Positioning NCTC for the Future

In-Service Address
Fall, 2007

President Anne Temte
March, 2007

A Critical Choice: How Shall we use our finite resources?

Broad & Shallow

OR

Narrower, but Deep
“Change is hard because people overestimate the value of what they have –

and underestimate the value of what they may gain by giving that up.”

James Belasco & Ralph Stayer

“Flight of the Buffalo”
Tuition
Tuition Increases
Enrollment
Total College Enrollments

<table>
<thead>
<tr>
<th></th>
<th>FY04</th>
<th>FY05</th>
<th>FY 06</th>
<th>FY 07</th>
</tr>
</thead>
<tbody>
<tr>
<td>EGF</td>
<td>1244</td>
<td>1284</td>
<td>1313</td>
<td>1368</td>
</tr>
<tr>
<td>TRF</td>
<td>1439</td>
<td>1315</td>
<td>1182</td>
<td>1202</td>
</tr>
<tr>
<td>Dist Ed</td>
<td>77</td>
<td>186</td>
<td>248</td>
<td>270</td>
</tr>
<tr>
<td>Total</td>
<td>2760</td>
<td>2785</td>
<td>2743</td>
<td>2840</td>
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</tbody>
</table>
Airport Site Enrollments

Student FYE

FY 98 99 00 01 02 03 04 05 06 07

MISC
LIBA
ETCE
ELEC
CRJU
CONE
Aviation
Increasing Costs
Academic Program Efficiency
State Allocation Formula

Dollars in Thousands

Efficient

Inefficient

$71,448 Reduction
Tuition Waivers

Dollars in Thousands

FY05 | FY06 | FY07 | FY08
---|---|---|---
$100K | $120K | $180K | $?
Uncollectible Tuition

Dollars in Thousands

FY03  FY04  FY05  FY06  FY07  FY08

FY08 has a question mark above it, indicating uncertainty in the data for that year.
## Repair & Replacement

**Expected Investment = $484,793**

<table>
<thead>
<tr>
<th>Building</th>
<th>Sq Ft</th>
<th>Acres</th>
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</thead>
<tbody>
<tr>
<td>TRF Main</td>
<td>202,510</td>
<td>115</td>
</tr>
<tr>
<td>TRF Airport Site</td>
<td>89,252</td>
<td></td>
</tr>
<tr>
<td>Swenson House</td>
<td>15,179</td>
<td></td>
</tr>
<tr>
<td>MEC Center</td>
<td>10,544</td>
<td></td>
</tr>
<tr>
<td>Workforce Center</td>
<td>5,200</td>
<td></td>
</tr>
<tr>
<td>Day Care Building</td>
<td>2,108</td>
<td></td>
</tr>
<tr>
<td>EGF Main</td>
<td>138,000</td>
<td>80</td>
</tr>
<tr>
<td>EGF Annex/Garage</td>
<td>22,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>484,793</strong></td>
<td><strong>195</strong></td>
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</table>
Space Utilization: Classrooms

Percent of Classroom Usage

Hours used per week/32 hour week

MnSCU Ideal
EGF
TRF
Space Utilization: Seats Filled

Percent of Seat Usage

- MnSCU Ideal
- EGF
- TRF

Seats Used/Seats available in a 32 hr week
Future Debt Service

Dollars in Thousands

Percent Growth in FTE FY03 – FY 07

- Student: +3
- Admin: +14
- Staff: +50
- Faculty: +50
Total Chair & Faculty Program Director Assignments

- Cost - Dollars in Thousands
- Credits Assigned

FY 04 | FY 05 | FY 06 | FY 07
Insurance Expenditures
(10% of Total Budget!!!!!!)
Comparisons
NCTC relative to MnSCU (FY 2007)

<table>
<thead>
<tr>
<th>Category</th>
<th>MnSCU</th>
<th>Peers</th>
<th>NCTC</th>
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<tbody>
<tr>
<td>Instruction</td>
<td>49.5</td>
<td>52.73</td>
<td>55.3</td>
</tr>
<tr>
<td>Acad Support</td>
<td>14.8</td>
<td>12.8</td>
<td>10.6</td>
</tr>
<tr>
<td>Student Services</td>
<td>10</td>
<td>10.4</td>
<td>10.2</td>
</tr>
<tr>
<td>Institution Supp</td>
<td>13.2</td>
<td>12.75</td>
<td>11.6</td>
</tr>
<tr>
<td>Physical Plant</td>
<td>11.9</td>
<td>11.8</td>
<td>11.9</td>
</tr>
</tbody>
</table>
CHANGES
THAT HAVE ALREADY BEEN IMPLEMENTED
Changes in Administrative Services

- Continuous Improvement processes to enhance efficiency and reduce costs
- Integrated Planning and Budgeting Processes
- Facilities Committees on both campuses
- New college-wide Finance Committee
- Reduction of one General Maintenance Worker position
- Mothballing space at the Airport Site
Changes in Academic Affairs & Student Services

• Serious conversations about 80% fill rates
• Development of a staffing matrix for scheduling and budgeting
• Four program suspensions
• Development of Program Analyses
• Differential Tuition in high cost programs
• Initiated Continuous Improvement Processes in Student Services
Changes in Outreach & Advancement

• Re-directing Swenson House Function
• Launching a Marketing & Recruiting Task Group to re-think use of resources
• Structuring to attract more grants and gifts
Other College Changes

• Developed a new scheme for parent cost centers for personnel assignments
• Reduced budgets for FY 08 by $500,000, primarily in administrative areas
• Discontinued college subsidy of privately-owned housing complex
• Examined college expenditures for MEC
CHANGES THAT MUST BE MADE
WORLD WAR II

Goal……………
WIN THE WAR

Strategy……..
SURROUND GERMANY

Objective……..
INVADE FRANCE TO CLOSE THE CIRCLE

Tactics………..
WHEN
WHERE
HOW MANY SOLDIERS?
HOW MANY WEAPONS?
DEFINITIONS

Goals............. PRIMARY DESIRED OUTCOMES

Strategies....... BROAD APPROACHES TO ACHIEVE GOALS

Objectives....... MEASURABLE TASKS TO REALIZE STRATEGIES

Tactics......... TOOLS TO ACHIEVE OBJECTIVES
GOAL

Achieve our College Vision & Contribute to the MNSCU Strategic Plan
STRATEGY

Structure College Assets to Enable Goal Attainment
OBJECTIVE

Overcome Budget Insufficiency
TACTIC 1

MAXIMIZE STATE FUNDING

Sub-Tactics:
• Understand allocation formula
• Analyze NCTC
• Make adjustments to achieve maximum position
TACTIC 2
INCREASE REVENUE

Sub-Tactics:
• Grant funding and fund raising
• Decrease uncollectible tuition
• Increase recruitment and enrollment
• Charges for services, facilities use, customized training
TACTIC 3

REDUCE COSTS

Sub-Tactics:
• Practice Continuous Improvement
• Review/Restructure Functions
• Eliminate Inefficiencies
TACTIC 4

REINVEST IN EXCELLENCE

Sub-Tactics:
• Concentrate on Student Success
• Develop Talent
• Provide Tools
• Develop External Linkages
Thank You!