

OLLI Registration Fee Increase

Background and necessity for the increase in the registration fee from \$60 to \$95

My name is Boyd Horne and I am currently on the Board of Members of OLLI serving as Treasurer and Chair of the Planning and Finance Committee. I have served on the Board of the Osher Lifelong Learning Institute (OLLI) since it began in 2004. I am in my second term which will end in January of 2010.

Let me quickly give you some of my personal background. I retired in 1994, after serving for 34 years in the headquarters office, called the Chancellors Office, of the California State University System currently responsible for 23 state university campuses. I worked in the budget, business and financial areas of that office. One of the goals during those 34 years was to interact with State government to insure adequate and stable funding while keeping student fees low. Unfortunately, the financing structure of all of public higher education evolved over the 34 years from a reliance on state funding and low student fees to having three essentially equal sources: State Funding, Student Fees (with large allocations for financial aid) and Private Funds (i.e. donations and grants). Also a phenomenon known as “increasing charges for overhead,” occurred throughout the system to pay for increasingly large and complex administrative services.

The above is only a precursor to an explanation of the necessity for a major increase in OLLI Registration Fees. It is important to emphasize that from its creation, our OLLI has been the responsibility of the Department of Continuing Education (CE) of the California Polytechnic State University. At the same time the CE Department decided to depend heavily on the participants and volunteers (members) to develop and implement the OLLI program offerings – with the help of a CE Department Coordinator authorized to call upon various staff of CE to provide special services.

The Osher Foundation funded the start up of our OLLI with a \$100,000 grant for each of the first two years. Since our program was successful, we were awarded a \$1,000,000 endowment for investment to generate annual earnings to help finance the Institute’s programs. The \$100,000 start up grants were stopped when the endowment was awarded. Furthermore, the \$1,000,000 endowment principal cannot be used for any other purpose (such as OLLI operating expenses) than generating earnings. Therefore, the Osher Foundation also provided a \$50,000 grant for “bridge” funding to cover the period of time from the award of the endowment to the time that the first investment earnings would be received.

The availability of Osher grant funds and the lower costs of CE services and program expenses permitted low fees. [The initial fee was \$50, which was adjusted to \$60 for the year 2006/2007]. The existence of an annual surplus (carryover balance) beginning with the period of the Osher Foundation grants helped pay for the five year growth in the program in terms of membership (from 200 to 700), in course registrations (from 150 to 690), and in number and diversity of courses (from 30 to 70).

Along with the growth in the Institute's programs and membership has come an increase in costs from about \$100,000 per year to over \$154,000. These expenses cover such things as catalog costs, marketing, classroom rental, parking fees, full time coordinator, administrative services, and supplies.

The current financial status is that for next year we will have an amount of \$50,000 from endowment investment earnings and we anticipate \$17,000 from Membership Fees plus \$11,000 from special course fees. That leaves about \$77,000 that must come from Registration Fee revenue, which would require a fee of over \$110. We have decided to limit the fee to \$95 for the next term (Fall 2008) by calling again upon our remaining surplus from prior years, which will be reduced by this action to a little over \$32,000. At the same time we have increased the number of first round course registration picks from 5 to 7.

To try to minimize the impact of this large fee increase, we plan to implement a financial aid program for some of the members who need it, utilizing a special fund created by donations from certain members. We will continue to seek such donations for this and other special purposes.

What is the plan for the future? A strategic planning effort will be undertaken by a special task force. Approval of the new Bylaws is the first step in that multi-year planning effort. The future of OLLI as we know it today is dependent on the following:

1. Achieve a 50% increase in membership via several initiatives including especially reaching out to the northern and southern areas of the County.
2. Maintain the number, quality and diversity of course offerings.
3. Implement an ongoing development program (i.e. fund raising) to provide operational expenses (and thereby avoid future fee increases) and increase the amount of the endowment principal (and thereby increase annual earnings from that source).
4. Increase the number and type of volunteers to spread the work and possibly reduce the demand on CE staff and therefore expenses.
5. Possibly make application to the Osher Foundation for a second \$1,000,000 endowment (there is a precedent for this) when the size of OLLI's membership reaches over 1000.

Achieving the above goals will require the help of the entire OLLI membership.

As a member of Cal Poly OLLI, San Luis Obispo, I am proud of what we members have accomplished. I sincerely believe that our OLLI is one of the best in the country in terms of range of offerings and low fees. I see a promising future for OLLI in offering something special to the increasing number of seniors in our county. I hope you feel the same way.

Sincerely,

Boyd Horne