

KANSAS STATE UNIVERSITY

BUDGET INITIATIVE

REVENUE GENERATION SYNTHESIZED SUGGESTIONS ANALYSIS

JANUARY 11, 2010

	<u>Contextual Statements</u>	<u>Timeline Impact</u>
Review of campus fees		
Telecommunications	Telecommunications generates \$4.8 million in revenue. \$1.1 million is spent on CTS salaries with the remaining \$3.7 million spent on non-salary expenditures. \$1.1 million is used on recurring costs for equipment, voice and data service. The remaining \$2.6 million is used to maintain and upgrade network components. Because Telecommunications is a service clearing function, removal of individual phones or a rate restructure would not result in a reduction of overall university expenditures, only less resources to support the campus voice and data infrastructure. If voice revenue were reduced, the university would have to fund the data infrastructure costs from another source. Currently, each non-digital phone is charged \$21.50 per month and each digital phone is charged \$31 per month - 8,000 phones generate \$2.3 million. Long distance is charged at \$.1 per minute while costing \$.0265 per minute - total charges are about \$150k per year.	Telecommunication charges can be revisited but no significant reductions are expected.
Facilities	K-State chargeback rates are less than contractor charge-back rates and less than rates charged by the University of Colorado, Iowa state, the University of Nebraska or the University of Texas. Funding for the Division of Facilities has been reduced several times over the years. Currently, virtually all of the \$12.5 million in central funds allocated to the Division are used to pay salaries. According to APPA, State Funding per gross square foot for facilities is 14% less than the regional average and 38.7% less than the Doctoral/Research average. A 2006 peer review of grounds and custodial services resulted in the conclusion that KSU custodial services operated at 17% less than the region average and that grounds operated at 45% less than the regional average. Excluding the Motor Pool and Storeroom, operating units within the Facilities Division charge about \$3.5 million to projects and the Facilities Planning Division charges about \$1.5 million to projects. Over \$1 million of the total \$5 million was paid directly to on-call service providers. \$.5 million of the remaining \$4.5 million was used to pay salaries. About half of the remaining \$3.5 million in charge back revenue was used to purchase project related materials. The remaining \$1.75 million provides the only significant source of OOE for Facilities operations. All but about \$1 million of the total charge-backs were to projects funded by Facilities controlled resources such as Repair and Rehabilitation funding and Deferred Maintenance funding. The Division of Facilities is willing to compete competitively for all campus charge-back work but no significant central savings are expected.	The Division of Facilities will evaluate pricing and bidding requirements. However, no significant short term cost savings that can be reallocated for budget purposes are expected.
Athletic Revenue Sharing		
Place a surcharge on the price of athletic tickets and greens fees at Colbert Hills golf course and transfer the additional revenue to the University's academic programs.	Athletic event ticket prices are influenced by a number of factors including the success of each program, competitive event prices and the overall ability of prospective attendees ability to pay. K-State struggles to remain competitive in a small market with an overall Athletic budget that is near the bottom of the Box XII. Adjustment to prices in any combination with a removal of revenue from Athletics must be considered carefully so the overall program is not significantly wounded. The success of K-State Athletics is closely coupled with the perceived health of the University. K-State sells about 500,000 tickets per year.	Reallocation of Athletic revenue will impact the program significantly.

KANSAS STATE UNIVERSITY		
BUDGET INITIATIVE		
REVENUE GENERATION SYNTHESIZED SUGGESTIONS ANALYSIS		
JANUARY 11, 2010		
	<u>Contextual Statements</u>	<u>Timeline Impact</u>
Apply an "overhead" charge to Athletics where the revenue is transferred to the university budget	K-State Athletics pays over \$6 million to K-State for tuition, fees and housing contracts. Additionally, \$180k is paid as institutional support.	Reallocation of Athletic revenue will impact the program significantly.
Reduce exorbitant salaries in Athletics with savings being transferred to the University budget	K-State Athletic salaries are in the bottom third of the Big XII.	Reallocation of Athletic revenue will impact the program significantly.
Coaches provide consulting services to high schools for a fee	Coaches are involved year round in coaching, recruiting and public relations. Additionally, most coaches conduct camps that involve high school athletes and coaches. In addition to benefiting coaches, those camps provide revenue to K-State Athletics and K-State Housing and Dining.	Reallocation of Athletic revenue will impact the program significantly.
Marching band should be supported through Athletics	Marching band receives support from both the University and Athletics. The 300 band members pay approximately \$1.7 million in tuition.	Reallocation of Athletic revenue will impact the program significantly.
Sell more tickets to football games	Program success, ticket prices and competitive event prices influence attendance.	Reallocation of Athletic revenue will impact the program significantly.
Expand on-line and intercession distance education courses, certificates and programs		
Offer new courses	DCE produces over 50,000 credit hours each year. Creation of new course or program offerings requires careful analysis of competitive offerings and their prices. Additionally, faculty involvement is essential.	Distance education programs and courses are strategically important to K-State. However, targeting new offerings requires investment and planning so we can't depend on significant new net revenue in the next two years.
Add more distance students to on-campus programs		Distance education programs and courses are strategically important to K-State. However, targeting new offerings requires investment and planning so we can't depend on significant new net revenue in the next two years.
Generate additional tuition revenue		
Increase student retention rates through increased advising so faculty can better track students.	Retention rates are influenced by a number of factors. Efforts to increase retention rates are underway but cannot predictably be counted on to produce additional revenue.	Predictable additional revenue is not available.
Establish satellite campuses in China or India in addition to bringing students to campus	Satellite campus establishment is complex and costly and would require a great deal of planning and potentially investment. Long term studies would be required.	Predictable additional revenue is not available.
Increase graduate enrollments	More graduate students would certainly increase tuition collections but attracting and retaining those students would require a long term effort.	Predictable additional revenue is not available.
Establish a satellite campus in western Kansas (Garden City)	Satellite campus establishment is complex and costly and would require a great deal of planning and potentially investment. Long term studies would be required.	Predictable additional revenue is not available.
Provide incentives to colleges, departments and faculty who propose and enact new programs that utilize existing courses and/or resources	New program development is a department lead effort requiring faculty involvement, planning and approval. This is a more long-term effort.	Predictable additional revenue is not available.
Differential tuition rates based on cost of program	New tuition revenue is needed. Involvement of students and BOR approval is required.	Not currently being discussed with Students.

KANSAS STATE UNIVERSITY		
BUDGET INITIATIVE		
REVENUE GENERATION SYNTHESIZED SUGGESTIONS ANALYSIS		
JANUARY 11, 2010		
	<u>Contextual Statements</u>	<u>Timeline Impact</u>
Allow Community College dual admission	Community College agreements are in place and being expanded. We can't count on t additional revenue.	Predictable additional revenue is not available.
Allow more credits for life experience.	This may result in more students, but we can't count on additional revenue	Predictable additional revenue is not available.
Reduce the number of days a student can receive a full refund	This has the potential to produce some revenue, it might also be possible that it decreases revenue by encouraging anxiety associated withdrawals earlier in the semester. In Fall 2009 70 students dropped 651 hours during the first week, 51 students dropped 417 hours during the second week, 131 students dropped 1,037 hours during the third week and 36 students dropped 174 hours during the fourth week (50%).	Predictable additional revenue is not available.
Implement a tiered tuition structure for lower and upper division courses	New tuition revenue is needed. Involvement of students and BOR approval is required.	Not currently being discussed with Students.
Increase the tuition rate	New tuition revenue is needed. Involvement of students and BOR approval is required.	We are pursuing a 3% increase to be used to offset inflationary cost increases (not to solve the budget problem).
Revise residency statute to make it more lenient for out-of-state residents.	This requires BOR and legislative action. It might produce more net revenue or less.	Less revenue would result.
Expand the use of lab, course, technology and college fees. Application fees should also be evaluated.	New tuition revenue is needed. Involvement of students and BOR approval is required.	We are reluctant to implement a myriad of course or lab fees. We believe it more effective to implement a consistent college instructional support fee that will be allocated back to the colleges on a per-credit basis. For example, a \$10 per hour charge would generate approximately \$5 million.
Expand parking revenue		
Increase permit rates	Parking rates and fines have been increased substantially over the past few years. Increased debt service associated with the garage requires caution.	No additional revenue could be budgeted.
Increase parking meter rates	Parking rates and fines have been increased substantially over the past few years. Increased debt service associated with the garage requires caution.	No additional revenue could be budgeted.
Increase the fine amounts	Parking rates and fines have been increased substantially over the past few years. Increased debt service associated with the garage requires caution.	No additional revenue could be budgeted.
Charge for night parking	We can consider charging for night parking but safety was always a consideration. Revenue would be offset by additional costs.	No additional revenue could be budgeted.
Increase grant resources through more support and incentives		
Include IT enhancements in grant proposals	Grant budgets are for specific purposes and would not generate flexible additional revenue.	No additional revenue could be budgeted.
Include GTA and GRA waivers in grant proposals	Grant budgets are for specific purposes and would not generate flexible additional revenue.	No additional revenue could be budgeted.
		No additional revenue could be budgeted.
Enhance Sales and Services		
Rent excess campus facilities to organizations with purposes consonant with the university's mission	KSU facilities used for educational, research or service purposes are generally allowed if scheduled through the Division of Facilities. Rentals whose purposes are not directly related to the University may be charged fees.	No additional revenue could be budgeted.

KANSAS STATE UNIVERSITY

BUDGET INITIATIVE

REVENUE GENERATION SYNTHESIZED SUGGESTIONS ANALYSIS

JANUARY 11, 2010

	<u>Contextual Statements</u>	<u>Timeline Impact</u>
Hold auctions or garage sales of used equipment, furniture or other surplus inventory	Disposition policies must be followed. Significant levels of predictable funds are not expected.	No additional revenue could be budgeted.
Market AXIO (K-State on-line system)	Axio is currently marketed by Universal K-State.	No additional revenue could be budgeted.
Sell naming rights, i.e. parking garage	Selling naming rights is not consistent with K-State's non-profit status.	No additional revenue could be budgeted.
Sell advertisements on campus (i.e. on library's data base search engine and buildings)	Selling advertising is not consistent with K-State's non-profit status.	No additional revenue could be budgeted.
Allow Extension to charge a fee for their services	Extension can charge fees on a cost recovery basis but the amount expected would not be sufficient to generate predictable central funds.	No additional revenue could be budgeted.
Charge students for internet access in the residence halls	K-State's residence halls are in a competitive market. We do not require students to live on campus. The cost of such service is included in the contract rates	No additional revenue could be budgeted.
Sell services of faculty and staff	Faculty and staff are fully engaged in their duties.	No additional revenue could be budgeted.
Engage or partner with corporations to bring work to campus	Contracts that are consistent with K-State's educational, research and service purpose exist. Such contracts are reviewed for compliance by Pre-award services and generally do not result in centrally assignable resources.	No additional revenue could be budgeted.
Generate revenue through recycling	Recycling does have potential but will require a longer term commitment	No additional revenue could be budgeted.
Off-campus sales and marketing of uniquely K-State products	Sales and marketing must be consistent with K-State's purpose. KSURF and campus units are engaged in such efforts. They do not result in centrally assignable resources.	No additional revenue could be budgeted.
Create a K-State Developmental Assessment Center	Creation of this center does have potential but would likely take longer than 2012 to generate significant resources. One would have to assure compliance with K-State's educational purpose.	No additional revenue could be budgeted.
Increase donations		
Increase fundraising opportunities through contests or incentives	Considerable resources are committed to fund-raising.	No additional revenue could be budgeted.
Solicit donations from donors (alumni) to fund improvements to rooms on campus that would be named for them	Such solicitations are underway.	No additional revenue could be budgeted.
Consider cross-college fundraising	Considerable resources are committed to fund-raising but additional campus involvement in new ways should be considered.	No additional revenue could be budgeted.
Develop a Grandparent's Scholarship	This idea will be shared with the Foundation. It's not appropriate for someone to make a contribution for a designated individual such as a grandchild.	No additional revenue could be budgeted.