

BUSINESS PLAN

FY 2012

Approved
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Market Conditions

To effectively address the labor market and technical needs of local business and area residents, it is essential that the college analyze and respond to the changes in the local market. Summarized below are key highlights that reflect the dynamics of the local economy.

Market Highlights

Although the recession has technically ended, the effects on the ground have become cumulative. Unemployment remains high, although it is still lower in Utah than almost anywhere. The economy appears to be stabilizing, but improvements will likely be gradual. Some sectors, such as housing and construction may decline further before they get better. The employment picture is mixed, with more individuals having exhausted their unemployment benefits, but some employers are beginning to hire. Companies such as CSN Stores and Wal-Mart have opened new facilities which is helping Weber County's employment picture.

- **Budgets:** Budgets for FY12 are essentially flat with a small cut related to health benefits. Enrollments and budgets both stabilized in FY11, allowing operations to reach an equilibrium. Employees in all areas have found ways to meet demand; however, following several years of increased responsibilities with no pay increases, compensation warrants attention.
- **Enrollment:** Substantial enrollment increases were followed by budget cuts, which then caused a small decline from the peak. The college now expects a slight gain in FY12.
- **Quality:** While enrollments were rapidly increasing and budgets declined, many programs reached capacity and front line services were stretched thin. Now that operations have stabilized, a renewed focus on the customer experience is in order.
- **Placements:** The job market remains tight, especially for students who do not complete programs or who need to improve their soft skills. The college will continue its commitment to helping students complete their programs, learn soft skills, and find employment upon graduation.
- **Marketing:** As individuals return to work and special funds to help students pay for college expire, it will be more difficult to have enrollment gains. Further, with increased high school graduation requirements, UCAT institutions statewide have seen declines in secondary enrollments. Legislative changes to the WPU funding process will exacerbate this situation in coming years. Therefore, the college needs to strengthen its marketing to adults, and to shift focus from appealing to secondary students while they are in high school to recruiting them when they graduate. Continued efforts to market the college's graduates to employers will also remain important.
- **Flexibility:** We have seen how rapid changes in the economy require nimble adjustments. Therefore, it is imperative that the college maintain flexibility in the budget to enable a ready response.
- **Morale:** As the recession continues, employees have taken on more work while experiencing increased benefit costs and no pay raises. This inevitably takes a toll on morale. Therefore, we must recognize individuals for their contributions and look for ways to raise compensation next year. Otherwise we will be vulnerable to losing our best people.

Funding Priorities and Enrollment Projections

The college did not receive new funding for FY 12. There was, however, a \$47,900 reduction in health insurance benefit funding. The college's number one priority for the past several years has been employee compensation. With no increase in compensation for the past three years, minimizing the impact increased health insurance costs is critical. The addition of the new health technology building also presents opportunities for the next fiscal year. Funding priorities for FY 12 include.

- Absorbing a health benefit premium increase despite the loss of funding
- Absorbing a half percent increase in employer contributions for Utah State Retirement
- Identifying resources for additional staff and faculty as a result of the new health technology building, the new RN component that will provide opportunity for increased enrollment, and expanded information technology needs
- Improving customer service to better meet needs of new students, continuing student, and staff for the purpose of increasing enrollment and student retention

Plans to address the budget issues noted above include.

- Allocating new revenue from the 5 cent tuition increase to offset the loss of health insurance benefit funding
- Changing our health insurance provider to PEHP resulting in a 3.98 percent increase as opposed to the initial 13 percent increase offered by our current carrier, Select Health
- Reallocating resources within divisions to address budget and staffing needs

The college projects that secondary enrollment will be flat for FY 2012. Adult enrollments are anticipated to grow by 3.7% with the addition of the YouthBuild program and increased efforts on student retention to certificate completion. Overall membership hours will increase 3% in comparison to FY2011.

FY 2011 Year-End Membership Hour Projection

Category	% of Total	Enrollment Hrs
Secondary	20%	257,000
Adult	80%	<u>1,022,000</u>
Programmatic Total	100%	1,279,000

FY 2012 Projected Student Demographics

Category	Enrollment Hrs	% of Total	Variance from FY 2010
Secondary	257,000	20%	0%
Adults	1,060,000	80%	+3.7%
Programmatic Total	1,317,000	100%	+3%

Strategic Plan Objectives

During the past year, the college reviewed its strategic plan and identified several critical issues facing the institution over the next few years. Faculty and staff indicated the ongoing need to increase certificate completion, job placement, and where applicable, licensure. As a result, the college will focus on a single strategic plan issue. Each college division will develop strategies to improve customer service to better meet needs of new students, continuing students, and staff for the purpose of increasing enrollment and student retention.

Enrollment/Retention

Objective:

Increase student completion, licensure, and placement by ensuring that students possess the skills and capabilities, e.g., academic readiness, life skills, job skills, work ethic, that will allow them to be successful in their chosen programs and occupations.

Strategies

- Implement changes in programmatic structuring to provide an enhanced experience for new students.
- Develop and coordinate ongoing student feedback practices as part of programmatic continuous improvement processes.
- Continue to develop the college Safety and Security Emergency Management plan through improved training and communication, resulting in improved levels of customer service to our faculty, staff, students and visitors.
- Implement changes in reporting and processes within Fiscal Services and Human Resources to enhance efficiencies, resulting in improved customer service to faculty and staff.
- Launch a customer experience initiative to improve the way we route calls, answer questions, and utilize feedback throughout student services.
- Craft a marketing strategy to recruit students as they graduate from high school.

Budget Information

The proposed FY 2012 state appropriated budget is \$11,970,400 and is comprised of the following:

- \$10,321,600 Ongoing direct state appropriation
- \$ 1,469,500 Student tuition
- \$ 179,300 Ongoing pass-through funds from UCAT for capital equipment and Jobs Now

While ongoing state appropriation funding increased from FY 2011 to FY 2012 by \$360,300 (3.6%), all of this increase was related to funding for operation and maintenance (O&M) of the new Health Tech building. The amount received for O&M of the new Health Tech building this year was actually \$408,200, however, the college’s appropriation budget was reduced by \$47,900 in connection with Senate Bill 6 and the cuts made related to health insurance funding.

Fortunately, as a result of the 5 cent increase in tuition which was approved by the UCAT Board of Trustees for next fiscal year, we expect tuition revenue to increase by \$47,500, essentially offsetting the reduction in connection with SB6.

The bottom line is that our budget remains flat for next fiscal leaving very little flexibility to address programmatic needs as explained on page 4 under “Funding Priorities and Enrollment Projections.” As a result, resources within divisions will need to be reallocated to address budget and staffing needs.

FY 2012 State Appropriated Budget		
Instruction Total	\$6,609,861	55%
Student Services Total	\$1,304,150	11%
Maintenance and Operations	\$2,247,388	19%
Institutional Support Total	\$1,759,000	15%
Contingency	\$ 50,000	0%
TOTAL GENERAL OPERATING FUND	\$11,970,400	