enhance and upgrade our computer network, hardware, and software capabilities.

V. CONCLUSION

After essentially three flat years in terms of revenue and enrollment, 1999-2000 is a pivotal year in the evolution of The McGregor School. Previously identified program weaknesses need to be addressed. Even our most successful programs need to be monitored and reshaped to meet changing demographics and rapidly evolving career patterns. Finally, new program initiatives need to be brought forward if we are to compete effectively in an increasingly competitive marketplace for adult students.

Barbara Gellman-Danley
President

The McGregor School of Antioch

1999-00 Proposed Budget Summary by Function

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget To 1998-99 Actual $	%	*Proposed 1999-00 Budget*	Change From 1998-99 Proj To 1999-00 Budget $	%	Change From 1998-99 Budget to 1999-00 Budget $	%
Revenues											
Tuition & Fees	4,994,924	4,712,931	5,188,545	4,744,977	-443,568	-8.55%	***5,273,582***	528,605	11.14%	85,037	1.64%
Less Tuition Discounts	-68,433	-14,138	-10,000	-45,727	-35,727	357.27%	***0***	45,727	-100.00%	10,000	-100.00%
Gifts	100	250	15,000	4,235	-10,765	-71.77%	***20,000***	15,765	372.26%	5,000	33.33%
Grants	50,505	72,575	104,375	125,874	21,499	20.60%	***67,625***	-58,249	-46.28%	-36,750	-35.21%
Endowment income	0	0	0	0	0		***0***	0		0	
Contracts	26,047	122,998	37,000	118,812	81,812	221.11%	***102,000***	-16,812	-14.15%	65,000	175.68%
Other Income	8,787	16,783	1,470	51,619	50,149	3411.50%	***18,770***	-32,849	-63.64%	17,300	1176.87%
Total E&G Revenue	5,011,930	4,911,399	5,336,390	4,999,790	-336,600	-6.31%	***5,481,977***	482,187	9.64%	145,587	2.73%
Auxiliary Enterprises	77,898	47,542	58,500	28,865	-29,635	-50.66%	***45,000***	16,135	55.90%	-13,500	-23.08%
Released From Restrictions	19,088	-10,544	0	-14,451	-14,451		***15,000***	29,451	-203.80%	15,000	
Total Revenues	5,108,916	4,948,397	5,394,890	5,014,204	-380,686	-7.06%	***5,541,977***	527,773	10.53%	147,087	2.73%
Operating Expenses											
Instruction	2,236,494	2,144,096	2,427,075	2,183,499	-243,576	-10.04%	***2,341,456***	157,957	7.23%	-85,619	-3.53%
Research	0	0	0	0	0		***0***	0		0	
Public Service	129,886	124,190	200,046	90,659	-109,387	-54.68%	***189,726***	99,067	109.27%	-10,320	-5.16%
Academic Support	487	127,919	56,295	134,179	77,884	138.35%	***146,668***	12,489	9.31%	90,373	160.53%
Student Services	629,013	700,098	738,965	722,309	-16,656	-2.25%	***726,043***	3,734	0.52%	-12,922	-1.75%
Institutional Support	1,535,077	1,554,819	1,767,375	1,620,742	-146,633	-8.30%	***1,941,711***	320,969	19.80%	174,336	9.86%
Plant Maintenance	61,293	84,724	101,734	92,101	-9,633	-9.47%	***90,816***	-1,285	-1.40%	-10,918	-10.73%
Scholarships	4,068	6,965	0	11,135	11,135		***17,500***	6,365	57.16%	17,500	
Total E&G Expenses	4,596,318	4,742,811	5,291,490	4,854,624	-436,866	-8.26%	***5,453,920***	599,296	12.34%	162,430	3.07%
Auxiliary Enterprises	86,888	60,043	61,000	61,000	0	0.00%	***60,500***	-500	-0.82%	-500	-0.82%
Total Operating Expenses	4,683,206	4,802,854	5,352,490	4,915,624	-436,866	-8.16%	***5,514,420***	598,796	12.18%	161,930	3.03%
Excess Revenue over Expenses	425,710	145,543	42,400	98,580	56,180	132.50%	***27,557***	-71,023	-72.05%	-14,843	-35.01%
Annual Budget Conversion to Cash basis											
Capital Expenditures	66,471	95,526	42,400	46,174	3,774	8.90%	***45,000***	-1,174	-2.54%	2,600	6.13%
Borrowing Proceeds	0	0	0	0	0		***0***	0		0	
Principal Payments	0	0	0	0	0		***0***	0		0	
Prior Year Reserves	0	0	0	0	0		***-17,443***	-17,443		-17,443	
Add back Depreciation	0	0	0	0	0		***0***	0		0	
Total Cash Items	66,471	95,526	42,400	46,174	3,774	8.90%	***27,557***	-18,617	-40.32%	-14,843	-35.01%
Net Cash Basis Budget	359,239	50,017	0	52,406	52,406		***0***	-52,406	-100.00%	0	

The McGregor School of Antioch

1999-00 Proposed Budget Summary by Category

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget To 1998-99 Actual $	%	*Proposed 1999-00 Budget*	Change From 1998-99 Proj To 1999-00 Budget $	%	Change From 1998-99 Budget to 1999-00 Budget $	%
Revenues	5,108,916	4,948,397	5,394,890	5,014,204	-380,686	-7.06%	***5,541,977***	527,773	10.53%	147,087	2.73%
Operating Expenses											
Salaries & Wages	2,089,021	2,173,360	2,444,092	2,348,117	-95,975	-3.93%	***2,683,581***	335,464	14.29%	239,489	9.80%
Benefits	557,814	637,785	769,453	656,776	-112,677	-14.64%	***758,544***	101,768	15.50%	-10,909	-1.42%
Training & Development	103,958	86,355	120,935	110,456	-10,479	-8.66%	***114,175***	3,719	3.37%	-6,760	-5.59%
Student Aid Services	0	1,000	0	36,357	36,357		***39,300***	2,943	8.09%	39,300	
Special Events	39,321	30,596	34,226	28,410	-5,816	-16.99%	***37,650***	9,240	32.52%	3,424	10.00%
Supplies	57,462	72,848	52,700	61,449	8,749	16.60%	***50,975***	-10,474	-17.05%	-1,725	-3.27%
Business Operations	704,571	662,981	710,035	565,783	-144,252	-20.32%	***634,602***	68,819	12.16%	-75,433	-10.62%
Plant Maintenance	62,007	85,489	94,580	97,036	2,456	2.60%	***96,566***	-470	-0.48%	1,986	2.10%
Interest Expense	16,117	15,864	16,260	14,520	-1,740	-10.70%	***16,260***	1,740	11.98%	0	0.00%
Resale Costs	0	0	0	0	0		***0***	0		0	
Miscellaneous	14,898	6,822	56,463	7,025	-49,438	-87.56%	***20,710***	13,685	194.80%	-35,753	-63.32%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	48,963		-48,963	-100.00%	***96,524***	96,524		47,561	97.14%
Campus Program Contingency, Discre	0	0	15,532		-15,532	-100.00%		0		-15,532	-100.00%
Liquidity Reserve	47,418	49,130	61,308	61,308	0	0.00%	***60,327***	-981	-1.60%	-981	-1.60%
Overhead											
To the University	651,994	675,543	674,389	674,389	0	0.00%	***663,601***	-10,788	-1.60%	-10,788	-1.60%
Rebates from the University	-131,165	-184,239	-213,588	-213,588	0	0.00%	***-228,435***	-14,847	6.95%	-14,847	6.95%
Subsidy from Adult Campuses	29,880	35,800	36,800	36,800	0	0.00%	***34,600***	-2,200	-5.98%	-2,200	-5.98%
Subsidy from Overhead	0	0	0	0	0		***0***	0		0	
Other (Intercampus Agree & Univ Conf	439,910	453,520	430,342	430,786	444	0.10%	***435,440***	4,654	1.08%	5,098	1.18%
Depreciation	0	0	0	0	0		***0***	0		0	
Total Operating Expenses	4,683,206	4,802,854	5,352,490	4,915,624	-436,866	-8.16%	***5,514,420***	598,796	12.18%	161,930	3.03%
Excess Revenue over Expenses	425,710	145,543	42,400	98,580	56,180	132.50%	***27,557***	-71,023	-72.05%	-14,843	-35.01%
Annual Budget Conversion to Cash Basis											
Capital Expenditures	66,471	95,526	42,400	46,174	3,774	8.90%	***45,000***	-1,174	-2.54%	2,600	6.13%
Borrowing Proceeds	0	0	0	0	0		***0***	0		0	
Principal Payments	0	0	0	0	0		***0***	0		0	
Prior Year Reserves	0	0	0	0	0		***-17,443***	-17,443		-17,443	
Add Back Depreciation	0	0	0	0	0		***0***	0		0	
Total Cash Items	66,471	95,526	42,400	46,174	3,774	8.90%	***27,557***	-18,617	-40.32%	-14,843	-35.01%
Net Cash Basis Budget	359,239	50,017	0	52,406	52,406		***0***	-52,406	-100.00%	0	

The McGregor School of Antioch
1999-00 Capital Budget

Campus	Buildings	Amount
	Total Buildings	0
Campus	**Building Improvements**	**Amount**
	Total Building Improvements	0
Campus	**Equipment**	**Amount**
McGregor	Y2K Network Equipment	7,000
	Network Server System	24,000
	Desktop Standardization	14,000
	Total Equipment	45,000
Campus	**Furniture & Fixtures**	**Amount**
	Total Furniture & Fixtures	0
Campus	**Library Books**	
	Total Library Books	0
	Grand Total Capital Budget	**45,000**
		========

The McGregor School of Antioch
Tuition Rate Changes 1999-00

Program	1998-99 Rates Per Quarter	1999-00 Proposed Per Quarter	% Change
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Weekend College	2,472	2,544	2.91%
Graduate Management	3,201	3,289	2.75%
IMA Classic	1,486	1,531	3.03%
IMA Intercultural Relations	2,032	2,094	3.05%
IMA Conflict Resolution	2,178	2,404	10.38%
Teacher Certification	2,863	2,948	2.97%

ANTIOCH UNIVERSITY ADMINISTRATION
1999-2000 PROPOSED BUDGET

I. 1998-99 ACCOMPLISHMENTS AND CHALLENGES

In addition to the ongoing responsibilities of the University Administration in 1998-99, the office focused on priorities established with the University Leadership Council and the Board of Trustees. A year-long activity has been the development of a University Plan. The Chancellor appointed six University-wide task forces selected from among individuals nominated by campus Presidents. Each task force was chaired by a President. A hefty volume of background readings was prepared to familiarize the faculty and administrative participants in the planning process with current trends and thinking in higher education. The result of these efforts will be a University Plan with strategic objectives and a focused identification of actions to be taken in the next five years. Although the Plan will define the priorities for future action, several areas have already received attention during the current year and will be advanced by this budget. Several grant applications have been prepared to gain early support for these priorities. Moreover, this budget proposes special funds for academic program initiatives and fiscal reserves, as the Plan recommends. A full discussion of the University Plan will be provided to the Board in a separate document.

Trustee Vacancies. During the year, the trusteeship committee focused considerable attention on identifying trustee prospects. Due to a number of circumstances, turnover left the Board with several vacancies, but we have been successful in recruiting four highly qualified individuals who are both willing and able to assume the important responsibilities of Board membership.

New Academic Programs. In the academic arena, the University Administration has focused attention on the continuing development of the Ph.D. program in Leadership and Professional studies, and more recently, an on-line BA initiative. Recruitment of a director for the Ph.D. program is in progress and will be completed soon after the end of the 1998-99 fiscal year. The P-L Foundation has agreed to underwrite a portion of the development and implementation costs of this important program. Once the new director is in place, we should be able to move rapidly towards making this program a reality.

A smaller but very exciting initiative has been the identification of Antioch as "A Place for Writers". Drawing together faculty from several of the campus programs and the Antioch Review, this initiative will give Antioch nation-wide recognition in an area of traditional strength. Promotional support for this program has been provided by an Antioch Trustee.

Development and Public Relations. In an effort to strengthen the national image of Antioch and to better coordinate our development activities, the University Administration sponsored a retreat for development and external affairs staff. Held in Yellow Springs, the retreat brought together campus people who had not otherwise known each other so that their ideas and techniques could be shared. An agenda was developed to improve public relations activities and to insure coordination of development efforts.

Other efforts have focused on increasing internal publications and communications, development of a University-wide calendar, and improvement of the University Website.

Presidential Selection. During 1998-99, the University, with important participation from the Board of Trustees, successfully recruited a new president for the McGregor School. In addition, the new president of Antioch Southern California began his duties on September 1 and we permanently appointed the new president of the College on July 7. Together, these three individuals bring great strength to the University Leadership Council. They are most welcome additions.

Health and Benefits. Administratively, 1998-99 was another productive year for the University. A major change in the health insurance coverage of employees was designed and presented to the faculty and staff of each of the campuses. As part of the process, a series of explanatory memos were circulated at monthly intervals to insure that all participants had an opportunity to understand the reasons why changes were necessary and the benefits that the new plan would provide. During the campus presentations, modifications to the original proposal were identified and changes were made to accommodate special circumstances. The result has been a plan that provides more effective insurance for University employees at a lower cost than would be possible if we continued the traditional fee-for-service approach.

As part of the restructuring of fringe benefits, we were also able to double the life insurance coverage for most university employees, to offer a modest vision plan, and to offer employee paid dental care for those who otherwise did not have coverage.

Federal Overhead. Periodically, colleges and universities that seek federal funds are required to prepare a complicated overhead analysis. The federal government has dictated a strict set of accounting rules that must be followed in order to recover overhead costs from federal contacts. Our previous federal indirect cost rate expired this year and we have completed the application for a new rate and are awaiting a response from the Government.

Datatel Improvements. Datatel continues to provide more and greater management information to help both the campuses and the University Administration perform their duties. In 1998-99 we began preparing a monthly financial tracking report that compares the expenditures and revenues of each unit with its projected expenditures and revenues. With this report in place, it is possible to more quickly identify when a financial problem is developing and to pinpoint some of the reasons for the variance. The success of this tracking report depends on the ability of the individual campus financial officers to project their revenues and expenses accurately, but once this is done, Datatel can provide the monitoring reports on a regular and timely basis.

The most noticed change in our computing area occurred with the replacement of our Datatel server with a new, faster machine. Known to its users as "Helen," the new server is able to handle transactions much faster than its predecessor, and this improvement in speed has eliminated processing delays that were greatly limiting efficiency at the campuses.

The adoption by New England of the Datatel Student Services modules has been proceeding smoothly and New England expects to be fully operational on these modules by the end of the calendar year. This conversion is particularly important because the system currently in use at New England is not Y2K compatible and would not continue to function satisfactorily after January 1, 2000. With the conversion of New England, all campuses will be using Datatel student modules for admissions, registration, and other student support functions.

In what may prove to be one of the most significant additions to Datatel, the University has purchased a new graphic interface report generator known as Safari. When fully implemented during the next fiscal year, this product will enable campus users to produce reports from Datatel information that are custom made to their immediate needs. One of the major weaknesses of Datatel is that custom report generation requires computer programming skills not generally available in most of the user offices. Users who are trained to use Safari will be able to align designated data fields on screen to produce custom reports or download information to desktop spreadsheets for further manipulation.

Fraud Deterrence. The Datatel system has also afforded us the capacity to thwart efforts by individuals to write fraudulent checks against University accounts. In cooperation with our primary bank, the University has developed a procedure by which all Antioch checks are verified for authenticity before they are cleared. Beginning during the fourth quarter of this fiscal year, if a fraudulent check is received by our bank, it will be returned to its source without being charged against University accounts. This approach provides greater safety than multiple signatures, watermarks or other techniques that are used to insure authenticity.

Endowment Management. While safeguarding assets is a major responsibility of the University Administration, so is promoting their growth. During 1998-99, with the invaluable assistance of the Investment Committee of the Board, the administration undertook the restructuring of the way in which the University Endowment is managed. Beginning with a Request for Proposals, an investment consultant was selected to assist the University with the investment of endowment funds. Using a sophisticated computer database, the consultant was able to screen thousands of potential fund managers and identify a "short list" of those who have been most successful in managing the kinds of investments that the University plans to make. In addition, the endowment will now be invested on a "total return" basis that allows the endowment to be invested for growth as well as current return.

The Investment Committee has adopted a spending policy that follows from the Total Return approach. Beginning in 1999-2000, the College and other campuses will be authorized to spend 5% of the three-year rolling average market value of their endowment funds. The calculation will be based on calendar years, which means that the amount of money available for expenditure will be known in time to be incorporated into the budget planning process for the next fiscal year. This change will provide stability and predictability that has not been present in the previous arrangement.

Insurance Review. The annual review of our property and liability insurance disclosed that the special coverage that we purchase to protect our psychology clinic operations was not as effective as we thought. In some cases, duplicate coverage was being acquired by students or the campus, and in other cases the coverage did not adequately cover the risks. Following a comprehensive review that involved consultation with faculty and administrative staff at the campuses, we have eliminated central coverage for the New England campus because they are able to acquire a policy locally that is superior to the central coverage. In addition, we have expanded coverage in Southern California and Seattle to better match the risks represented by their operations. We are also engaged in transferring all coverage to the company that insures the New England campus because their policy is better suited to our operations and more cost competitive.

Overall, the cost of property and liability insurance was kept constant by negotiating with the insurance companies and by increasing our property deductible from $2,500 to $10,000. The lower premium on this policy would allow us to experience three major losses each year and still be ahead. Generally, we do not have three major losses per year.

Electronic Mail Upgrade. Electronic mail service for the University Administration will change during the fourth quarter of the fiscal year as the new FirstClass software is made fully operational. The new software uses Web technology, and e-mail will now be accessible from any location using a standard Web browser. In addition to increased accessibility, imbedded Web addresses can be selected and Web images can be received. The number of users of the central FirstClass server is also expanding. In order to reduce the load on the College e-mail system, users of the College system who are affiliated with the University Administration will transfer to the University FirstClass server before the end of the 1998-99 fiscal year. This change required the purchase of additional license capacity for FirstClass.

On-Line Applications. As the Web becomes more important to prospective students, the campuses are investing more in their websites. These sites provide students with information previously provided only through the view books. But because of their interactivity, the sites can do much more in a very cost-effective manner. In order to capitalize on this investment in websites, the University Administration explored the possibility of linking these websites directly to the Datatel student applicant database. During this process we found that a firm was already providing this service to colleges and universities across the country at a very competitive price. Rather than invest in the development of software that would take time to perfect and which would become obsolete at a very rapid rate, the University arranged a presentation of this option to the admissions people of each campus. Known as CollegeNet, this company hosts web pages that are linked to the website of the individual campus and looks exactly like the web pages of the home campus. A prospective student who goes to a campus site and wants to apply, needs only to click on the "electronic application" button to be connected seamlessly to the CollegeNet site. The student can then complete a full application and pay the application fee using a credit card or check. Paid applications are then transmitted electronically to Datatel for use by the campus. Most campuses around the country have found that their paid applications increase by as much as 20% when they permit the electronic option.

Litigation. Legal problems involving the University continue to be of a routine or minor nature. Efforts were initiated to protect Antioch's name, and the names and trademarks used by the campuses, to insure that prospective students and others are not confused by organizations using names similar to ours. The explosive growth of the Internet has brought us into closer contact with organizations that wish to use the name "Antioch" in conjunction with an educational or training program, but by registering our names and trademarks, we should be able to minimize future litigation in this area.

While 1998-99 has not seen the initiation of major litigation against the University, this always remains a possibility. To minimize the risk, a legal audit that encompasses all campuses began during 1998-99. Beginning in the Human Resources areas, this audit will extend to other administrative areas to insure that we are in full compliance with all state and federal laws and regulations. Being in compliance will reduce the likelihood of future litigation.

II. MAJOR CHANGES

It is becoming increasingly apparent that we need to quicken the pace of university-wide academic program development and expand our support for collaboration between similar and compatible programs on a University-wide basis. Antioch has a unique geographic placement that should enable us to mount national programs using the Internet while retaining the capacity to provide local contact. In addition, we need to promote individual campus initiatives that will result in successful new academic ventures and a strengthened technological infrastructure. To some extent, we have relied too heavily on our traditional academic core without applying our extensive knowledge to new and related areas. In 1999-2000, we will need to assess the opportunities to expand and grow and then exploit these opportunities. To make this happen will require significant new funding to research, design, promote and implement these ventures. Some of this money must come from campus reallocation, but a good part of the work will be provided by faculty and staff who seize the opportunity to make a positive difference. With luck, we will be successful in attracting grant support, but we are also using internal resources to create a revolving Academic Development Fund to promote new initiatives. The initial allocation to the Fund will be $50,000, but with this funding in hand, the University should be able to assist the campuses with the development of new opportunities that can succeed in today's competitive market place.

Development Activities. During the next fiscal year the University administration will continue its efforts to make fund development a priority at every campus. The campuses are developing databases of potential supporters and efforts will be made to insure that there is no duplication in solicitation, or that there is joint solicitation whenever this is appropriate. This coordination is particularly important whenever Antioch approaches national corporations or foundations. In 1999-2000, there will be an increased emphasis on grant writing and foundation visits in support of University-wide academic initiatives.

Accreditation. During 1999-2000 the University will begin to establish an institutional research capacity to assemble and interpret programmatic outcome data. This work will form the foundation for the self-analysis required by the next North Central Association accreditation review. The University has had only limited institutional research capacities but, with the addition during 1998-99 of a staff person in the Chancellor's Office, the University is now better positioned to prepare for the North Central review.

Y2K Corrections. As we approach the year 2000, the University will intensify its efforts to insure that all computers and other systems are ready. Each campus has been examining its hardware and software in an effort to identify any problems that may exist. The University Administration has been conducting reviews of the central hardware and software and those devices and applications that need upgrades or replacements have been identified. Datatel, which performs the majority of the business and student functions for the University and its campuses, is Y2K compliant. However, some upgrades to the database software and replacement of some network devices will be needed to insure uninterrupted operation when we start the year 2000.

Budget Changes. The new budget being proposed for University central operations represents an increase of less than 1.2% over the 1998-99 budget. The University Administration has worked hard to contain costs so that additional overhead generated by the campuses can be used to support campus programs and University-wide activities.

Overhead rebates to the campuses will increase by more than 12% ($202,179) as the bulk of the additional overhead is returned to the campuses. The net overhead rate for the adult campuses will be 9% in 1999-2000, down from 9.5% in 1998-99. This is the third straight year in which the net overhead rate has been reduced as we move toward the 8.0% target level established by the Board of Trustees when the current University structure was established.

In addition to increasing rebates to the campuses, some of the overhead will be used to create two new accounts that will strengthen the entire University. The first is the Academic Development Fund mentioned earlier. The initial $50,000 committed to starting this fund is far less than the amount needed, but this is a beginning.

The second account is the University ULC Reserve Fund. During recent years we have seen two and sometimes three campuses experience enrollment declines or other problems that made it difficult for them to keep their budgets in balance without extraordinary mid-year reductions to their programs. Major reductions made during the year can produce negative consequences well beyond the scope of the budget reductions because of the programmatic disruptions they cause and the harm to morale that they foster. Heretofore, the University has depended solely on the contingency reserves of the individual campuses to provide a source of funds that could be reassigned to a campus experiencing difficulty. This mechanism does not function effectively when two or three campuses simultaneously encounter trouble. Therefore, while we are not abandoning this traditional method for mitigating problems, we are adding the University ULC Reserve Fund to our tool kit. This fund will initially receive $150,000 of overhead and will be used, if needed, to provide transitional relief for a campus confronted with unanticipated financial problems. The expectation is that the fund will provide mid-year loans that will be repaid to enable the fund to continue without major annual additions of cash. The ULC will evaluate the need for the loan as well as the plan for resolution of the underlying problem. The ULC will also review the proposed repayment plan. Only after ULC has given its recommendations to the Chancellor will funds be released.

Once again, the University-wide depreciation on facilities and equipment showed the largest growth of any expense category in the central budget. In 1999-2000, the increase will be $184,000, or 7.55% greater than the

1998-99 budget. Although this is not a cash item, this increase does affect the accrual budget and must be recognized in our financial planning.

With the change in endowment management to the Total Return basis, all of the external administrative costs of endowment investing will be paid from the unrestricted earnings of the endowment. In previous years, some of these costs were paid from the endowment and some from the University Wide account. This change will lower the expense charge to the University Wide unit by $35,000. University Wide interest expense will also decline following the payoff of the internal endowment fund loan. Although unrestricted earnings have been used to repay the loan principle, the interest expense has always been paid from the University Wide account. Interest expense will decrease by $74,000 in 1999-2000.

Glenn Watts
Vice Chancellor and
Chief Financial Officer

University Administration

1999-00 Proposed Budget Summary by Function

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	Change From 1998-99 Budget to 1998-99 Projected %	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	Change From 1998-99 Proj to 1999-00 Budget %	Change From 1998-99 Budget to 1999-00 Budget $	Change From 1998-99 Budget to 1999-00 Budget %
Revenues											
Tuition & Fees	0	0	0	0	0		*0*	0		0	
Less Tuition Discounts	0	0	0	0	0		*0*	0		0	
Gifts	21,952	40,311	20,000	20,000	0	0.00%	*20,000*	0	0.00%	0	0.00%
Grants	0	0	0	0	0		*0*	0		0	
Endowment Income	0	0	0	0	0		*0*	0		0	
Contracts	0	0	0	0	0		*0*	0		0	
Other Income	3	0	0	0	0		*0*	0		0	
Total E&G Revenue	21,955	40,311	20,000	20,000	0	0.00%	*20,000*	0	0.00%	0	0.00%
Auxiliary Enterprises	0	0	0	0	0		*0*	0		0	
Released From Restrictions	0	0	34,408	35,000	592		*54,315*	19,315		19,907	57.86%
Total Revenues	21,955	40,311	54,408	55,000	592	1.08%	*74,315*	19,315	35.12%	19,907	36.59%
Net Overhead for Central Operations	1,897,839	1,804,359	1,992,519	1,921,377	-71,142	-3.70%	*2,126,544*	205,167	10.68%	134,025	6.73%
Operating Expenses											
Instruction	0	0	0	0	0		*0*	0		0	
Research	0	0	0	0	0		*0*	0		0	
Public Service	0	0	0	0	0		*0*	0		0	
Academic Support	0	0	0	0	0		*0*	0		0	
Student Services	112,225	114,573	115,401	115,401	0	0.00%	*120,733*	5,332	4.62%	5,332	4.62%
Institutional Support	1,749,883	1,673,836	1,856,126	1,780,976	-75,150	-4.22%	*1,980,126*	199,150	11.18%	124,000	6.68%
Plant Maintenance	0	0	0	0	0		*0*	0		0	
Scholarships	0	0	0	0	0		*0*	0		0	
Total E&G Expenses	1,862,108	1,788,409	1,971,527	1,896,377	-75,150	-3.96%	*2,100,859*	204,482	10.78%	129,332	6.56%
Auxiliary Enterprises	0		0	0	0		*0*	0		0	
Total Operating Expenses	1,862,108	1,788,409	1,971,527	1,896,377	-75,150	-3.96%	*2,100,859*	204,482	10.78%	129,332	6.56%
Excess Revenue over Expenses	57,686	56,261	75,400	80,000	4,600	5.75%	*100,000*	20,000	25.00%	24,600	32.63%
Annual Budget Conversion to Cash basis											
Capital Expenditures	57,686	56,261	75,400	80,000	4,600	5.75%	*100,000*	20,000	25.00%	24,600	32.63%
Borrowing Proceeds	0	0	0	0	0		*0*	0		0	
Principal Payments	0	0	0	0	0		*0*	0		0	
Prior Year Reserves	0	0	0	0	0		*0*	0		0	
Add back Depreciation	0	0	0	0	0		*0*	0		0	
Total Cash Items	57,686	56,261	75,400	80,000	4,600	5.75%	*100,000*	20,000	25.00%	24,600	32.63%
Net Cash Basis Budget	0	0	0	0	0		*0*	0		0	

University Administration

1999-00 Proposed Budget Summary by Category

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	Change From 1998-99 Budget to 1998-99 Projected %	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	Change From 1998-99 Proj to 1999-00 Budget %	Change From 1998-99 Budget to 1999-00 Budget $	Change From 1998-99 Budget to 1999-00 Budget %
Revenues	1,919,794	1,844,670	2,046,927	1,976,377	-70,550	-3.57%	***2,200,859***	224,482	11.36%	153,932	7.52%
Operating Expenses											
Salaries & Wages	707,049	966,713	1,070,104	1,050,061	-20,043	-1.91%	***1,070,104***	20,043	1.91%	0	0.00%
Benefits	215,437	265,600	314,914	310,000	-4,914	-1.59%	***314,914***	4,914	1.59%	0	0.00%
Training & Development	186,660	206,974	190,500	200,000	9,500	4.75%	***190,500***	-9,500	-4.75%	0	0.00%
Student Aid Services	0	0	0	0	0		***0***	0		0	
Special Events	2,061	0	2,000	10,000	8,000	80.00%	***2,000***	-8,000	-80.00%	0	0.00%
Supplies	29,916	16,848	37,200	40,000	2,800	7.00%	***37,200***	-2,800	-7.00%	0	0.00%
Business Operations	517,193	135,972	97,875	124,296	26,421	21.26%	***106,707***	-17,589	-14.15%	8,832	9.02%
Plant Maintenance	190,904	178,481	151,434	150,000	-1,434	-0.96%	***151,434***	1,434	0.96%	0	0.00%
Interest Expense	370	0	0	0	0		***0***	0		0	
Resale Costs	0	0	0	0	0		***0***	0		0	
Miscellaneous	2,846	10,671	4,000	5,000	1,000	20.00%	***4,000***	-1,000	-20.00%	0	0.00%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	0	0	0		***0***	0		0	
Campus Program Contingency, Discret	0	0	103,500	0	-103,500		***224,000***	224,000		120,500	116.43%
Liquidity Reserve	0	0	0	0	0		***0***	0		0	
Overhead								0		0	
To the University	0	0	0	0	0		***0***	0		0	
Rebates from the University	0	0	0	0	0		***0***	0		0	
Subsidy from Adult Campuses	0	0	0	0	0		***0***	0		0	
Subsidy from Overhead	0	0	0	0	0		***0***	0		0	
Other (Intercampus Agree & Univ Conf	9,672	7,150	0	7,020	7,020	100.00%	***0***	-7,020	-100.00%	0	
Depreciation	0	0	0	0	0		***0***	0		0	
Total Operating Expenses	1,862,108	1,788,409	1,971,527	1,896,377	-75,150	-3.96%	***2,100,859***	204,482	10.78%	129,332	6.56%
Excess Revenue over Expenses	57,686	56,261	75,400	80,000	4,600	5.75%	***100,000***	20,000	25.00%	24,600	32.63%
Annual Budget Conversion to Cash Basis											
Capital Expenditures	57,686	56,261	75,400	80,000	4,600	6.10%	***100,000***	20,000	25.00%	24,600	32.63%
Borrowing Proceeds	0	0	0	0	0		***0***	0		0	
Principal Payments	0	0	0	0	0		***0***	0		0	
Prior Year Reserves	0	0	0	0	0		***0***	0		0	
Add Back Depreciation	0	0	0	0	0		***0***	0		0	
Total Cash Items	57,686	56,261	75,400	80,000	4,600	6.10%	***100,000***	20,000	25.00%	24,600	32.63%
Net Cash Basis Budget	0	0	0	0	0		***0***	0		0	

UNIVERSITY CENTRAL ADMINISTRATION

1999-00 Capital Budget

Land	Amount
Buildings	**Amount**
Total Buildings	0
Building Improvements	**Amount**
Kettering Blg Awning Repair	11,500
Kettering Bldg Brick Repair	1,200
Kettering Bldg Pipe Maintenance	4,200
Parking Lot Resurfacing	19,500
Total Building Improvements	36,400
Equipment	**Amount**
Internet Router Replacement	3,000
Datatel On-Line Backup System	12,000
Upgraded Uninterruptible Power Suppl	3,000
Internet Firewall Security	6,000
TCP/IP Printer Spooler Manager	7,000
Windows Systems to Replace MACS	5,600
Back-up Printer - Payroll	2,833
Desktop Software Upgrades	4,000
Video Conference Teaching System	20,167
Total Equipment	63,600
Furniture & Fixtures	**Amount**
Total Furniture & Fixtures	0
Library Books	**Amount**
Grand Total Capital Budget	**100,000**
	========

GLEN HELEN ECOLOGY INSTITUTE
1999-2000 PROPOSED BUDGET

I. 1998-99 ACCOMPLISHMENTS AND CHALLENGES

The Glen Helen Ecology Institute's struggle to generate revenues through the initiation of a fund development program has not met with success. The strategy was employed to reverse the long-term, chronic funding problems and for Glen Helen to become self-supporting. The implementation of the development program is unfunded and on an extremely ambitious schedule. Funds needed to support operations demanded that the program grow from raising $32,000 in 1994-95 to raising $303,500 in 1998-99, nearly a ten-fold increase. The projected 1998-99 deficit for Glen Helen reflects this struggle. Major gifts and grants which were budgeted have not, and will not, materialize. With a small, diverse donor base and no meaningful previous history of fundraising, progress has been slower and more difficult than anticipated. Compounding this problem is the enrollment shortfall at the Outdoor Education Center which results in an unfavorable variance to budgeted revenue of $-60,000.

For the balance of the year, expenses will be held below budget through the initiation of spending freezes. To address the financial problem, and with the active support of the College, the 1999-2000 budget has been created. It is conservative, scaled back, and realistic given current program revenue streams and a modest fund development program. The budget modifications in the 1999-2000 budget should stabilize Glen Helen financially in the short term and produce balanced financial performance in the coming year.

II. 1999-2000 PROPOSED BUDGET

Glen Helen Nature Preserve is a 1,000 acre land laboratory and environmental education facility adjacent to the Antioch College campus. A gift of alumnus Hugh Taylor Birch, the Glen has provided educational programs to the community since 1946. Since 1952 more than 1.5 million people have experienced the educational services of Glen Helen. In addition, the nature preserve is open to the public.

In 1996, the Board of Trustees approved a new organizational structure for Glen Helen as the Glen Helen Ecology Institute. The programs and operations of this organization include:

- Glen Helen Nature Preserve
- Glen Helen Outdoor Education Center - environmental education facility for children
- Glen Helen Raptor Center - birds of prey educational facility
- Trailside Museum and Visitor Center
- The Glen Helen Association - a 700 member association of "friends of the Glen"

Due to the budget shortfall of 1998-99, the 1999-2000 budget is based on the following assumptions:

- Maintain emphasis on the stewardship and preservation of Glen Helen
- Maintain the highest opportunities possible for educational programs
- Pursue a greater degree of integration with the College
- Stabilize operations using a two-year plan
- Budget revenues conservatively and reduce expenses, including downsizing staff by two positions

Rick Flood
Executive Director

Glen Helen

1999-00 Proposed Budget Summary by Function

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	Change From 1998-99 Budget to 1998-99 Projected %	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	Change From 1998-99 Proj to 1999-00 Budget %	Change From 1998-99 Budget to 1999-00 Budget $	Change From 1998-99 Budget to 1999-00 Budget %
Revenues											
Tuition & Fees	116,989	121,709	137,586	118,401	-19,185	-13.94%	*116,440*	-1,961	-1.66%	-21,146	-15.37%
Less Tuition Discounts	0	0	0	0	0		*0*	0		0	
Gifts	150,499	23,114	210,000	129,800	-80,200	-38.19%	*110,000*	-19,800	-15.25%	-100,000	-47.62%
Grants	23,606	2,000	132,000	22,500	-109,500	-82.95%	*0*	-22,500	-100.00%	-132,000	-100.00%
Endowment Income	42,000	42,000	42,000	42,000	0	0.00%	*42,000*	0	0.00%	0	0.00%
Contracts	12,198	14,113	12,400	13,400	1,000	8.06%	*10,000*	-3,400	-25.37%	-2,400	-19.35%
Other Income	3,983	8,721	1,643	3,149	1,506	91.66%	*0*	-3,149	-100.00%	-1,643	-100.00%
Total E&G Revenue	349,275	211,657	535,629	329,250	-206,379	-38.53%	*278,440*	-50,810	-15.43%	-257,189	-48.02%
Auxiliary Enterprises	262,676	260,245	280,926	237,070	-43,856	-15.61%	*248,560*	11,490	4.85%	-32,366	-11.52%
Released From Restrictions	63,130	179,559	14,181	45,000	30,819	217.33%	*12,200*	-32,800	-72.89%	-1,981	-13.97%
Total Revenues	675,081	651,461	830,736	611,320	-219,416	-26.41%	*539,200*	-72,120	-11.80%	-291,536	-35.09%
Operating Expenses											
Instruction	0	0	0	0	0		*0*	0		0	
Research	0	0	0	0	0		*0*	0		0	
Public Service	656,036	660,296	820,236	653,795	-166,441	-20.29%	*536,600*	-117,195	-17.93%	-283,636	-34.58%
Academic Support	0	0	0	0	0		*0*	0		0	
Student Services	0	0	0	0	0		*0*	0		0	
Institutional Support	0	0	0	0	0		*0*	0		0	
Plant Maintenance	0	0	0	0	0		*0*	0		0	
Scholarships	0	0	0	0	0		*0*	0		0	
Total E&G Expenses	656,036	660,296	820,236	653,795	-166,441	-20.29%	*536,600*	-117,195	-17.93%	-283,636	-34.58%
Auxiliary Enterprises	0	0	0	0	0		*0*	0		0	
Total Operating Expenses	656,036	660,296	820,236	653,795	-166,441	-20.29%	*536,600*	-117,195	-17.93%	-283,636	-34.58%
Excess Revenue over Expenses	19,045	-8,835	10,500	-42,475	-52,975	-504.52%	*2,600*	45,075	106.12%	-7,900	-75.24%
Annual Budget Conversion to Cash basis											
Capital Expenditures	14,589	18,822	10,500	300	-10,200	-97.14%	*0*	-300	-100.00%	-10,500	-100.00%
Borrowing Proceeds	0	-6,867	0	0	0		*0*	0		0	
Principal Payments	0	2,674	0	3,500	3,500		*2,600*	-900	-25.71%	2,600	
Prior Year Reserves	0	0	0	0	0		*0*	0		0	
Add back Depreciation	0	0	0	0	0		*0*	0		0	
Total Cash Items	14,589	14,629	10,500	3,800	-6,700	-63.81%	*2,600*	-1,200	-31.58%	-7,900	-75.24%
Net Cash Basis Budget	4,456	-23,464	0	-46,275	-46,275		*0*	46,275	100.00%	0	

Glen Helen

1999-00 Proposed Budget Summary by Category

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	%	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	%	Change From 1998-99 Budget to 1999-00 Budget $	%
Revenues	675,081	651,461	830,736	611,320	-219,416	-26.41%	***539,200***	-72,120	-11.80%	-291,536	-35.09%
Operating Expenses											
Salaries & Wages	322,113	330,696	382,732	346,244	-36,488	-9.53%	***269,546***	-76,698	-22.15%	-113,186	-29.57%
Benefits	117,292	112,560	134,256	111,469	-22,787	-16.97%	***90,195***	-21,274	-19.09%	-44,061	-32.82%
Training & Development	4,580	10,558	10,700	7,219	-3,481	-32.53%	***2,800***	-4,419	-61.21%	-7,900	-73.83%
Student Aid Services	0	0	0	0	0		***0***	0		0	
Special Events	0	767	0	0	0		***0***	0		0	
Supplies	61,535	55,559	62,605	61,369	-1,236	-1.97%	***53,450***	-7,919	-12.90%	-9,155	-14.62%
Business Operations	18,560	56,770	71,684	53,706	-17,978	-25.08%	***34,100***	-19,606	-36.51%	-37,584	-52.43%
Plant Maintenance	123,574	84,787	116,414	63,388	-53,026	-45.55%	***69,440***	6,052	9.55%	-46,974	-40.35%
Interest Expense	234	124	0	100	100		***0***	-100	-100.00%	0	
Resale Costs	7,919	7,249	8,500	8,500	0	0.00%	***8,500***	0	0.00%	0	0.00%
Miscellaneous	229	1,226	18,345	1,800	-16,545	-90.19%	***1,300***	-500	-27.78%	-17,045	-92.91%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	0	0	0		***0***	0		0	
Campus Program Contingency, Discret	0	0	15,000	0	-15,000	-100.00%	***7,269***	7,269		-7,731	-51.54%
Liquidity Reserve	0	0	0	0	0		***0***	0		0	
Overhead											
To the University	0	0	0	0	0		***0***	0		0	
Rebates from the University	0	0	0	0	0		***0***	0		0	
Subsidy from Adult Campuses	0	0	0	0	0		***0***	0		0	
Subsidy from Overhead	0	0	0	0	0		***0***	0		0	
Other (Intercampus Agree & Univ Conf	0	0	0	0	0		***0***	0		0	
Depreciation	0	0	0	0	0		***0***	0		0	
Total Operating Expenses	656,036	660,296	820,236	653,795	-166,441	-20.29%	***536,600***	-117,195	-17.93%	-283,636	-34.58%
Excess Revenue over Expenses	19,045	-8,835	10,500	-42,475	-52,975	-504.52%	***2,600***	45,075	106.12%	-7,900	-75.24%
Annual Budget Conversion to Cash Basis											
Capital Expenditures	14,589	18,822	10,500	300	-10,200	-97.14%	***0***	-300	-100.00%	-10,500	-100.00%
Borrowing Proceeds	0	-6,867	0	0	0		***0***	0		0	
Principal Payments	0	2,674	0	3,500	3,500		***2,600***	-900		2,600	
Prior Year Reserves	0	0	0	0	0		***0***	0		0	
Add Back Depreciation	0	0	0	0	0		***0***	0		0	
Total Cash Items	14,589	14,629	10,500	3,800	-6,700	-63.81%	***2,600***	-1,200	-31.58%	-7,900	-75.24%
Net Cash Basis Budget	4,456	-23,464	0	-46,275	-46,275		***0***	46,275	100.00%	0	

ANTIOCH REVIEW
1999-2000 PROPOSED BUDGET

We expect a balanced budget for the year, continue to operate without a subsidy and produced four issues on schedule. We raised $20,000 in gifts and pledges through fund raising events in Cambridge and New York and an annual appeal. The number of contributors to the "Friends of the Review" continues to grow. We anticipate that the figure should go to $25,000 if we can receive some fund raising support. Monies from subscriptions is just about on target. There has been some erosion in library support, but that has been offset, in part, by revenues from electronic subscriptions. Without monies for direct mail we cannot do much to increase the individual subscription base. Our print run is between 4800 and 5200 copies.

This year we introduced a Web page that features writers' guidelines, current issue excerpts and announcements about future issues and awards received by Review authors. It is a part of the "Antioch, A Place for Writers" program.

On the literary side, we received a substantial review in the February 26, 1999 Times Literary Supplement and saw several of our authors receive national awards. The number of submissions continues to grow with approximately 4500 pieces of fiction, 1000 non-fiction, and poetry envelopes too numerous to count.

The proposed budget is a bare-bones one with status quo assumptions.

Robert Fogarty
Editor

Antioch Review

1999-00 Proposed Budget Summary by Function

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	Change From 1998-99 Budget to 1998-99 Projected %	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	Change From 1998-99 Proj to 1999-00 Budget %	Change From 1998-99 Budget to 1999-00 Budget $	Change From 1998-99 Budget to 1999-00 Budget %
Revenues											
Tuition & Fees	0	0	0	0	0		*0*	0		0	
Less Tuition Discounts	0	0	0	0	0		*0*	0		0	
Gifts	17,085	15,585	31,181	14,364	-16,817	-53.93%	*24,123*	9,759	67.94%	-7,058	-22.64%
Grants	1,077	1,231	2,957	2,957	0	0.00%	*8,100*	5,143	173.93%	5,143	173.93%
Endowment Income	9,483	12,100	11,700	11,700	0	0.00%	*11,700*	0	0.00%	0	0.00%
Contracts	0	0	0	0	0		*0*	0		0	
Other Income	6,917	5,539	5,400	6,878	1,478	27.37%	*6,400*	-478	-6.95%	1,000	18.52%
Total E&G Revenue	34,562	34,455	51,238	35,899	-15,339	-29.94%	*50,323*	14,424	40.18%	-915	-1.79%
Auxiliary Enterprises	52,273	60,052	53,800	57,575	3,775	7.02%	*54,000*	-3,575	-6.21%	200	0.37%
Released From Restrictions	15,597	8,310	0	8,792	8,792		*0*	-8,792	-100.00%	0	
Total Revenues	102,432	102,817	105,038	102,266	-2,772	-2.64%	*104,323*	2,057	2.01%	-715	-0.68%
Operating Expenses											
Instruction	0	0	0	0	0		*0*	0		0	
Research	0	0	0	0	0		*0*	0		0	
Public Service	102,390	102,607	105,038	102,266	-2,772	-2.64%	*104,323*	2,057	2.01%	-715	-0.68%
Academic Support	0	0	0	0	0		*0*	0		0	
Student Services	0	0	0	0	0		*0*	0		0	
Institutional Support	0	0	0	0	0		*0*	0		0	
Plant Maintenance	0	0	0	0	0		*0*	0		0	
Scholarships	0	0	0	0	0		*0*	0		0	
Total E&G Expenses	102,390	102,607	105,038	102,266	-2,772	-2.64%	*104,323*	2,057	2.01%	-715	-0.68%
Auxiliary Enterprises	0	0	0	0	0		*0*	0		0	
Total Operating Expenses	102,390	102,607	105,038	102,266	-2,772	-2.64%	*104,323*	2,057	2.01%	-715	-0.68%
Excess Revenue over Expenses	42	210	0	0	0		*0*	0		0	
Annual Budget Conversion to Cash basis											
Capital Expenditures	0	0	0	0	0		*0*	0		0	
Borrowing Proceeds	0	0	0	0	0		*0*	0		0	
Principal Payments	0	0	0	0	0		*0*	0		0	
Prior Year Reserves	0	0	0	0	0		*0*	0		0	
Add back Depreciation	0	0	0	0	0		*0*	0		0	
Total Cash Items	0	0	0	0	0		*0*	0		0	
Net Cash Basis Budget	42	210	0	0	0		*0*	0		0	

Antioch Review

1999-00 Proposed Budget Summary by Category

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	%	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	%	Change From 1998-99 Budget to 1999-00 Budget $	%
Revenues	102,432	102,814	105,038	102,266	-2,772	-2.64%	*104,323*	2,057	2.01%	-715	-0.68%
Operating Expenses											
Salaries & Wages	30,228	30,950	31,439	31,200	-239	-0.76%	*31,989*	789	2.53%	550	1.75%
Benefits	17,781	17,371	14,639	16,558	1,919	13.11%	*17,474*	916	5.53%	2,835	19.37%
Training & Development	879	1,892	650	2,825	2,175	334.62%	*700*	-2,125	-75.22%	50	7.69%
Student Aid Services	0	0	0	0	0		*0*	0		0	
Special Events	251	0	0	0	0		*0*	0		0	
Supplies	-2,760	-2,629	500	-2,701	-3,201	-640.20%	*-2,500*	201	7.44%	-3,000	-600.00%
Business Operations	51,285	50,428	53,360	50,160	-3,200	-6.00%	*52,210*	2,050	4.09%	-1,150	-2.16%
Plant Maintenance	39	245	100	-126	-226	-226.00%	*100*	226	-179.37%	0	0.00%
Interest Expense	0	0	0	0	0		*0*	0		0	
Resale Costs	0	0	0	0	0		*0*	0		0	
Miscellaneous	307	0	0	0	0		*0*	0		0	
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	0	0	0		*0*	0		0	
Campus Program Contingency, Discret	0	0	0	0	0		*0*	0		0	
Liquidity Reserve	0	0	0	0	0		*0*	0		0	
Overhead											
To the University	0	0	0	0	0		*0*	0		0	
Rebates from the University	0	0	0	0	0		*0*	0		0	
Subsidy from Adult Campuses	0	0	0	0	0		*0*	0		0	
Subsidy from Overhead	0	0	0	0	0		*0*	0		0	
Other (Intercampus Agree & Univ Conf	4,380	4,350	4,350	4,350	0	0.00%	*4,350*	0	0.00%	0	0.00%
Depreciation	0	0	0	0	0		*0*	0		0	
Total Operating Expenses	102,390	102,607	105,038	102,266	-2,772	-2.64%	*104,323*	2,057	2.01%	-715	-0.68%
Excess Revenue over Expenses	42	207	0	0	0		*0*	0		0	
Annual Budget Conversion to Cash Basis											
Capital Expenditures	0	0	0	0	0		*0*	0		0	
Borrowing Proceeds	0	0	0	0	0		*0*	0		0	
Principal Payments	0	0	0	0	0		*0*	0		0	
Prior Year Reserves	0	0	0	0	0		*0*	0		0	
Add Back Depreciation	0	0	0	0	0		*0*	0		0	
Total Cash Items	0	0	0	0	0		*0*	0		0	
Net Cash Basis Budget	42	207	0	0	0		*0*	0		0	

WYSO RADIO
1999-2000 PROPOSED BUDGET

I. 1998-99 ACCOMPLISHMENTS AND CHALLENGES

WYSO-FM is the Miami Valley's most popular public radio station (according to Spring 1999 Arbitron audience data). It is a member station of National Public Radio (NPR) and an affiliate of Public Radio International (PRI). The station airs and files news stories with Ohio Public Radio (OPR) and the Great Lakes Radio Consortium (GLRC). Additionally, WYSO features programming from the BBC World Service, Canadian Broadcasting Corporation, Pacifica, along with locally-produced programming of interest to the Dayton/Springfield marketplace.

WYSO continued to make significant progress this year. It is particularly noteworthy that almost three years ago, the station was at-risk of loosing its "qualified" status at the Corporation for Public Broadcasting (CPB). This would have translated into the loss of over $80,000 in annual federal support. However, thanks to the assistance of an NPR managed project, supported by CPB's Future Fund, WYSO is no longer at-risk but, rather is healthy and experiencing steady and appropriate growth. There are many aspects to the support WYSO received through the Audience/Service Standard Enhancement Project. Following are highlights during this, the final year, of the project's existence:

- Funds provided for the purchase of scheduling software to manage the station's program logs. This system is particularly helpful to the Development Department's needs to manage underwriting contracts and the individual needs of our clients.

- A final report was issued by consultant Linda Carr, one (and, arguably, the best) of several consultants brought in during the run of the at-risk stations project. Ms. Carr's comprehensive overview of the state of WYSO provided a valuable framework for the station's thinking throughout much of this year. Her insights and counsel were so valued that the WYSO Resource Board, with the support of station management, has extended an invitation to Ms. Carr to remain as WYSO's ongoing consultant, beyond the run of the at-risk project.

- Funds provided for the purchase of software to manage the station's membership database. This system, custom-designed for the specific needs of public broadcasters, will allow greater efficiency in the station's business affairs operations. Most valuable are the system's ability to analyze membership data and to generate mailings specifically tailored to the individual interests of members.

- Funds provided for the purchase of news wire services, for two (2) years, from the Associated Press (AP).

- Funds provided to access one year's membership in the Development Exchange, Inc. (DEI). DEI is the public radio industry organization dedicated to improving the fundraising and development operations of its clients. DEI's assistance has been of enormous value to WYSO's management and, in particular, to the station's Development Director.

To briefly demonstrate the overwhelming success of participation in the at-risk project, it is perhaps useful to note that the Fall 1998 on-air membership campaign was conducted with outside consulting assistance (at that time, still necessary to assuring the drive was focused and productive). The Spring 1999 campaign was run entirely in-house. The goal for the Fall drive was to acquire 2,100 new and renewing members, and to raise $175,000. The final tally was 2,107 members and a little over $177,000 raised. It is too soon to report the final results of the Spring drive as a third, and final, mail drop to secure membership renewals has just been sent out. The station anticipates that its overall Spring goal of 1,615 new/renewing members and $110,000 is still achievable. At this writing, WYSO has secured 1,366 memberships and $100,514. Management understands that Spring 1999's results-to-date compare favorably with those of a year ago. In other words, WYSO has benefited greatly from the training and knowledge it has acquired from national public radio system professionals.

Other station accomplishments this year include:

- Just after the start of the second quarter, the station hired a permanent general manager.

- In the third quarter, the station hired a new and, by all accounts, very popular local anchor for the morning drive time programming block, featuring NPR's MORNING EDITION.

- Also in the third quarter, the station hired Aileen LeBlanc, WYSO's first, full-time News Director in many years. Ms. LeBlanc is a broadcast journalist with over twenty years' experience. Her reports and features have been heard regularly on NPR's MORNING EDITION®, ALL THINGS CONSIDERED®, and LIVING ON EARTH. In her exceedingly short tenure at WYSO, she has already filed several reports with NPR, bearing the slug, "From member station WYSO in Yellow Springs, Ohio...," thereby providing the station with its most consistent opportunity for national exposure in its history. Ms. LeBlanc has also produced pieces for OPR and the GLRC.

- WYSO's Development Director, along with the station's Sales Associate, continue to meet or exceed the station's goals for the acquisition of business underwriting of WYSO and its programming. Significant is the adjustment of the station's underwriting rates to levels commensurate with the Dayton area's radio marketplace and WYSO's market dominance as the Miami Valley's public radio station of choice. Additionally, the Development Department has focused its attention on building long-term relationships with its clients with the intent of generating a loyal and consistent client base with high incentive to renew contracts. The Development Director is currently coordinating the WYSO Resource Board's Development Committee. The committee is expected to help the station to identify major donor support dollars, especially as they relate to WYSO's needs to secure local matching funds for state and federal grants. The committee is also expected to assist the station in its efforts to identify new business underwriters, provide a framework for the establishment of a WYSO Endowment Fund, and to work with management to assure the station's continued financial health.

In March 1999, WYSO submitted three project proposals to the Ohio Educational Telecommunications Network Commission (OETNC) for consideration by that body for state grant support. These projects are for the following:

- Establish a digital production studio, primarily dedicated to the creation of local/regional news and cultural features;

- Purchase a digital automation system to streamline station operations, particularly allowing for greater efficiency of WYSO's on-air personnel; and

- Completely equip WYSO's newly renovated performance studio for production and broadcast of public forums, concerts, audio dramas, etc. This project would include wiring the space for sound, construction of an engineering booth at the back of the space, installation of appropriate stage lighting and sound dampening curtains.

Just prior to the preparation of this report, WYSO learned that during this current biennial grant round, OETNC received 105 project submissions. OETNC established priority rankings for these projects and the results were very favorable to WYSO's requests. Specifically, OETNC ranked 44 projects as those for which it will request support funding from the Ohio legislature during its 2000 session (projects ranked 45-105 were returned to the submitting organizations with recommendations that they be re-submitted during the next biennial round or the one to follow). WYSO's projects all ranked among the top 44 projects, receiving rankings of 7, 22, and 33 (respective to the descriptions above). According to OETNC's Executive Director, these designations likely assure that WYSO will receive all of the grant support it is seeking from the state (which provides 40% of all project costs).

WYSO is understandably excited about this development, particularly because of the opportunities it will open for the station to dramatically increase its ability to serve the local community and to be a more significant contributor of programming to other stations around the state and across the country. Additionally, WYSO will have an enhanced opportunity to develop broadcast projects to compliment various Antioch University initiatives. At this writing, WYSO expects to play a role in the further development of "Antioch: A Place for Writers" and hopes to work on collaborative projects with the Antioch Review. These developments will, in turn, allow WYSO to offer specific, project-oriented internships and apprenticeships for Antioch College students.

A major area benefactor of Miami Valley public radio, Charles Berry, continues to deepen his relationship with WYSO. Two years ago, Mr. Berry, via his family's philanthropic organization, the Berry Foundation, donated $5,000 to WYSO. Last year, Mr. Berry doubled that support. This year, Mr. Berry donated $25,000 to the station.

As Antioch University's public radio service, WYSO, of course, continues to make public service announcements aimed at increasing awareness of the programs and events of the College and the McGregor School. The station has also proposed to both campuses better ways to refine and target on-air messages to reach listeners and reach them in a way most likely to generate results.

Despite the accomplishments cited above, WYSO faces a number of challenges in the coming fiscal year. Among these are:

- NPR's implementation of a new pricing structure for its programming. Many member stations throughout the nation will experience an increase in program acquisition costs, especially for the major newsmagazines MORNING EDITION®, ALL THINGS CONSIDERED®, and WEEKEND EDITION®. At this writing, NPR is suggesting that WYSO will witness an almost 28% increase in the cost of these programs. NPR is proposing that these increases will be phased in over the course of the next two fiscal years. WYSO management does not argue with NPR's stated need for the price restructuring or even with the increased costs WYSO will have to incur. However, WYSO management is dissatisfied with the phase-in proposal (which would have all stations experiencing a 20%+ increase, pay 20% of the price increase in the first year of the phase-in and the remaining amount in year two). During NPR's Annual Membership Meeting, at the 1999 Public Radio Conference, WYSO will lobby for a more equitable phase-in plan (either by leveling the percentage increase for each year of the phase-in and/or by extending the phase-in to three or four years). WYSO is already working with its colleagues within the regional interest organization, Public Radio in Mid-America (PRIMA), in hopes that such a proposal will be submitted as a PRIMA-sponsored resolution for consideration by the entire NPR membership.

- The Federal Communications Commission (FCC) has issued a Notice of Proposed Rulemaking for the establishment of a new class of FM radio service, commonly referred to as microradio or Low-Power FM (LPFM). WYSO management agrees with FCC Chairman Bill Kennard's contention that something should be done to counteract some of the negative aspects of the Telecommunications Act of 1996, particularly large scale consolidation of ownership of broadcast licenses (thereby limiting diversity of programming as well as the possibility of new broadcast players being able to enter the marketplace). However, the current FCC proposal is of serious concern to WYSO and thousands of other FM broadcasters (public and commercial) nationwide. Most critically, current FM broadcasters are concerned about the continued integrity of their own signals should thousands of LPFMs be licensed. Interference with current analog broadcasting and the additional engineering burdens that will be placed on the establishment of a digital audio broadcasting (DAB) standard are the most serious of the several issues raised by the FCC's proposal. Unfortunately, WYSO is in no financial position to have LPFMs degrade the broad coverage its signal presently enjoys throughout the Miami Valley.

- Despite WYSO's progress in increasing revenue, half of the current full-time staff receives a salary that is below the public radio industry's standards for similar positions at stations in similar markets. This is, of course, a problem and concerning to management. Staff turnover in a relatively small operation like WYSO's can impact organizational benchmarking, sometimes dramatically so. And identifying, securing, and retaining good talent in today's economy is not always easy, particularly in the not-for-profit sector. Since WYSO now boasts its most professional and team-oriented staff in many years, management is committed to doing everything it can reasonably do to maintain its human resource assets but, it must note that more needs to be done before WYSO can consider itself competitive within its own industry.

As to the last point above, I want to highlight here the very positive impact that even modest growth in compensation, coupled with the acquisition of technical resources, can have on staff morale and retention. WYSO still lacks the technology improvements necessary to achieve the level of growth for which it is capable. The station does not have enough computers to perform all necessary station tasks in an efficient and timely manner. And those computers the station does have are almost all antiquated, creating additional problems for station efficiency. I estimate that for the relatively small investment in say, four computer systems WYSO could witness a productivity increase commensurate with the costs of acquisition of those systems within the first 18 months after the purchase of said.

Additionally, automating much of WYSO's telephone system would improve staff efficiency greatly. Many hours of staff time are spent providing basic information and/or taking messages for staff who are out or unavailable to answer calls. Providing answers to frequently asked questions and voice mail for staff would significantly decrease telephone traffic and constant interruptions to staff already managing multiple tasks.

On the other hand, WYSO takes this opportunity to offer its sincere thanks to the administration and the trustees of Antioch University for their support of WYSO's recent facilities expansion and renovation project. The improvements in the physical plant alone have generated a new source of pride and a renewed sense of mission among the staff and volunteers of WYSO.

II. THE 1998-99 BUDGET

As noted previously, the Fall 1998 membership campaign was a major success and the Spring 1999 campaign will likely achieve its stated objectives after the station receives the last of its mail renewals. Accordingly, WYSO's gift revenues are likely to achieve budgeted goals for the current fiscal year. Grant support from OETNC, as expected, did decrease this year. However, federal grants support from the CPB, though anticipated to decrease to $54,689, actually came in at $81,551. This represents an increase of almost 49.12% above budget.

Other Income, in 1900-2000 and beyond, will represent revenues derived from sources other than Gifts, State Grants, Federal Grants, and Underwriting. Underwriting revenues (derived from area business and corporate support for WYSO and its various programs) are represented in Other Income. At this writing, WYSO has secured almost $137,068 of a stated goal of $140,000 --- an objective easily obtainable by June 30. WYSO continues to be pleased with the performance of its Development Department and, in particular, the dedication and considerable skill of its Development Director, Melodie Bennett. Her efforts, in coordination with management, are establishing many new business relationships and renewed respect for WYSO throughout the Miami Valley.

Please note: In 1999-2000 and beyond, Other Income will present those revenues obtained by grant sources other than the State of Ohio and federal government. Additionally, Other Income will reflect revenues obtained by conducting special events and from major donations of $1,000 and above. In this budget WYSO is only comfortable with anticipating Other Income success in securing grants support for the acquisition of broadcast equipment for its News Department. While the station expects that the WYSO Resource Board's Development Committee will, and WYSO's Development Department may, secure several major donations in the coming fiscal year, I feel that it is premature to establish any benchmarks for this likely revenue source.

For the coming fiscal year, WYSO anticipates its major revenue streams producing as follows:

Gifts (listener support)	$310,000
Federal Grants (CPB)	80,727
State Grants (OETNC)	38,185
Underwriting	168,000
Other Income	10,500
TOTAL	**$607,412**

The two largest cost sectors for WYSO are, and will likely remain, staff salaries and the fees the station pays to acquire programming from NPR, PRI, and Pacifica. The station continues to have critical needs for new office and broadcast equipment (some of which have been explained above). The preliminary success with OETNC for project grant support will address some broadcast needs but, assuming approval by the Ohio State Legislature, these funds will not be available before July 2000, and would require WYSO's providing the 60% in matching funds.

As noted in last year's budget report, WYSO still needs to secure a reliable back-up transmitter to assure consistent delivery of the broadcast service should the primary transmitter fail. And the current transmitter should have a generator or UPS (uninterrupted power supply) unit as part of the transmitter plant to assure continuation of the broadcast service in the event of power fluctuations and/or service disruptions from the Dayton Power & Light Company.

Additionally, WYSO may wish to explore other transmitter tower site opportunities. While the station currently enjoys a cordial relationship with WCDR (a Christian-oriented, non-commercial radio station from which WYSO leases tower space), it is always more secure for a station to lease or purchase its own tower site. Management, along with the Antioch administration and the WYSO Resource Board, will continue to explore options.

WYSO and other radio broadcasters are already investigating how best to prepare for the national conversion from analog broadcasting to DAB. While conversion to digital broadcasting is already underway for television, the FCC has yet to adopt a DAB standard for radio (let alone a timetable for conversion). Regardless, the most sensible approach at this point is to convert as much of the air chain as possible to digital. Simply speaking, this means replacing all analog equipment to similarly purposed digital equipment. WYSO has identified ways to begin this major overhaul of its broadcast and production operations (e.g., the OETNC projects submissions). However, a great deal more will need to be accomplished to completely convert WYSO into a digital station. Accordingly, management believes that a major capital campaign will need to be organized and conducted within the next two to three years to allow WYSO to keep pace with the radio broadcast industry and to remain competitive within the public radio community.

Steve Spencer
General Manager

WYSO

1999-00 Proposed Budget Summary by Function

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	%	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	%	Change From 1998-99 Budget to 1999-00 Budget $	%
Revenues											
Tuition & Fees	0	0	0	0	0		*0*	0		0	
Less Tuition Discounts	0	0	0	0	0		*0*	0		0	
Gifts	209,207	286,465	285,000	297,321	12,321	4.32%	*310,000*	12,679	4.26%	25,000	8.77%
Grants	106,916	105,650	91,762	130,671	38,909	42.40%	*118,912*	-11,759	-9.00%	27,150	29.59%
Endowment Income	0	0	0	0	0		*0*	0		0	
Contracts	0	0	0	0	0		*0*	0		0	
Other Income	102,124	103,691	140,000	162,268	22,268	15.91%	*178,500*	16,232	10.00%	38,500	27.50%
Total E&G Revenue	418,247	495,806	516,762	590,260	73,498	14.22%	*607,412*	17,152	2.91%	90,650	17.54%
Auxiliary Enterprises	0	0	0	0	0		*0*	0		0	
Released From Restrictions	11,189	0	0	0	0		*0*	0		0	
Total Revenues	429,436	495,806	516,762	590,260	73,498	14.22%	*607,412*	17,152	2.91%	90,650	17.54%
Operating Expenses											
Instruction	0	0	0	0	0		*0*	0		0	
Research	0	0	0	0	0		*0*	0		0	
Public Service	427,357	466,098	501,714	530,699	28,985	5.78%	*581,364*	50,665	9.55%	79,650	15.88%
Academic Support	0	0	0	0	0		*0*	0		0	
Student Services	0	0	0	0	0		*0*	0		0	
Institutional Support	0	0	0	0	0		*0*	0		0	
Plant Maintenance	0	0	0	0	0		*0*	0		0	
Scholarships	0	0	0	0	0		*0*	0		0	
Total E&G Expenses	427,357	466,098	501,714	530,699	28,985	5.78%	*581,364*	50,665	9.55%	79,650	15.88%
Auxiliary Enterprises	0	0	0	0	0		*0*	0		0	
Total Operating Expenses	427,357	466,098	501,714	530,699	28,985	5.78%	*581,364*	50,665	9.55%	79,650	15.88%
Excess Revenue over Expenses	2,079	29,708	15,048	59,561	44,513	295.81%	*26,048*	-33,513	-56.27%	11,000	73.10%
Annual Budget Conversion to Cash basis											
Capital Expenditures	0	7,593	0	21,901	21,901		*12,500*	-9,401		12,500	
Borrowing Proceeds	0	0	0	0	0		*0*	0		0	
Principal Payments	12,396	14,621	15,048	15,048	0	0.00%	*13,548*	-1,500	-9.97%	-1,500	-9.97%
Prior Year Reserves	0	0	0	0	0		*0*	0		0	
Add back Depreciation	0	0	0	0	0		*0*	0		0	
Total Cash Items	12,396	22,214	15,048	36,949	21,901	145.54%	*26,048*	-10,901	-29.50%	11,000	73.10%
Net Cash Basis Budget	-10,317	7,494	0	22,612	22,612		*0*	-22,612	-100.00%	0	

WYSO

1999-00 Proposed Budget Summary by Category

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	Change From 1998-99 Budget to 1998-99 Projected %	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	Change From 1998-99 Proj to 1999-00 Budget %	Change From 1998-99 Budget to 1999-00 Budget $	Change From 1998-99 Budget to 1999-00 Budget %
Revenues	429,436	495,806	516,762	590,260	73,498	14.22%	*607,412*	17,152	2.91%	90,650	17.54%
Operating Expenses											
Salaries & Wages	111,101	154,726	200,160	199,694	-466	-0.23%	*217,236*	17,542	8.78%	17,076	8.53%
Benefits	37,677	50,777	62,611	66,110	3,499	5.59%	*61,673*	-4,437	-6.71%	-938	-1.50%
Training & Development	4,276	6,883	8,700	8,000	-700	-8.05%	*16,400*	8,400	105.00%	7,700	88.51%
Student Aid Services	0	0	0	0	0		*0*	0		0	
Special Events	0	0	0	0	0		*0*	0		0	
Supplies	5,936	3,756	4,700	5,700	1,000	21.28%	*7,950*	2,250	39.47%	3,250	69.15%
Business Operations	146,301	164,768	147,980	200,388	52,408	35.42%	*201,405*	1,017	0.51%	53,425	36.10%
Plant Maintenance	48,190	35,825	53,879	25,754	-28,125	-52.20%	*51,000*	25,246	98.03%	-2,879	-5.34%
Interest Expense	15,057	14,243	13,200	12,504	-696	-5.27%	*12,200*	-304	-2.43%	-1,000	-7.58%
Resale Costs	0	0	0	0	0		*0*	0		0	
Miscellaneous	48,367	24,636	0	2,065	2,065		*2,500*	435	21.07%	2,500	
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	0	0	0		*0*	0		0	
Campus Program Contingency, Discreti	0	0	0	0	0		*0*	0		0	
Liquidity Reserve	0	0	0	0	0		*0*	0		0	
Overhead											
To the University	0	0	0	0	0		*0*	0		0	
Rebates from the University	0	0	0	0	0		*0*	0		0	
Subsidy from Adult Campuses	0	0	0	0	0		*0*	0		0	
Subsidy from Overhead	0	0	0	0	0		*0*	0		0	
Other (Intercampus Agree & Univ Conf)	10,452	10,484	10,484	10,484	0	0.00%	*11,000*	516	4.92%	516	4.92%
Depreciation	0	0	0	0	0		*0*	0		0	
Total Operating Expenses	427,357	466,098	501,714	530,699	28,985	5.78%	*581,364*	50,665	9.55%	79,650	15.88%
Excess Revenue over Expenses	2,079	29,708	15,048	59,561	44,513	295.81%	*26,048*	-33,513	-56.27%	11,000	73.10%
Annual Budget Conversion to Cash Basis											
Capital Expenditures	0	7,593	0	21,901	21,901		*12,500*	-9,401		12,500	
Borrowing Proceeds	0	0	0	0	0		*0*	0		0	
Principal Payments	12,396	14,621	15,048	15,048	0	0.00%	*13,548*	-1,500	-9.97%	-1,500	-9.97%
Prior Year Reserves	0	0	0	0	0		*0*	0		0	
Add Back Depreciation	0	0	0	0	0		*0*	0		0	
Total Cash Items	12,396	22,214	15,048	38,949	21,901	145.54%	*26,048*	-10,901	-29.50%	11,000	73.10%
Net Cash Basis Budget	-10,317	7,494	0	22,612	22,612		*0*	-22,612	-100.00%	0	

WYSO

1999-00 Capital Budget

Buildings	**Amount**
Total Buildings	0
Building Improvements	**Amount**
WYSO Wing Renovations	2,500
Total Building Improvements	2,500
Equipment	**Amount**
Computer Equipment	10,000
Total Equipment	10,000
Furniture & Fixtures	**Amount**
Total Furniture & Fixtures	0
Library Books	
Grand Total Capital Budget	**12,500**
	========

University Wide

1999-00 Proposed Budget Summary by Function

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	Change From 1998-99 Budget to 1998-99 Projected %	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	Change From 1998-99 Proj to 1999-00 Budget %	Change From 1998-99 Budget to 1999-00 Budget $	Change From 1998-99 Budget to 1999-00 Budget %
Revenues											
Tuition & Fees	0	0	0	0	0		*0*	0		0	
Less Tuition Discounts	0	0	0	0	0		*0*	0		0	
Gifts	0	0	0	0	0		*0*	0		0	
Grants	113,204	118,352	120,000	120,000	0	0.00%	*120,000*	0	0.00%	0	0.00%
Endowment Income	0	0	0	0	0		*95,578*	95,578		95,578	
Contracts	0	0	0	0	0		*0*	0		0	
Other Income	1,795,725	1,014,207	417,800	900,000	482,200	115.41%	*417,400*	-482,600	-53.62%	-400	-0.10%
Total E&G Revenue	1,908,929	1,132,559	537,800	1,020,000	482,200	89.66%	*632,978*	-387,022	-37.94%	95,178	17.70%
Auxiliary Enterprises	0	0	0	0	0		*0*	0		0	
Released From Restrictions	277,053	240,582	193,040	220,983	27,943	14.48%	*304,686*	83,703	37.88%	111,646	57.84%
Total Revenues	2,185,982	1,373,141	730,840	1,240,983	510,143	69.80%	*937,664*	-303,319	-24.44%	206,824	28.30%
Net Overhead for Central Operations	489,201	602,569	424,853	666,833	241,980	56.96%	*455,415*	-211,418	-31.70%	30,562	7.19%
Operating Expenses											
Instruction	-42,838	3,403	5,000	0	-5,000	-100.00%	*0*	0		-5,000	-100.00%
Research	0	0	0	0	0		*0*	0		0	
Public Service	0	0	0	0	0		*0*	0		0	
Academic Support	148,417	166,224	94,850	162,000	67,150	70.80%	*261,724*	99,724	61.56%	166,874	175.93%
Student Services	0	0	0	0	0		*0*	0		0	
Institutional Support	653,782	348,779	629,750	781,045	151,295	24.02%	*660,617*	-120,428	-15.42%	30,867	4.90%
Plant Maintenance	1,992,324	2,503,482	2,436,000	2,200,000	-236,000	-9.69%	*2,620,000*	420,000	-19.09%	184,000	7.55%
Scholarships	113,204	118,352	120,000	120,000	0	0.00%	*120,000*	0	0.00%	0	0.00%
Total E&G Expenses	2,864,889	3,140,240	3,285,600	3,263,045	-22,555	-0.69%	*3,662,341*	399,296	12.24%	376,741	11.47%
Auxiliary Enterprises	0	0	0	0	0		*0*	0		0	
Total Operating Expenses	2,864,889	3,140,240	3,285,600	3,263,045	-22,555	-0.69%	*3,662,341*	399,296	12.24%	376,741	11.47%
Excess Revenue over Expenses	-189,706	-1,164,530	-2,129,907	-1,355,229	774,678	36.37%	*-2,269,262*	-914,033	-67.44%	-139,355	-6.54%
Annual Budget Conversion to Cash basis											
Capital Expenditures	0	26,454	0	0	0		*0*	0		0	
Borrowing Proceeds	0	0	0	0	0		*0*	0		0	
Principal Payments	772,252	451,921	306,093	460,000	153,907	50.28%	*350,738*	-109,262	-23.75%	44,645	14.59%
Prior Year Reserves	0	0	0	0	0		*0*	0		0	
Add back Depreciation	-1,992,324	-2,503,482	-2,436,000	-2,200,000	236,000	9.69%	*-2,620,000*	-420,000	-19.09%	-184,000	-7.55%
Total Cash Items	-1,220,072	-2,025,107	-2,129,907	-1,740,000	389,907	18.31%	*-2,269,262*	-529,262	-30.42%	-139,355	-6.54%
Net Cash Basis Budget	1,030,366	860,577	0	384,771	384,771		*0*	-384,771	-100.00%	0	

University Wide

1999-00 Proposed Budget Summary by Category

	1996-97 Actual	1997-98 Actual	1998-99 Budget	1998-99 Projected	Change From 1998-99 Budget to 1998-99 Projected $	Change From 1998-99 Budget to 1998-99 Projected %	Proposed 1999-00 Budget	Change From 1998-99 Proj to 1999-00 Budget $	Change From 1998-99 Proj to 1999-00 Budget %	Change From 1998-99 Budget to 1999-00 Budget $	Change From 1998-99 Budget to 1999-00 Budget %
Revenues	2,675,183	1,975,710	1,155,693	1,907,816	752,123	65.08%	1,393,079	-514,737	-26.98%	237,386	20.54%
Operating Expenses											
Salaries & Wages	78,165	88,491	42,114	88,099	45,985	109.19%	110,457	22,358	25.38%	68,343	162.28%
Benefits	111,721	127,177	112,137	130,627	18,490	16.49%	67,102	-63,525	-48.63%	-45,035	-40.16%
Training & Development	155,015	49,244	65,300	68,514	3,214	4.92%	112,066	43,552	63.57%	46,766	71.62%
Student Aid Services	0	0	0	0	0		0	0		0	
Special Events	0	0	0	0	0		0	0		0	
Supplies	6,566	1,508	220	1,629	1,409	640.64%	4,900	3,271	200.72%	4,680	2127.27%
Business Operations	375,307	296,223	193,600	243,759	50,159	25.91%	370,250	126,491	51.89%	176,650	91.24%
Plant Maintenance	72,042	79,120	72,500	71,149	-1,351	-1.86%	57,696	-13,453	-18.91%	-14,804	-20.42%
Interest Expense	262,819	200,038	176,000	280,208	104,208	59.21%	105,000	-175,208	-62.53%	-71,000	-40.34%
Resale Costs	0	0	0	0	0		0	0		0	
Miscellaneous	10,145	2,506	2,000	2,000	0	0.00%	4,000	2,000	100.00%	2,000	100.00%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	28,141	0	-28,141	-100.00%	20,240	20,240		-7,901	-28.08%
Campus Program Contingency, Discret	6,045	0	0	0	0		4,000	4,000		4,000	
Liquidity Reserve	-336,218	-376,001	17,588	9,058	-8,530	-48.50%	12,650	3,592	39.66%	-4,938	-28.08%
Overhead											
To the University	0	0	0	0	0		0	0		0	
Rebates from the University	0	0	0	0	0		0	0		0	
Subsidy from Adult Campuses	0	0	0	0	0		0	0		0	
Subsidy from Overhead	0	0	0	0	0		0	0		0	
Other (Intercampus Agree & Univ Conf	130,958	168,452	140,000	168,000	28,000	20.00%	173,980	5,980	3.56%	33,980	24.27%
Depreciation	1,992,324	2,503,482	2,436,000	2,200,000	-236,000	-9.69%	2,620,000	420,000	19.09%	184,000	7.55%
Total Operating Expenses	2,864,889	3,140,240	3,285,600	3,263,045	-22,555	-0.69%	3,662,341	399,296	12.24%	376,741	11.47%
Excess Revenue over Expenses	-189,706	-1,164,530	-2,129,907	-1,355,229	774,678	36.37%	-2,269,262	-914,033	-67.44%	-139,355	-6.54%
Annual Budget Conversion to Cash Basis											
Capital Expenditures	0	26,454	0	0	0		0	0		0	
Borrowing Proceeds	0	0	0	0	0		0	0		0	
Principal Payments	772,252	451,921	306,093	460,000	153,907	50.28%	350,738	-109,262	-23.75%	44,645	14.59%
Prior Year Reserves	0	0	0	0	0		0	0		0	
Add Back Depreciation	-1,992,324	-2,503,482	-2,436,000	-2,200,000	236,000	9.69%	-2,620,000	-420,000	-19.09%	-184,000	-7.55%
Total Cash Items	-1,220,072	-2,025,107	-2,129,907	-1,740,000	389,907	18.31%	-2,269,262	-529,262	-30.42%	-139,355	-6.54%
Net Cash Basis Budget	1,030,366	860,577	0	384,771	384,771		0	-384,771	-100.00%	0	

Antioch University

FUNDED CARRYFORWARD AND LIQUIDITY RESERVES

Funded Carryforward	**Balance 6/30/97**	**Balance 6/30/98**	**Projected Balance 6/30/99**
Antioch College	0	0	0
New England	228,220	193,040	0
Seattle	155,307	29,390	29,390
Southern California	85,191	0	0
McGregor	289,505	305,820	123,467 *
University Administration	0	0	0
Total	$758,223	$528,250	$152,857

*Note: McGregor loaned $182,333 to NE to complete the 1999 facility renovation.

Liquidity Reserves	**Balance 6/30/97**	**Balance 6/30/98**	**Projected Balance 6/30/99**
Antioch College	65,273	135,105	225,741
New England	81,816	161,763	264,025
Seattle	62,894	161,922	252,566
Southern California	78,817	156,881	246,569
McGregor	47,418	96,548	157,856
University Administration	12,975	22,033	31,091
Total	$349,193	$734,252	$1,177,848

COST CENTERS

INSTRUCTION:
Undergraduate
Heritage Institute
Preparatory-Remedial Education
Teacher Certification
Arts
Human Services
Computer Instruction
Cooperative Education
Environmental Field Program
Continuing Education
History, Philosophy & Religion
Physical Sciences
Languages, Literature & Culture
Environmental & Biological Sciences
Self, Society & Culture
Cultural & Interdisciplinary Studies
Social & Global Studies
AEA Brazil
AEA Buddhist Studies
AEA Egypt
AEA Germany
AEA Japan/ AEAMexico
AEA Overseas Non-AEA Program
AEA Women's Studies
AEA Thailand
AEA France
AEA Cape Verde
MS Management
MA Psychology
MA Education
OSR
Whole System Design
MA Organizational Management
Dance/Movement Therapy
Counseling Psychology
Marriage and Family Therapy
Environmental Studies
Education

INSTRUCTION (Cont'd):
Organization & Management
Applied Psychology
Clinical Psychology
IMA
Weekend Program
Intercultural Relations
Conflict Resolution
Environment & Community
Fine Arts
Art Therapy
Corporate Leadership

RESEARCH:
Individual and Project Research

PUBLIC SERVICE:
Glen Helen
Antioch Review
WYSO
Counseling Centers

ACADEMIC SUPPORT:
Academic Administration
General Faculty
AEA Administration
Cross Cultural Program
Archives/Antiochiana
Library/Media Services
Psychological Services Center
Research and Evaluation
Writing Center
WSD Institute
Academic Computing

STUDENT SERVICES:
Financial Aid Administration
Student Admissions
Registrar (Student Records)
Student Services
Advocate's Office

STUDENT SERVICES Cont'd:
Infirmary
Counseling
Security
Student Loan Office
Community Government

INSTITUTIONAL SUPPORT:
Chancellor
Trustees
President
Fiscal Operations
Business Operations
General Administration
Central Services
Personnel
Alumni
Development/Advancement
Public Relations
Publications
Administrative Computer Service
University Administration

PLANT MAINTENANCE:
Maintenance
Custodial
Building & Grounds
Power Plant
Depreciation

SCHOLARSHIPS:
Grants & Scholarship

AUXILIARY ENTERPRISES:
Dining Services/ Gathering Space
Housing/Bookstore
Computer Sales
McGregor Conference Center

LINE ITEMS

SALARIES & WAGES: Compensation
Paid to Contracted Employees
Core Faculty
Associate Faculty
Adjunct Faculty
Administrators
Administrative Associate
Teaching Assistants
Unionized Staff
Non-Unionized Staff
Students
Retirees
Other Staff Employees
Student Vouchers
Student Stipends
Overseas Allowance

BENEFITS: Required and Non-Required
Benefits Paid
Medical/Dental Card
Dental
FICA
Worker's Comp
Unemployment
Life Insurance
Long & Short Term Disability
Retirement
Moving Expenses
Employee Tuition Waivers
Miscellaneous Benefits

TRAINING & DEVELOPMENT:
Non-Contracted Expenses for Trg & Develop
Business Travel
Local Meetings/Workshops
Professional Development
Employee Recruiting
Program Development

STUDENT AID:
Restricted Grant Scholarships
Student Vouchers

SPECIAL EVENTS:
Graduation
Orientation
Miscellaneous Special Events

SUPPLIES:
Office Supplies
Instructional Supplies
Research Supplies
Duplicating Supplies
Computer Supplies
Maintenance Supplies
Furniture Supplies
Equipment Supplies
Library Supplies
Food Supplies
Miscellaneous Supplies

BUSINESS OPERATIONS COSTS:
General Cost of Doing Business
Subscriptions & Publications
Purchased Services
Consulting
Honoraria/Stipends
Information & Communications
Memberships & Dues
Printing
Postage
Audio/Visual
Advertising
Telecommunications
Internet and Leased Lines
Legal
Audit
Bad Debt Expense

PLANT MAINTENANCE COSTS:
Costs Related to Facilities
Maintenance Contracts & Repairs
Purchased Services
Utilities
Vehicle Operation
Facility Rental
Equipment Rental
Insurance/Taxes

DEPRECIATION:

INTEREST EXPENSE:
Interest
Bank Charges (include credit card charges)

RESALE COSTS:
Books for Resale
Computers for Resale
Supplies for Resale

MISCELLANEOUS COSTS:
Miscellaneous
Student Activities
Student Insurance
Payments to Annuitants

CONTINGENCY/RESERVES:
Campus Contingency, Mandated
Campus Contingency, Discretionary
Liquidity Reserve

OVERHEAD COSTS:
Regional Overhead
University Overhead/Rebate
University Conference
College Fund
Operation Subsidy
Inter-Campus Agreements