ANTIOCH
UNIVERSITY

REPORT TO THE BOARD OF TRUSTEES

2002-03 YEAR END PROJECTION

2003-04 PROPOSED BUDGET

June 5-7, 2003

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REPORT TO THE BOARD OF TRUSTEES

June 5-7, 2003

I. INTRODUCTION

The 2003-04 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 its 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 2002-03 experience dictated changes for 2003-04 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 2002-03 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 2002-03 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 on June 30.

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. Starting July 1, 2002, depreciation is recorded for each campus and operating unit in accord with FASB 93.

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 2002-03 Year-End Projection section on page 8.

II. FORMAT AND CONTENT

The 2003-04 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 2003-04 that are also presented as 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 2003-04. 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 2003-04. 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 new tuition and fees for the College at the February meeting. Early action on College tuition and fee rates is necessary in order to allow the timely preparation of financial aid packets for prospective students, but it may be helpful to the other campuses, as well. The ULC may propose that all tuition and fee changes be presented in February.

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 2003-04 Budget Summary 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, parking and similar University-operated "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 a Campus for a specific purpose and held until they could be spent to further that 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, regardless of donor restrictions. The Accounting Office reports gifts on an accrual basis, and restricted gifts are not reported in the operating budget until they are Released from Restrictions. 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 income can be expended to satisfy the purpose of the donor. All expenditures from the Endowment Fund are governed by Board of Trustee policy designed to protect the principal, meet donor conditions, and assure fund growth. Endowment income appears on the Released from Restrictions line when expended. The Endowment Income line shows only income from endowment accounts that have no specified purpose.

The Function schedule in this report for Antioch University as well as the Function schedules for University 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 University 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 96.

The columns of the 2003-04 Budget Summary 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 2000-01 and 2001-02 actual expenditure history. The third column contains the 2002-03 Budget as approved by the Board of Trustees and the fourth column contains information about how each of the Campuses anticipate their 2002-03 Budget will appear at the end of the current fiscal year. That is, the 2002-03 Budget column is the plan for the current year while the 2002-03 Projected column shows how the plan is expected to play out. The next two columns, Change from 2002-03 Budget to

2002-03 Projected show the dollar amount and percentage variance between the plan for the current year and the likely outcome at June 30.

Because the Proposed 2003-04 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 2003-04 Budget is segregated from the other columns by solid vertical lines and bold type to make it stand out from the other numbers. The next two columns on this schedule compare the Proposed 2003-04 Budget with the 2002-03 Projected outcome, and the last two columns compare the Proposed 2003-04 Budget with the 2002-03 Budget. 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 an Annual Budget 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 2003-04 Budget Summary 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 97.

A section of these schedules show the Contingency/Reserves that the Campuses are required to budget. The "Campus Contingency, Mandatory" amount is budgeted at 1% of total revenue. This Reserve will be retained centrally until the University Administration is reasonably sure that the campuses' Revenues and Expenditures will balance for the year. At the end of each quarter of the fiscal year, those Campuses that 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 offset possible revenue fluctuations. The amount of this Reserve is determined by the Campus, and the Campus determines when this Revenue is released for expenditure. Beginning July 1, 2000, Campuses have the opportunity to reserve money in an account in the Major Capital Improvement Fund. This fund has been established to permit campuses to prepare for predictable future capital purchases such as roof replacements. Deposits to the Major Capital Improvement Fund are budgeted on this line. Not all Campuses elect to place funds in this Reserve because they feel that depreciation should be sufficient to meet their future needs.

The Liquidity Reserve had accumulated $2.2 million at the end of 2000-01, and beginning in 2002-03, campuses were no longer required to make additions. The Liquidity Reserve is not available for expenditure for any purpose. The Accumulated amounts are held to increase the financial integrity of the University. The funding of Depreciation at the campus level has reduced the need for annual additions to the Liquidity Reserve.

The Overhead section shows the assessments that are made against each Campus in order to support operations of the University. Prior to 2002-03, assessments were made at the rate of 13.75% of net student revenue. The methodology excluded 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 were transferred to the individual campuses, as was the Subsidy from Adult Campuses and the Subsidy from Overhead. Campuses that received Rebates and Subsidies show negative amounts in the various historical columns of this schedule because the transfer was shown as a "negative expense" rather than as a Revenue. Although these transfers were "income" to the receiving campus, from the standpoint of the University they represented only the reassignment of revenue from one campus to another. In 2002-03, the Stabilization Task Force simplified the mechanism for support of the University and the College. Overhead is now based on the three-year rolling average of Total Revenue, less Released from Restrictions. The College has not contribute to Overhead since 2001-02.

The Overhead section of the Summary by Category schedule shows the assessments that were made against the student derived revenue of each campus in order to support operations of the University. Although overhead was assessed at 13.75% in prior years, Rebates reduced the effective Overhead rate. 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 for the University Conference. The University Conference is scheduled to be held during 2003-04.

In 2003-04, Overhead was allocated to the non-residential campuses and other units in proportion to the size of their operating budgets. The total is $2.8 million.

The columns on the 2003-04 Proposed Budget Summary by Category schedule are identical to those on the Budget Summary by Function schedule.

V. 2002-03 YEAR-END PROJECTION

At the end of April, unless major improvements in the stock market lift the value of the endowment fund, the University will experience an annual operating deficit of about -$1.5 million. The approved budget for 2002-03 planned for a deficit of -$538,321, and were it not for endowment fund losses, the University would be expecting a surplus of $52,793. Operating losses are being projected for the College (-$699,124), WYSO (-$118,197), the Antioch Review (-$19,327) and University Wide where endowment gains and losses are recorded (-$2,051,454).

The University's most important source of revenue, Tuition and Fees, is expected to be slightly above budget at year-end. However, the College and Seattle will each finish the year about a half a million dollars below their 2002-03 budgets. By contrast, Southern California and McGregor will each be above budget by about $450,000. New England expects to finish the year with Tuition & Fee Income that is $275,940 above budget.

2002-03 TUITION AND FEE REVENUE PROJECTIONS

	2002-03 Budgeted	2002-03 Projected	Variance
Antioch College	15,003,888	14,457,954	-545,934
Glen Helen	114,142	115,890	1,748
New England	9,352,060	9,628,000	275,940
Seattle	9,882,381	9,358,874	-523,507
Leadership & Change	598,250	620,275	22,025
Southern California	11,492,460	11,948,786	456,326
McGregor	5,578,243	6,030,129	451,886
TOTALS	$52,021,424	$52,159,908	$138,484

The above table shows that gross tuition and fee revenue will be about where we anticipated when the budget was adopted. Tuition Discounts are expected to be $116,813 greater than anticipated. If both projections hold, Net Tuition and Fee Income will be almost exactly at the budgeted level.

Gift Income for all units is expected to be about -$443,704 below budget. This 18.5% drop is attributed largely to the poor economy, primarily the large stock market losses experienced by many individuals. The College is projecting a decline in Gift Income of -$250,675 (-15.6%). Traditionally, the College realizes much of its Annual Fund income in May and June, and it is possible that the projection may improve before the end of the fiscal year.

2002-03 PROJECTED YEAR-END BALANCES

	Total Revenue	Total Expense	Accrual Balance	Net Cash Balance
Antioch College	$ 17,354,233	$ 18,053,357	$ -699,124	$ -482,589
Glen Helen	714,439	687,286	27,153	0
New England	11,429,200	11,403,000	26,200	0
Seattle	10,640,973	10,489,862	151,111	176,111
Southern California	12,591,800	11,953,201	638,599	209,642
Antioch McGregor	6,187,500	5,698,513	488,987	58,013
University Administration.	1,643,662	1,633,020	10,642	0
WYSO Public Radio	736,837	855,034	-118,197	-110,689
Leadership & Change	657,727	649,954	37,773	29,493

The non-residential campuses and the Ph.D. in Leadership & Change program are expecting to finish the fiscal year with either 0 or positive balances. The non-residential campuses have managed the depreciation expense well this year and Southern California and McGregor will add additional funds to their facility reserve accounts.

VI. 2003-04 BUDGET OVERVIEW

The budget for 2003-04 anticipates revenue of $69.4 million which is $7.8 million (12.7%) more than is being projected for 2002-03. Total operating expenses are budgeted to increase by $6.6 million (10.5%) over the 2002-03 projected level and the entire University is showing an accrual deficit of -$321,723.

Gross Tuition and Fee revenue will grow by $3.2 million (6.2%) in 2003-04 over the current level, although the increases will be greater at some campuses than at others. New England, Seattle and Southern California are all expecting increases greater than 7%, while the College is expecting a 2% increase and McGregor a 1% decrease.

CHANGE IN 2003-04 BUDGETED TUITION AND FEE REVENUE

	2002-03 Projected	2003-04 Budgeted	Variance	Percent Change
Antioch College	14,457,954	14,747,749	289,795	2.00%
Glen Helen	115,890	118,972	3,082	2.66%
New England	9,628,000	10,583,207	955,207	9.92%
Seattle	9,358,874	10,114,255	755,381	8.07%
Leadership & Change	620,275	989,750	369,475	59.57%
Southern California	11,948,786	12,861,849	913,063	7.64%
McGregor	6,030,129	5,975,047	-55,082	-0.91%
TOTALS	$52,159,908	$55,390,829	$3,230,921	6.19%

The Ph.D. in Leadership and Change is showing a 60% increase due to the addition of a new cohort. As a new program, each additional cohort represents a major addition to its enrollment and income levels.

Tuition Discounts are increasing significantly at the College as the policy of meeting 100% of need and granting strategi scholarships is phased in with each additional entering class.

2003-04 BUDGETED TUITION DISCOUNTS

	2002-03 Projected	2003-04 Budgeted	Variance	Percent Change
Antioch College	5,475,727	5,917,069	-441,342	-8.06%
Glen Helen	0	0	0	
New England	0	150,000	-150,000	
Seattle	102,648	80,000	22,648	22.06%
Leadership & Change	5,500	4,500	1,000	18.18%
Southern California	116,938	135,500	-18,562	-15.87%
McGregor	0	15,000	-15,000	
TOTALS	$5,700,813	$6,302,069	-$601,256	-10.55%

New England and McGregor are planning to provide scholarships for certain students this year through the tuition discount mechanism. Some programs, particularly education, are having trouble recruiting a diverse student population because the income expectations from the field are not sufficient to justify the cost for some individuals of modest means. Small scholarships are expected to help convince these individuals to enroll and the result should be higher overall revenue.

Net Tuition and Fees is projected to increase by $2.6 million (5.7%) in 2003-04.

Gift income, which has decreased over the last three years, is being budgeted with a 24% increase ($470,260) over the actual level for 2002-03. While this represents a significant percentage increase over the actual anticipated for the current year, it is only $26,556, or 1.1% more than was projected for the 2002-03 budget.

Endowment income is budgeted at $414,500, which is 3.4% more than was budgeted in 2002-03. However, this is $605,172 more than the projected actual for 2002-03. The amount budgeted for Endowment Income reflects the Board-approved spending policy for the University rather than our expectation about how the market will perform in the coming year. The budgeted amount provides stable funding for the College as well as covering the costs associated with the management of the Endowment.

Contracts Income in the new budget is $12,760 (3.7%) above the level projected for 2002-03. Contract activity has increased slightly at New England and at McGregor. The large contracts awarded to Seattle, including the Gates Foundation contract, do not appear on the Contracts income line, but are reflected in Released from Restrictions. The Gates Foundation releases funds in anticipation of expenditures and these are placed in a restricted account until the expenditures are made. Most foundations and the federal government reimburse institutions after the expenses have been incurred.

Other Income is where the gains and losses on the endowment portfolio are reported. Generally, we do not budget for gains or losses because of our limited ability to project the markets. The $567,626 increase over the 2002-03 budget is primarily due to the anticipated sale of the Birch III surplus property. When realized, this sale will be credited as revenue to the College.

Auxiliary Enterprises is budgeted to increase 7.1% ($288,665) over the 2002-03 budget as a result of the policy change concerning the way the College handles financial aid allocations when a student elects to reduce the number of meals that he or she eats in the Cafeteria. Previously, student aid was not adjusted when a student elected to change from the full meal plan. Because the majority of the students making this election are receiving financial support from the College, the previous policy represented a significant loss of revenue to the College. Students who now take less than the full meal plan will have their financial aid package reduced. For this reason, we believe that most students will continue under the full meal plan and this will increase revenue for the Cafeteria.

The summary schedules for the entire University contain a line called Net Overhead for Central Operations. A total of $2.87 million is budgeted for University Administration and other University Wide operations in 2003-04. Despite the fact that on a budget-to-budget basis, the University Administration added only $10,366 to the total, the summary schedule show an increase of $666,284 (30.3%). Nearly all of the budget-to-budget growth is due to a change in the way salaries of the presidents of the non-residential campuses are budgeted. Beginning in 2003-04, the salaries will be budgeted centrally in order to simplify budget planning at the campuses and eliminate problems associated with subsequent adjustments after the Board determines salary increases.

NET OVERHEAD AS A PERCENTAGE OF TUITION

	Overhead	Percent of Tuition
College	$ 0	0.00%
New England	$ 927,868	8.77%
Seattle	$ 946,150	9.35%
Leadership & Change	$ 2,688	0.27%
Southern California	$ 1,003,477	7.80%
McGregor	$ 586,101	9.81%

Beginning in 2002-03, overhead expenses for the operation of the University Administration and the various University-wide activities were allocated to the campuses on the basis of the three-year rolling average of their Total Revenue, less Released from Restrictions. This methodology was adopted following the recommendations of the Stabilization Task Force, and the College is not currently required to participate in the support of the University Administration or University-wide functions. The College was excluded from paying overhead as a transitional device while it works to increase enrollments and eliminate its budgeted deficit. Once that occurs, it is anticipated that the College will begin moving towards paying a reasonable portion of the overhead cost.

This is the first year that the new Ph.D. in Leadership & Change has contributed overhead to the University. New academic programs have traditionally been exempt from paying overhead during their first two years of operation as a way to encourage their initiation and support their development. The amount that the Ph.D. program will pay will increase significantly once it is past the two-year exemption.

For the University as a whole, salaries and wages will increase by $2.3 million (7.6%) over the 2002-03 budget and by $2.8 million (9.6%) over the projected 2002-03 actuals. Several campuses are trying to correct long-standing salary inequities and become more competitive in their local markets.

SALARY INCREASES FOR 2002-03

College	A 1% across-the-board salary increase has been budgeted for faculty and staff. Represented employees will receive the increases authorized in the contracts that will be negotiated this summer.
New England	An across-the-board salary increase of 4% is proposed for faculty and staff.
Seattle	AUS is budgeting for a 4% increase for faculty and 2% increase for staff in July 2003, and an additional 2% for faculty on January 1, 2004
Southern California	A 4.2% salary increase is proposed for all AUSC employees, excluding adjunct and associate teaching staff. In addition, the salary schedule for all core faculty has been increased.
McGregor	McGregor is planning a 3% salary increase for faculty. Staff represented by the union will receive the increase authorized in their existing contract.
Leadership & Change	A 3% salary increase is budgeted for all staff.
University Administration	An across-the-board increase of 2% is budgeted.

As the above table shows, the College has limited its salary increases to 1%, but will increase salaries by an additional 1% later in the fiscal year if revenues are sufficiently strong to fund the commitments contained in the budget.

Fringe benefit costs will increase by 9.4% ($915,071) over the 2002-03 budget, but by 15.4% ($1.4 million) over the projected actuals for 2002-03. While there is some increase in workers compensation costs and unemployment insurance, medical and drug coverage for employees is the major cause of the increase. Health insurance is projected to increase by as much as 25% across the country in the next year, but based on our recent experience, we believe that a phased 13% increase will be sufficient to cover this expense. California is likely to see greater health and drug cost increases because of the pattern of demand and service costs in that state. The campuses have been asked to budget an additional 13% to cover the expanding costs of health and drug coverage during 2003-04. This increase will be phased in so that at the end of the year the campuses will be paying at a rate that is 18% higher than they were paying at the beginning of the year.

Medical and drug coverage plans for employees change on January 1 of each year. On January 1, 2004, the employee contribution for non-union employees should increase by 18% in order to keep employee contributions proportional to those of the University. Changes to the benefit structure could be made to keep the costs lower, and changes will be considered. Negotiations with the College unions are expected to focus on health insurance costs because they are such a significant component of total employee compensation.

Capital expenditures will be budgeted at 45.5% ($654,361) more than in the 2002-03 budget even though some major projects are ending. The College will not have to invest as much in mold remediation as it did in 2002-03 and Antioch New England has completed its expansion project to accommodate the elementary level grant-funded teaching program. However, the availability of depreciation funds has stimulated an investment in computer hardware and given campuses the ability to consider renovations and upgrades of existing facilities. Seattle's capital expenditures will increase by $205,000 over the 2002-03 level. Half of this increase will be used for new computing technology and the renovation of the enrollment services and administrative offices are also budgeted for 2003-04. McGregor's capital budget will grow by $109,950 as they plan for a new facility and upgrade classroom electronics. Southern California is preparing to relocate the LA campus and has budgeted $300,000 for new site improvements.

The realization that capital funds will now be available each year as a result of depreciation is encouraging long-term thinking and the campuses are now beginning to look farther ahead in their planning. With the availability of depreciation funds, the Five-Year Capital Budget becomes much more than a planning exercise.

VII. SUMMARY OBSERVATIONS

Barring a major recovery of the stock market in the last two months of the current fiscal year, the University will end 2002-03 with a deficit. At the moment, it appears that the deficit will be about $1.5 million, but this number has decreased during April by just over a million dollars as a result of the gains in the endowment portfolio. Should May and June turn out to produce strong gains, the deficit for the year could be significantly reduced; by that same token, should the recovery of the stock market falter, the endowment could lose the gains that it has made and the deficit could quickly jump.

Overall, revenues from all sources are expected to be about -$2.3 million (-3.6%) below the 2002-03 budget. Expenses, on the other hand, are projected to be only -$1.3 million (-2.0%) below budget and this accounts for the deficit being nearly $1.0 million larger than budgeted.

Operationally, the University as a whole has done quite well, with the non-residential campuses expecting to complete the year with balanced budgets or surpluses. The College is expecting that its deficit will run about $100,000 more than budgeted and WYSO is projecting a deficit of about -$118,000. The College has not applied the Drey revolving fund ($200,000) against its 2002-03 deficit, but this could be done to reduce the deficit to the budgeted level if all other variables fail to come into line. The largest of these is the Annual Fund which has suffered because of a downturn in the economy.

Although the University as a whole is anticipating a -$1.5 million deficit for 2002-03, we would have a slight surplus were it not for the anticipated losses in the Endowment Fund. Fortunately, we have made changes in the bond covenants so that gains and losses on investments will not be considered when determining if the University is in default. Therefore, I do not anticipate any difficulty with our bonds as a result of the University's performance during 2002-03.

The budget for 2003-04 is optimistic but not wildly so. Total revenues are expected to increase by 8.7% ($5.5 million) over the 2002-03 budget while expenses are expected to increase by 8.2% ($5.3 million). The budgeted deficit is -$321,723, a slight decrease from the deficit budgeted in 2002-03.

The budget continues to make improvements in salaries and wages and equipment and facilities. Much depends upon the economy, but softness in the economy has proven helpful for the non-residential campuses as more adults begin to consider the need for additional education in order to remain competitive in a highly-competitive job market. A weak economy, however, is not typically as kind to the College. Families may think twice about the cost of attendance and donors who do not feel as well off when their portfolios show major reductions are less likely to make major gifts. The College will need to overcome the economy and increase its enrollments in order to find the revenue necessary to meet its current operating needs. The budgeted expenditure levels do not provide the flexibility that a liberal arts college should have. Enrollment is currently the College's primary focus and success here will bring major benefits for both the College and the non-residential campuses.

Glenn Watts
Vice Chancellor and
Chief Financial Officer

Antioch University

2003-04 Budget Summary by Function

	2000-01	2001-02	2002-03	2002-03	Change From 2002-03 Budget to 2002-03 Projected		Proposed	Change From 2002-03 Projected to 2003-04 Budget		Change From 2002-03 Budget to 2003-04 Budget	
	Actual	Actual	Budget	Projected	$	%	*2003-04 Budget*	*$*	*%*	$	%
Revenues											
Tuition & Fees	44,384,891	47,762,734	52,021,424	52,159,908	138,484	0.27%	***55,390,829***	3,230,921	6.19%	3,369,405	6.48%
Less Tuition Discounts	-3,306,727	-4,253,169	-5,584,000	-5,700,813	-116,813	-2.09%	***-6,302,069***	-601,256	-10.55%	-718,069	-12.86%
Net Tuition and Fees	41,078,164	43,509,565	46,437,424	46,459,095	21,671	0.05%	***49,088,760***	2,629,665	5.66%	2,651,336	5.71%
Gifts	2,895,961	2,657,268	2,404,124	1,960,420	-443,704	-18.46%	***2,430,680***	470,260	23.99%	26,556	1.10%
Grants	2,730,659	3,242,681	3,294,362	2,962,792	-331,570	-10.06%	***3,702,540***	739,748	24.97%	408,178	12.39%
Endowment Income	132,280	101,758	400,778	-190,672	-591,450	-147.58%	***414,500***	605,172	317.39%	13,722	3.42%
Contracts	736,182	545,420	216,069	345,574	129,505	59.94%	***358,334***	12,760	3.69%	142,265	65.84%
Other Income	1,934,427	-751,898	1,096,715	-271,272	-1,367,987	-124.73%	***1,664,341***	1,935,613	713.53%	567,626	51.76%
Total E&G Revenue	49,507,673	49,304,794	53,849,472	51,265,937	-2,583,535	-4.80%	***57,659,155***	6,393,218	12.47%	3,809,683	7.07%
Auxiliary Enterprises	3,400,471	3,672,379	4,067,753	3,821,824	-245,929	-6.05%	***4,356,418***	534,594	13.99%	288,665	7.10%
Released From Restrictions	2,793,328	3,542,498	3,784,337	4,400,591	616,254	16.28%	***4,548,721***	148,130	3.37%	764,384	20.20%
Total Revenues	55,701,472	56,519,671	61,701,562	59,488,352	-2,213,210	-3.59%	***66,564,294***	7,075,942	11.89%	4,862,732	7.88%
Net Overhead for Central Operations	2,549,500	2,374,497	2,200,000	2,138,112	-61,888	-2.81%	***2,866,284***	728,172	34.06%	666,284	30.29%
Operating Expenses											
Instruction	19,155,718	20,244,916	22,487,149	21,519,801	-967,348	-4.30%	***24,342,767***	2,822,966	13.12%	1,855,618	8.25%
Research	8,600	0	0	578	578		***1,000***	422	73.01%	1,000	
Public Service	2,980,279	3,163,989	2,522,261	2,773,174	250,913	9.95%	***3,373,054***	599,880	21.63%	850,793	33.73%
Academic Support	3,394,285	3,319,937	3,313,870	3,476,264	162,394	4.90%	***4,204,523***	728,259	20.95%	890,653	26.88%
Student Services	5,798,767	6,026,561	6,675,382	6,170,813	-504,569	-7.56%	***6,867,032***	696,219	11.28%	191,650	2.87%
Institutional Support	14,967,606	15,483,905	15,762,065	15,259,269	-502,796	-3.19%	***16,880,247***	1,620,978	10.62%	1,118,182	7.09%
Plant Maintenance	7,742,236	7,737,319	7,885,122	7,649,794	-235,328	-2.98%	***8,076,092***	426,298	5.57%	190,970	2.42%
Scholarships	2,974,725	3,078,912	2,824,922	3,262,398	437,476	15.49%	***2,921,556***	-340,842	-10.45%	96,634	3.42%
Total E&G Expenses	57,022,216	59,055,539	61,470,771	60,112,091	-1,358,680	-2.21%	***66,666,271***	6,554,180	10.90%	5,195,500	8.45%
Auxiliary Enterprises	2,816,991	2,776,772	2,969,112	3,022,010	52,898	1.78%	***3,086,030***	64,020	2.12%	116,918	3.94%
Total Operating Expenses	59,839,207	61,832,311	64,439,883	63,134,101	-1,305,782	-2.03%	***69,752,301***	6,618,200	10.48%	5,312,418	8.24%
Excess Revenue over Expenses	-1,588,235	-2,938,143	-538,321	-1,507,637	-969,316	-180.06%	***-321,723***	1,185,914	78.66%	216,598	40.24%
Annual Budget Conversion to Cash Basis											
Capital Expenditures	2,374,383	2,061,158	1,438,363	2,816,194	1,377,831	95.79%	***2,092,724***	-723,470	-25.69%	654,361	45.49%
Borrowing Proceeds	-1,953,394	-303,738	-211,000	-235,801	-24,801	-11.75%	***-219,000***	16,801	7.13%	-8,000	-3.79%
Principal Payments	911,780	1,010,305	754,106	1,102,837	348,731	46.24%	***871,468***	-231,369	-20.98%	117,362	15.56%
Prior Year Reserves	0	-119,122	0	-178,500	-178,500		***-298,806***	-120,306	-67.40%	-298,806	
Add back Depreciation	-2,920,157	-2,959,298	-2,885,195	-2,913,775	-28,580	-0.99%	***-2,905,761***	8,014	0.28%	-20,566	-0.71%
Total Cash Items	-1,587,388	-310,695	-903,726	590,955	1,494,681	165.39%	***-459,375***	-1,050,330	-177.73%	444,351	49.17%
Net Cash Basis Budget	-847	-2,627,448	365,405	-2,098,592	-2,463,997	-674.32%	***137,652***	2,236,244	106.56%	-227,753	-62.33%

Antioch University

2003-04 Budget Summary by Category

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	%	*Proposed 2003-04 Budget*	*Change From 2002-03 Projected to 2003-04 Budget* $	%	Change From 2002-03 Budget to 2003-04 Budget $	%
Revenues	58,250,972	58,894,168	63,901,562	61,626,464	-2,275,098	-3.56%	69,430,578	7,804,114	12.66%	5,529,016	8.65%
Operating Expenses											
Salaries & Wages	28,195,318	29,576,592	29,973,210	29,428,407	-544,803	-1.82%	32,254,679	2,826,272	9.60%	2,281,469	7.61%
Benefits	7,941,150	9,164,686	9,701,077	9,198,316	-502,761	-5.18%	10,616,148	1,417,832	15.41%	915,071	9.43%
Training & Development	1,669,863	1,607,674	2,268,406	1,746,534	-521,872	-23.01%	2,176,305	429,771	24.61%	-92,101	-4.06%
Student Aid Services	1,646,150	1,613,833	1,585,712	1,762,131	176,419	11.13%	1,692,869	-69,262	-3.93%	107,157	6.76%
Special Events	245,477	232,990	331,232	214,177	-117,055	-35.34%	367,065	152,888	71.38%	35,833	10.82%
Supplies	1,371,596	1,449,225	1,454,606	1,496,866	42,260	2.91%	1,615,415	118,549	7.92%	160,809	11.06%
Business Operations	6,542,879	6,272,045	6,589,624	6,733,765	144,141	2.19%	6,877,204	143,439	2.13%	287,580	4.36%
Plant Maintenance	3,784,320	3,772,930	4,004,882	4,049,318	44,436	1.11%	4,136,066	86,748	2.14%	131,184	3.28%
Interest Expense	1,530,178	1,328,738	1,330,541	1,308,195	-22,346	-1.68%	1,235,799	-72,396	-5.53%	-94,742	-7.12%
Resale Costs	779,198	718,866	724,500	763,673	39,173	5.41%	757,000	-6,673	-0.87%	32,500	4.49%
Miscellaneous	493,923	611,660	519,395	559,521	40,126	7.73%	1,040,767	481,246	86.01%	521,372	100.38%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	398,357	0	-398,357	-100.00%	420,974	420,974		22,617	5.68%
Campus Contingency, Discretionary	0	1,715	248,697	600,000	351,303	141.26%	335,134	-264,866	-44.14%	86,437	34.76%
Liquidity Reserve	0	0	0	0	0		0	0		0	
Overhead											
To the University	4,983,195	3,124,497	2,800,000	2,738,101	-61,899	-2.21%	3,466,284	728,183	26.59%	666,284	23.80%
Rebates from the University	-2,033,695	0	0	0	0		0	0		0	
Subsidy from Adult Campuses	0	0	0	0	0		0	0		0	
Subsidy from Overhead	-400,000	-750,000	-600,000	-600,000	0	0.00%	-600,000	0	0.00%	0	0.00%
Other (Intercampus Agree & Univ Conf)	169,498	147,562	224,449	221,322	-3,127	-1.39%	454,831	233,509	105.51%	230,382	102.64%
Depreciation	2,920,157	2,959,298	2,885,195	2,913,775	28,580	0.99%	2,905,761	-8,014	-0.28%	20,566	0.71%
Total Operating Expenses	59,839,207	61,832,311	64,439,883	63,134,101	-1,305,782	-2.03%	69,752,301	6,618,200	10.48%	5,312,418	8.24%
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Principal Payments	911,780	1,010,305	754,106	1,102,837	348,731	46.24%	871,468	-231,369	-20.98%	117,362	15.56%
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ANTIOCH COLLEGE
2003-04 PROPOSED BUDGET

Budget preparation for 2003-04 began much earlier than for the 2002-03 budget. This extra time allowed for closer analysis of the factors that influence the shape of the budget, and it also permitted more people to be involved in the planning and review of our financial situation. Given the enrollment problems that we encountered in putting the 2003-04 budget together, we needed every minute of this extra time.

Enrollment problems during 2002-03 produced a shortfall in tuition revenue that required extensive mid-year reductions to the budget. My expectation was that having made those reductions, it would be much easier to build the 2003-04 budget. Unfortunately, I was wrong. The 2003-04 budget development process turned out to be more difficult than preparing the 2002-03 budget.

The College is highly dependant on enrollment for the majority of its operating funds, and has had an unfortunate recent history of over estimating enrollment, and thus available funding. Therefore, we began our budget preparation process by developing realistic scenarios based on alternative enrollment changes. One option involved a "fast growth" scenario for the first year class, while another contemplated a "slow growth" projection, but ultimately we settled on a "no growth" plan. Even with the 7% increase in tuition and fees for next year, the no-growth plan projects less Net Tuition and Fees than we collected in 2002-03. This is primarily due to three factors:

- **Financial Aid Increases**. Adoption of the revised tuition discount program in 2002-03 reduced tuition income. In 2003-04, the College will have two classes enrolled under the new program. This means that two classes have been graduated that came to the College with relatively small discounts. The impact of this increase in our student financial aid structure is about $440,000.

- **Increased Student Attrition**. Our projection for the 2003-04 enrollment is based on the actual enrollment in 2002-03 adjusted for attrition and new students in the entering class. Our experience between 2001-02 and 2002-03 was not good and we lost more students than we had anticipated. Students lost from the first-year class are not available in subsequent years to pay tuition and fees, and the impact was significant. Overall, we anticipate around 35 fewer students in the continuing classes in 2003-04, and these students represent an estimated tuition loss of about $450,000.

- **Utilization of Pre-Paid Terms**. A few years ago the College changed from the quarter system to the trimester system. At the time, this would have significantly reduced revenues in the initial fiscal year because students pay only three times each year under the trimester plan whereas they had paid four times each year under the quarter system. Rather than experience a significant revenue shortfall, the College adopted the policy of charging all entering first-year students for three full terms even if they began study in the fall and attended only two terms in their first year. The unused pre-paid term becomes available to the student as their twelfth or final term at Antioch. Generally, this is a co-op term, but not always. While several students became eligible to use their pre-paid term in 2003, more will become eligible in 2003-04. A total of 70 pre-paid terms will be used in 2003-04 for a total cost of $529,000.

In order to respond to this shortfall and to recognize some unavoidable expense increases, a combination of cost reductions and revenue enhancements were assembled. It took the budget committee of the College many weeks of deliberation before agreement was reached to proceed with the following list:

Development expenses to be paid by the Capital Campaign	$ 73,000
Accrue sabbaticals	155,000
Reduce Admissions budget	100,000
Fewer Pre-Paid Term Students (14)	106,000
Cap tuition for the new class discounts at $2.0 million	200,000
Utilities saved while wiring and renovating a dormitory	37,000
Reduced Financial Aid cost for smaller meal plans	250,000
Expected faculty on Leaves of Absence	76,000
AEA Contribution	87,000
Half of 2% salary increase postponed	78,500
Sell surplus properties	425,000
Reorganization of Dean of Students Office	80,000
Premium charge for single occupant dorm rooms	20,000
Use of Restricted Scholarships	117,800
	$1,805,300

None of the items on this list is problem free. Rather, the reductions eliminate needed support from important programs, while the revenue enhancements change the ground rules for some students or require that we sell valuable assets. Nonetheless, all of these things are necessary in order to bring a budget to the Board with a reduced deficit of -$500,000 (compared with -$600,000 in 2002-03) as recommended by the University Leadership Council.

The proposed budget includes a 1% salary increase for faculty and staff. Salary and wages at the College are far below Great Lakes College Association levels and are not competitive with institutions that we consider to be our peers. This increase will not keep pace with inflation, but if we fail to provide even this small increase it will be extremely damaging to morale.

Later this summer the College's contract with our Unions expires. Negotiation of new three-year contracts must be completed by July 31, 2003 and this will be particularly difficult because there are several areas where we are looking for change. The higher cost of health insurance alone will be a major impediment to resolution of the new contract, and it is difficult to contemplate arriving at an agreement without some salary increase in the first year.

The proposed budget also allows us to fill seven tenure-track faculty positions, but this does not represent seven new positions because all but two of these searches fill existing and occupied faculty positions. The original proposal was to conduct 11 faculty searches duing 2002-03. However, financial constraints require that we limit the hiring of faculty to the absolute minimum. The following table shows the positions that were searched and the way in which each position is currently filled.

POSITION	REASON for VACANCY	STATUS
Psychology	tenure relinquishment	vacant
History	tenure denied and retirement (1.5 positions)	vacant
Economics	tenure relinquishment	visitor
Philosophy	tenure relinquishment and resignation (2 positions)	visitor
Communications	administrative appointment	visitor
Chemistry	resignation	visitor
Environmental Studies	resignation	visitor

Some of the temporary appointees filling the visiting positions were candidates for the faculty positions and have successfully competed for the posts. All of the positions have been filled through aggressive outside recruiting that has identified some exceedingly qualified individuals who will greatly strengthen our teaching staff. Those visitors who were appointed into permanent positions have gained legitimacy by competing against a national pool. A strong teaching staff is critical to our efforts to retain students. One of the things we know about our student body is that our students strongly identify with individual members of the faculty. Frequently, these are their mentors and they provide a point of stability for the student. It is important that this "academic anchor" be available throughout the student's time at the College and there is no better way to do this than to give the faculty member the commitment represented by a tenure track appointment. Faculty attrition is a problem for us, as is student attrition, and in fact, our research has established a causal relation between the two.

The 2003-04 budget also includes funds for the appointment of three critical administrative positions. All three searches have been under way during the current fiscal year. One position has been filled and the other appointments are expected to take place in May or June. All of the successful candidates will start before the fall term.

The first administrative position is the Dean of Faculty. The decision by Hassan Nejad to return to his faculty duties after several years of dedicated service as Dean will create a major administrative void and one that can only be filled by a highly qualified candidate. Our search efforts were rewarded when Dr. Richard T. Jurasek agreed to become the new Vice President and Dean of Faculty. He is currently at Augustana College in Rock Island, Illinois where he has been dean since 1988. Prior to that he spent 22 years on the faculty of Earlham College, our GLCA neighbor in Richmond, Indiana, where he taught German language and literature and served as Associate Dean. All of Dr. Jurasek's degrees were earned in Ohio: his M.A. and PhD degrees are from Ohio State University, and his B.A. is from Ohio University. I look forward to introducing Dr. Jurasek to the Board.

The second position is the Vice President/Dean for Admissions and Financial Aid. This is perhaps the most critical position at the College for our academic and financial success. I have engaged a search consultant with many years of experience to help us identify and recruit qualified candidates. In addition, the College has made its own efforts to attract experienced individuals, and we are hopeful that an extremely well-qualified candidate will be identified. The pool of prospects is excellent.

The third position is Director of Multi-Cultural Affairs, reporting directly to the President. This appointment is crucial in our efforts to serve and retain students of color. The conclusion of the search has been slowed by a family crisis suffered by the chair of the search, but we expect to have a resolution shortly.

REVENUES

The conservative nature of the budget being proposed for 2003-04 can be seen in both the expense and revenue numbers. Overall, total budgeted revenue for 2003-04 is virtually the same as the amount budgeted in 2002-03. The budgeted $18.2 million is -$74,370 less than the previous budget, but $852,245 (4.9%) more than we are anticipating for the current year. The budgeted increases over our projected actuals will come from several sources. Gross tuition is anticipated to be 2% ($289,795) greater than the 2002-03 actuals. However, because tuition discounts will increase by about 8% ($441,342), Net Tuition will actually decrease by -$151,547.

Gifts, primarily received through the Annual Fund, are expected to grow by $339,396 over the sum projected for 2002-03, but this total is the same as we budgeted for the current year. The uncertainty about the economy and the focus on the war in Iraq has made fund raising particularly difficult this year. We are hoping that both the economy and world affairs will improve in 2003-04 so that giving to the College will begin to grow again. We have new staff in critical positions in the Development Office and we are looking for new and innovative approaches that will bring in additional support.

Income from Grants, the Endowment and Contracts is not planned to change significantly during the coming year. Other Income, however, is expected to increase by $413,028, a significant jump, due to the anticipated sale of land known as Birch III. The College has held this parcel of about 22 acres for many years and has made several attempts to find a developer who would work with the College to maximize its value. However, none of these efforts have proven successful and my recommendation is that the property be sold and the income used to assist the College in its transition to a more sustainable financial structure. The real estate market in Yellow Springs is strong at the present time, but may not be so in the future. This may well be an optimal time to realize revenue from this source.

Auxiliary Enterprises Income is projected to rise by $491,810 (16.9%) due to a revised policy governing the way financial aid is handled when students elect to change their meal plans. Previously, students who elected to reduce the number of meals eaten in the cafeteria from full plan to partial plan were given cash payments to cover the gap. In nearly all cases, however, the meal plan was part of the financial aid package provided by the College and the payment of cash to the students resulted in a diversion of revenue from the cafeteria. This is not the practice that is used when a student elects not to live in College housing. Students with financial aid who decide to live away from the College have their aid packages reworked and no cash payments are made. This is the procedure that will be used in the future regarding changes in meal plans. As a result, it is anticipated that more students will elect to continue the full meal plan and eat more of their meals in the cafeteria. While the cafeteria will have to increase its food budget to a degree, labor and other operational overhead costs should not increase and so there should be a net gain for the College. In addition, having more students eating in the cafeteria will increase student contact and engender a greater sense of community.

OPERATING EXPENSES

Total operating expenses are budgeted in 2003-04 at approximately the same level they were at in 2002-03. At $18.7 million, expenses are slightly less (-$174,370) than they were in the previous budget. On an actual-to-budget basis, expenses are expected to increase by $653,121 (3.6%) over 2002-03, but this is less than the 4.9% anticipated growth in total revenue.

Salaries & Wages are budgeted at $135,128 (1.7%) above last year's budget while fringes are up $93,524 (3.2%) over the previous budget. The Salary and Wage increase is less than the originally contemplated 2% pay plan, and fringe benefits are up primarily due to the escalating cost of the medical and pharmaceutical plan. Training & Development will be -$146,212 (-18.4%) below the 2002-03 budget, but up $196,351 from our projected actual expenses. Training & Development was reduced significantly in the middle of 2002-03 in order to respond to the tuition shortfall. Without time to implement more appropriate reductions, professional development activities for the faculty and staff were dramatically curtailed. While this expense category will continue to be underfunded in 2003-04, it needs to be increased from the actual 2002-03 level.

Special Events have increased by $23,497 over the 2003-04 budget, primarily in recognition of the upcoming celebration of the College's 150th Anniversary. A number of fund raising events will center around this anniversary and it is essential that the College take advantage of this opportunity to gain both financial support and recognition.

Our supply budgets have not been realistic in terms of our needs and we have had to restore them, in part, in order to insure that our teaching programs can be successful. In 2003-04, the supplies budget will be increased by $26,890 (3.6%) above the 2002-03 budget. Basically, this recognizes the actual expenditure level from the 2002-03 year.

Business Operations will be up slightly above the actual for the current year, but -$173,493 (-8.2%) below the budget level of 2002-03. Most of the reduction will be in the Capital Campaign (-$85,000) and Admissions Office (-$119,000) budgets. Certain expenses, such as a planned giving consultant and an admissions consultant, were not included in the proposed budget. Increased contract costs for student clinic services ($18,000) and the On-line Computer Library Center ($30,000) offset some of the savings realized in this area.

Plant Maintenance, Interest Expense and Resale Costs are all being reduced from the 2003-04 in order to help assure that the budget of the College stays within the deficit limitation recommended by the ULC.

CAPITAL EXPENDITURES

The capital budget for the College will be about half of the Depreciation Expense. While our needs are great and we could justify spending several times the amount of the depreciation expense, we are limiting our capital expenditures in order to insure that our cash basis budget at the end of the year is in balance. Our capital expenditures are described in detail in the Five Year Capital Budget, but the focus of our expenditures will be on those things that make the most positive contributions to recruitment and admissions efforts. We are also focusing attention on improvements that are necessary to insure safety and to protect the physical plant from further damage due to neglect. High on the priority list is providing all dormitory students with high-speed access to the Internet. We know that today's student depends on his or her computer for communication and access to a variety of academic resources. While some of our dormitories have been wired for high-speed Internet in recent years, about half remain without such service. The traditional wiring of these facilities would be desirable, but expensive and time-consuming. Therefore, we have elected to provide high-speed Internet access using wireless technology. We hope to have much of this equipment in place before the start of fall classes. We anticipate a positive effect on recruitment of the class of 2004-05 as well as some immediate effect on retention.

Student safety is also a major concern for both the College and prospective students. Some of our dormitories do not have centrally monitored fire and smoke detection systems, and the individual smoke detectors frequently malfunction. Therefore, the proposed capital budget will at least begin the process of installing centrally monitored fire detection systems.

In recent years the program of the College has shifted to emphasize community service throughout the academic year. This has meant that more of our students are traveling to various sites in the area to participate in community service projects. Unfortunately, our vehicle fleet has not kept pace with this change. At present, our fleet consists entirely of 15-passenger vans and one 5-passenger sedan. The sedan, a gift, has a manual transmission which many students are not able to drive. The result is that we have 15-passenger vans making trips to Xenia and Springfield with only one or two passengers. This is both inefficient and more likely to produce accidents because 15-passenger vans cannot be driven like passenger cars. In the 2003-04 budget, we propose starting the process of restructuring the vehicle fleet to better match our travel needs. A student study of vehicle usage has shown that we need fewer vans and more 5-passenger sedans. The students also recommend that we acquire energy efficient or alternative fuel vehicles as a way of demonstrating our commitment to the environment. Antioch students are sensitive to the environment and they expect that the College will do everything it can to minimize our impact on the ecosystem.

Other elements of the capital budget include upgrading the long-obsolete computers used by many faculty and staff, upgrading the equipment in the cafeteria to provide better food service for the larger number of students that we expect to be taking advantage of the full meal plan, replacement of those roofs that are in the worst condition, and the usual purchase of library books. Regrettably, until the operating budget can be put in balance, we will not be able to fully expend the Depreciation funds. However, we are proposing to acquire additional equipment and make necessary physical plant improvements by the use of small amounts of borrowed funds.

Antioch McGregor is in the enviable position of being able to repay its share of the $2.1 million Ohio Bond issue of 2001. I propose that the College assume this debt which will enable us to add approximately $200,000 to our capital budget in 2003-04. The interest expense on this additional debt will be about $4,000 per year and the principal repayment is about $19,000. These costs have been added to the operating budget of the College. McGregor will not be affected by this change in any negative way. McGregor's debt will be transferred to the College as will all future obligations for debt service. In addition to having some additional funds for capital improvements in 2003-04, the College will benefit from this proposal by saving the cost of issuance which we would otherwise experience if we acquired new debt.

While it is likely that we will incur some expense for mold remediation in some of our buildings during 2003-04, we should not encounter the unexpected expenses that we experienced in 2002-03. In order to remove the mold and mold-producing conditions in Spalt and Presidents, we incurred unbudgeted operating expenses of $134,400 and unexpected capital costs of $336,150. The operating expenses involved repeated environmental testing, cleaning supplies and equipment, and contract cleaners with specialized equipment. The capital expenses involved stripping insulation from pipes, opening walls, replacing insulation and installing a "French drain system" to insure that ground water is kept out of Spalt.

CONCLUSION

Great efforts have been made this year to bring the faculty, staff and students into the budget process in a positive, cooperative way. The Budget Committee has met on a weekly basis throughout the spring and we have provided them with detailed information about finances, enrollment, retention and other key aspects of the College's finances. A budget class, taught by the Controller, has been offered to the community twice each year. Together, the administration and the Budget Committee saw the 2003-04 picture develop. The Committee has participated actively in the process and has made many useful and sometimes challenging suggestions that caused me and others to rethink some fundamental premises. The result is a viable budget that reduces the allowable deficit from -$600,000 in 2002-03 to -$500,000. Our collective understanding of the finances and mechanisms of the College are better this year than they were last and the budget as a whole is far more realistic as a result. Let me add that a process that was necessarily "painful and constraining" was carried out collaboratively and peacefully, with no significant student or faculty resistance or protest.

As in previous years, the success of this budget will depend upon our ability to attract and retain students. We have added recruiting tools and changed our procedures, and we are continuing to work on the process. A new and experienced leader will be responsible for directing changes in the coming year. We need to be able to process financial aid packages more quickly and get them to prospective students on a more timely basis. We need to broaden our focus and emphasize the rigorous but rewarding academic opportunities that exist at Antioch. We need to improve the appearance and services of the College so that it is more attractive to students and their parents. Within the limits of our resources, we are continuing to work on all of these things and we are seeing results.

A three-fold attack on our financial problems should begin to yield visible improvements within the next few years. These are: 1) New and improved admissions policies, processes and leadership; 2) New and intense focus on causes and remedies for student attrition; and 3) the Campaign for Antioch College with its emphasis on building College endowment and endowment income.

Joan Straumanis
President

Antioch College

2003-04 Budget Summary by Function

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected		Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget		Change From 2002-03 Budget to 2003-04 Budget	
					$	%		$	%	$	%
Revenues											
Tuition & Fees	11,971,121	13,488,761	15,003,888	14,457,954	-545,934	-3.64%	***14,747,749***	289,795	2.00%	-256,139	-1.71%
Less Tuition Discounts	-2,901,056	-3,901,907	-5,365,000	-5,475,727	-110,727	-2.06%	***-5,917,069***	-441,342	-8.06%	-552,069	-10.29%
Net Tuition and Fees	9,070,065	9,586,854	9,638,888	8,982,227	-656,661	-6.81%	***8,830,680***	-151,547	-1.69%	-808,208	-8.38%
Gifts	2,022,253	1,936,317	1,605,000	1,354,325	-250,675	-15.62%	***1,605,050***	250,725	18.51%	50	0.00%
Grants	1,537,841	1,707,919	1,260,998	1,338,514	77,516	6.15%	***1,307,000***	-31,514	-2.35%	46,002	3.65%
Endowment Income	195,157	198,524	172,358	155,760	-16,598	-9.63%	***183,000***	27,240	17.49%	10,642	6.17%
Contracts	0	28,887	3,000	6,430	3,430	114.33%	***3,000***	-3,430	-53.34%	0	0.00%
Other Income	222,250	111,705	90,700	99,338	8,638	9.52%	***512,366***	413,028	415.78%	421,666	464.90%
Total E&G Revenue	13,047,566	13,570,206	12,770,944	11,936,594	-834,350	-6.53%	***12,441,096***	504,502	4.23%	-329,848	-2.58%
Auxiliary Enterprises	2,542,508	2,768,779	3,136,795	2,908,149	-228,646	-7.29%	***3,399,959***	491,810	16.91%	263,164	8.39%
Released From Restrictions	1,271,696	1,520,986	2,373,109	2,509,490	136,381	5.75%	***2,365,423***	-144,067	-5.74%	-7,686	-0.32%
Total Revenues	16,861,770	17,859,971	18,280,848	17,354,233	-926,615	-5.07%	***18,206,478***	852,245	4.91%	-74,370	-0.41%
Operating Expenses											
Instruction	4,871,646	4,862,103	5,113,537	4,763,950	-349,587	-6.84%	***5,174,595***	410,645	8.62%	61,058	1.19%
Research	0	0	0	578	578		***1,000***	422	73.01%	1,000	
Public Service	1,066	1,431	0	0	0		***0***	0		0	
Academic Support	1,122,587	1,066,313	1,081,705	1,014,636	-67,069	-6.20%	***1,143,283***	128,647	12.68%	61,578	5.69%
Student Services	2,453,336	2,591,976	2,817,653	2,700,000	-117,653	-4.18%	***2,597,657***	-102,343	-3.79%	-219,996	-7.81%
Institutional Support	2,868,269	3,322,391	2,598,050	2,150,608	-447,442	-17.22%	***2,387,168***	236,560	11.00%	-210,882	-8.12%
Plant Maintenance	1,785,445	3,227,044	3,065,296	3,200,000	134,704	4.39%	***3,042,079***	-157,921	-4.94%	-23,217	-0.76%
Scholarships	2,110,081	2,199,095	1,820,271	1,872,141	51,870	2.85%	***1,905,400***	33,259	1.78%	85,129	4.68%
Total E&G Expenses	15,212,430	17,270,353	16,496,512	15,701,913	-794,599	-4.82%	***16,251,182***	549,269	3.50%	-245,330	-1.49%
Auxiliary Enterprises	2,220,836	2,215,084	2,384,336	2,351,444	-32,892	-1.38%	***2,455,296***	103,852	4.42%	70,960	2.98%
Total Operating Expenses	17,433,266	19,485,437	18,880,848	18,053,357	-827,491	-4.38%	***18,706,478***	653,121	3.62%	-174,370	-0.92%
Excess Revenue over Expenses	-571,496	-1,625,466	-600,000	-699,124	-99,124	-16.52%	***-500,000***	199,124	28.48%	100,000	16.67%
Annual Budget Conversion to Cash Basis											
Capital Expenditures	1,687,564	512,568	690,764	998,864	308,100	44.60%	***698,604***	-300,260	-30.06%	7,840	1.13%
Borrowing Proceeds	-1,585,709	-258,673	-211,000	-191,439	19,561	9.27%	***-219,000***	-27,561	-14.40%	-8,000	-3.79%
Principal Payments	529,206	574,656	341,375	393,869	52,494	15.38%	***404,470***	10,601	2.69%	63,095	18.48%
Prior Year Reserves	0	0	0	0	0		***0***	0		0	
Add back Depreciation	0	-1,458,832	-1,421,139	-1,417,829	3,310	0.23%	***-1,384,074***	33,755	2.38%	37,065	2.61%
Total Cash Items	631,061	-630,281	-600,000	-216,535	383,465	63.91%	***-500,000***	-283,465	-130.91%	100,000	16.67%
Net Cash Basis Budget	-1,202,557	-995,185	0	-482,589	-482,589		***0***	482,589	100.00%	0	

Antioch College

2003-04 Budget Summary by Category

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	Change From 2002-03 Budget to 2002-03 Projected %	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	Change From 2002-03 Projected to 2003-04 Budget %	Change From 2002-03 Budget to 2003-04 Budget $	Change From 2002-03 Budget to 2003-04 Budget %
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Revenues	16,861,770	17,859,971	18,280,848	17,354,233	-926,615	-5.07%	18,206,478	852,245	4.91%	-74,370	-0.41%
Operating Expenses											
Salaries & Wages	8,290,415	8,955,012	8,039,410	8,029,066	-10,344	-0.13%	8,174,538	145,472	1.81%	135,128	1.68%
Benefits	2,758,312	3,097,328	2,968,582	2,838,102	-130,480	-4.40%	3,062,106	224,004	7.89%	93,524	3.15%
Training & Development	483,763	443,057	796,089	453,526	-342,563	-43.03%	649,877	196,351	43.29%	-146,212	-18.37%
Student Aid Services	1,455,944	1,351,278	1,330,149	1,332,628	2,479	0.19%	1,353,400	20,772	1.56%	23,251	1.75%
Special Events	102,638	94,130	187,637	84,612	-103,025	-54.91%	211,134	126,522	149.53%	23,497	12.52%
Supplies	659,850	729,693	747,027	774,515	27,488	3.68%	773,917	-598	-0.08%	26,890	3.60%
Business Operations	1,955,318	1,998,084	2,111,270	1,906,682	-204,588	-9.69%	1,937,777	31,095	1.63%	-173,493	-8.22%
Plant Maintenance	1,352,022	1,287,721	1,395,587	1,404,753	9,166	0.66%	1,337,384	-67,369	-4.80%	-58,203	-4.17%
Interest Expense	264,909	153,426	153,571	116,319	-37,252	-24.26%	125,585	9,266	7.97%	-27,986	-18.22%
Resale Costs	303,167	275,605	260,000	263,248	3,248	1.25%	255,000	-8,248	-3.13%	-5,000	-1.92%
Miscellaneous	251,563	236,725	238,718	225,517	-13,201	-5.53%	244,759	19,242	8.53%	6,041	2.53%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	25,104		-25,104	-100.00%	0	0		-25,104	-100.00%
Campus Contingency, Discretionary	0	1,715	0		0		0	0		0	
Liquidity Reserve	90,316	0	0		0		0	0		0	
Overhead											
To the University	993,471	0	0		0		0	0		0	
Rebates from the University	-550,000	0	0		0		0	0		0	
Subsidy from Adult Campuses	-200,000	0	0		0		0	0		0	
Subsidy from Overhead	-400,000	-600,000	-600,000	-600,000	0	0.00%	-600,000	0	0.00%	0	0.00%
Other (Intercampus Agree & Univ Conf)	-378,422	2,831	-193,435	-193,440	-5	0.00%	-203,073	-9,633	-4.98%	-9,638	-4.98%
Depreciation	0	1,458,832	1,421,139	1,417,829	-3,310	-0.23%	1,384,074	-33,755	-2.38%	-37,065	-2.61%
Total Operating Expenses	17,433,266	19,485,437	18,880,848	18,053,357	-827,491	-4.38%	18,706,478	653,121	3.62%	-174,370	-0.92%
Excess Revenue over Expenses	-571,496	-1,625,466	-600,000	-699,124	-99,124	-16.52%	-500,000	199,124	28.48%	100,000	16.67%
Annual Budget Conversion to Cash Basis											
Capital Expenditures	1,687,564	512,568	690,764	998,864	308,100	44.60%	698,604	-300,260	-30.06%	7,840	1.13%
Borrowing Proceeds	-1,585,709	-258,673	-211,000	-191,439	19,561	9.27%	-219,000	-27,561	-14.40%	-8,000	-3.79%
Principal Payments	529,206	574,656	341,375	393,869	52,494	15.38%	404,470	10,601	2.69%	63,095	18.48%
Prior Year Reserves	0	0	0	0	0		0	0		0	
Add back Depreciation	0	-1,458,832	-1,421,139	-1,417,829	3,310	0.23%	-1,384,074	33,755	2.38%	37,065	2.61%
Total Cash Items	631,061	-630,281	-600,000	-216,535	383,465	63.91%	-500,000	-283,465	-130.91%	100,000	16.67%
Net Cash Basis Budget	-1,202,557	-995,185	0	-482,589	-482,589		0	482,589	100.00%	0	

ANTIOCH COLLEGE
2003-04 Capital Budget

Campus	Buildings	Amount
College	Total Buildings	0

Campus	Building Improvements	Amount
	Fire Alarm System Upgrades	52,200
	Residence Hall Upgrades	115,000
	ADA Upgrades	60,000
	Roof Replacements	91,000
	Resurface Drives, Walkways	50,000
	Total Building Improvements	368,200

Campus	Equipment	Amount
	Wireless Network, Phase 1	85,000
	Computer Workstations	35,000
	Backup & Storage Server	15,000
	Color Laser Printer	4,000
	Total Equipment	139,000

Campus	Furniture & Fixtures	Amount
	Cafeteria Ovens and Range	17,400
	Cafeteria Fixtures	29,004
	Total Furniture & Fixtures	46,404

Campus	Vehicles	Amount
	Reconfigure Vehicle Fleet	65,000
	Total Vehicles	65,000

Campus	Library Books	Amount
	Library Books	80,000
	Total Library Books	80,000

	Grand Total Capital Budget	**698,604**
		========

Antioch College
Tuition Rate Changes 2003-04

Program	2002-03 Rates	2003-04 Rates	% Change
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Tuition	21,190	22,673	7.00%
Room and Board	5,602	5,994	7.00%
Fees	131	140	6.87%
Total per Year	26,923	28,807	7.00%

GLEN HELEN ECOLOGY INSTITUTE
2003-04 PROPOSED BUDGET

Revenues:

- A Total Revenue increase of 8.06% ($52,336) to $701,754 is expected due primarily to a 21.17% ($23,580) increase in funds released from restrictions.
- Tuition/fees revenue is expected to increase slightly ($4,830) from a 2% fee increase.
- Auxiliary Enterprises revenue is expected to increase slightly (2.27%) from increase in facility usage.
- Increase in Gifts (through annual fundraising efforts) by 10.2% ($10,150).

In general, revenue streams are becoming more diversified and are increasing, however, the GHEI's overall ability to maintain its present staff and programming will depend upon continued revenue increases from multiple sources including individual donors, foundations, grants and program fees.

Expenses:

- Total Expense will increase 8% ($52,336) to $701,754.
- The largest expense increases include Salaries/Wages (9.75%), Benefits (29.3%), and Depreciation (27.6%). The increase in salaries includes 2% pay increase for staff.
- Expense reductions are Business Operations (-5.6%), Supplies (-18.4%), and Plant Maintenance (-7.2%).

Benefits continue to increase at a rate higher than other expense lines. This is the second consecutive year that the GHEI will decrease its plant maintenance expense. This decline is offset slightly through its capital expense funded through depreciation. The combination of benefits and depreciation account for a major decline in uncommitted revenue for GHEI. This redirecting of funds is offset by decreasing expense in the areas indicated above. However, the GHEI recognizes the importance of the depreciation expense and the ability to maintain its 22 facilities, structures and associated equipment.

Capital Expense:

- Capital Expenditures are budgeted at $20,000 and funded through the depreciation expense. Funds will be directed toward building improvement projects and scientific research and management equipment.

Restricted Funds: Overall, availability of these funds continues to decline.

- Revenue: $135,473 will be released from several restricted cost centers; overall this represents a decrease of 21.6% from last year's actual level.
- Expenses:
    - Salaries/Wages, to include Volunteer Coordinator/Trailside Manager position.
    - Continued trail improvements and informational signage.
    - Plant maintenance and utilities for the Glen Helen Building
    - Continued rental of office space (trailer) for the Outdoor Education Center.

Robert S. Whyte
Director

Glen Helen

2003-04 Budget Summary by Function

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	%	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	%	Change From 2002-03 Budget to 2003-04 Budget $	%
Revenues											
Tuition & Fees	112,060	130,215	114,142	115,890	1,748	1.53%	***118,972***	3,082	2.66%	4,830	4.23%
Less Tuition Discounts	0	0	0	0	0		***0***	0		0	
Net Tuition and Fees	112,060	130,215	114,142	115,890	1,748	1.53%	***118,972***	3,082	2.66%	4,830	4.23%
Gifts	103,267	94,917	99,500	93,165	-6,335	-6.37%	***109,650***	16,485	17.69%	10,150	10.20%
Grants	4,066	0	0	7,500	7,500		***7,500***	0	0.00%	7,500	
Endowment Income	42,000	42,000	42,000	42,000	0	0.00%	***42,000***	0	0.00%	0	0.00%
Contracts	11,164	10,222	10,575	9,993	-582	-5.50%	***10,500***	507	5.07%	-75	-0.71%
Other Income	0	3	0	431	431		***200***	-231	-53.60%	200	
Total E&G Revenue	272,557	277,357	266,217	268,979	2,762	1.04%	***288,822***	19,843	7.38%	22,605	8.49%
Auxiliary Enterprises	259,208	301,818	271,308	272,728	1,420	0.52%	***277,459***	4,731	1.73%	6,151	2.27%
Released From Restrictions	92,105	181,639	111,893	172,732	60,839	54.37%	***135,473***	-37,259	-21.57%	23,580	21.07%
Total Revenues	623,870	760,814	649,418	714,439	65,021	10.01%	***701,754***	-12,685	-1.78%	52,336	8.06%
Operating Expenses											
Instruction	0	0	0	0	0		***0***	0		0	
Research	0	0	0	0	0		***0***	0		0	
Public Service	583,511	604,027	649,418	687,286	37,868	5.83%	***701,754***	14,468	2.11%	52,336	8.06%
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	13,099	0	0	0		***0***	0		0	
Scholarships	0	0	0	0	0		***0***	0		0	
Total E&G Expenses	583,511	617,126	649,418	687,286	37,868	5.83%	***701,754***	14,468	2.11%	52,336	8.06%
Auxiliary Enterprises	0	0	0	0	0		***0***	0		0	
Total Operating Expenses	583,511	617,126	649,418	687,286	37,868	5.83%	***701,754***	14,468	2.11%	52,336	8.06%
Excess Revenue over Expenses	40,359	143,688	0	27,153	27,153		***0***	-27,153	-100.00%	0	
Annual Budget Conversion to Cash Basis											
Capital Expenditures	46,900	156,179	5,000	43,695	38,695	773.90%	***20,000***	-23,695	-54.23%	15,000	300.00%
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	-13,099	-17,002	-16,542	460	2.71%	***-21,691***	-5,149	-31.13%	-4,689	-27.58%
Total Cash Items	46,900	143,080	-12,002	27,153	39,155	326.24%	***-1,691***	-28,844	-106.23%	10,311	85.91%
Net Cash Basis Budget	-6,541	608	12,002	0	-12,002	-100.00%	***1,691***	1,691		-10,311	-85.91%

Glen Helen
2003-04 Budget Summary by Category

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	%	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	%	Change From 2002-03 Budget to 2003-04 Budget $	%
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Revenues	623,870	760,814	649,418	714,439	65,021	10.01%	***701,754***	-12,685	-1.78%	52,336	8.06%
Operating Expenses											
Salaries & Wages	288,795	273,365	310,098	318,168	8,070	2.60%	***340,337***	22,169	6.97%	30,239	9.75%
Benefits	85,099	81,842	93,506	107,351	13,845	14.81%	***120,855***	13,504	12.58%	27,349	29.25%
Training & Development	3,874	10,671	4,004	9,440	5,436	135.76%	***4,860***	-4,580	-48.52%	856	21.38%
Student Aid Services	0	0	0	0	0		***0***	0		0	
Special Events	0	517	0	957	957		***500***	-457	-47.75%	500	
Supplies	52,159	56,000	51,600	50,543	-1,057	-2.05%	***42,100***	-8,443	-16.70%	-9,500	-18.41%
Business Operations	46,754	62,928	57,233	92,044	34,811	60.82%	***54,008***	-38,036	-41.32%	-3,225	-5.63%
Plant Maintenance	97,335	106,305	102,555	82,395	-20,160	-19.66%	***95,188***	12,793	15.53%	-7,367	-7.18%
Interest Expense	109	28	70	35	-35	-50.00%	***70***	35	100.00%	0	0.00%
Resale Costs	7,074	9,379	8,000	8,753	753	9.41%	***8,000***	-753	-8.60%	0	0.00%
Miscellaneous	2,312	2,992	2,010	1,058	-952	-47.36%	***5,258***	4,200	396.98%	3,248	161.59%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	0	0	0			0		0	
Campus Contingency, Discretionary	0	0	3,340	0	-3,340	-100.00%	***8,887***	8,887		5,547	166.08%
Liquidity Reserve	0	0	0	0	0			0		0	
Overhead								0			
To the University	0	0	0	0	0			0		0	
Rebates from the University	0	0	0	0	0			0		0	
Subsidy from Adult Campuses	0	0	0	0	0			0		0	
Subsidy from Overhead	0	0	0	0	0			0		0	
Other (Intercampus Agree & Univ Conf)	0	0	0	0	0			0		0	
Depreciation	0	13,099	17,002	16,542	-460	-2.71%	***21,691***	5,149	31.13%	4,689	27.58%
Total Operating Expenses	583,511	617,126	649,418	687,286	37,868	5.83%	***701,754***	14,468	2.11%	52,336	8.06%
Excess Revenue over Expenses	40,359	143,688	0	27,153	27,153		***0***	-27,153	-100.00%	0	
Annual Budget Conversion to Cash Basis											
Capital Expenditures	46,900	156,179	5,000	43,695	38,695	773.90%	***20,000***	-23,695	-54.23%	15,000	300.00%
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	-13,099	-17,002	-16,542	460	2.71%	***-21,691***	-5,149	-31.13%	-4,689	-27.58%
Total Cash Items	46,900	143,080	-12,002	27,153	39,155	326.24%	***-1,691***	-28,844	-106.23%	10,311	85.91%
Net Cash Basis Budget	-6,541	608	12,002	0	-12,002	-100.00%	***1,691***	1,691		-10,311	-85.91%

GLEN HELEN
2003-04 Capital Budget

Campus	Buildings	Amount
	Total Buildings	0

Campus	Building Improvements	Amount
	Windows, steps, lighting	7,000
	Total Building Improvements	7,000

Campus	Equipment	Amount
	Microscope, limestone drill	6,500
	Total Equipment	6,500

Campus	Furniture & Fixtures	Amount
	OEC & dorm furniture	4,000
	Library Collection	2,500
	Total Furniture & Fixtures	6,500

Campus	Vehicles	Amount
	Total Vehicles	0

Campus	Library Books	Amount
	Total Library Books	0

	Grand Total Capital Budget	**20,000**
		========

ANTIOCH NEW ENGLAND GRADUATE SCHOOL

2003-04 PROPOSED BUDGET

Our anticipated budget for 2003-04 is in balance and reflects significant growth in enrollment and revenue over 2002-03. It reflects a 12.8% increase in tuition revenue, and a 11.8% increase in total spending.

In 2002-03, we enrolled 340 new students although our operating plan called for enrolling only 307. In 2003-04, we plan for new enrollment of 386 students. Our admissions office has seen an increase in Summer and Fall applications that supports this plan.

Our budget is based on an increase in tuition of about 5.5%, an increase slightly lower than what we expect to see from private institutions in New England, and a good deal lower than the percentage increases we are seeing in public colleges and universities.

We are anticipating net attrition this year at 9% - lower than the 10% attrition anticipated in last year's budget, but still higher than the net actual attrition rate we anticipate for the current year.

We have planned for a 4% cost-of-living increase in salaries, plus attendant benefits costs. We have also planned for a net increase in medical insurance of 13% for the year.

This year's budget also includes $150,000 in tuition discounts, the product of internal dialogue with students, faculty and staff. A majority of students surveyed agreed that they would support a higher tuition increase across the board if some of the money would be used to fund scholarship or tuition discounts to encourage diversity. This is the first year in ANE's history that significant tuition relief is being offered to several students in each department.

Our budget includes a contingency of $95,156, and University overhead of $927,868, a figure that this year includes the president's salary and benefits.

This year's budget includes new faculty positions in Environmental Studies, a department that anticipates an increase of 30 new admits over last year's numbers, and Education (grant funded), Organization and Management (a half-time position funded through tuition in our new health care management program). We also plan to have a full-time Dean of Faculty, although the cost of this position - to be filled by a current full-time faculty member - will reflect only the cost of adjunct faculty relief for the dean.

Peter Temes
President

Antioch New England Graduate School

2003-04 Budget Summary by Function

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	%	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	%	Change From 2002-03 Budget to 2003-04 Budget $	%
Revenues											
Tuition & Fees	8,818,635	9,091,851	9,352,060	9,628,000	275,940	2.95%	***10,583,207***	955,207	9.92%	1,231,147	13.16%
Less Tuition Discounts	-11,920	-2,930	0	0	0		***-150,000***	-150,000		-150,000	
Net Tuition and Fees	8,806,715	9,088,921	9,352,060	9,628,000	275,940	2.95%	***10,433,207***	805,207	8.36%	1,081,147	11.56%
Gifts	78,803	11,610	57,129	16,000	-41,129	-71.99%	***0***	-16,000	-100.00%	-57,129	-100.00%
Grants	530,071	891,813	1,132,188	853,000	-279,188	-24.66%	***1,458,042***	605,042	70.93%	325,854	28.78%
Endowment Income	0	0	0	0	0		***0***	0		0	
Contracts	579,598	446,404	202,494	285,000	82,506	40.74%	***288,834***	3,834	1.35%	86,340	42.64%
Other Income	330,274	200,387	191,030	85,000	-106,030	-55.50%	***268,681***	183,681	216.10%	77,651	40.65%
Total E&G Revenue	10,325,461	10,639,135	10,934,901	10,867,000	-67,901	-0.62%	***12,448,764***	1,581,764	14.56%	1,513,863	13.84%
Auxiliary Enterprises	0	1,246	0	2,200	2,200		***0***	-2,200	-100.00%	0	
Released From Restrictions	585,861	625,140	197,343	560,000	362,657	183.77%	***497,485***	-62,515	-11.16%	300,142	152.09%
Total Revenues	10,911,322	11,265,521	11,132,244	11,429,200	296,956	2.67%	***12,946,249***	1,517,049	13.27%	1,814,005	16.30%
Operating Expenses											
Instruction	4,559,093	4,546,108	4,953,767	4,854,000	-99,767	-2.01%	***5,617,696***	763,696	15.73%	663,929	13.40%
Research	0	0	0	0	0		***0***	0		0	
Public Service	1,138,587	1,213,961	713,878	896,000	182,122	25.51%	***1,283,212***	387,212	43.22%	569,334	79.75%
Academic Support	555,088	545,146	520,147	589,000	68,853	13.24%	***640,489***	51,489	8.74%	120,342	23.14%
Student Services	621,173	613,100	686,438	673,000	-13,438	-1.96%	***750,782***	77,782	11.56%	64,344	9.37%
Institutional Support	2,686,708	2,695,563	2,728,575	2,711,000	-17,575	-0.64%	***2,991,930***	280,930	10.36%	263,355	9.65%
Plant Maintenance	713,918	1,155,263	1,169,439	809,000	-360,439	-30.82%	***1,232,769***	423,769	52.38%	63,330	5.42%
Scholarships	382,292	446,125	360,000	871,000	511,000	141.94%	***424,500***	-446,500	-51.26%	64,500	17.92%
Total E&G Expenses	10,656,859	11,215,266	11,132,244	11,403,000	270,756	2.43%	***12,941,378***	1,538,378	13.49%	1,809,134	16.25%
Auxiliary Enterprises	0	0	0	0	0		***0***	0		0	
Total Operating Expenses	10,656,859	11,215,266	11,132,244	11,403,000	270,756	2.43%	***12,941,378***	1,538,378	13.49%	1,809,134	16.25%
Excess Revenue over Expenses	254,463	50,255	0	26,200	26,200		***4,871***	-21,329	-81.41%	4,871	
Annual Budget Conversion to Cash Basis											
Capital Expenditures	205,577	258,617	201,500	457,200	255,700	126.90%	***248,885***	-208,315	-45.56%	47,385	23.52%
Borrowing Proceeds	-103,789	0	0	0	0		***0***	0		0	
Principal Payments	104,775	117,475	100,000	145,000	45,000	45.00%	***131,680***	-13,320	-9.19%	31,680	31.68%
Prior Year Reserves	0	0	0	-119,000	-119,000		***0***	119,000	100.00%	0	
Add back Depreciation	0	-469,715	-468,000	-457,000	11,000	2.35%	***-474,099***	-17,099	-3.74%	-6,099	-1.30%
Total Cash Items	206,563	-93,623	-166,500	26,200	192,700	115.74%	***-93,534***	-119,734	-457.00%	72,966	43.82%
Net Cash Basis Budget	47,900	143,878	166,500	0	-166,500	-100.00%	***98,405***	98,405		-68,095	-40.90%

Antioch New England Graduate School

2003-04 Budget Summary by Category

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	Change From 2002-03 Budget to 2002-03 Projected %	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	Change From 2002-03 Projected to 2003-04 Budget %	Change From 2002-03 Budget to 2003-04 Budget $	Change From 2002-03 Budget to 2003-04 Budget %
Revenues	10,911,322	11,265,521	11,132,244	11,429,200	296,956	2.67%	**12,946,249**	1,517,049	13.27%	1,814,005	16.30%
Operating Expenses											
Salaries & Wages	5,687,265	5,424,769	5,641,859	5,596,000	-45,859	-0.81%	***6,049,714***	453,714	8.11%	407,855	7.23%
Benefits	1,586,266	1,700,019	1,823,667	1,811,000	-12,667	-0.69%	***2,108,061***	297,061	16.40%	284,394	15.59%
Training & Development	346,280	428,182	405,466	371,000	-34,466	-8.50%	***491,443***	120,443	32.46%	85,977	21.20%
Student Aid Services	35,995	51,923	0	168,000	168,000		***84,500***	-83,500	-49.70%	84,500	
Special Events	17,053	23,265	28,367	17,000	-11,367	-40.07%	***31,336***	14,336	84.33%	2,969	10.47%
Supplies	164,729	142,990	172,044	145,000	-27,044	-15.72%	***238,989***	93,989	64.82%	66,945	38.91%
Business Operations	1,103,715	1,146,513	889,624	1,219,000	329,376	37.02%	***1,263,769***	44,769	3.67%	374,145	42.06%
Plant Maintenance	331,793	311,504	342,251	383,000	40,749	11.91%	***372,150***	-10,850	-2.83%	29,899	8.74%
Interest Expense	439,155	429,495	420,944	422,000	1,056	0.25%	***403,482***	-18,518	-4.39%	-17,462	-4.15%
Resale Costs	0	0	0	0	0		***0***	0		0	
Miscellaneous	93,547	122,571	23,057	34,000	10,943	47.46%	***103,237***	69,237	203.64%	80,180	347.75%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	95,156	0	-95,156	-100.00%	***95,156***	95,156		0	0.00%
Campus Contingency, Discretionary	0	0	0	0	0		***11,064***	11,064		11,064	
Liquidity Reserve	112,206	0	0	0	0		***0***	0		0	
Overhead											
To the University	1,049,392	900,834	743,325	743,325	0	0.00%	***927,868***	184,543	24.83%	184,543	24.83%
Rebates from the University	-417,279	0	0	0	0		***0***	0		0	
Subsidy from Adult Campuses	59,800	-50	0	0	0		***0***	0		0	
Subsidy from Overhead	0	0	0	0	0		***0***	0		0	
Other (Intercampus Agree & Univ Conf)	46,942	63,536	78,484	36,675	-41,809	-53.27%	***286,510***	249,835	681.21%	208,026	265.06%
Depreciation	0	469,715	468,000	457,000	-11,000	-2.35%	***474,099***	17,099	3.74%	6,099	1.30%
Total Operating Expenses	10,656,859	11,215,266	11,132,244	11,403,000	270,756	2.43%	***12,941,378***	1,538,378	13.49%	1,809,134	16.25%
Excess Revenue over Expenses	254,463	50,255	0	26,200	26,200		***4,871***	-21,329	-81.41%	4,871	
Annual Budget Conversion to Cash Basis											
Capital Expenditures	205,577	258,617	201,500	457,200	255,700	126.90%	***248,885***	-208,315	-45.56%	47,385	23.52%
Borrowing Proceeds	-103,789	0	0	0	0		***0***	0		0	
Principal Payments	104,775	117,475	100,000	145,000	45,000	45.00%	***131,680***	-13,320	-9.19%	31,680	31.68%
Prior Year Reserves	0	0	0	-119,000	-119,000		***0***	119,000	100.00%	0	
Add back Depreciation	0	-469,715	-468,000	-457,000	11,000	2.35%	***-474,099***	-17,099	-3.74%	-6,099	-1.30%
Total Cash Items	206,563	-93,623	-166,500	26,200	192,700	115.74%	***-93,534***	-119,734	-457.00%	72,966	43.82%
Net Cash Basis Budget	47,900	143,878	166,500	0	-166,500	-100.00%	***98,405***	98,405		-68,095	-40.90%

ANTIOCH NEW ENGLAND GRADUATE SCHOOL
2003-04 Capital Budget

Campus	Buildings	Amount
	Total Buildings	0
Campus	**Building Improvements**	**Amount**
New England	HVAC Upgrade	12,000
	Repair Tower	8,600
	Electonic Door	10,000
	Total Building Improvements	30,600
Campus	**Equipment**	**Amount**
New England	Upgrade phone system	29,785
	Computer hardware	102,500
	Total Equipment	132,285
Campus	**Furniture & Fixtures**	**Amount**
	Classroom chairs	6,000
	Total Furniture & Fixtures	6,000
Campus	**Library Books**	
New England	Library Books	80,000
	Total Library Books	80,000
	Grand Total Capital Budget	**248,885**
		========

ANTIOCH NEW ENGLAND
Tuition Rate Changes 2003-04

Program	Start Term	Term	2002-03 Rate	2003-04 Rate	% Change
Applied Psychology Department					
Dance & Movement Therapy Certificate	Fall	All	$4,650	$4,900	5.38%
Dance & Movement Therapy MA	Fall	All	$6,350	$6,700	5.51%
Counseling Psychology MA	Fall	Fall, Spring	$5,750	$6,050	5.22%
	Spring	Spring	$3,850	$4,100	6.49%
Marriage & Family Therapy MA	Summer	Fall, Spring	$5,750	$6,050	5.22%
		Summer	$2,750	$2,950	7.27%
Clinical Psychology Psy.D.		Fall, Spring	$9,500	$10,000	5.26%
		Summer	$4,100	$4,350	6.10%
		Fall, Spring	$7,600	$8,000	5.26%
Environmental Studies Department					
Environmental Studies MS		Fall, Spring	$5,050	$5,350	5.94%
		Summer	$5,050	$5,350	5.94%
Resource Management & Administration MS		Fall, Spring	$5,050	$5,350	5.94%
		Summer	$5,050	$5,350	5.94%
Environmental Studies MS w Certification		Fall, Spring	$5,050	$5,350	5.94%
		Summer	$5,050	$5,350	5.94%
Environmental Studies Ph.D.		Summer	$3,500	$3,700	5.71%
		Fall, Spring	$6,800	$7,150	5.15%
		Summer	$2,600	$2,750	5.77%
		Fall, Spring	$4,650	$4,900	5.38%

Program	Start Term	Term	2002-03 Rate	2003-04 Rate	% Change
Education Department - Waldorf Programs					
Waldorf Certificate		All	$3,700	$3,900	5.41%
Waldorf 3+2 Certificate		Spring	$3,100	$3,300	6.45%
		Summer	$3,100	$3,300	6.45%
Waldorf MEd year round		Fall, Spring	$4,550	$4,800	5.49%
		Summer	$4,150	$4,400	6.02%
Waldorf MEd Summer Sequence		Fall, Spring	$3,050	$3,250	6.56%
		Summer	$3,050	$3,250	6.56%
Education Department - Integrated Learning					
Intergrated Learning MEd		Fall, Spring	$4,950	$5,200	5.05%
		Summer	$4,950	$5,200	5.05%
Education Department - Experienced Educator					
Experienced Educators MEd (5 semester)		All	$3,000	$3,200	6.67%
Organization & Management					
OM Weekend MEd/MHSA	Spring	Fall, Spring	$5,050	$5,350	5.94%
		Summer	$5,050	$5,350	5.94%
OM Weekend MEd/MHSA -	Fall	Fall, Spring	$4,250	$4,500	5.88%
		Summer	$4,250	$4,500	5.88%
OM Weekend MS	Fall, Spring	Fall, Spring	$5,050	$5,350	5.94%
		Summer	$5,050	$5,350	5.94%
OM Community Health Care Mgmt Certificate	Fall	Fall, Spring		$2,700	

ANTIOCH SEATTLE
2003-04 PROPOSED BUDGET

Development of the 2003-04 Budget
The budget process at Seattle is guided by the Planning and Budget Council with a membership of administrators, faculty, staff, and students. The Council spent the first six months of the 2002-03 academic year working on a three-year strategic plan. This process was very thorough and the Council made a concerted effort to connect the budget to the plan. A number of priorities are identified in the plan, but the emphasis centers over the next three years on reaching comparable faculty compensation levels through a 20% increase and our need to increase enrollments to 1000 FTuE. With flat enrollments projected for next year, it was a challenge for the Council to meet some of the objectives in the strategic plan and still provide for a large faculty compensation package. The Council also worked within a fiscally responsible framework of ensuring some additional contingency funds above the 1% mandatory contingency, conservative enrollment numbers, a moderate increase in tuition, and limited expenditures increase.

Enrollment and Revenue Assumptions
The budget for Antioch University Seattle indicates a 6.7% increase in total revenues and 7.1% total increase in expenditures over the 2002-03 budget. The increase in total revenue is owing to an increase in tuition revenue and increased funding from the Gates and Kellogg grants. The increase in total expenditures is reflected in the larger raises given to faculty and the increase in expenditures of the Gates Grant. In actuality, the unrestricted operating budget has no significant increases in revenues or expenses – about 2.3% and 2.8% respectively – over the current fiscal year budget. The 2003-04 budget indicates $50,000 excess in expenditures over revenue, which is the result of money being taken from Seattle's funded reserves for one-time program development initiatives. The offset of this expense is shown in the cash portion of the budget as part of the amount from Prior Year Reserves.

Generally, FTE enrollments are forecast to be down by 3 and headcount down by 30 compared to our projected actual 2002-03 enrollments. Although it made it more difficult to present a balanced budget this year, we purposefully initiated some enrollment controls that have had a negative effect on our overall enrollment numbers.

1. The Corporate Leadership Program partnership has been dissolved because of quality control issues. In the past, this program accounted for about 20+ headcount and 7 FTuE.

2. We did not budget for the OSR/MW cohort because of the high probability that the program will not be able to recruit enough students for a viable starting class. If they do not start this fall, there is a strong possibility that we will cancel that program permanently effective Fall 2003. That program accounted for about 15 headcount and 5 FTuE
3. Because of the difficulties we have had in projecting and managing our site-based education cohorts, we have reduced the number of sites being allowed to come on-board in 2003-04 until we feel that the program has a more sophisticated recruitment and projection model.
4. The teacher certification program has been redesigned to split the number of cohorts coming in between the summer and winter quarters, instead of all of them entering during the winter quarter. As a result of this redesign, we will be one cohort short this year, but the enrollment numbers will be back to normal in 2004-05 when the redesign is in full effect.

Our teacher certification program continues to have a waiting list. For the first time in almost eight years the Psychology program is showing a growth in enrollment, projecting 22 FTuE above last year. The Center for Creative Change is very conservative in its projections but is showing a 21 FTuE increase owing to the upswing in winter quarter enrollments and fall applications. Our two major areas of concern are the BA and on-campus MA Ed programs. The decline in the BA enrollments has become serious enough that the program understands the need to review and evaluate its curriculum, focus, and delivery model. The Education program is already making some adjustments in its campus-based Master's program to bolster that program's enrollments. Actually, we feel fortunate and are somewhat surprised that our enrollments appear to have not suffered from the severe economic downfall in the northwest area. The state economy continues in recession, particularly since December 2002.

As a result of flat FTuE projections, the primary contributor to the small revenue increase is a 3.9% tuition increase. Though it is unpleasant to have to rely on tuition increases to balance the budget, we are confident that our increase will be lower than those imposed by other institutions of higher education in our area. For example, the State Legislature has been asked to approve a 9% tuition increase for the University of Washington and it is predicted that other private institutions will increase their tuition by 5 to 6%. The AUS tuition increase is expected to generate $330,000 in additional revenue.

In terms of expenses, the largest contributors to the 2.8% overall expense increase are our compensation plan and the anticipated increases in medical insurance. In the compensation plan, estimated to cost $175,000 including benefits, we are proposing a 4% salary increase for faculty in July 2003 and a 2% increase in January 2002 and a 2% increase for staff in July 2003. Surveys of peer institutions have shown our faculty compensation to be significantly below the median. Our 3-year plan to match the competition requires that compensation increase by over 20% or about 7% per year. Unfortunately, because of the flat revenue projections, we were only able to fund a 4% and 2% split this year. However, if enrollments exceed our projections to the extent that we can forecast the revenue increases into the future with reasonable confidence, we may award an additional 1% for faculty and staff at mid-year or at least address some increase for staff. The staff has been very understanding and supportive of the emphasis on the faculty salaries this year. The additional medical insurance expenses will amount to $56,500 this year.

Other significant expense increases include University Overhead ($38,655) and utilities and taxes ($26,120). These are partially offset by lower bond interest expense and slightly lower depreciation, which at $456,000 is still a substantial element in our budget. We also are budgeting a capital reserve this year of $41,500. Mandatory and discretionary contingency funds are budgeted at $172,000.

Contribution to our general overhead from the Gates Grant will amount to $38,525. We have a reasonable expectation that the Kellogg Grant will be renewed after the commencement of the fiscal year, but have not budgeted the overhead contribution from that grant.

Capital expenditures for computing, furniture, and equipment remain the same as previous years. The large capital project in facilities is the renovation to consolidate the Enrollment Services offices into one location. We are still in design for this project. The preliminary construction estimate is in the $255,000 range. We expect to cover this expense with $125,000 of our capital reserve carry forward from this year's budget and from the offset for the depreciation expense. We do not anticipate the need to borrow for this project.

Goals and Objectives for 2003-04
As previously stated, the Planning and Budget Council spent its first six months in 2002-03 creating an updated strategic plan. That plan provides a map to direct our energies and focus over the next three years. Our two major priorities for the 2003-04 year were to address faculty compensation and enrollments. We are pleased that even with a tight budget we fulfilled our commitment to make a sizeable increase in faculty salaries.

Our priority on enrollments is being tackled at many different levels with many different approaches.

1. I established an Enrollment Services Task Force in Fall 2002 to research the admissions and financial aid processes and to study our retention and graduation rates. The task force recently completed its report and has made several recommendations based on its findings. The findings were extremely helpful in drawing attention to practices and areas of neglect that are potentially having a negative impact on our enrollments.
2. The University Relations Office conducted a survey of newly enrolled students to explore and assess our marketing and advertising initiatives. Again, information was gathered that will greatly help us in our marketing efforts next year. The Dean also hired a consulting firm to conduct a branding/imaging study. The firm interviewed the external public in general, individuals who inquired and did not apply, individuals who applied and did not enroll, current students, alumni, faculty and staff. The firm's report has had a powerful impact on the thinking of the administration and our admissions, marketing and advertising people. It calls for some major rethinking in how we portray ourselves, the language we use in our publications, our curriculum design, and identifying our market.
3. Over the past five years, the campus has been centralizing its admissions and recruiting efforts. Once all the recruiting staff was brought under one umbrella, the Financial Aid office was joined with Admissions. Because of a change in personnel, we now have the opportunity to move toward the "one-stop shopping" model for serving our students by combining the Registrar's Office with Financial Aid and Admissions. Our desire is to co-locate all these services along with the student accounts office on the ground floor of the building where it is visible and convenient to students. In addition, the co-location will allow for these services to expand their office hours into the evening through cross training of personnel.
4. The hiring of a new Director of Enrollment Services has brought a level of competency and organization to the student service offices that have already had a measurable effect upon our service to students. The opportunity to hire new leadership in the Financial Aid Office also allows for the upgrading of that position's qualifications and services.
5. A side effect of the branding/imaging exercise was the use of the consultants and information to redesign our web site. We continue to see a greater percent of our potential students inquiring and applying through the web site. We are excited about the new design and currently await the approval of a tagline before bringing the new site up.
6. Some of the comments on the branding survey have made us step-up our plans to take a new look at the exterior of the building and enhance the signage and the educational image of the place.

In addition to the work we are doing on marketing, recruitment, advertising, publications, the web site, and financial aid we are looking toward academic program development as a crucial area to keep our enrollment healthy. The Psy.D. program is on schedule to have new students by fall 2004. We are exploring the MFA option along with the creation of a policy institute centered on northwest issues such as tribal and environmental policy. The redesign of the Principalship program, an MLA, an off-site BA program for graduates of the Early College program, and a potential Ph.D. program are all initiatives found in the three-year plan.

Another priority in the strategic plan is to increase our non-tuition revenue. This year has been another building year for our Development Office after suffering the tragic loss of Mel Jackson. Our new Dean of University Relations has been enthusiastic and successful in building a foundation for long-term investment in the institution. We have increased the number of the Board of Visitor members and have our first two fund raising events planned for next year. The Dean also engaged the services of Alumni Finder and we have located current addresses on almost 80% of our alumni. This has the potential to have a monumental impact on both our fund raising and recruiting since in the past we have only had the addresses of about 25% of our alumni. One area where we continue to struggle with organization, structure, and staffing is in continuing education. That unit should be a contributor to our excess revenue over expense, but struggles to develop programs that break even. Clearly, this is an area where we need to turn our attention, as the unit should be producing revenue, enhancing our visibility, and providing linkage with our alumni.

We are optimistic about next year as we work toward meeting the goals in our strategic plan. Although the budget is tight, we hope to see new program development and changes in our recruitment, admissions, and marketing efforts that will help us increase our enrollments and revenue base.

Toni Murdock
President

Antioch Seattle

2003-04 Budget Summary by Function

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	Change From 2002-03 Budget to 2002-03 Projected %	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	Change From 2002-03 Projected to 2003-04 Budget %	Change From 2002-03 Budget to 2003-04 Budget $	Change From 2002-03 Budget to 2003-04 Budget %
Revenues											
Tuition & Fees	8,680,601	8,940,762	9,882,381	9,358,874	-523,507	-5.30%	10,114,255	755,381	8.07%	231,874	2.35%
Less Tuition Discounts	-102,132	-126,416	-83,000	-102,648	-19,648	-23.67%	-80,000	22,648	22.06%	3,000	3.61%
Net Tuition and Fees	8,578,469	8,814,346	9,799,381	9,256,226	-543,155	-5.54%	10,034,255	778,029	8.41%	234,874	2.40%
Gifts	35,136	25,283	40,000	18,143	-21,857	-54.64%	30,000	11,857	65.35%	-10,000	-25.00%
Grants	166,426	168,369	253,324	162,555	-90,769	-35.83%	253,474	90,919	55.93%	150	0.06%
Endowment Income	0	0	0	0	0		0	0		0	
Contracts	972	10,528	0	0	0		0	0		0	
Other Income	342,014	356,748	321,410	384,149	62,739	19.52%	370,014	-14,135	-3.68%	48,604	15.12%
Total E&G Revenue	9,123,017	9,375,274	10,414,115	9,821,073	-593,042	-5.69%	10,687,743	866,670	8.82%	273,628	2.63%
Auxiliary Enterprises	324,441	320,887	373,150	315,000	-58,150	-15.58%	343,000	28,000	8.89%	-30,150	-8.08%
Released From Restrictions	7,752	33,812	343,287	504,900	161,613	47.08%	841,104	336,204	66.59%	497,817	145.01%
Total Revenues	9,455,210	9,729,973	11,130,552	10,640,973	-489,579	-4.40%	11,871,847	1,230,874	11.57%	741,295	6.66%
Operating Expenses											
Instruction	3,966,527	4,040,474	4,384,319	4,061,243	-323,076	-7.37%	4,509,503	448,260	11.04%	125,184	2.86%
Research	0	0	0	0	0		0	0		0	
Public Service	2,205	11,349	1,400	1,049	-351	-25.07%	2,000	951	90.66%	600	42.86%
Academic Support	397,616	455,280	876,243	1,057,243	181,000	20.66%	1,389,011	331,768	31.38%	512,768	58.52%
Student Services	812,972	832,393	927,662	806,802	-120,860	-13.03%	921,184	114,382	14.18%	-6,478	-0.70%
Institutional Support	2,499,710	2,408,485	2,865,632	2,584,082	-281,550	-9.83%	3,006,261	422,179	16.34%	140,629	4.91%
Plant Maintenance	839,451	1,308,452	1,463,306	1,387,078	-76,228	-5.21%	1,451,857	64,779	4.67%	-11,449	-0.78%
Scholarships	164,959	167,808	251,174	195,937	-55,237	-21.99%	271,925	75,988	38.78%	20,751	8.26%
Total E&G Expenses	8,683,440	9,224,241	10,769,736	10,093,434	-676,302	-6.28%	11,551,741	1,458,307	14.45%	782,005	7.26%
Auxiliary Enterprises	338,345	312,574	360,816	396,428	35,612	9.87%	370,106	-26,322	-6.64%	9,290	2.57%
Total Operating Expenses	9,021,785	9,536,815	11,130,552	10,489,862	-640,690	-5.76%	11,921,847	1,431,985	13.65%	791,295	7.11%
Excess Revenue over Expenses	433,425	193,158	0	151,111	151,111		-50,000	-201,111	-133.09%	-50,000	
Annual Budget Conversion to Cash Basis											
Capital Expenditures	59,621	586,852	211,103	286,103	75,000	35.53%	416,267	130,164	45.50%	205,164	97.19%
Borrowing Proceeds	0	0	0	0	0		0	0		0	
Principal Payments	130,000	140,000	155,000	155,000	0	0.00%	165,000	10,000	6.45%	10,000	6.45%
Prior Year Reserves	0	-66,869	0	0	0		-175,000	-175,000		-175,000	
Add back Depreciation	0	-466,825	-466,103	-466,103	0	0.00%	-456,267	9,836	-2.11%	9,836	-2.11%
Total Cash Items	189,621	193,158	-100,000	-25,000	75,000	75.00%	-50,000	-25,000	100.00%	50,000	-50.00%
Net Cash Basis Budget	243,804	0	100,000	176,111	76,111	76.11%	0	-176,111	-100.00%	-100,000	-100.00%

Antioch Seattle

2003-04 Budget Summary by Category

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	%	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	%	Change From 2002-03 Budget to 2003-04 Budget $	%
Revenues	9,455,210	9,729,973	11,130,552	10,640,973	-489,579	-4.40%	***11,871,847***	1,230,874	11.57%	741,295	6.66%
Operating Expenses											
Salaries & Wages	4,694,477	5,021,503	5,666,169	5,282,701	-383,468	-6.77%	***5,693,503***	410,802	7.78%	27,334	0.48%
Benefits	1,102,172	1,246,151	1,434,140	1,341,992	-92,148	-6.43%	***1,470,360***	128,368	9.57%	36,220	2.53%
Training & Development	252,061	104,930	229,940	196,489	-33,451	-14.55%	***223,750***	27,261	13.87%	-6,190	-2.69%
Student Aid Services	55,801	48,759	46,272	55,411	9,139	19.75%	***66,273***	10,862	19.60%	20,001	43.22%
Special Events	48,768	45,319	42,900	47,606	4,706	10.97%	***47,900***	294	0.62%	5,000	11.66%
Supplies	132,036	119,795	135,414	144,978	9,564	7.06%	***142,375***	-2,603	-1.80%	6,961	5.14%
Business Operations	670,537	539,077	670,698	740,798	70,100	10.45%	***690,695***	-50,103	-6.76%	19,997	2.98%
Plant Maintenance	272,633	282,181	394,707	354,776	-39,931	-10.12%	***432,288***	77,512	21.85%	37,581	9.52%
Interest Expense	602,203	590,972	585,018	581,426	-3,592	-0.61%	***559,458***	-21,968	-3.78%	-25,560	-4.37%
Resale Costs	260,198	230,379	276,000	276,421	421	0.15%	***276,000***	-421	-0.15%	0	0.00%
Miscellaneous	15,992	17,211	219,298	218,385	-913	-0.42%	***659,422***	441,037	201.95%	440,124	200.70%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	105,061	0	-105,061	-100.00%	***90,394***	90,394		-14,667	-13.96%
Campus Contingency, Discretionary	50,000	0	119,772	0	-119,772	-100.00%	***123,487***	123,487		3,715	3.10%
Liquidity Reserve	118,014	0	0	0	0		***0***	0		0	
Overhead											
To the University	1,081,792	823,663	739,060	739,060	0	0.00%	***946,150***	207,090	28.02%	207,090	28.02%
Rebates from the University	-393,379	0	0	0	0		***0***	0		0	
Subsidy from Adult Campuses	50,800	50	0	0	0		***0***	0		0	
Subsidy from Overhead	0	0	0	0	0		***0***	0		0	
Other (Intercampus Agree & Univ Conf)	7,680	0	0	43,716	43,716		***43,525***	-191	-0.44%	43,525	
Depreciation	0	466,825	466,103	466,103	0	0.00%	***456,267***	-9,836	-2.11%	-9,836	-2.11%
Total Operating Expenses	9,021,785	9,536,815	11,130,552	10,489,862	-640,690	-5.76%	***11,921,847***	1,431,985	13.65%	791,295	7.11%
Excess Revenue over Expenses	433,425	193,158	0	151,111	151,111		***-50,000***	-201,111	-133.09%	-50,000	
Annual Budget Conversion to Cash Basis											
Capital Expenditures	59,621	586,852	211,103	286,103	75,000	35.53%	***416,267***	130,164	45.50%	205,164	97.19%
Borrowing Proceeds	0	0	0	0	0		***0***	0		0	
Principal Payments	130,000	140,000	155,000	155,000	0	0.00%	***165,000***	10,000	6.45%	10,000	6.45%
Prior Year Reserves	0	-66,869	0	0	0		***-175000***	-175,000		-175,000	
Add back Depreciation	0	-466,825	-466,103	-466,103	0	0.00%	***-456,267***	9,836	-2.11%	9,836	-2.11%
Total Cash Items	189,621	193,158	-100,000	-25,000	75,000	25.00%	***-50,000***	-25,000	100.00%	50,000	-50.00%
Net Cash Basis Budget	243,804	0	100,000	176,111	76,111	76.11%	***0***	-176,111	-100.00%	-100,000	-100.00%

ANTIOCH SEATTLE
2003-04 Capital Budget

Campus	Buildings	Amount
	Total Buildings	0
Campus	**Building Improvements**	**Amount**
Seattle	Remodel Enrollment Svcs & Admin Offices	252,267
	Various Safety & Security	35,000
	Total Building Improvements	287,267
Campus	**Equipment**	**Amount**
Seattle	Computer Equipment	79,000
	Total Equipment	79,000
Campus	**Furniture & Fixtures**	**Amount**
Seattle	Ergonomic Chairs	10,000
	Library Furnishings	10,000
	Room 100 Furnishings	15,000
	Various Furnishings	15,000
	Total Furniture & Fixtures	50,000
Campus	**Library Books**	
	Total Library Books	0
	Grand Total Capital Budget	**416,267**
		========

Antioch Seattle
Tuition Rate Changes 2003-04

Program		2002-03 Rates	2003-04 Proposed	% Change
BA Completion	Per Credit	345	360	4.35%
BA Teachers Certificate	Per Credit	284	300	5.63%
First Peoples' BATC			290	
Stanwood BATC			300	
Psychology	Per Credit	395	410	3.80%
Whole System Design	Per Credit	395	410	3.80%
Management	Per Credit	395	410	3.80%
Creative Change Redesign			410	
Education	Per Credit	330	340	3.03%
	Site Based	287	320	11.50%
Education/Teacher Cert	Full Time	3,870	3,985	2.97%
Education/TC MA	Full Time	3,870	3,870	0.00%
First Peoples' MAEd			3,870	
Organization Systems Ren				
Northwest	Full Time	3,955	3,955	0.00%
Midwest	Full Time	3,682	3,682	0.00%
Environment & Community	Per Credit	395	410	3.80%

ANTIOCH SOUTHERN CALIFORNIA
2003-04 PROPOSED BUDGET

Antioch Southern California has done a remarkable job of adhering to sound and prudent financial management this past year and will continue to do so in 2003-04. This year will be one full of many changes for the region, and so building a budget to anticipate those changes has been a challenge. We hope to bring on a new president for the region in September. Not knowing what that person will need or will want has been somewhat anxiety-ridden for us. We don't want her or him to feel that we have tied their hands. However, the reality of our budget is quite clear – it is tight. We've tried to anticipate some of the needs, but are certain that this budget will not meet all of them.

In addition to dealing with a new leader for the region, LA most likely will relocate within six months of the onset of the new president's tenure. It was our hope to create a budget that had a surplus of roughly $300,000 to accommodate for the relocation. Unfortunately, with all the competing interests, we have fallen short with only a surplus of $242,000 available for leasehold improvements at a new location. These funds are necessary in order to offset any shortfalls in tenant improvement allowances from the future landlord and to cover the physical move itself. This relocation is a considerable financial and operational challenge for us since we don't have cash to back us up.

Enrollments for 2003-04

Enrollment projections are always a tricky issue. No one wants to be entirely responsible (or accountable) for them. It seems like everyone is always pointing a finger. This year we spent a great deal of time trying to involve all the parties (admissions, program chairs, deans) in projecting realistic numbers that everyone could be comfortable with. In the fall we took time in our campus governance meetings, community meetings and regional governance meetings to review some financial models created by our CFO which gave us a pretty clear picture of what AUSC would look like in 3-5 years if we continued on the path of no-to-little growth. Sharing this information with the community empowered people with knowledge related to our future and permitted them to make wiser decisions. With this information as the backdrop, I then began the dialogue with everyone about why an across-the-board enrollment increase of at least 3% is needed just to keep pace with our expenses. After weeks of discussion and information gathering, we were able to convince most of the units to grow their programs by more than 3%. Overall, regionally, we are projecting enrollment increases of 4.5%.

Tuition and Revenues for 2003-04.

Just as we approached the issue of enrollment growth, we did the same with tuition increases. In the past, we implemented an across-the-board tuition increase for all programs. This year we were much more strategic and systematic in our approach to setting tuition. Each program reviewed what their competitors were charging and how they compared. We looked at financial aid packages and how the increases would impact the student budgets. In Los Angeles, proposed tuition increases range from 5% to 10%. The 10% increase is specifically tied to the LA MA in Organizational Management. The program found in its research that they were woefully behind most of their competitors in the area and was therefore afraid of the message they were sending to prospects regarding the quality of our program. In addition, the LA MAOM wants to make certain that the program looks competitive as it begins to explore the possibility of offering an MBA program. In Santa Barbara, tuition increases range from 5% to 7.6%; for MA Education, a regional program, the increase is 5% for both campuses.

Gross Tuition revenue is increasing to $12,861,849, (from $11,948,786 in 2002-03) with an increase in enrollment projected at about 4.5% (budget to budget) over 2002-03. With enrollment running at 5% over budget YTD for the current year, we feel this is a realistic target.

Total operating revenue is budgeted at $13,495,563, an increase of $1,308,244 (10.7%) over the 2002-03 budget.

Compensation

Improving the competitiveness of our salaries was a priority in the budget building process. We have accommodated a 4.2% salary increase for all employees (core faculty and staff), as recommended by the Compensation Task Group of the BAC (Budget Advisory Committee) at a cost of $164,294 (including benefits). Adjuncts in Santa Barbara will receive a $100 per course increase (only for 3+ unit courses). There is no increase budgeted at the LA campus for adjunct faculty salaries, although this was put forth as a priority for faculty consideration in the 2004-05 budget

Work that began on the review of the faculty salary schedule concluded in January 2003. And all faculty salaries were adjusted to a new Core Faculty Salary Schedule. Therefore, this adjustment to faculty salaries has been added to the base budget of 2003-04. The annualized cost for this salary adjustment is $108,585 for LA and $54,293 for SB, including fringe benefits.

We have projected a fringe benefit costs increase of 18% (mainly in medical costs) effective July 1, 2003.

Staffing

There is a very small increase in staffing with the net addition of a 0.5 FTE in Los Angeles and 1.36 FTE in Santa Barbara. We're adding a ½ core faculty position at both campuses and adding 1½ staff positions in Santa Barbara. Total positions budgeted are 6.5 for the Region, 51.46 for LA and 29.90 for SB. It is worth noting that this includes a full-time Development position in Los Angeles and a full-time Development position in Santa Barbara.

Program Development

Incorporated in this budget is $50,000 for the specific purpose of continuing to fund program development ideas for increasing income streams for the region. In the 2002-03 budget, we had approximately $130,000 for this purpose. Two programs which got funding in the 2002-03 budget to pursue new programs were the MAOM program in LA and the MAP program in SB. The management program in LA used approximately $40,000 for market research and feasibility reports towards pursuing a possible MBA program. The MAP program in SB used $20,000 to look at possibly offering a new doctoral degree (PsyD), the only one in our region. Both programs made significant inroads in their program development. However, neither had enough funds to conclude all research and make recommendations. We believe these endeavors to be worthwhile and the market research should continue in 2003-04.

Significant Expenses

Operating cost increases include higher allocations for rent at the campuses ($66,000), instructional supplies (for course readers at LA, $40,000), and advertising in LA ($22,000). AUSC would like to continue to increase advertising to keep pace with growth in enrollment.

In accordance with the guidelines, we have budgeted:

Program contingency	= $130,789
Campus contingency	= $166,696
University Overhead	= $1,003,477 ($857,938 plus salary and benefits for the president).
Depreciation expense	= $124,752

Total operating budget = $13,303,021.

Chloe Reid
Acting President

Antioch Southern California

2003-04 Budget Summary by Function

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	Change From 2002-03 Budget to 2002-03 Projected %	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	Change From 2002-03 Projected to 2003-04 Budget %	Change From 2002-03 Budget to 2003-04 Budget $	Change From 2002-03 Budget to 2003-04 Budget %
Revenues											
Tuition & Fees	9,841,415	10,911,863	11,492,460	11,948,786	456,326	3.97%	***12,861,849***	913,063	7.64%	1,369,389	11.92%
Less Tuition Discounts	-226,300	-138,077	-130,500	-116,938	13,562	10.39%	***-135,500***	-18,562	-15.87%	-5,000	-3.83%
Net Tuition and Fees	9,615,115	10,773,786	11,361,960	11,831,848	469,888	4.14%	***12,726,349***	894,501	7.56%	1,364,389	12.01%
Gifts	72,750	66,140	40,000	70,472	30,472	76.18%	***43,000***	-27,472	-38.98%	3,000	7.50%
Grants	176,545	161,096	335,565	181,923	-153,642	-45.79%	***263,819***	81,896	45.02%	-71,746	-21.38%
Endowment Income	0	0	0	0	0		***0***	0		0	
Contracts	0	0	0	0	0		***0***	0		0	
Other Income	45,393	58,820	14,800	89,106	74,306	502.07%	***20,050***	-69,056	-77.50%	5,250	35.47%
Total E&G Revenue	9,909,803	11,059,842	11,752,325	12,173,349	421,024	3.58%	***13,053,218***	879,869	7.23%	1,300,893	11.07%
Auxiliary Enterprises	205,094	221,936	230,000	269,217	39,217	17.05%	***280,000***	10,783	4.01%	50,000	21.74%
Released From Restrictions	220,117	281,039	204,994	149,234	-55,760	-27.20%	***162,345***	13,111	8.79%	-42,649	-20.80%
Total Revenues	10,335,014	11,562,817	12,187,319	12,591,800	404,481	3.32%	***13,495,563***	903,763	7.18%	1,308,244	10.73%
Operating Expenses											
Instruction	3,678,235	4,071,614	4,497,383	4,289,654	-207,729	-4.62%	***4,905,956***	616,302	14.37%	408,573	9.08%
Research	8,600	0	0	0	0		***0***	0		0	
Public Service	135,065	187,992	171,637	202,297	30,660	17.86%	***230,114***	27,817	13.75%	58,477	34.07%
Academic Support	763,295	800,161	756,010	702,401	-53,609	-7.09%	***949,159***	246,758	35.13%	193,149	25.55%
Student Services	1,149,385	1,175,431	1,310,554	1,034,851	-275,703	-21.04%	***1,519,334***	484,483	46.82%	208,780	15.93%
Institutional Support	2,656,476	2,687,876	3,238,870	3,519,526	280,656	8.67%	***3,472,010***	-47,516	-1.35%	233,140	7.20%
Plant Maintenance	1,381,125	1,493,430	1,679,328	1,732,853	53,525	3.19%	***1,785,089***	52,236	3.01%	105,761	6.30%
Scholarships	179,729	170,029	254,477	197,481	-56,996	-22.40%	***180,731***	-16,750	-8.48%	-73,746	-28.98%
Total E&G Expenses	9,951,910	10,586,533	11,908,259	11,679,063	-229,196	-1.92%	***13,042,393***	1,363,330	11.67%	1,134,134	9.52%
Auxiliary Enterprises	252,810	249,114	223,960	274,138	50,178	22.40%	***260,628***	-13,510	-4.93%	36,668	16.37%
Total Operating Expenses	10,204,720	10,835,647	12,132,219	11,953,201	-179,018	-1.48%	***13,303,021***	1,349,820	11.29%	1,170,802	9.65%
Excess Revenue over Expenses	130,294	727,170	55,100	638,599	583,499	1058.98%	***192,542***	-446,057	-69.85%	137,442	249.44%
Annual Budget Conversion to Cash Basis											
Capital Expenditures	127,469	244,852	128,600	516,536	387,936	301.66%	***410,000***	-106,536	-20.63%	281,400	218.82%
Borrowing Proceeds	-100,302	0	0	0	0		***0***	0		0	
Principal Payments	8,513	22,070	0	32,234	32,234		***31,100***	-1,134	-3.52%	31,100	
Prior Year Reserves		0	0	0	0		***-123,806***	-123,806		-123,806	
Add back Depreciation		-115,138	-100,577	-119,813	-19,236	-19.13%	***-124,752***	-4,939	-4.12%	-24,175	-24.04%
Total Cash Items	35,680	151,784	28,023	428,957	400,934	1430.73%	***192,542***	-236,415	55.11%	164,519	587.09%
Net Cash Basis Budget	94,614	575,386	27,077	209,642	182,565	674.24%	***0***	-209,642	-100.00%	-27,077	-100.00%

Antioch Southern California

2003-04 Budget Summary by Category

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	*Change From 2002-03 Budget to 2002-03 Projected* $	%	Proposed 2003-04 Budget	*Change From 2002-03 Projected to 2003-04 Budget* $	%	*Change From 2002-03 Budget to 2003-04 Budget* $	%
Revenues	10,335,014	11,562,817	12,187,319	12,591,800	404,481	3.32%	***13,495,563***	903,763	7.18%	1,308,244	10.73%
Operating Expenses											
Salaries & Wages	4,942,445	5,247,542	5,586,287	5,357,761	-228,526	-4.09%	***6,173,146***	815,385	15.22%	586,859	10.51%
Benefits	1,119,519	1,428,487	1,745,283	1,446,528	-298,755	-17.12%	***1,865,315***	418,787	28.95%	120,032	6.88%
Training & Development	169,353	156,194	331,165	334,003	2,838	0.86%	***328,159***	-5,844	-1.75%	-3,006	-0.91%
Student Aid Services	65,712	71,223	59,192	63,455	4,263	7.20%	***48,446***	-15,009	-23.65%	-10,746	-18.15%
Special Events	30,307	44,195	37,860	37,860	0	0.00%	***44,660***	6,800	17.96%	6,800	17.96%
Supplies	232,762	299,912	232,090	272,722	40,632	17.51%	***292,654***	19,932	7.31%	60,564	26.10%
Business Operations	1,083,096	935,281	1,204,287	1,135,035	-69,252	-5.75%	***1,223,221***	88,186	7.77%	18,934	1.57%
Plant Maintenance	1,338,962	1,365,064	1,514,775	1,539,158	24,383	1.61%	***1,602,159***	63,001	4.09%	87,384	5.77%
Interest Expense	54,563	39,205	39,450	44,550	5,100	12.93%	***53,550***	9,000	20.20%	14,100	35.74%
Resale Costs	208,759	203,503	180,500	215,251	34,751	19.25%	***218,000***	2,749	1.28%	37,500	20.78%
Miscellaneous	1,954	23,366	20,000	25,178	5,178	25.89%	***8,632***	-16,546	-65.72%	-11,368	-56.84%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	116,543		-116,543	-100.00%	***130,789***	130,789		14,246	12.22%
Campus Contingency, Discretionary	0	0	100,585	500,000	399,415	397.09%	***166,696***	-333,304	-66.66%	66,111	65.73%
Liquidity Reserve	110,894	0	0		0		***0***	0		0	
Overhead											
To the University	1,219,832	900,000	843,660	843,660	0	0.00%	***1,003,477***	159,817	18.94%	159,817	18.94%
Rebates from the University	-440,779	0	0	0	0		***0***	0		0	
Subsidy from Adult Campuses	55,200	0	0	0	0		***0***	0		0	
Subsidy from Overhead	0	0	0	0	0		***0***	0		0	
Other (Intercampus Agree & Univ Conf)	12,141	6,537	19,965	18,227	-1,738	-8.71%	***19,365***	1,138	6.24%	-600	-3.01%
Depreciation	0	115,138	100,577	119,813	19,236	19.13%	***124,752***	4,939	4.12%	24,175	24.04%
Total Operating Expenses	10,204,720	10,835,647	12,132,219	11,953,201	-179,018	-1.48%	***13,303,021***	1,349,820	11.29%	1,170,802	9.65%
Excess Revenue over Expenses	130,294	727,170	55,100	638,599	583,499	1058.98%	***192,542***	-446,057	-69.85%	137,442	249.44%
Annual Budget Conversion to Cash Basis											
Capital Expenditures	127,469	244,852	128,600	516,536	387,936	301.66%	***410,000***	-106,536	-20.63%	281,400	218.82%
Borrowing Proceeds	-100,302	0	0	0	0		***0***	0		0	
Principal Payments	8,513	22,070	0	32,234	32,234		***31,100***	-1,134	-3.52%	31,100	
Prior Year Reserves	0	0	0	0	0		***-123806***	-123,806		-123,806	
Add back Depreciation	0	-115,138	-100,577	-119,813	-19,236	-19.13%	***-124,752***	-4,939	-4.12%	-24,175	-24.04%
Total Cash Items	35,680	151,784	28,023	428,957	400,934	1430.73%	***192,542***	-236,415	55.11%	164,519	587.09%
Net Cash Basis Budget	94,614	575,386	27,077	209,642	182,565	674.24%	***0***	-209,642	-100.00%	-27,077	-100.00%

ANTIOCH SOUTHERN CALIFORNIA
2003-04 Capital Budget

Campus	Buildings	Amount
	Total Buildings	0
Campus	**Building Improvements**	**Amount**
	Leasehold Improvements	300,000
	Total Building Improvements	300,000
Campus	**Equipment**	**Amount**
Southern CA	Computer Replacements	55,000
	Multi Media Equipment	20,000
	Video Conference Systems	20,000
	Total Equipment	95,000
Campus	**Furniture & Fixtures**	**Amount**
Southern CA	Furniture & Carper	15,000
	Total Furniture & Fixtures	15,000
Campus	**Library Books**	
	Total Library Books	0
	Grand Total Capital Budget	**410,000**
		========

Antioch Southern California
Tuition Rate Changes 2003-04

Program	2002-03 Rates Per Quarter	2003-04 Proposed Per Quarter	% Change
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Los Angeles - BA Program	3,845	4,040	5.07%
Los Angeles - MAP	4,080	4,365	6.99%
Los Angeles - MAOM	4,080	4,500	10.29%
Los Angeles - MFA Program	4,730	4,960	4.86%
Los Angleles - Teacher Cert	3,925	4,125	5.10%
Santa Barbara - BA Program	3,800	3,995	5.13%
Santa Barbara - BA Weekend	4,000	4,200	5.00%
Santa Barbara - MAP Program	3,950	4,250	7.59%
Santa Barbara - MAOM Program	3,950	4,250	7.59%
Santa Barbara - MAOM Weekend	4,150	4,350	4.82%
Santa Barbara - Teacher Cert	3,925	4,125	5.10%

ANTIOCH UNIVERSITY McGREGOR
2003-04 PROPOSED BUDGET

2002-03 Year-End Performance

This has been a very strong year for Antioch University McGregor. There are two major reasons for our successful budget – continuous growth in the Teacher Education Licensure Program and the addition of a non-budgeted additional cohort in the M.Ed. We simply had too many strong applicants to turn them away so we responded with a second cohort. Other programs were on target or above, with the exception of a delayed start for the Community College Management (CCM) program and the Graduate Management Program which did not offer a winter cohort for the first time. The CCM program is on track to begin in July and we are currently conducting market research to strengthen the Graduate Management Program. Additionally, the expense side of the budget benefited from delays in filling vacant faculty positions.

Results of a Good Year

- The overage in the budget allowed us to meet some critical needs at McGregor. First, we gave each faculty member a $3,000 base raise, effective January 2003. We then determined that our entry salary for faculty will be raised from the current $40,000 to $45,000. We have a long way to go in some cases related to salary, but this was a very well received and appreciated boost for those individuals who make the difference to our learners. We also gave raises to administrators, but at a lower level and not across-the-board. The target was to remain or become competitive and to balance out some inequities.
- We will be able to pay off the Ohio bond of approximately $220,000 early, saving McGregor interest fees and lowering our debt level.
- Renovations were made to the Sontag-Fels Building on the first floor and an unused wing of the second floor. This greatly improved our appearance and created desperately needed additional office space.
- Extensive renovations were made to the Kettering Building's five classrooms and the Student Lounge, and we will add presentation technology to each classroom.
- We will place some funds (to be determined) in a capital fund for a new building. We are simply out of capacity to meet our needs or certainly to grow.

2003-2004 Budget

Enrollment and Revenue

The budget does not reflect enrollment growth, and in fact pulls back some in areas where we know the competition is increasing. We have a few program areas that will require aggressive recruitment and others (Education) where we cannot accommodate all applicants. As part of the current budget, McGregor has an academic planning team coming to campus at the end of June to help us look toward areas where we can improve programs, possibly add new ones, and create an atmosphere that allows faculty to be most effective. This will be a year of planning strategies for the future of McGregor. Tuition will increase by 3%.

We continue to try to build our Development program. We have successful annual fund drives and public events such as the Executive Spelling Bee. However, the current economy is not conducive to receiving many large gifts – although we will keep trying!

The Classroom of the Future is operational and will likely become a source of revenue for us in the next year and beyond – facilities rental, sponsorships, etc.

Operating Expenses

Much of the increase is the continuation of the higher salaries initiated in 2003 and a 3% raise for all non-union employees. (Union salaries are set in their contract) After extensively studying teaching overloads, we added five new core faculty positions to reduce an unmanageable demand on existing faculty and to improve quality. This will also respond to the large increase in student numbers in Education. Because we made several capital improvements in the current year, we hope to cautiously use depreciation to create a building fund. This will be the year we use the funds to plan in detail for facilities expansion.

We are attempting something new in the Community College Management Program – providing a lower, more competitive tuition for the market. We call the differential a "scholarship" named after a very well-respect woman leader in community colleges, Dr. Carolyn Desjardins, who began the program now called the National Institute for Leadership Development. We will raise some funds, but this approach allows us to meet the needs of current educators who simply had "sticker shock" at the cost of our program. Once we get it off the ground, we firmly believe the program will sell itself.

Conclusion

The 2003-04 budget does not project *new* growth, but does include much of the enrollment growth experienced in 2003. We are being conservative in our forecasts because the competition is increasing in some areas. However, the education field is exploding and our expenses have gone up in order to accommodate the additional students. We anticipate a good year for McGregor and look forward to working with the Board on building capacity (human and facilities).

Barbara Gellman-Danley
President

Antioch University McGregor

2003-04 Budget Summary by Function

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	%	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	%	Change From 2002-03 Budget to 2003-04 Budget $	%
Revenues											
Tuition & Fees	4,960,989	5,097,582	5,578,243	6,030,129	451,886	8.10%	*5,975,047*	-55,082	-0.91%	396,804	7.11%
Less Tuition Discounts	-65,319	-76,339	0	0	0		*-15,000*	-15,000		-15,000	
Net Tuition and Fees	4,895,670	5,021,243	5,578,243	6,030,129	451,886	8.10%	*5,960,047*	-70,082	-1.16%	381,804	6.84%
Gifts	36,311	39,584	80,000	23,377	-56,623	-70.78%	*80,000*	56,623	242.22%	0	0.00%
Grants	24,532	59,075	14,000	93,679	79,679	569.14%	*64,998*	-28,681	-30.62%	50,998	364.27%
Endowment Income	0	0	0	0	0		*0*	0		0	
Contracts	144,448	49,379	0	44,151	44,151		*56,000*	11,849	26.84%	56,000	
Other Income	37,669	14,208	16,050	7,488	-8,562	-53.35%	*15,850*	8,362	111.67%	-200	-1.25%
Total E&G Revenue	5,138,630	5,183,489	5,688,293	6,198,824	510,531	8.98%	*6,176,895*	-21,929	-0.35%	488,602	8.59%
Auxiliary Enterprises	10,380	0	0	0	0		*0*	0		0	
Released From Restrictions	19,839	40,807	0	-11,324	-11,324		*65,060*	76,384	674.53%	65,060	
Total Revenues	5,168,849	5,224,296	5,688,293	6,187,500	499,207	8.78%	6,241,955	54,455	0.88%	553,662	9.73%
										0	
Operating Expenses											
Instruction	2,110,070	2,547,443	2,945,393	2,931,000	-14,393	-0.49%	*3,145,287*	214,287	7.31%	199,894	6.79%
Research	0	0	0	0	0		*0*	0		0	
Public Service	123,836	2,828	0	0	0		*50,060*	50,060		50,060	
Academic Support	149,985	128,942	20,000	52,984	32,984	164.92%	*20,000*	-32,984	-62.25%	0	0.00%
Student Services	657,293	718,723	832,044	856,160	24,116	2.90%	*968,803*	112,643	13.16%	136,759	16.44%
Institutional Support	1,993,463	1,541,854	1,591,248	1,554,000	-37,248	-2.34%	*1,684,752*	130,752	8.41%	93,504	5.88%
Plant Maintenance	102,140	270,418	285,608	286,863	1,255	0.44%	*359,053*	72,190	25.17%	73,445	25.72%
Scholarships	14,470	13,597	14,000	17,506	3,506	25.04%	*14,000*	-3,506	-20.03%	0	0.00%
Total E&G Expenses	5,151,257	5,223,805	5,688,293	5,698,513	10,220	0.18%	*6,241,955*	543,442	9.54%	553,662	9.73%
Auxiliary Enterprises	5,000	0	0	0	0		*0*	0		0	
Total Operating Expenses	5,156,257	5,223,805	5,688,293	5,698,513	10,220	0.18%	*6,241,955*	543,442	9.54%	553,662	9.73%
Excess Revenue over Expenses	12,592	491	0	488,987	488,987		*0*	-488,987	-100.00%	0	
Annual Budget Conversion to Cash Basis											
Capital Expenditures	163,594	277,120	99,550	428,326	328,776	330.26%	*209,500*	-218,826	-51.09%	109,950	110.45%
Borrowing Proceeds	-163,594	-45,065	0	-44,362	-44,362		*0*	44,362	100.00%	0	
Principal Payments	0	16,818	18,445	237,445	219,000	1187.31%	*0*	-237,445	-100.00%	-18,445	-100.00%
Prior Year Reserves	0	-52,253	0	0	0		*0*	0		0	
Add back Depreciation	0	-166,076	-156,830	-190,435	-33,605	-21.43%	*-224,974*	-34,539	-18.14%	-68,144	-43.45%
Total Cash Items	0	30,544	-38,835	430,974	469,809	1209.76%	*-15,474*	-446,448	-103.59%	23,361	60.15%
Net Cash Basis Budget	12,592	-30,053	38,835	58,013	19,178	49.38%	*15,474*	-42,539	-73.33%	-23,361	-60.15%

Antioch University McGregor

2003-04 Budget Summary by Category

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	%	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	%	Change From 2002-03 Budget to 2003-04 Budget $	%
Revenues	5,168,849	5,224,296	5,688,293	6,187,500	499,207	8.78%	***6,241,955***	54,455	0.88%	553,662	9.73%
Operating Expenses											
Salaries & Wages	2,579,702	2,743,441	2,901,234	2,940,207	38,973	1.34%	***3,076,870***	136,663	4.65%	175,636	6.05%
Benefits	717,394	957,250	920,119	937,249	17,130	1.86%	***1,016,309***	79,060	8.44%	96,190	10.45%
Training & Development	82,044	61,015	131,493	82,482	-49,011	-37.27%	***143,587***	61,105	74.08%	12,094	9.20%
Student Aid Services	32,698	90,650	150,099	142,637	-7,462	-4.97%	***140,250***	-2,387	-1.67%	-9,849	-6.56%
Special Events	46,513	25,433	33,968	20,489	-13,479	-39.68%	***31,335***	10,846	52.94%	-2,633	-7.75%
Supplies	58,769	60,167	58,790	60,819	2,029	3.45%	***76,987***	16,168	26.58%	18,197	30.95%
Business Operations	656,491	562,598	685,369	608,783	-76,586	-11.17%	***667,851***	59,068	9.70%	-17,518	-2.56%
Plant Maintenance	107,050	116,831	28,336	53,659	25,323	89.37%	***58,752***	5,093	9.49%	30,416	107.34%
Interest Expense	36,844	25,239	21,740	15,953	-5,787	-26.62%	***21,975***	6,022	37.75%	235	1.08%
Resale Costs	*0*	*0*	*0*	*0*	*0*		***0***	0		0	
Miscellaneous	11,305	64,954	7,983	9,210	1,227	15.37%	***9,923***	713	7.74%	1,940	24.30%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	56,493	0	-56,493	-100.00%	***60,962***	60,962		4,469	7.91%
Campus Contingency, Discretionary	0	0	0	100,000	100,000		***0***	-100,000	-100.00%	0	
Liquidity Reserve	58,601	0	0	0	0		***0***	0		0	
Overhead											
To the University	638,708	500,000	412,061	412,056	-5	0.00%	***586,101***	174,045	42.24%	174,040	42.24%
Rebates from the University	-232,258	0	0	0	0		***0***	0		0	
Subsidy from Adult Campuses	34,200	0	0	0	0		***0***	0		0	
Subsidy from Overhead	0	-150,000	0	0	0		***0***	0		0	
Other (Intercampus Agree & Univ Conf)	328,196	151	123,778	124,534	756	0.61%	***126,079***	1,545	1.24%	2,301	1.86%
Depreciation	0	166,076	156,830	190,435	33,605	21.43%	***224,974***	34,539	18.14%	68,144	43.45%
Total Operating Expenses	5,156,257	5,223,805	5,688,293	5,698,513	10,220	0.18%	***6,241,955***	543,442	9.54%	553,662	9.73%
Excess Revenue over Expenses	12,592	491	0	488,987	488,987		***0***	-488,987	-100.00%	0	
Annual Budget Conversion to Cash Basis											
Capital Expenditures	163,594	277,120	99,550	428,326	328,776	330.26%	***209,500***	-218,826	-51.09%	109,950	110.45%
Borrowing Proceeds	-163,594	-45,065	0	-44,362	-44,362		***0***	44,362	100.00%	0	
Principal Payments	0	16,818	18,445	237,445	219,000	1187.31%	***0***	-237,445	-100.00%	-18,445	-100.00%
Prior Year Reserves	0	-52,253	0	0	0		***0***	0		0	
Add back Depreciation	0	-166,076	-156,830	-190,435	-33,605	-21.43%	***-224,974***	-34,539	-18.14%	-68,144	-43.45%
Total Cash Items	0	30,544	-38,835	430,974	469,809	1209.76%	***-15,474***	-446,448	-103.59%	23,361	60.15%
Net Cash Basis Budget	12,592	-30,053	38,835	58,013	19,178	49.38%	***15,474***	-42,539	-73.33%	-23,361	-60.15%

Antioch University McGregor
2003-04 Capital Budget

Campus	Buildings	Amount
	Total Buildings	0
Campus	**Building Improvements**	**Amount**
	Remodel Restrooms	7,000
	Remodel Student Services	2,500
	Architect - new building	100,000
	Total Building Improvements	109,500
Campus	**Equipment**	**Amount**
McGregor	Printer Replacements	10,000
	Main/Backup Server	10,000
	Classroom/Future equipment	70,000
	Total Equipment	90,000
Campus	**Furniture & Fixtures**	**Amount**
	Faculty Office Furnishings	10,000
	Total Furniture & Fixtures	10,000
Campus	**Library Books**	
	Total Library Books	0
	Grand Total Capital Budget	**209,500**
		========

Antioch University McGregor
Tuition Rate Changes 2003-04

Program	2002-03 Rates Per Quarter	2003-04 Proposed Per Quarter	% Change
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Weekend College	2,779	2,862	2.99%
Graduate Management	3,480	3,584	2.99%
Management - Comm College		3,584	-
IMA Classic	1,673	1,723	2.99%
IMA Intercultural Relations	1,673	1,723	2.99%
IMA Conflict Resolution	2,758	2,841	3.01%
Education	3,225	3,322	3.01%

PH.D. IN LEADERSHIP AND CHANGE
2003-04 PROPOSED BUDGET

The academic year, 2003-04, will be the Ph.D. in Leadership & Change Program's second full year. In this short time, much has happened. We will have 58 (projected) full-time students. We have recruited five nationally and internationally recognized faculty in the fields of management, education, psychology, and political science. We have secured two multi-year grants totaling $130,000 – one in community leadership development and one in the evaluation of community services. We have pioneered, with success, the building and nurturing of a geographically dispersed learning community, including a sustainable on-line virtual campus and intense at-a-distance faculty mentoring. We continue to grow at an amazing pace, bringing creativity and quality, holding standards and rigor, and creating an excellent, innovative doctoral program.

Projected income and expenses for 2003-04 are based on first-year experience as well as a conservative approach to enrollment projections, both in terms of the new cohort size as well as attrition of continuing students. There is still some educated guesswork involved, as we have no track record on attrition. However, I believe by 2003-04, we will have reached the 'tipping point' in the program -- the critical mass of students and the essential founding faculty -- to recognize the program is a reality here to stay!

I. REVENUE:

a) Annual Tuition will be $17,000, which represents a 3% increase. We have projected $989,750 in tuition-generated revenue, representing a 59.6% increase over last year's actual revenue from tuition.
b) Tuition-derived revenue is calculated on a projected total of 58 FTE students. This is based on a new cohort of 25 FTE entering in Summer 2003, and a loss of up to 5 from the 38 continuing students, which would be approximately 13% attrition.
c) There is a small tuition discount of $500 for each Cohort 1 student, totaling $4,500.
d) Grants and Other Income: This $62,957 represents the income from two small grants secured by the Ph.D. Program's outreach arm, The Leadership Institute. One grant, for community youth leadership development, funded from the Pennsylvania-based Forum on the Future, continues into 2003-04, with income of about $36,000. In addition, we will bring in $20,000 for the second part of a grant from the Santa Barbara County Mental Health Department to evaluate the county's systems of care collaboration.

e) Total income for 2003-04 is projected at $1,052,687, representing a 77% change.

II. EXPENSES:

The largest Category of Expense in the Ph.D. Program is Salaries & Benefits. Let me explain what are in these lines.
CORE FACULTY

a) Core faculty salaries include a 3% increase for 2003-04.
- Core Faculty: 5.25 FTE (1:11 ratio). Four full-time faculty (Elizabeth Holloway, Dick Couto, Jon Wergin, Peter Vaill); two half-time faculty (Laurien Alexandre and Carolyn Kenny); plus one quarter-time faculty. (Al Guskin works at .25 FTE, but is not charged to this program.)

ADMINISTRATION/STAFF
- Administration includes Program Director Laurien Alexandre (.50 FTE) and Staff Administrator/Registrar Vickie Nighswander (1.0 FTE);
- Other personnel and staffing include two Librarians (1.0 FTE & .25 FTE) paid by the Ph. D. program through Antioch New England; a Registrar's Stipend; and, part-time office support for Vickie Nighswander.

NON-PERSONNEL EXPENSES
- The largest non-personnel expense is projected for travel, at $70,000. Given our program's unusual delivery model, travel is actually a cost of instruction. This covers the cost of participation for up to eight faculty/staff at five residencies for a total of 25 days per person, as well as conference attendance and other travel by the Director and faculty. In addition, guest faculty travel and lodging is included, although for far fewer days. Travel *is estimated at $500 per trip, $130 a night hotel; and $50 for food each day.*
- Other large expenses are: Library acquisitions/databases $20,000; Advertising $10,000; Tech Support $10,000 (which is included in the Purchased Services line); Telecommunications $1,500 monthly.
- University-wide includes $8,000 to McGregor for Financial Aid assistance; $5,000 for the University faculty conference;
- The program's overhead payment to the University is approximately $3,000;
- Included is a $30,000 Contingency Reserve.

Laurien Alexandre
Director

PhD in Leadership and Change

2003-04 Budget Summary by Function

	2000-01 Actual	Half Year 2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	Change From 2002-03 Budget to 2002-03 Projected %	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	Change From 2002-03 Projected to 2003-04 Budget %	Change From 2002-03 Budget to 2003-04 Budget $	Change From 2002-03 Budget to 2003-04 Budget %
Revenues											
Tuition & Fees		101,700	598,250	620,275	22,025	3.68%	*989,750*	369,475	59.57%	391,500	65.44%
Less Tuition Discounts		-7,500	-5,500	-5,500	0	0.00%	*-4,500*	1,000	18.18%	1,000	18.18%
Net Tuition and Fees		94,200	592,750	614,775	22,025	3.72%	*985,250*	370,475	60.26%	392,500	66.22%
Gifts		0	0	0	0		*0*	0		0	
Grants		0	0	42,264	42,264		*62,957*	20,693	48.96%	62,957	
Endowment Income		0	0	0	0		*0*	0		0	
Contracts		0	0	0	0		*0*	0		0	
Other Income		0	0	688	688		*4,480*	3,792	551.16%	4,480	
Total E&G Revenue		94,200	592,750	657,727	64,977	10.96%	*1,052,687*	394,960	60.05%	459,937	77.59%
Auxiliary Enterprises		0	0	0	0		*0*	0		0	
Released From Restrictions		126,972	0	0	0		*0*	0		0	
Total Revenues		221,172	592,750	657,727	64,977	10.96%	*1,052,687*	394,960	60.05%	459,937	77.59%
					0						
Operating Expenses											
Instruction		217,156	592,750	619,954	27,204	4.59%	*989,730*	369,776	59.65%	396,980	66.97%
Research		0	0	0	0		*0*	0		0	
Public Service		0	0	0	0		*62,957*	62,957		62,957	
Academic Support		0	0	0	0		*0*	0		0	
Student Services		0	0	0	0		*0*	0		0	
Institutional Support		0	0	0	0		*0*	0		0	
Plant Maintenance		3,117	0	0	0		*0*	0		0	
Scholarships		0	0	0	0		*0*	0		0	
Total E&G Expenses		220,273	592,750	619,954	27,204	4.59%	*1,052,687*	432,733	69.80%	459,937	77.59%
Auxiliary Enterprises		0	0	0	0		*0*	0		0	
Total Operating Expenses		220,273	592,750	619,954	27,204	4.59%	*1,052,687*	432,733	69.80%	459,937	77.59%
Excess Revenue over Expenses		899	0	37,773	37,773		*0*	-37,773	-100.00%	0	
Annual Budget Conversion to Cash Basis											
Capital Expenditures		900	0	11,000	11,000		*0*	-11,000	-100.00%	0	
Borrowing Proceeds		0	0	0	0		*0*	0		0	
Principal Payments		0	0	0	0		*0*	0		0	
Prior Year Reserves		0	0	0	0		*0*	0		0	
Add back Depreciation		-3,117	-2,964	-2,720	244	8.23%	*-1,659*	1,061	39.01%	1,305	44.03%
Total Cash Items		-2,217	-2,964	8,280	11,244	379.35%	*-1,659*	-9,939	-120.04%	1,305	-44.03%
Net Cash Basis Budget		3,116	2,964	29,493	26,529	895.04%	*1,659*	-27,834	-94.37%	-1,305	-44.03%

PhD in Leadership and Change

2003-04 Budget Summary by Category

	2000-01 Actual	Half Year 2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	%	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	%	Change From 2002-03 Budget to 2003-04 Budget $	%
Revenues		221,172	592,750	657,727	64,977	10.96%	***1,052,687***	394,960	60.05%	459,937	77.59%
Operating Expenses											
Salaries & Wages		103,330	302,088	315,153	13,065	4.32%	***583,847***	268,694	85.26%	281,759	93.27%
Benefits		30,209	107,509	105,043	-2,466	-2.29%	***183,454***	78,411	74.65%	75,945	70.64%
Training & Development		27,413	70,500	74,943	4,443	6.30%	***96,500***	21,557	28.76%	26,000	36.88%
Student Aid Services		0	0	0	0		***0***	0		0	
Special Events		0	0	0	0		***0***	0		0	
Supplies		2,868	4,689	7,023	2,334	49.78%	***12,000***	4,977	70.87%	7,311	155.92%
Business Operations		38,496	96,000	103,179	7,179	7.48%	***119,100***	15,921	15.43%	23,100	24.06%
Plant Maintenance		12,445	2,000	6,350	4,350	217.50%	***5,000***	-1,350	-21.26%	3,000	150.00%
Interest Expense		145	1,000	499	-501	-50.10%	***500***	1	0.20%	-500	-50.00%
Resale Costs		0	0	0	0		***0***	0		0	
Miscellaneous		0	0	794	794		***2,000***	1,206	151.89%	2,000	
Contingency/Reserves											
Campus Contingency, Mandatory		0	0	0	0		***30,439***	30,439		30,439	
Campus Contingency, Discretionary		0	0	0	0		***0***	0		0	
Liquidity Reserve		0	0	0	0		***0***	0		0	
Overhead											
To the University		0	0	0	0		***2,688***	2,688		2,688	
Rebates from the University		0	0	0	0		***0***	0		0	
Subsidy from Adult Campuses		0	0	0	0		***0***	0		0	
Subsidy from Overhead		0	0	0	0		***0***	0		0	
Other (Intercampus Agree & Univ Conf)		2,250	6,000	4,250	-1,750	-29.17%	***15,500***	11,250	264.71%	9,500	158.33%
Depreciation		3,117	2,964	2,720	-244	-8.23%	***1,659***	-1,061	-39.01%	-1,305	-44.03%
Total Operating Expenses		220,273	592,750	619,954	27,204	4.59%	***1,052,687***	432,733	69.80%	459,937	77.59%
Excess Revenue over Expenses		899	0	37,773	37,773		***0***	-37,773	-100.00%	0	
Annual Budget Conversion to Cash Basis											
Capital Expenditures		900	0	11,000	11,000		***0***	-11,000	-100.00%	0	
Borrowing Proceeds		0	0	0	0		***0***	0		0	
Principal Payments		0	0	0	0		***0***	0		0	
Prior Year Reserves		0	0	0	0		***0***	0		0	
Add back Depreciation		-3,117	-2,964	-2,720	244	8.23%	***-1,659***	1,061	39.01%	1,305	44.03%
Total Cash Items		-2,217	-2,964	8,280	11,244	379.35%	***-1,659***	-9,939	-120.04%	1,305	44.03%
Net Cash Basis Budget		3,116	2,964	29,493	26,529	895.04%	***1,659***	-27,834	-94.37%	-1,305	-44.03%

PhD in Leadership and Change
Tuition Rate Changes 2003-04

Program	2002-03 Rates	2003-04 Proposed	Percent Increase
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Tuition	16,500	17,000	3.03%
Total per Year	16,500	17,000	3.03%

ANTIOCH UNIVERSITY ADMINISTRATION
2003-04 PROPOSED BUDGET

Total expenditures for the University Administration are virtually unchanged from the level established in the 2002-03 budget. The Chancellor has emphasized the need to contain spending so that the overhead charged to the non-residential campuses does not increase any faster than absolutely necessary. For the past seven years the University Administration budget has decreased steadily as a percentage of total university revenue and has also decreased in most years in absolute terms. The proposed 2003-04 operating expenses are -$227,000 less than the actual operating expenses of 1999-00.

The proposed budget for 2003-04 is $1,674,276. Of this total, $1,288,976 (77%) is salaries, wages, and fringe benefits. The next single largest category of expense is Plant Maintenance for the operation of the Kettering Building including maintenance, custodial costs and utilities.

MAJOR CHANGES

Because the total of expenses in the proposed budget is virtually the same as in the previous budget, the increases have come about through internal reallocation. The budget proposes a 2% salary increase for all staff and absorbs the 13% increase in medical costs. In addition, the salary adjustment authorized by the Board when Jim Craiglow was appointed Chancellor will be reflected for the entire year. Staffing has not changed from the 2002-03 budget and no positions have become vacant and no recruitment activity is contemplated.

Part of the additional costs to the budget were absorbed by transferring a higher proportion of the salary of the Vice Chancellor for Development to the Capital Campaign. The University Administration will provide 45% (down from 58% in 2002-03) for the Vice Chancellor for Development in recognition of her concentration on the capital campaign in 2003-04. Other areas of saving include not having to budget for a Chancellor's search or the costs of the NCA visit and review. In addition, the Academic Assistant to the Chancellor position formerly held by Paul Ewald, which was budgeted for two months in 2002-03, will remain unbudgeted in 2003-04.

As in 2002-03, the proposed budget reflects the shared services costs for Physical Plant, Human Relations, and Information Technology and Business Services. These shared services units were established upon recommendation of the Board's Stabilization Committee and operated throughout 2002-03. Each unit in Yellow Springs pays its proportional costs of the service based upon various usage measurements.

The University Wide budget for 2003-04 shows an increase of $655,918 in Net Overhead for Central Operations. Much of this increase is the result of a technical decision to budget the salaries of the non-residential campus presidents in the University Wide account rather than at their individual campuses. Salaries for these positions are determined by the Board of Trustees upon recommendation of the Chancellor and it is less disruptive to the campus budget preparation processes if the subsequent adjustments can be handled centrally.

Glenn H. Watts
Vice Chancellor

University Administration
2003-04 Budget Summary by Function

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	%	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	%	Change From 2002-03 Budget to 2003-04 Budget $	%
Revenues											
Tuition & Fees	0	0	0	0	0		*0*	0		0	
Less Tuition Discounts	0	0	0	0	0		*0*	0		0	
Net Tuition and Fees	0	0	0	0	0		*0*	0		0	
Gifts	121,500	13,769	10,000	0	-10,000	-100.00%	*0*	0		-10,000	-100.00%
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	-494	0	0	0	0		*0*	0		0	
Total E&G Revenue	121,006	13,769	10,000	0	-10,000	-100.00%	*0*	0		-10,000	-100.00%
Auxiliary Enterprises	0	0	0	0	0		*0*	0		0	
Released From Restrictions	0	0	0	0	0		*0*	0		0	
Total Revenues	121,006	13,769	10,000	0	-10,000	-100.00%	*0*	0		-10,000	-100.00%
Net Overhead for Central Operations	1,932,369	1,861,605	1,663,910	1,643,662	-20,248	-1.22%	*1,674,276*	30,614	1.86%	10,366	0.62%
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	104,608	94,938	101,031	100,000	-1,031	-1.02%	*109,272*	9,272	9.27%	8,241	8.16%
Institutional Support	1,894,655	1,773,240	1,572,879	1,533,020	-39,859	-2.53%	*1,565,004*	31,984	2.09%	-7,875	-0.50%
Plant Maintenance	0	0	0	0	0		*0*	0		0	
Scholarships	0	0	0	0	0		*0*	0		0	
Total E&G Expenses	1,999,263	1,868,178	1,673,910	1,633,020	-40,890	-2.44%	*1,674,276*	41,256	2.53%	366	0.02%
Auxiliary Enterprises	0	0	0	0	0		*0*	0		0	
Total Operating Expenses	1,999,263	1,868,178	1,673,910	1,633,020	-40,890	-2.44%	*1,674,276*	41,256	2.53%	366	0.02%
Excess Revenue over Expenses	54,112	7,196	0	10,642	10,642		*0*	-10,642	-100.00%	0	
Annual Budget Conversion to Cash Basis											
Capital Expenditures	54,112	7,196	0	70,142	70,142		*0*	-70,142	-100.00%	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	-59,500	-59,500		*0*	59,500	-100.00%	0	
Add back Depreciation	0	0	0	0	0		*0*	0		0	
Total Cash Items	54,112	7,196	0	10,642	10,642		*0*	-10,642	-100.00%	0	
Net Cash Basis Budget	0	0	0	0	0		*0*	0		0	

University Administration

2003-04 Budget Summary by Category

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	%	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	%	Change From 2002-03 Budget to 2003-04 Budget $	%
Revenues	2,053,375	1,875,374	1,673,910	1,643,662	-30,248	-1.81%	***1,674,276***	30,614	1.86%	366	0.02%
Operating Expenses											
Salaries & Wages	1,053,673	1,080,425	895,698	920,821	25,123	2.80%	***921,916***	1,095	0.12%	26,218	2.93%
Benefits	326,301	361,024	348,871	348,156	-715	-0.20%	***367,060***	18,904	5.43%	18,189	5.21%
Training & Development	177,555	141,002	102,200	77,081	-25,119	-24.58%	***92,300***	15,219	19.74%	-9,900	-9.69%
Student Aid Services	0	0	0	0	0		***0***	0		0	
Special Events	0	131	0	5,653	5,653		***0***	-5,653	-100.00%	0	
Supplies	43,447	22,862	38,165	22,724	-15,441	-40.46%	***19,350***	-3,374	-14.85%	-18,815	-49.30%
Business Operations	226,540	98,298	92,048	91,241	-807	-0.88%	***82,000***	-9,241	-10.13%	-10,048	-10.92%
Plant Maintenance	161,725	156,838	169,828	165,839	-3,989	-2.35%	***164,650***	-1,189	-0.72%	-5,178	-3.05%
Interest Expense	4	282	300	0	-300	-100.00%	***0***	0		-300	-100.00%
Resale Costs	0	0	0	0	0		***0***	0		0	
Miscellaneous	5,462	7,316	1,800	1,505	-295	-16.39%	***2,000***	495	32.89%	200	11.11%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	0	0	0		***0***	0		0	
Campus Contingency, Discretionary	0	0	25,000	0	-25,000	-100.00%	***25,000***	25,000		0	0.00%
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)	4,556	0	0	0	0		***0***	0		0	
Depreciation	0	0	0	0	0		***0***	0		0	
Total Operating Expenses	1,999,263	1,868,178	1,673,910	1,633,020	-40,890	-2.44%	***1,674,276***	41,256	2.53%	366	0.02%
Excess Revenue over Expenses	54,112	7,196	0	10,642	10,642		***0***	-10,642	-100.00%	0	
Annual Budget Conversion to Cash Basis											
Capital Expenditures	54,112	7,196	0	70,142	70,142		***0***	-70,142	-100.00%	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	-59,500	-59,500		***0***	59,500	-100.00%	0	
Add back Depreciation	0	0	0	0	0		***0***	0		0	
Total Cash Items	54,112	7,196	0	10,642	10,642		***0***	-10,642	-100.00%	0	
Net Cash Basis Budget	0	0	0	0	0		***0***	0		0	

ANTIOCH REVIEW
2003-04 PROPOSED BUDGET

Our expense budget for 2003-04 is essentially the same as last year with increases only in the salary and benefits lines and a small decrease in grant funds mandated by the Ohio Arts Council for a two year grant. We remain a bare-bones budget operation with the bulk of our expenses going into a half-time salary for the editor, a 30 hr. per week assistant, purchased services for design production and printing costs.

Our sales, endowment and miscellaneous income remain the same and we have made an application to the NEA for a $20,000 grant (decision to be made in 2004). Additional grant and development support from the Chancellor's office will be necessary to balance the budget. We raised more money in 2003 (against 2002) from the Friends of the Antioch Review and hope to see those funds grow. We held two fundraisers outside Yellow Springs in Chicago and New York.

The PEN/American award, the Nora Magid Award for Magazine editing, was presented to me as Review editor, at Lincoln Center on May 20, 2003 and represents significant international recognition for the magazine, its authors and Antioch University. The PEN award was one of two career achievement awards given at the ceremony and is given every two years to honor a magazine editor whose high standards and taste throughout his or her career, leant distinction to the publication he or she edits.

Robert Fogarty
Editor

Antioch Review

2003-04 Budget Summary by Function

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	Change From 2002-03 Budget to 2002-03 Projected %	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	Change From 2002-03 Projected to 2003-04 Budget %	Change From 2002-03 Budget to 2003-04 Budget $	Change From 2002-03 Budget to 2003-04 Budget %
Revenues											
Tuition & Fees	0	0	0	0	0		***0***	0		0	
Less Tuition Discounts	0	0	0	0	0		***0***	0		0	
Net Tuition and Fees	0	0	0	0	0		***0***	0		0	
Gifts	41,272	19,489	57,495	35,512	-21,983	-38.23%	***62,980***	27,468	77.35%	5,485	9.54%
Grants	0	3,084	2,993	2,993	0	0.00%	***2,750***	-243	-8.12%	-243	-8.12%
Endowment Income	9,541	10,162	9,500	9,468	-32		***9,500***	32	0.34%	0	0.00%
Contracts	0	0	0	0	0		***0***	0		0	
Other Income	11,699	10,432	6,700	9,918	3,218	48.03%	***7,000***	-2,918	-29.42%	300	4.48%
Total E&G Revenue	62,512	43,167	76,688	57,891	-18,797	-24.51%	***82,230***	24,339	42.04%	5,542	7.23%
Auxiliary Enterprises	57,815	57,383	56,000	54,290	-1,710	-3.05%	***56,000***	1,710	3.15%	0	0.00%
Released From Restrictions	1,000	0	0	0	0		***0***	0		0	
Total Revenues	121,327	100,550	132,688	112,181	-20,507	-15.46%	***138,230***	26,049	23.22%	5,542	4.18%
Operating Expenses											
Instruction	0	0	0	0	0		***0***	0		0	
Research	0	0	0	0	0		***0***	0		0	
Public Service	129,035	127,950	132,688	131,508	-1,180	-0.89%	***138,230***	6,722	5.11%	5,542	4.18%
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	129,035	127,950	132,688	131,508	-1,180	-0.89%	***138,230***	6,722	5.11%	5,542	4.18%
Auxiliary Enterprises	0	0	0	0	0		***0***	0		0	
Total Operating Expenses	129,035	127,950	132,688	131,508	-1,180	-0.89%	***138,230***	6,722	5.11%	5,542	4.18%
Excess Revenue over Expenses	-7,708	-27,400	0	-19,327	-19,327		***0***	19,327	100.00%	0	
Annual Budget Conversion to Cash Basis											
Capital Expenditures	0	0	0	4,328	4,328		***0***	-4,328	-100.00%	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	4,328	4,328		***0***	-4,328	-100.00%	0	
Net Cash Basis Budget	-7,708	-27,400	0	-23,655	-23,655		***0***	23,655	-100.00%	0	

Antioch Review

2003-04 Budget Summary by Category

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	%	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	%	Change From 2002-03 Budget to 2003-04 Budget $	%
Revenues	121,327	100,550	132,688	112,181	-20,507	-15.46%	138,230	26,049	23.22%	5,542	4.18%
Operating Expenses											
Salaries & Wages	50,265	51,978	51,300	52,498	1,198	2.34%	54,523	2,025	3.86%	3,223	6.28%
Benefits	24,045	27,680	29,613	29,311	-302	-1.02%	31,932	2,621	8.94%	2,319	7.83%
Training & Development	4,441	569	2,200	902	-1,298	-59.00%	2,200	1,298	143.90%	0	0.00%
Student Aid Services	0	0	0	0	0		0	0		0	
Special Events	0	0	0	0	0		0	0		0	
Supplies	-2,363	-2,684	-2,575	-2,269	306	-11.88%	-2,575	-306	-13.49%	0	0.00%
Business Operations	52,647	50,407	52,150	51,066	-1,084	-2.08%	52,150	1,084	2.12%	0	0.00%
Plant Maintenance	0	0	0	0	0		0	0		0	
Interest Expense	0	0	0	0	0		0	0		0	
Resale Costs	0	0	0	0	0		0	0		0	
Miscellaneous	0	0	0	0	0		0	0		0	
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	0	0	0		0	0		0	
Campus Contingency, Discretionary	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)	0	0	0	0	0		0	0		0	
Depreciation	0	0	0	0	0		0	0		0	
Total Operating Expenses	129,035	127,950	132,688	131,508	-1,180	-0.89%	138,230	6,722	5.11%	5,542	4.18%
Excess Revenue over Expenses	-7,708	-27,400	0	-19,327	-19,327		0	19,327	100.00%	0	
Annual Budget Conversion to Cash Basis											
Capital Expenditures	0	0	0	4,328	4,328		0	-4,328	-100.00%	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	4,328	4,328		0	-4,328	-100.00%	0	
Net Cash Basis Budget	-7,708	-27,400	0	-23,655	-23,655		0	23,655	100.00%	0	

WYSO RADIO
2003-04 PROPOSED BUDGET

2002-03 ACCOMPLISHMENTS AND CHALLENGES

This year, WYSO Public Radio celebrates 45 years of service to Ohio's Miami Valley. In many regards, its history and evolution parallel the growth and development of the public radio industry in the United States.

WYSO is among the 2/3 of all public radio stations in America that are licensed to universities and colleges. Many of these stations were in existence prior to the adoption of the Public Broadcasting Act of 1967 and the subsequent creation of the Corporation for Public Broadcasting (CPB) and National Public Radio (NPR). During its first 15 years, WYSO was a relatively low-power station, which did not broadcast 24/7, offering highly idiosyncratic and eclectic programming, predominantly hosted by volunteers from the immediate Yellow Springs community, as well as students and staff at Antioch College. The patchwork schedule was highly inconsistent. Often as not, completely different programs were broadcast each day at the same hour (e.g., a given time slot across the week might feature reggae on Monday, folk on Tuesday, polka on Wednesday, etc.). Such diversity was treasured by some and, at times, was responsible for the creation of some very original radio. Nevertheless, WYSO was a decided oddity with a small listenership.

Most public radio stations can tell similar stories.

In the early 1970s, WYSO became a "CPB qualified" station, eligible to receive federal funds via annual operating support grants. In 1973, the station became an NPR member station, adding the flagship newsmagazine, *All Things Considered*, to its daily schedule. It hired its first, full-time professional general manager, JoAnne Wallace (now general manager of San Francisco's KQED-FM, one of the most successful public radio operations in the U.S.). Over the course of the next 15 years, WYSO continued to evolve. For most of this time, federal funding was covering a far more substantial proportion of expenses at stations than it does today. The NPR member station system began to grow along with the development of high quality programs at stations and the network.

By the early 1980s, political shifts in Washington and technological changes around the globe began a period in which federal funding decreased, the broadcast marketplace is massively deregulated, and competition for the attention of audiences increased exponentially. These trends have continued with little interruption.

In the late '80s, WYSO's general manager came to the conclusion that the station's audience would be better served by adding NPR's *Morning Edition* (a program that had been available to member stations since 1979) to its daily schedule. In so doing, a sizeable number of community and college volunteers – who were hosting morning drive-time bluegrass programming – were removed from the air. In its extreme, the action brought forth death threats and sugar in the gas tank of the individual responsible for making the decision (there was even a moment when an irate listener was waiting outside the station's doorway with a baseball bat).

Each manager to follow made similar evolutionary choices. In practically every instance, these moves were greeted with outcries that WYSO was abandoning its community focus, becoming "cookie cutter" public radio, etc. It is notable that when groups formed to protest at these moments, they were often led by the same individuals.

The last decade of WYSO's history evidences an era of significant change and challenge at the station and in all of public radio:

- In 1993, WYSO boosts its signal from 11,000 to 37,000 watts. This single act made it the dominant public radio signal in the Dayton/Miami Valley region (the 58th largest radio market in the U.S., with a present day population base of over 1 million persons). WYSO's broadcast radius is approximately 45-miles, with a signal extending from the western suburbs of Columbus to the eastern suburbs of Cincinnati, and about as far north to south.

- At the same time, Antioch University's Board of Trustees transfers WYSO's oversight from Antioch College to the University Administration. The station's explicit charge was to become a self-sufficient entity.

- 18 months later, the leadership of the 104th Congress declares that public radio and television stations should be self-sufficient, and its intent to eliminate all federal funding to public broadcasting within three fiscal years. (Though the effort failed, federal funding was cut back and did not rise in proportion to industry growth in the years thereafter.)

- Prior to this "federal funding crisis," CPB-qualified stations were not required to achieve any particular standards to continue receiving annual operating grants. In response to issues raised during the crisis, CPB instituted a new performance standard for stations. The idea being that if a given station was to receive taxpayer dollars, it ought to be able to achieve some nominal performance benchmarks. In early 1996, when the formulas were run on the then-approximately 650 public radio stations nationwide, WYSO was one of about 30 that were underperforming. These stations were charged to take action to address this situation or face having federal funding cut-off. Had this occurred, WYSO might not have been able to continue. Certainly, some consideration was given to selling the station. At least one serious offer was put forward by a nearby public radio station. Fortunately, WYSO became the beneficiary of a CPB-funded project to help "at risk" stations to identify operational deficiencies and make corrections.

- In this pressurized moment, WYSO management professionally analyzed the station's service and identified weak programming that made it difficult for the station to achieve CPB's standards, let alone the fiscal mandates of the University Trustees. Several programs were slated for cancellation and the general manager consulted with the relatively new WYSO Resource Board (then known as the WYSO Board of Overseers). It was understood that regardless of a general desire to present certain programming and/or its "ideological" fit, WYSO (like all other public radio stations) exists in a hybrid funding environment that does not allow it to operate completely absent the realities of the marketplace. The dynamics of "listener sensitive income" require that stations deal with more than just the *concept* of programming.

- Despite the context in which these decisions were made and the advance notification provided, when *Pacifica Network News* (PNN) and several other programs were removed from the schedule, a small, but vocal protest group formed (the Committee to Preserve WYSO as Community Radio), which eventually managed to reverse some programming changes. Listenership and support for these programs did not improve, however, even when efforts were made to try them in different time slots. (Unrelated, the Pacifica network eventually suffered its own internal crisis that brought its affiliate roster from 63 down to a handful and PNN to go out of production, which accounts for Pacifica's eventual departure from WYSO's airwaves.)

- In late 1998, WYSO's current management was hired. The at-risk project concluded, with WYSO achieving the new CPB performance benchmarks. The charge of Antioch and the WYSO board was to "take the station to the next level." In my first month on the job, when asked by the station's on-air volunteers what changes I intended to institute at WYSO, I responded that I did not intend to do anything right away. The station had just come out of a crisis period and I wanted to take the opportunity to analyze the station, assess the marketplace, and take the time necessary to determine how WYSO could best grow. I also told the volunteers that the broadcast landscape had and would continue changing dramatically. The days of AM and FM *only* were over. Cassette and CD players had already diverted audiences away from radio listening. New technologies would make the competitive environment ever more intense. Although not on the radar screen of many average consumers then, I cautioned that in a few years MP3 players, CD burners, satellite radio, Internet streaming, and other forces would make operating a station of WYSO's size more and more difficult. The massive media consolidations then taking place as a result of the adoption of the 1996 Telecommunications Act would put added competitive pressures on WYSO. I also said that WYSO would face significant difficulties in trying to serve as many discrete constituencies as it was doing if it did not improve the overall production standards of everything it broadcast.

- Three and a half years later, after extensive analysis as well as consultation and discussion with the University administration and the Resource Board about WYSO's problem areas, a decision was made to strategically eliminate 14 hours of programming. Once again, the station was confronted by a relatively small, but vocal protest group. Using WYSO's name, this unregistered organization conducted activitiès intended to do economic damage to the station. Attempts to productively engage the group's leadership and their concerns were unsuccessful.

- The situation for the station was greatly worsened by a very weak and uncertain economic climate where not-for-profit fundraising in some sectors declined in excess of 20 percent. As the stock market entered its third year of decline and businesses felt less certain about their futures, we struggled to bring membership and underwriting revenues to what should have been reasonable expectations. The federal budget also became a concern because of possible cuts in the appropriations to the CPB. Stations receiving state funding have experienced considerable cutbacks (six separate rescissions of Ohio state funding resulted in a 22% loss of State funds for WYSO).

- Costs have continued to rise and there will be significant outlays in the next several years. The largest of these will be the costs of conversion to, and continued operations of, a fully digital radio station, including transmission via HD Radio. Last year the Federal Communications Commission issued a standard for digital transmission. Unlike the digital conversion mandates to television stations, there is no date-certain by which radio must be broadcasting a digital signal. Stations are welcome to begin broadcasting an IBOC (or HD Radio) signal immediately (quite a few already are). Upon adoption by a given station, radio's digital transmission standard requires all stations to broadcast both an analog and a digital signal for the foreseeable future. Besides the one-time conversion costs, the costs of ongoing maintenance and power consumption will be significantly higher. It is believed the marketplace will determine the timeline for conversion. However, it should be understood that since ownership consolidations, the Dayton market has two major companies owning most of its radio stations. Digital conversion at each company's Dayton properties will likely come about on a marketplace basis (i.e., Clear Channel would convert all of its Dayton stations at the same time). Should most of Dayton's radio stations convert over the course of a relatively short time span and listeners significantly adopt the new digital receivers, stations like WYSO would be forced to convert quickly or be at a competitive disadvantage.

WYSO's achievements over the past several years are too numerous to list here, but a list is available upon request. On this list are several items that demonstrate that the station is, in fact, at the next level from where it had been in the aftermath of the federal funding crisis. The quality of its programming schedule, professionalism of its staff, and the advancements made in its internal business, production, and broadcast operations have all contributed to these WYSO's successes.

WYSO has evolved and matured; it is not the station it once was.

The problem is that the station has been given the charge to be the best possible public radio station it can be in service to the Miami Valley, but is then asked to accommodate activities that either run counter to or significantly distract it from that mission. Discussions often strongly suggest that the University may not be fully aware of the value of the WYSO asset and how it can be of optimal service to the institution. Some institutional actions suggest a thinking about WYSO that is predicated upon an image of what the station was 20+ years ago.

Last year International Communications Research conducted the first national study exploring the community service link between university stations and their licensees. Results of the research show unequivocally that universities have a valuable asset in their public radio stations. Specifically, the relationship between universities and their public radio stations is viewed by both NPR listeners and the general public in an extremely positive light. The university relationship is also perceived as a valuable community service. Moreover, the university's own image is strengthened when listeners become aware of this unique relationship.

In fact, 82% of adults polled believe that universities and colleges that are affiliated with a public radio station provide a community service *because* of the relationship. In addition, 67% of adults polled and 80% of NPR listeners believe that it is either a "good" or "excellent" fit with the educational mission of a university to be associated with a public radio station.

The WYSO collaboration facilitates Antioch's public interest mission of advancing education, supporting culture, and fostering an active citizenship through an informed public. In this important respect, the station and the university are both dedicated to life-long learning. Both seek to engage people and enhance progressive thought and action by creating a more informed public.

As one of the more than 400 public radio stations licensed to universities across the nation, WYSO Public Radio is part of a mosaic devoted to the presentation of ideas – whether news or cultural – that engage audiences and enhance the connections between people. Through the partnership, Antioch University is a contributing member station of this nationwide network of high quality public broadcasters.

These are the very sentiments embodied in WYSO's mission statement:

> *WYSO is a non-profit, public radio station broadcasting to the people of the Miami Valley. WYSO seeks to create an informed public with a fuller understanding and appreciation of local, regional, and global events, ideas, and cultures. WYSO contributes to our daily lives by providing educational, informational, and entertainment programming that develops civic responsibility vital to our democratic society.*

By any measuring stick, WYSO is fulfilling its mission better than ever. However, it cannot long accomplish this without the resources necessary to sustain this level of service, let alone complete digital conversion while continuing to develop consistent, high quality local features and productions. If the station cannot continue on this growth path, it will be a terrible shame as the station has come such a long way. WYSO is now heard by its largest, most consistent audience ever. It is by far the region's most listened to public radio station. Throughout southwest Ohio and around the globe on the Internet, WYSO is known as a service of Antioch University. The extraordinarily positive image the station conveys through its programming and other services is a significant benefit to Antioch. The in-kind support the institution provides certainly makes it possible for the station to create exceptional programming and provide excellent services. The financial support the institution provides in these difficult times preserves the station's advances, while giving it an opportunity to strategize appropriately and resume its path of self-sufficiency.

2003-04 PROPOSED BUDGET

At this writing, the station is running a deficit. However, I believe it is very likely to be lower than last year's deficit (with all efforts being made to close out the fiscal year with a deficit of no more than $80,000). It must also be emphasized that the foundational elements for returning to balanced budgets are in place and already demonstrating results

WYSO's Fall 2002 On-Air Membership Campaign raised $154,458. The Spring 2003 On-Air Membership Campaign was an all-time record-breaking success for WYSO. Normally scheduled to take place during March, this year's drive was postponed for a month so that WYSO could be flexible in its ability to present breaking coverage of the war and related events in Iraq. The station raised $187,700 and exceeded its overall goal of $175,000. Notable is the fact that WYSO's average pledge rose substantially to over $104 (up from $97).

Also of note is that the total above does not represent the final figure for the Spring 2003 campaign. WYSO traditionally has two renewal mail drops after its Spring and Fall campaigns. Accordingly, we anticipate at least another $15-20K in revenue that will be added to the Spring campaign total.

A separate revenue stream WYSO receives comes from funds pledged each fall campaign period by federal employees via the Combined Federal Campaign (CFC). The quantity of CFC-pledged funds is neither known nor available until the following February or March. CFC funds pledged during the Fall 2002 campaign totaled just over $40,000.

Despite achieving our on-air campaign goals, WYSO's gift revenues are not likely to achieve budgeted goals for the current fiscal year. We are projecting $349,426, which is -$65,574 (-15.8%) below the gifts revenue budget The weak economy has certainly impacted this situation. As well, telemarketing that had previously helped bolster gift revenues is down significantly, due to changes in the Ohio laws regulating how telemarketers may operate.

It is also reality that program changes made during the past year have impacted gift revenues. This has happened every time WYSO (or any public radio station) adjusts its schedule. Over the course of the past year, the station has witnessed many who initially withheld pledges returning as financial supporters. Many of these will either comment that, in fact, they have had to admit that the new schedule is better, that WYSO is still "the best station around," etc. Comments on a dramatic number of the Spring 2003 pledge forms more than substantiate a general perception that the station has never been more highly regarded among its listeners. This synchs with the most recent Arbitron radio data, which indicates that WYSO's listeners are listening to the station more than at any time in its history.

Regarding business underwriting of WYSO and its programming, the goal for the current fiscal year is $234,025. At this writing, the station has secured signed contracts totaling $173,811 (just over 74% toward goal). WYSO's Development Department believes that another $10-15,000 of business is probable before the close of the fiscal year. Many prospective clients and advertising agencies have told WYSO that they wish to place business with the station but, due to the uncertain economic climate, they are holding off until there are signs of a stronger economy.

For the coming fiscal year, WYSO has budgeted major revenue streams producing as follows:

Gifts (listener support)	$ 470,000
Federal Grants (CPB)	117,000
State Grants (OETNC)	40,000
Underwriting	275,000
Other Income	33,500
TOTAL	**$935,500**

While WYSO could create a budget based upon the current level of revenues, such a budget would necessitate dramatic changes at the station. These changes would fundamentally reverse many of the advances WYSO has made over the past decade and would produce short-term solvency at the expense of long-term stability. Simply put, WYSO would likely need to cancel several programs, including *Marketplace* and *The World*, perhaps *World Cafe* and the *BBC World Service*. As well, the station would likely have to layoff staff members.

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 and PRI. Salaries and Wages reflect a 2% salary increase and the savings from holding an on-air position vacant. The net effect of these two actions is a reduction of -$15,706. Our budget-to-budget change shows an increase because our 2002-03 salary and wage costs were incorrectly stated in the budget. Costs for programming supplied by NPR, PRI and others will be $220,000 in 2003-04. The additional contract costs explain most of the increase in the Business Services Category.

Management believes that a major capital campaign will need to be organized and conducted within the next two years to allow WYSO to keep pace with the radio broadcast industry, remain competitive within the public radio community, and have the funds, above and beyond general operating expenses, to protect the University's investment in, and the asset that is, WYSO.

It is also critical that WYSO explore options for partnerships that will allow it to share resources and create efficiencies. Though WYSO, like other public radio stations, continues to provide a strong and robust broadcast service, difficulties of the moment and longer term competitive challenges demand a full and complete analysis of opportunities the station has to preserve its gains and expand in the future. To this end, the Vice President for Radio at the Corporation for Public Broadcasting will be working with me on a trip he will make to Dayton in the near future to facilitate a market discussion between WYSO, WDPR and, potentially, other stations to determine what opportunities exist to best help Miami Valley public radio achieve the mandates of their respective licensees, while fulfilling the mission of public broadcasting for the community.

Steve Spencer
General Manager

WYSO

2003-04 Budget Summary by Function

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	%	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	%	Change From 2002-03 Budget to 2003-04 Budget $	%
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Revenues											
Tuition & Fees	0	0	0	0	0		*0*	0		0	
Less Tuition Discounts	0	0	0	0	0		*0*	0		0	
Net Tuition and Fees	0	0	0	0	0		*0*	0		0	
Gifts	384,669	450,009	415,000	349,426	-65,574	-15.80%	*470,000*	120,574	34.51%	55,000	13.25%
Grants	167,984	169,067	170,294	172,031	1,737	1.02%	*157,000*	-15,031	-8.74%	-13,294	-7.81%
Endowment Income	0	0	0	0	0		*0*	0		0	
Contracts	0	0	0	0	0		*0*	0		0	
Other Income	323,699	330,820	274,025	215,140	-58,885	-21.49%	*308,500*	93,360	43.39%	34,475	12.58%
Total E&G Revenue	876,352	949,896	859,319	736,597	-122,722	-14.28%	*935,500*	198,903	27.00%	76,181	8.87%
Auxiliary Enterprises	1,025	330	500	240	-260	-52.00%	*0*	-240	-100.00%	-500	-100.00%
Released From Restrictions	41,622	6,159	0	0	0		*0*	0		0	
Total Revenues	918,999	956,385	859,819	736,837	-122,982	-14.30%	*935,500*	198,663	26.96%	75,681	8.80%
Operating Expenses											
Instruction	0	0	0	0	0		*0*	0		0	
Research	0	0	0	0	0		*0*	0		0	
Public Service	866,974	1,014,451	853,240	855,034	1,794	0.21%	*904,727*	49,693	5.81%	51,487	6.03%
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	31,639	0	0	0		*0*	0		0	
Scholarships	0	0	0	0	0		*0*	0		0	
Total E&G Expenses	866,974	1,046,090	853,240	855,034	1,794	0.21%	*904,727*	49,693	5.81%	51,487	6.03%
Auxiliary Enterprises	0	0	0	0	0		*0*	0		0	
Total Operating Expenses	866,974	1,046,090	853,240	855,034	1,794	0.21%	*904,727*	49,693	5.81%	51,487	6.03%
Excess Revenue over Expenses	52,025	-89,705	6,579	-118,197	-124,776	-1896.58%	*30,773*	148,970	126.04%	24,194	367.75%
Annual Budget Conversion to Cash Basis											
Capital Expenditures	4,559	6,491	21,846	0	-21,846	-100.00%	*8,250*	8,250		-13,596	-62.24%
Borrowing Proceeds	0	0	0	0	0		*0*	0		0	
Principal Payments	55,162	15,162	15,168	15,175	7	0.05%	*15,100*	-75	-0.49%	-68	-0.45%
Prior Year Reserves	0	0	0	0	0		*0*	0		0	
Add back Depreciation	0	-31,639	-30,435	-22,683	7,752	25.47%	*-13,000*	9,683	42.69%	17,435	57.29%
Total Cash Items	59,721	-9,986	6,579	-7,508	-14,087	-214.12%	*10,350*	17,858	237.85%	3,771	57.32%
Net Cash Basis Budget	-7,696	-79,719	0	-110,689	-110,689		*20,423*	131,112	118.45%	20,423	

WYSO

2003-04 Budget Summary by Category

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	%	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	%	Change From 2002-03 Budget to 2003-04 Budget $	%
Revenues	918,999	956,385	859,819	736,837	-122,982	-14.30%	***935,500***	198,663	26.96%	75,681	8.80%
Operating Expenses											
Salaries & Wages	258,026	325,969	301,877	338,706	36,829	12.20%	***323,696***	-15,010	-4.43%	21,819	7.23%
Benefits	79,885	102,540	105,272	111,034	5,762	5.47%	***127,656***	16,622	14.97%	22,384	21.26%
Training & Development	20,905	22,539	28,277	9,608	-18,669	-66.02%	***18,000***	8,392	87.34%	-10,277	-36.34%
Student Aid Services	0	0	0	0	0		***0***	0		0	
Special Events	198	0	500	0	-500	-100.00%	***200***	200		-300	-60.00%
Supplies	13,929	11,730	14,345	3,663	-10,682	-74.46%	***14,100***	10,437	284.93%	-245	-1.71%
Business Operations	318,679	355,263	311,865	311,345	-520	-0.17%	***350,750***	39,405	12.66%	38,885	12.47%
Plant Maintenance	45,797	55,355	49,369	45,234	-4,135	-8.38%	***50,250***	5,016	11.09%	881	1.78%
Interest Expense	12,465	9,143	8,800	6,011	-2,789	-31.69%	***6,575***	564	9.38%	-2,225	-25.28%
Resale Costs	0	0	0	0	0		***0***	0		0	
Miscellaneous	106,219	131,912	2,500	6,750	4,250	170.00%	***500***	-6,250	-92.59%	-2,000	-80.00%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	0	0	0		***0***	0		0	
Campus Contingency, Discretionary	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)	10,871	0	0	0	0		***0***	0		0	
Depreciation	0	31,639	30,435	22,683	-7,752	-25.47%	***13,000***	-9,683	-42.69%	-17,435	-57.29%
Total Operating Expenses	866,974	1,046,090	853,240	855,034	1,794	0.21%	***904,727***	49,693	5.81%	51,487	6.03%
Excess Revenue over Expenses	52,025	-89,705	6,579	-118,197	-124,776	-1896.58%	***30,773***	148,970	126.04%	24,194	367.75%
Annual Budget Conversion to Cash Basis											
Capital Expenditures	4,559	6,491	21,846	0	-21,846	-100.00%	***8,250***	8,250		-13,596	-62.24%
Borrowing Proceeds	0	0	0	0	0		***0***	0		0	
Principal Payments	55,162	15,162	15,168	15,175	7	0.05%	***15,100***	-75	-0.49%	-68	-0.45%
Prior Year Reserves	0	0	0	0	0		***0***	0		0	
Add back Depreciation	0	-31,639	-30,435	-22,683	7,752	25.47%	***-13,000***	9,683	42.69%	17,435	-57.29%
Total Cash Items	59,721	-9,986	6,579	-7,508	-14,087	-214.12%	***10,350***	17,858	237.85%	3,771	57.32%
Net Cash Basis Budget	-7,696	-79,719	0	-110,689	-110,689		***20,423***	131,112	118.45%	20,423	

WYSO

2003-04 Capital Budget

Buildings	Amount
Total Buildings	0
Building Improvements	**Amount**
WYSO Wing Renovations	3,500
Total Building Improvements	3,500
Equipment	**Amount**
Computer Equipment	4,750
Total Equipment	4,750
Furniture & Fixtures	**Amount**
Total Furniture & Fixtures	0
Library Books	
Grand Total Capital Budget	**8,250**
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University Wide
2003-04 Budget Summary by Function

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	Change From 2002-03 Budget to 2002-03 Projected %	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	Change From 2002-03 Projected to 2003-04 Budget %	Change From 2002-03 Budget to 2003-04 Budget $	Change From 2002-03 Budget to 2003-04 Budget %
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Revenues											
Tuition & Fees	70	0	0	0	0		*0*	0		0	
Less Tuition Discounts	0	0	0	0	0		*0*	0		0	
Net Tuition and Fees	70	0	0	0	0		*0*	0		0	
Gifts	0	150	0	0	0		*30,000*	30,000		30,000	
Grants	123,194	82,258	125,000	108,333	-16,667	-13.33%	*125,000*	16,667	15.38%	0	0.00%
Endowment Income	-114,418	-148,928	176,920	-397,900	-574,820	-324.90%	*180,000*	577,900	145.24%	3,080	1.74%
Contracts	0	0	0	0	0		*0*	0		0	
Other Income	621,923	-1,835,021	182,000	-1,162,530	-1,344,530	-738.75%	*157,200*	1,319,730	113.52%	-24,800	-13.63%
Total E&G Revenue	630,769	-1,901,541	483,920	-1,452,097	-1,936,017	-400.07%	*492,200*	1,944,297	133.90%	8,280	1.71%
Auxiliary Enterprises	0	0	0	0	0		*0*	0		0	
Released From Restrictions	553,336	725,944	553,711	515,559	-38,152	-6.89%	*481,831*	-33,728	-6.54%	-71,880	-12.98%
Total Revenues	1,184,105	-1,175,597	1,037,631	-936,538	-1,974,169	-190.26%	*974,031*	1,910,569	204.00%	-63,600	-6.13%
Net Overhead for Central Operations	617,131	512,892	536,090	494,450	-41,640	-7.77%	*1,192,008*	697,558	141.08%	655,918	122.35%
Operating Expenses											
Instruction	-29,853	-39,982	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	405,714	324,095	59,765	60,000	235	0.39%	*62,581*	2,581	4.30%	2,816	4.71%
Student Services	0	0	0	0	0		*0*	0		0	
Institutional Support	368,325	1,054,496	1,166,811	1,207,033	40,222	3.45%	*1,773,122*	566,089	46.90%	606,311	51.96%
Plant Maintenance	2,920,157	234,857	222,145	234,000	11,855	5.34%	*205,245*	-28,755	-12.29%	-16,900	-7.61%
Scholarships	123,194	82,258	125,000	108,333	-16,667	-13.33%	*125,000*	16,667	15.38%	0	0.00%
Total E&G Expenses	3,787,537	1,655,724	1,573,721	1,609,366	35,645	2.27%	*2,165,948*	556,582	34.58%	592,227	37.63%
Auxiliary Enterprises	0	0	0	0	0		*0*	0		0	
Total Operating Expenses	3,787,537	1,655,724	1,573,721	1,609,366	35,645	2.27%	*2,165,948*	556,582	34.58%	592,227	37.63%
Excess Revenue over Expenses	-1,986,301	-2,318,429	0	-2,051,454	-2,051,454		*91*	2,051,545	100.00%	91	
Annual Budget Conversion to Cash Basis											
Capital Expenditures	24,987	10,383	80,000	0	-80,000	-100.00%	*81,218*	81,218		1,218	1.52%
Borrowing Proceeds	0	0	0	0	0		*0*	0		0	
Principal Payments	84,124	124,124	124,118	124,114	-4	0.00%	*124,118*	4	0.00%	0	0.00%
Prior Year Reserves	0	0	0	0	0		*0*	0		0	
Add back Depreciation	-2,920,157	-234,857	-222,145	-220,650	1,495	0.67%	*-205,245*	15,405	6.98%	16,900	7.61%
Total Cash Items	-2,811,046	-100,350	-18,027	-96,536	-78,509	-435.51%	*91*	96,627	100.09%	18,118	100.50%
Net Cash Basis Budget	824,745	-2,218,079	18,027	-1,954,918	-1,972,945	-10944.39%	*0*	1,954,918	100.00%	-18,027	-100.00%

University Wide

2003-04 Budget Summary by Category

	2000-01 Actual	2001-02 Actual	2002-03 Budget	2002-03 Projected	Change From 2002-03 Budget to 2002-03 Projected $	%	Proposed 2003-04 Budget	Change From 2002-03 Projected to 2003-04 Budget $	%	Change From 2002-03 Budget to 2003-04 Budget $	%
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Revenues	1,801,236	-662,705	1,573,721	-442,088	-2,015,809	-128.09%	***2,166,039***	2,608,127	589.96%	592,318	37.64%
Operating Expenses											
Salaries & Wages	350,255	349,258	277,190	277,326	136	0.05%	***862,589***	585,263	211.04%	585,399	211.19%
Benefits	142,157	132,156	124,515	122,550	-1,965	-1.58%	***263,040***	140,490	114.64%	138,525	111.25%
Training & Development	129,587	212,102	167,072	137,060	-30,012	-17.96%	***125,629***	-11,431	-8.34%	-41,443	-24.81%
Student Aid Services	0	0	0	0	0		***0***	0		0	
Special Events	0	0	0	0	0		***0***	0		0	
Supplies	16,278	5,892	3,017	17,148	14,131	468.38%	***5,518***	-11,630	-67.82%	2,501	82.90%
Business Operations	429,102	485,100	419,080	474,592	55,512	13.25%	***435,883***	-38,709	-8.16%	16,803	4.01%
Plant Maintenance	77,003	78,686	5,474	14,154	8,680	158.57%	***18,245***	4,091	28.90%	12,771	233.30%
Interest Expense	119,926	80,803	99,648	121,402	21,754	21.83%	***64,604***	-56,798	-46.79%	-35,044	-35.17%
Resale Costs	0	0	0	0	0		***0***	0		0	
Miscellaneous	5,569	4,613	4,029	37,124	33,095	821.42%	***5,036***	-32,088	-86.43%	1,007	24.99%
Contingency/Reserves											
Campus Contingency, Mandatory	0	0	0	0	0		***13,234***	13,234		13,234	
Campus Contingency, Discretionary	-50,000	0	0	0	0		***0***	0		0	
Liquidity Reserve	-490,031	0	0	0	0		***0***	0		0	
Overhead											
To the University	0	0	61,894	0	-61,894	-100.00%	***0***	0		-61,894	-100.00%
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)	137,534	72,257	189,657	187,360	-2,297	-1.21%	***166,925***	-20,435	-10.91%	-22,732	-11.99%
Depreciation	2,920,157	234,857	222,145	220,650	-1,495	-0.67%	***205,245***	-15,405	-6.98%	-16,900	-7.61%
Total Operating Expenses	3,787,537	1,655,724	1,573,721	1,609,366	35,645	2.27%	***2,165,948***	556,582	34.58%	592,227	37.63%
Excess Revenue over Expenses	-1,986,301	-2,318,429	0	-2,051,454	-2,051,454		***91***	2,051,545	100.00%	91	
Annual Budget Conversion to Cash Basis											
Capital Expenditures	24,987	10,383	80,000	0	-80,000	-100.00%	***81,218***	81,218		1,218	1.52%
Borrowing Proceeds	0	0	0	0	0		***0***	0		0	
Principal Payments	84,124	124,124	124,118	124,114	-4	0.00%	***124,118***	4	0.00%	0	0.00%
Prior Year Reserves	0	0	0	0	0		***0***	0		0	
Add back Depreciation	-2,920,157	-234,857	-222,145	-220,650	1,495	0.67%	***-205,245***	15,405	6.98%	16,900	7.61%
Total Cash Items	-2,811,046	-100,350	-18,027	-96,536	-78,509	-435.51%	***91***	96,627	100.09%	18,118	100.50%
Net Cash Basis Budget	824,745	-2,218,079	18,027	-1,954,918	-1,972,945	-10944.39%	***0***	1,954,918	100.00%	-18,027	-100.00%

UNIVERSITY-WIDE

2003-04 Capital Budget

Land

Buildings	**Amount**
Total Buildings	0

Building Improvements	**Amount**
Parking Lot Resurfacing	45,000
Replace Roof - Kettering Bldg Addition	25,000
Total Building Improvements	70,000

Equipment	**Amount**
Replace UPS Power Units	1,218
Workstation Replacements	10,000
Total Equipment	11,218

Furniture & Fixtures	**Amount**

Vehicles	**Amount**

Library Books	**Amount**

Grand Total Capital Budget	**81,218**
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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 (Antioch Education Abroad)
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
Organization & Management
Applied Psychology
Clinical Psychology
IMA
Weekend Program
Intercultural Relations

INSTRUCTION (Cont'd):
Conflict Resolution
Environment & Community
Fine Arts
PhD in Leadership & Change

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
Infirmary
Counseling

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

INSTITUTIONAL SUPPORT:
Chancellor
Trustees
Provost/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
Computer Software
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/Freight
Audio/Visual
Advertising
Telecommunications
Internet & Leased Lines
Legal
Audit
Bad Debt Expense

PLANT MAINTENANCE COSTS: Costs Related to Facilities
Maintenance Contracts & Repairs
Computer Maintenance
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