

# SOUND MINDS SOUND NUMBERS

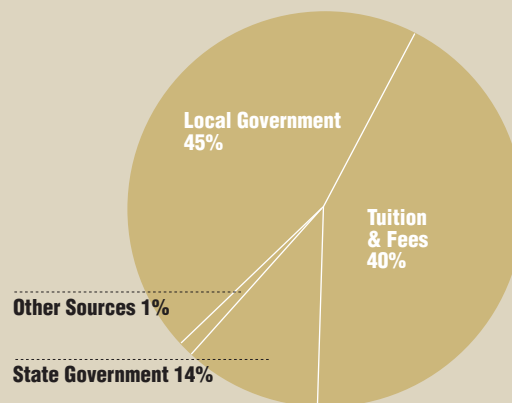
When a college operates with balanced budgets, two things happen. Learning clips along at an inspired pace, and the burden on taxpayers is reduced to a more reasonable rate. The fact is, Harper has received a Aaa rating from Moody's Investor Service, the highest possible rating and a rare standing for a community college. The benefits multiply. Capital can be borrowed with lower interest. Growth can occur without mortgaging the future. Better faculty are attracted here. And a positive environment permeates the entire campus. (Not to mention our business students don't have to look very far for a good case study.)

*“Moody’s believes that Harper’s financial operations will remain sound due to the conservative budgeting practices of a strong management team.”*

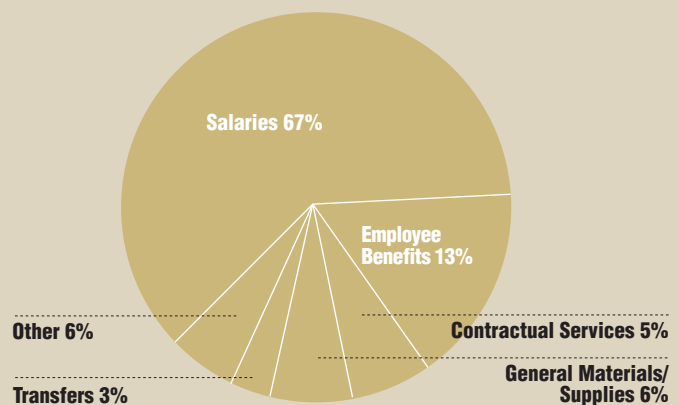
*Moody’s Investor Service on Harper’s rare Aaa bond rating*

\$57,313,203  
BALANCED BUDGET

## Operating Revenue



## Operating Expenses



Education Fund: Fiscal Year 2004

To see Harper's budget, log onto [harpercollege.edu/budget](http://harpercollege.edu/budget)

# 18,362 RECORD ENROLLMENT

## Full-Time Equivalent (FTE) Enrollment

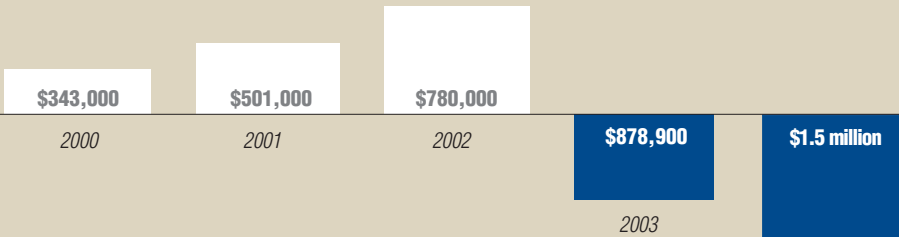


Source: Harper College Fact Book and Registrar's Office  
1999-2003: In fiscal years

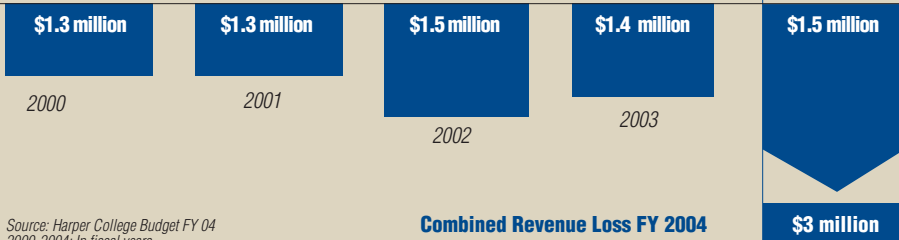
How well are we meeting the needs of our community? One measure is enrollment growth. Our enrollment has grown every year for the past five years. In fact, since 1999, FTE enrollment has grown by 11%.

# THE \$3 MILLION CHALLENGE

## State Revenue Gains/Losses



## PTAB Losses



Source: Harper College Budget FY 04  
2000-2004: In fiscal years

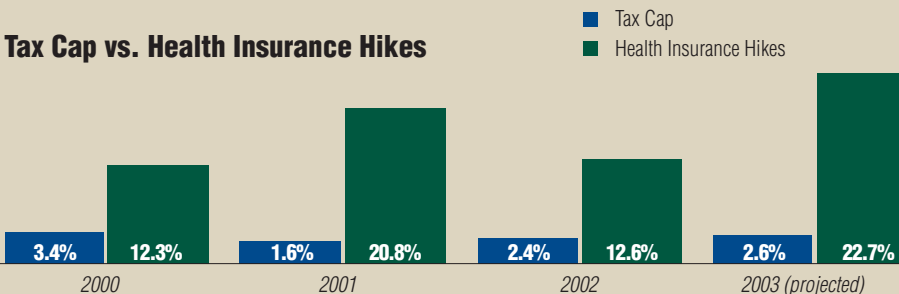
Combined Revenue Loss FY 2004

\$3 million

More students, but less money. That's what we faced trying to balance our budget. State cuts and successful commercial property tax appeals (PTAB) cost Harper \$3 million in revenue in Fiscal Year (FY) 2004. That forced us to make some difficult decisions to honor our commitment to a balanced budget. First, we cut expenses. Then, unfortunately, we raised tuition. Next year will be even more challenging. State cuts may be more severe and PTAB losses are expected to continue.

# TAX CAP GAP

## Tax Cap vs. Health Insurance Hikes



Source: Harper College Budget FY 04  
2000-2003: In calendar years

The tax cap limits property tax revenue increases to 5% or the rate of inflation, whichever is less. Unfortunately, increases in most of Harper's operating costs, such as health insurance (see chart), routinely exceed the tax cap, creating additional pressure on our budget. The reality is, the tax cap, as originally conceived, is not an accurate reflection of current operating cost increases.