

## Financial Sustainability Review

The Cabinet has reviewed the final recommendations from our three financial sustainability review working groups, along with the feedback provided in multiple stakeholder open forums and the written feedback. We have discussed the range of possibilities for meeting our budgetary requirements and have identified \$3,626,000 in budget reductions and \$200,000 in additional revenue. We offer the following recommendations for your consideration:

- Faculty lines: Early on in its work, the faculty on the academic program working group prioritized not eliminating any entire programs or any tenured/tenure-track lines, and the working group developed a plan that accomplished both of those things. The Cabinet recommends moving forward with all recommendations from the faculty on the working group with four provisions:
  - .8 FTE non-tenure-track faculty in Chinese and .8 FTE non-tenure-track faculty in Japanese and departments must collaborate to provide at least 1 first-year course per year (savings from these changes will be realized after fiscal 2022)
  - .8 FTE non-tenure-track faculty in Dance and Theatre/Dance Department must continue to contribute 2 first-year courses per year (savings from this change will be realized after fiscal 2022)
  - Typically not more than 8 sections of first-year seminar per year taught by non-tenure-track faculty
  - We are recommending that current staffing levels be maintained in Classics and Environmental Humanities while those two programs conduct an internal review to determine their future needs; any requests in those areas will be considered at that time.

For next fiscal year there will be reductions of 6.9 FTE within non-tenure-track staffing in Studio Art (0.4), Asian and Middle Eastern Studies (0.4), Biology (0.5), French (0.6), Music (.6), Chemistry (1), Politics (1), Psychology (0.2), Religion (0.4), First Year Seminar (.8), and Theater and Dance (1). In addition there is a reduction due to tenure-track retirement in Japanese (.4). (total faculty salary savings of \$891,000 for the fiscal 2022 budget).

We also are not replacing Tenure-Track positions vacated due to faculty retirements in History, Japanese, and Philosophy. We will also reduce levels of staffing in Chinese, Japanese, and Theater and Dance as Non-Tenure Track Faculty contracts expire. We have several faculty members currently receiving payments under the College's Salary Continuation Plan; no new expenses will be incurred as these faculty phase out of the program, so the half salaries we are paying them now will be saved.

- Lower the life cycle breakeven from 23 years to 17 years to reduce expenses while still leaving enough time for the college to make adjustments in the future if this model proves inadequate. Peter Harvey is comfortable with this reduction for the foreseeable future. With 17 years of funding available, we will have time to adjust if we see that the lowered level begins to prove unsustainable. (saves \$456,000 annually)
- Staff lines:

- Eliminate 8 staff FTE primarily, though not exclusively through attrition. A table detailing specific reductions appears at the end of this document. (saves \$413,000 annually) [This is in addition to 23 staff positions eliminated last summer, totalling \$1,518,000 in additional savings.]
- Keep language assistants in Chinese and Japanese. Allow other foreign language departments to hire current students for language assistant function if they choose to do so. (saves \$159,000 annually)
- Take all suggested savings by maximizing use of restricted endowments. This choice does not cause any reductions to operating budgets. It merely takes advantage of available restricted endowments to fund those operating expenses. (total annual savings of \$363,000)
- Sabbatical leave policy:
  - Allow sabbatical leave applications after 5 years of teaching (saves \$355,000 annually)
    - 90% of annual salary for a one-semester leave; must teach 3 courses in the other semester
    - 70% of annual salary for a full-year leave
  - Retain current policy for sabbatical leaves for pre-tenure faculty

The current sabbatical policy allows all tenured or tenure-track faculty to take a sabbatical based on the following schedule:

1. A one-semester sabbatical at 100% of salary following four years of full-time teaching; or
2. A one-year sabbatical after four years of full-time teaching at 82% of salary; or
3. A one-semester sabbatical after four semesters of full-time teaching at 91% of annual salary; or
4. Non-tenured, tenure-track faculty will be eligible to apply for a one-year sabbatical after their first three years of full-time teaching at 90% salary. (Faculty members who opt for the one-year sabbatical after their first three years will next be eligible for a one-semester sabbatical at the beginning of their eighth year, the same as if they had taken the two one-semester sabbatical options.)
5. Non-tenured, tenure-track faculty will be eligible to take their second semester sabbatical during the fifth year of full-time teaching at 91% of annual salary.

The current policy is not only financially costly because of the number of sabbatical replacements required, it is also costly in terms of interruptions to the student experience. The proposals shared in the working group report suggested four-, five-, and six-year timelines for sabbatical eligibility. The Cabinet believes that the five-year timeline provides substantial savings and allows for greater continuity in the student experience while still valuing the teacher-scholar model.

- Reduce the amount of money budgeted for Off-Campus Study fees. This budget line was increased several years ago after an unusually large number of students participated in study abroad and then never reduced. We believe the lower number more accurately reflects the level of funding required in a normal year. If we had another year with an unusually high number of applications, we would use part of the enrollment contingency to fill the gap. Also, limit all students to one semester of off-campus study. This aligns with most of our peer institutions. Very few students request the opportunity to study abroad on two different programs in two

different semesters, and the faculty find that their rationale for making the request often is not pedagogically sound. Students with legitimate educational reasons to attend a single, full-year program would still be allowed to do that. (saves \$351,000 annually)

- Restructure financial aid for students living in off-campus housing by matching student housing and food budgets to state recommendations for off-campus students. This is a standard practice among our peer institutions. By using the state recommendations for high cost of living areas like Seattle, we are confident that budgets will be sufficient for students living in Walla Walla. (saves \$300,000 in the first year; \$600,000 annual savings after that)
- Suspend Crossroads Short-term Study Abroad program. (saves \$81,000 annually)
- Reduce the number of RA's in residence life by 5. There is a wide discrepancy between the number of students served by different RA positions. We believe we can create better equity across those positions and reduce the overall number without damaging the program. (saves \$69,000 annually)
- Reduce annual budget for faculty professional development to \$300,000. The Provost believes this level of funding will give her the flexibility to provide appropriate professional development funds to tenured and tenure-track faculty and senior non-tenure-track faculty. (saves \$58,000 annually)
  - No funding for Visiting Assistant Professors
- Replace older light fixtures with LED's beginning in Fouts. This not only provides savings but also aligns with our environmental sustainability goals. (would require a one-time expenditure of \$163,000, which we would fund from existing reserves; anticipated annual savings of \$46,000)
- Revise policy for compensating tenured and tenure-track faculty who teach more than 5 courses in a year. Some faculty have been paid  $\frac{1}{3}$  of annual salary for each course overload, suggesting that their entire regular salary compensates them for teaching their regular 5 courses without acknowledging their research and service expectations. We would standardize overload compensation at \$10,000 per course. (saves \$40,000 annually)
- For varsity athletics, offer game guarantees to entice non-conference teams to travel to Walla Walla, reducing the number of away competitions for Whitman teams. Reduces travel costs and time away from classes. (saves \$26,000 annually)
- Work with a single vendor to purchase athletic uniforms and equipment. The only downside to this is that some coaches have existing relationships with different vendors. The upside is that it reduces cost, streamlines ordering and creates uniformity in Whitman athletic apparel. (saves \$18,000 annually)

The working groups generated a number of ideas that we considered and have decided not to pursue:

- We will not try to increase flexibility in financial aid gapping. We believe this would directly contradict our strategic priority around access and affordability.
- We will not limit travel party size for athletic teams.
- We will not try to use rollaway beds to house three student-athletes in each hotel room for away competitions. There is no guarantee that sufficient rollaway beds would be available, and we are unwilling to risk inconsistency in applying our one person per bed policy.

The suggested reductions are proposed for the fiscal 2022 budget. As indicated in the section on faculty lines, we will see additional savings there in the coming years. The working groups also identified other areas for further study where additional savings could be found for future years, and the Cabinet will continue to review those. The Cabinet has committed to reviewing discretionary budgets annually and working to distinguish truly discretionary funds from necessary operating expenses.

There are two specific proposals for increased revenue:

- Increase the Whitman Fund goal by \$200,000
- Charge students for overloads above 18 credits (We believe this is an appropriate policy change that will better align us with our peers and modestly increase revenues.)

Working groups also considered ideas that could generate enrollment and/or revenue growth in the future, including a number of potentially interesting new academic areas. The academic programs will require further study and action by the faculty. Other ideas will be studied by appropriate campus constituent groups.

The long-term success of this effort will require ongoing attention to areas for improved efficiencies as well as opportunities for growing enrollment and/or revenue. The Cabinet is committed to maintaining its focus on those areas.

**Next Fiscal Year Proposed Reductions:**

Academic staffing (faculty lines)	\$891,245
Life Cycle Program	\$456,000
Administrative staffing (staff lines)	\$413,000
Language assistants	\$159,000
Maximize restricted endowments	\$363,000
Sabbatical leave policy change	\$355,000
Off Campus Studies fees	\$351,000
Financial Aid for off-campus housing	\$300,000
Suspend Crossroads program	\$81,000
Reduction in RA staff	\$69,000
Faculty professional development	\$58,000
Fouts LED upgrade	\$46,000
Course overloads reduction	\$40,000
Reduce athletics travel	\$26,000
Athletics Purchasing	\$18,000
Grow Annual Fund	\$200,000
<b>Grand Total</b>	<b>\$3,826,000</b>

**Staff Reductions for fiscal year 2021-2022:**

Annual Giving

Tech Services

Admission and Communications

Custodial

Maintenance

Conferences & Events

Sheehan Gallery

Residence Life

Language Lab

Writing Center

Art