

**FINANCIAL SUSTAINABILITY REVIEW**  
**ADMINISTRATIVE UNITS WORKING GROUP – FINAL REPORT**  
**MARCH 1, 2021**

Administrative units (Communications; Alumni Relations; Financial Aid; Human Resources; Fringe Benefits; Business Office; Facilities; Sustainability Office; Admission; Development; professional development funding for staff; overall staffing level)

**COMMITTEE MEMBERS:** Megan Clubb, Trustee Emerita (co-chair); Steve Setchell, VP for Development and Alumni Relations (co-chair); Christie Fuller, staff; Tony Ichsan, staff; Susanne Beechey, faculty; Patrick Frierson, faculty; Lydia McDermott, faculty; Peter Harvey, CFO; Josh Jensen, VP for Enrollment & Communications; Bill Neff, Trustee; Reily Wilken, student rep to the Board Committee on Resources  
 Staffed by Shannon Shearer  
 Attending Kathy Murray, President

**Brief process overview**

Please note that the process included presentation of a draft report on February 1st followed by input from faculty, staff, and students between the 1st and the 15th of March. That feedback was taken seriously and the committee has made changes in our recommendations that are reflected below.

In order to better understand the opportunities our group assessed, it is important to first understand how we arrived at them.

**Timeline**

	Nov	Dec	Jan	Feb 1st	Feb	Mar 1st
Charge to Group & Introductions						
Build Awareness & Understanding						
Identify Opportunities for Cost & Revenue						
Discuss Specific Solutions						
Prioritize Solutions						
<b>Draft Report Due February 1st</b>						
<b>College Feedback on Draft Report</b>						
Finalize Report						
<b>Final Report Due March 1st</b>						

In November and December, we focused on building awareness and understanding of the key drivers of costs and revenue. There were several presentations (including benchmark and comparison data) from program areas, such as: *Development and Alumni Relations, Enrollment and Communications, Financial Operations, Facilities Services, Human Resources, and Technology Services*. The committee also sought input from all staff via a brief survey. We then developed a list of 128 opportunities for cost savings or revenue generation. We repeatedly checked our list against Whitman's mission and strategic plan.

By January 6<sup>th</sup> we prioritized these 128 opportunities using 8 criteria agreed on by the entire committee: *Reduces Operating Costs, Improves Staff Satisfaction, Increases Development Revenue, Aligned with our Strategic Priorities, Increases Net Tuition Revenue, Increases Student and Parent Satisfaction, Increases Enrollment and is Consistent with a Liberal Arts Mission*. Of the 128 Opportunities, 33 rose to the top for further consideration. These 33 had the potential for high financial impact with varying degrees of potential negative impact.

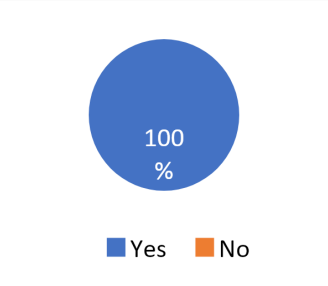
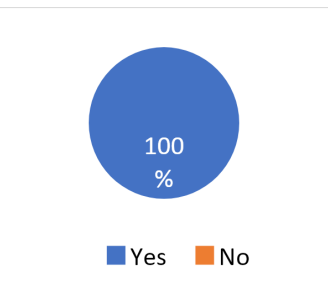
The 33 were further analyzed. We clarified their descriptions, their rationales for recommendation, and their net financial impacts. The committee then voted on whether each of the 33 opportunities should: 1) be suggested for further consideration and study, or 2) not be suggested for further consideration and study. In this process some opportunities were combined, resulting in the 24 opportunities being proposed in our **draft** report submitted on February 1st.

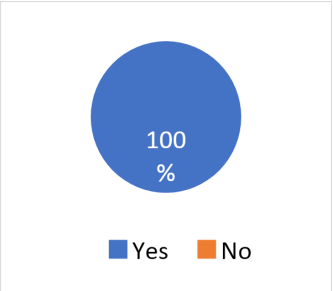
Between February 1st and 15th the committee collected feedback from all community stakeholders. The committee then agreed to 1) provide more clarity on opportunities, 2) research modifications to some of the draft recommendations, 3) add pro's and con's to help readers understand our thinking, 4) clearly distinguish between short-term versus long-term financial benefit, and 5) conduct research on newly identified opportunities.

Our final report includes 16 recommended opportunities. It was unanimously approved by the Committee at its March 1st meeting.

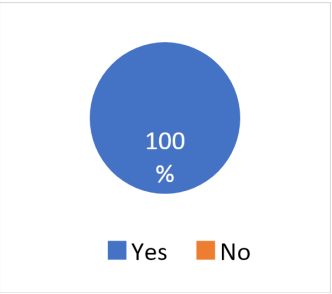
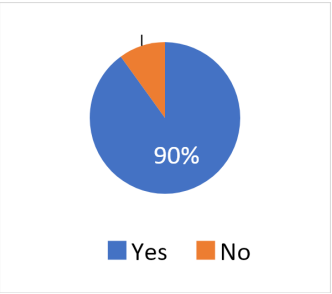
### **Opportunities for budget reduction**

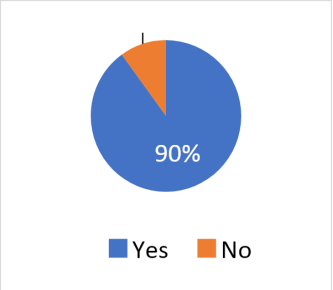
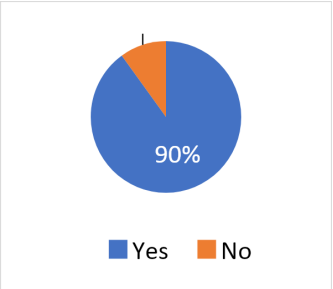
The following opportunities would strengthen financial sustainability by cutting costs. All costs and savings are broad estimates and will need to be further verified. They are ranked according to the committee's votes for further consideration, represented by the pie charts. In total, there are 10 budget reduction opportunities for consideration, totaling nearly \$3 million savings long-term [note: some of these cost reductions overlap and some have no estimated net cost savings at this time]. Details of possible actions are included as footnotes. The opportunities will require further study, particularly where there are unknown costs, in conjunction with the other opportunities from this committee and the Academic Committee and Student Services Committee.

Committee Vote in Favor of Further Consideration	Opportunity Description and Rationale	Savings For FY22	Long-Term Annual Savings
 <p>A pie chart with a single blue slice representing 100%. The text '100%' is in the center, and '%' is below it. A legend at the bottom shows a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>Financial Aid for Students Living in Off-campus Housing</b></p> <p>Match student housing and food budgets to state recommendations for off-campus students.</p> <p><b>Pros:</b> More fairly distributes the college’s financial aid to students based on actual costs each year. No significant projected impact on enrollment.</p> <p><b>Cons:</b> May result in slightly higher loan debt for some students, as some students are able to take out fewer loans because of lower housing and food costs in the junior and senior year.</p>	<p>First-year savings: \$300,000</p>	<p>\$600,000</p>
 <p>A pie chart with a single blue slice representing 100%. The text '100%' is in the center, and '%' is below it. A legend at the bottom shows a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>Offset Restricted Endowments</b></p> <p>Secure savings by finding flexibility in restricted endowment revenues for offsetting budgeted expenses. This financial impact figure reflects only those in areas related to the administrative units work group.</p> <p><b>Pros:</b> These changes do not directly impact employees or students. Cutting operating budgets that are supported by underutilized restricted endowments helps to ensure endowed funds are being used and makes the college more efficient. The use of the endowments will remain consistent with the purpose designated by the donors.</p> <p><b>Cons:</b> These changes will reduce the college’s flexibility to enhance the campus grounds and to purchase new art. Affected departments will have less flexibility for one time budget needs.</p>	<p>\$106,000</p>	<p>\$0</p>

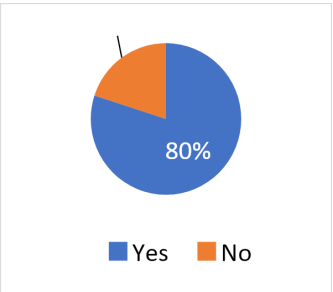
 <p>A pie chart with a single blue slice representing 100%. The text '100%' is centered in the blue slice. Below the chart, there is a legend with a blue square labeled 'Yes' and an orange square labeled 'No'.</p>	<p><b>Energy Efficiency #1</b></p> <p>Replace older light fixtures before newer (about 60-70% of lighting), as they use significantly more energy than LED's. This project aligns with Whitman's Climate Action Plan. Aligning with this plan provides a possible recruitment tool.<sup>1</sup></p> <p><b>Pros:</b></p> <p>A great benefit from a Total Cost of Ownership – TCO (ANSI APPA 1000-1) perspective, such as longer lifecycle, reliability, lower maintenance, reduced radiated heat, and reduced electrical usage.</p> <p>Payback periods tend to be only 3-5 years, meaning the projects make up their initial cost and start accruing net savings in just 3-5 years. Followed by continuous savings after the initial payback.</p> <p>The more of these projects we do immediately, the more we'll be saving by the time the demographic cliff is predicted to impact Whitman.</p> <p>These projects also reduce our carbon footprint supporting the College's Climate Action Plan.</p> <p>These projects are likely our lowest-hanging fruit when it comes to energy efficiency and energy cost reduction.</p> <p>We would retain control over the projects from start to finish (including hiring contractor(s) of our choice)</p> <p><b>Cons:</b></p> <p>Upfront funding is necessary, unless we were to work with an energy service firm (see ESA). If we plan on 1 or 2 projects per year, progress and savings would be reduced and slower.</p> <p>This will also delay accruing benefits, such as energy savings, reducing our carbon footprint etc.</p> <p><b>Costs (one-time or annual):</b> Example: <i>Fouts CVA</i> One Time Cost - \$163,000</p>	<p>\$46,000</p>	<p>Break even in four years, then \$46k annually</p>
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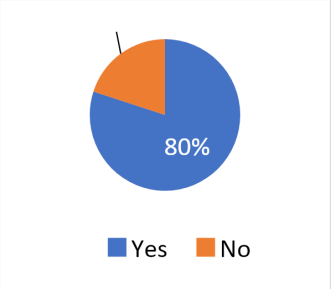
<sup>1</sup> Older light fixtures are T-8, T-12, "fluorescent." Two projects are ready to proceed, one of which is the Fouts CVA. The project cost would be \$162,718 after \$3,500 of incentives from Pacific Power. After a year of operations, we can verify the projected annual savings of estimated \$46,000 (which includes utility and operational costs). With these annual savings, the estimated payback period is 3.25 years. Additional benefits of this project include addressing total cost of ownership, such as: 1) end-of-life maintenance issues, replacement), 2) modernizing the emergency lighting system, 3) reducing carbon emissions by 75 tons.

 <p>A pie chart with a blue circle representing 100%. The text '100%' is in the center, and '%' is below it. A legend below the chart shows a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>Printing and Mailing Services</b></p> <p>Eliminate the revenue expectations in printing and mailing services by charging individual departments actual costs.</p> <p><b>Pros:</b></p> <p>Will save departments and divisions money. Markups in print production are currently at 15% of costs, and if outsource printing is required, the vendor marks up the project and we mark it up yet again.</p> <p>It would also help to protect the Whitman brand, as when departments and divisions have outsourced their own print projects in an effort to save money, Communications doesn't see or approve the artwork that is sent out.</p> <p>Mailing services markups are at 5%.</p> <p><b>Cons:</b> Since the markups were intended to cover equipment replacement costs over time (life cycle), there would need to be some allocation to the Printing &amp; Mailing Services budget for purchasing new equipment.</p>	<p>TBD</p>	<p>TBD</p>
 <p>A pie chart with a blue circle representing 90%. The text '90%' is in the center. A legend below the chart shows a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>Reduce Staff/Admin FTE</b></p> <p>Eliminate 6.5 staff/admin FTE (estimate still being reviewed by cabinet), mostly through attrition. These would be in addition to the 23 staff positions eliminated in summer of 2020. An additional four positions are identified for reduction in the student support work group.</p> <p><b>Pros:</b> This would further increase staff efficiency beyond recent reductions. Most positions being eliminated are already vacant.</p> <p><b>Cons:</b> Reductions in staff put additional burdens on remaining staff. Departments will need to identify more efficient ways to do things, recognize things may not be completed as quickly as in the past, and identify things they can stop doing.</p>	<p>\$250,000</p>	<p>\$250,000</p>

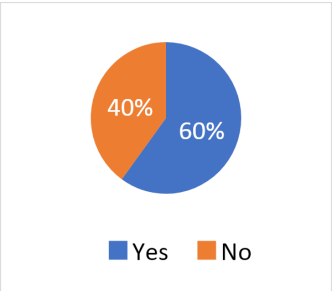
 <p>A pie chart with a blue section representing 90% and an orange section representing 10%. A legend below the chart shows a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>Life Cycle</b></p> <p>Lower the life cycle breakeven from 23 years to 17 to reduce expenses while still leaving enough time for the college to make adjustments in the future if this model is inadequate.</p> <p><b>Pros:</b> This is a substantial savings to the budget that does not impact directly employees or students. It should be sustainable for five to ten years. Adjustments can be made in the future if needed.</p> <p><b>Cons:</b> The risk is there will not be enough funding to replace the leaky roof or outdated equipment when needed.</p>	<p>\$456,000</p>	<p>\$456,000</p>
 <p>A pie chart with a blue section representing 90% and an orange section representing 10%. A legend below the chart shows a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>Energy Efficiency #2 (facilities)</b></p> <p>Pursue creative ways to improve facilities energy efficiencies, such as efficiency-as-a-service (EaaS) models which allow efficiency upgrades with no upfront costs (those are outsourced to external partner) and immediate reduced operating expenses.<sup>2</sup></p> <p><b>Pros:</b></p> <p>Energy Service Agreements (ESA) provide a vehicle to implement energy efficiency projects without upfront capital expenditure. As a pay-for-performance model, we can have a broader view of opportunities from retrofits to new installations to retrofits. A third party will accept the risk for underperforming efficiency projects. Planning, project management, installation, and maintenance could all be handled by the contracted partner.</p> <p>Improves the College's Total Cost of Ownership – TCO (ANSI APPA 1000-1) with the ESA providing regular maintenance ensuring operational reliability and efficiency performance.</p>	<p>TBD</p>	<p>TBD</p>

<sup>2</sup> This strategy for funding is an example of a variety of longer term opportunities available to Whitman, such as Solar PV, High Efficiency Boilers etc. Specifically, "Efficiency-as-a-service [EaaS]," is one of the strategies described by the US Dept. of Energy as a pay-for-performance, off-balance sheet financing solution that allows customers to implement energy and water efficiency projects with no upfront capital expenditure." A provider selected by Whitman would pay all project costs. Whitman would immediately reduce operating expenses by paying the provider a charge per unit of energy saved that is below the baseline utility price. Contract terms typically range from 5 to 15 years, with periodic buy-out options. The provider bears the performance risk, meaning they get paid less if the project savings are lower than expected - Whitman would only pay for efficiencies that are actually achieved. These type of funding models may also be a good option when Washington implements Clean Building Standards with energy efficiency compliance requirements and penalty notices sent out to building owners by 7/1/2021.

	<p>Regular payments (similar to utility bills) are based on energy and operational savings. Realizing immediate savings with payments below (or equivalent to) the current utility market rate.</p> <p>The ESA contract term can be short (e.g. 5 years) with annual buy-out opportunities for the College. The contract can be set at a certain rate to be below the utility market rate. The contract (5-15years) are typically shorter than the equipment’s lifespan. We would make larger strides that are acceptable to our students and improve recruitment for prospective students.</p> <p><b>Cons:</b></p> <p>Unless smaller projects (&lt;\$500,00) are bundled, the ESA provider would likely look at larger opportunities (&gt;\$1M). At the end of a short contract term, we would likely need to buy out the remaining value of the installed equipment.</p> <p>There may be upfront cost working with a consultant to evaluate if an ESA is a good fit for Whitman. We'd need to assign staff time for coordination with the contracted entity. We'd need to accept a certain level of disturbance across the campus while projects are installed at a faster pace than we would have the capacity to do ourselves.</p> <p><b>Costs (one-time or annual):</b> TBD</p>		
 <p>A pie chart with a blue section representing 80% and an orange section representing 20%. A legend below the chart shows a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>Increase Flexibility In Gapping</b></p> <p>Whitman has been working toward eliminating gapping in financial aid, but may need flexibility in this area to balance access and revenue goals in the future. By removing the hard limit on gapping, Whitman could increase net tuition revenue by an estimated \$219,000 with an across-the-board 25% increase in gapping.</p> <p><b>Pros:</b> Colleges gap because gapping works; the practice enables colleges flexibility to use financial aid where needed to enroll students, and not award aid in places where students are likely to be able to cover the difference in other ways. Whitman already has a fairly conservative approach to packaging student loans, so there are ample financing vehicles available to most families to cover Whitman’s modest gaps. Whitman would be able to continue using preferential packaging to protect its underrepresented populations from large gaps and</p>	<p>\$219,000</p>	<p>\$219,000</p>

	<p>maintain diversity, avoiding the erosion of diversity that many believe is inevitable with gapping.</p> <p><b>Cons:</b> While Gapping has worked for Whitman and other colleges in the past, it has fallen out of favor, especially at selective, need-aware institutions like Whitman. Many of Whitman’s peers are working toward fully eliminating gapping, and Whitman would be departing from its peers by going in the other direction. Gapping is perceived as fundamentally unfair, and with students across the need spectrum less willing to take out loans, it is unclear that gapping is a successful long-term strategy that takes today’s students fully into account.</p>		
 <p>A pie chart with a blue section representing 80% and an orange section representing 20%. A legend below the chart shows a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>Reduce administrative and discretionary budgets</b></p> <p>Have the cabinet review administrative unit and other discretionary budgets for cost saving measures in Fiscal Year 2022. The cabinet should also pursue a longer-term process to distinguish truly discretionary funds from annual anticipated costs and restructure the chart of accounts to move required expenses out of discretionary. Finally, a more thorough review of discretionary funds should be part of the annual budgeting process.</p> <p><b>Pros:</b> Identify short term savings and develop longer term processes to promote sustainability and clarity in budgeting.</p> <p><b>Cons:</b> Some items identified currently in discretionary budgets are actually required, annual needs.</p>	<p>TBD</p>	<p>TBD</p>
 <p>A pie chart with a blue section representing 60% and an orange section representing 40%. A legend below the chart shows a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>Efficiency Improvement Project</b></p> <p>Conduct an Efficiency Improvement Project led by Whitman staff in Finance and Technology Services with some possible support from outside consultants. The goal is to reduce staff by eliminating less- essential or non-essential services, consolidating functions across departments by improving collaboration; and digitizing/streamlining processes. Last fall 23 staff positions were eliminated for an estimated savings of \$1,518,000. The committee compared Whitman’s student/staff ratio with peers to get an educated guess of additional potential savings. The co-chairs were also able to have a gratis discussion with academic efficiency consultants to learn about areas of inefficiencies commonly found in administrative operations. The committee looked at how much savings would occur if Whitman could become 5% more efficient than a group of peer colleges. A goal to be 5% more efficient would increase the student/staff ratio</p>		<p>\$1,500,000</p>

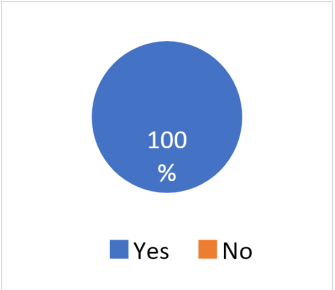
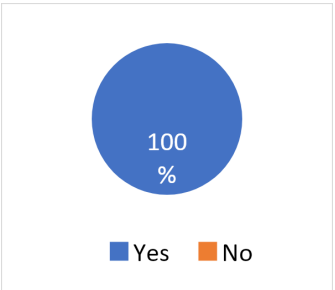


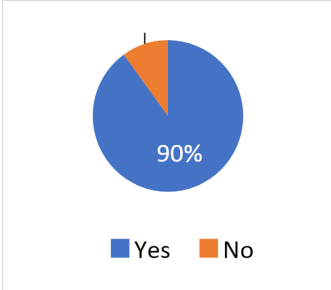
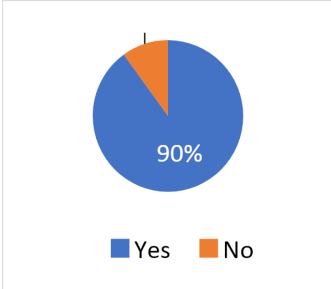
	<p>from 4.85 to a student/staff ratio of 5.24. At our current size that could potentially reduce personnel costs by \$1.5million (by reducing FTEs from the current level of 319 FTEs to 295 FTEs). Talking to the Whitman Tech Services team they believe there are opportunities to utilize current technology tools to achieve some of the desired efficiency improvement. Please note that there are likely overlaps in the savings identified in this opportunity with other staff efficiency opportunities in our report and the reports of the other work groups.</p> <p><b>Pros:</b> Improving efficiency is a long-term cost savings. Efficiency improvements often include less manual processes with better error free outcomes. The goal is not to overload current staff but to have a normal workload with fewer staff.</p> <p><b>Cons:</b> May require some upfront costs.</p> <p><b>Costs (one-time or annual):</b> Unknown upfront costs</p> <p><sup>3</sup>The college was able to obtain detailed staffing levels from other like institutions to compare to.</p>		
 <p>A pie chart illustrating staff satisfaction levels. The chart is divided into two segments: a blue segment representing 'Yes' at 60%, and an orange segment representing 'No' at 40%. A legend below the chart identifies the colors: a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>Staff Satisfaction</b></p> <p>As is a best practice, regularly assess staff satisfaction across departments and use this information to help recruit and also reduce turnover. Many organizations use existing staff to conduct annual or semi-annual satisfaction surveys. We recommend using Institutional Research. A key question utilized to measure overall satisfaction is “would you recommend Whitman to family and friends as a place to work?”. In addition, Human Resources also regularly conducts exit interviews and the results should be compiled and included in the overall satisfaction report.</p> <p>The survey would help identify areas for improvement. An example of a current project to improve satisfaction is the development of a new staff employee orientation program.</p> <p><b>Pros:</b> Identifies key areas of relative dissatisfaction that can be worked on and improved.</p> <p><b>Cons:</b></p> <p><b>Costs (one-time or annual):</b> minimal employee resource needed</p>		TBD

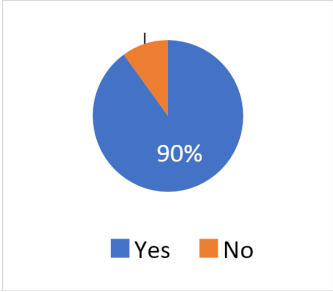


**Opportunities for increasing revenue**

The following opportunities would increase revenue. They are ranked according to the committee’s votes for further consideration, represented by the pie charts. In total, there are 5 revenue building opportunities for consideration, totaling over \$5 million with known approximate annual costs of nearly \$2.5 million. Details of possible actions are included as footnotes. Some of these opportunities may overlap. In addition, some will require further study, particularly where there are unknown costs, in conjunction with the other opportunities from this committee and the Academic Committee and Student Services Committee.

Committee Vote in Favor of Further Consideration	Opportunity Description and Rationale	Revenue for FY 22	Long Term Annual Revenue
 <p>A pie chart with a single blue slice representing 100%. The text '100%' is in the center. Below the chart are two legend items: a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>Financial Development</b></p> <p>Invest in Development for an additional development officer to increase fundraising results.</p> <p><b>Pros:</b> The opportunity to expand frontline fundraising staff would generate mid- to long-term revenue for operations and endowment. (Only operating revenue is projected to the right -- endowment and deferred commitments are not included)</p> <p><b>Cons:</b> This hire would likely not generate immediate results before training and prospect relationships mature.</p> <p><b>Costs (annual):</b> \$115,000 annual</p>		\$250,000
 <p>A pie chart with a single blue slice representing 100%. The text '100%' is in the center. Below the chart are two legend items: a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>The Whitman Fund</b></p> <p>Continue to grow The Whitman Fund for FY22 to provide immediate, unrestricted operating budget support.</p> <p><b>Pros:</b> Doing so will provide the college with increased revenue to offset financial aid and the flexibility to meet other expenses.</p> <p><b>Cons:</b> None</p> <p><b>Costs (one-time or annual):</b> None</p>	\$200,000	TBD

 <p>A pie chart with a blue section representing 90% and an orange section representing 10%. Below the chart is a legend with a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>Summer Term</b></p> <p>The college could potentially have a summer academic term that could be open to Whitman students. <b><i>This item overlaps with the Academic FSR group and the Student Services FSR Group.</i></b></p> <p><b>Pros:</b> Possible revenue generation. Possibility of student’s accelerating degree completion. Opens a possibility for more creative course structures (field courses celebrating location, online classes for students abroad, etc.) and more skills-based and foundational coursework to supplement core courses in the academic year. Could ensure the continuance of the Crossroads Program (financial aid could be applied).</p> <p><b>Cons:</b> Possible harm to residential ethos. Does this actually net more students? Faculty are currently on nine-month contracts and rely on summer to complete scholarly research, often with students. Demands on student services, facilities and food service.</p> <p><b>Costs (one-time or annual):</b> unknown</p>	<p>None</p>	<p>TBD</p>
 <p>A pie chart with a blue section representing 90% and an orange section representing 10%. Below the chart is a legend with a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>Increase Target Enrollment</b></p> <p>Increase the target enrollment size by 250 students over the base case without a substantial increase in facilities and other costs. Possibilities for consideration include: summer sessions (see above); a three-year degree option; off-campus options, such as appropriate courses in an online platform and/or a Semester in Seattle (students could connect with nonprofit and for-profit organizations, healthcare, government, tech, business, etc.). The committee reviewed the financial impact of a hypothetical option to better understand potential. More research is required.</p> <p>Hypothetical Option: In the Semester in Seattle case, 200 of the additional students would be in Walla Walla and 50 would be in Seattle. The hypothetical option assumed the discount rate would have to increase by 10 percentage points on the added 250 students relative to the base case (say 50% to 60% on the added 250 students). It also assumes 200 students in Walla Walla could be absorbed by the faculty increasing in the faculty/student ratio by 1. It also assumes the student/staff ratio would go from 4.85 to 5.4. In addition, the hypothetical adds 1 faculty and 1 support staff in Seattle and provides these 2 Seattle employees with a monthly housing allowance. The model assumes renting 2000 square feet for</p>		<p>potential net revenue \$2,700,000</p>

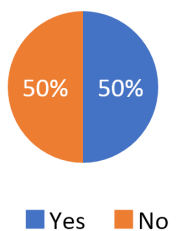
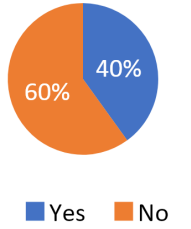
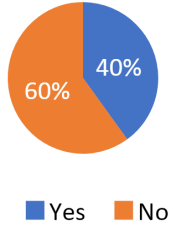
	<p>lecture space. It assumes no increase in housing inventory in Walla Walla. A rough guess is \$2.7million in positive Financial Impact per year (\$5.0 million in Net Tuition Revenue and \$2.3million in expenses). Note the cost to rent space in Seattle is \$1.2 million. We should explore the possibility of a donation of space adding \$1.2 million to the positive Financial Impact. Housing additional students in Walla Walla is a different challenge. One possible asset would be reopening North Hall, which could provide approximately 80 beds. For a Summer Session, we would recommend looking at the Hanover Study to assess demand. A three-year degree option would need to be further studied by the financial aid office to assess the impact particularly on the highest need students.</p> <p><b>Pros:</b> The tuition revenue impact of increasing the student body is potentially significant. Adding attractive programs may increase demand.</p> <p><b>Cons:</b> Adding 250 students may require additional facilities (ex: chem labs, dining halls, etc.. Increasing class size will be difficult as the number of high school age students is declining. Managing a satellite campus is an unknown challenge. Research would be needed to decide what additional programs would attract demand.</p> <p><b>Costs (one-time or annual): one-time cost unknown; \$2,300,000 annual (Rent in Seattle is estimated to be \$1,200,000. Consider a donation of space.)</b></p>		
 <p>A pie chart with a blue section representing 90% and an orange section representing 10%. A legend below the chart shows a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>Allocate additional resources for a website redesign project</b></p> <p>As they become available, reallocate funds from surpluses for a one-time website redesign project. This one-time effort would refocus the college’s website on helping to meet student enrollment goals, bringing important outside expertise and time to this work. This work will also speed the implementation of core messaging research that has been conducted over the past two years. It is common for colleges to invest in a website redesign project every 5-7 years, and Whitman is within this timeframe. By using surpluses, Whitman will avoid spending operating funds that could be allocated elsewhere on this project.</p> <p>This project would pair with resources that the admission and communications offices have already reallocated over the past few years to fund search engine optimization (SEO), social media and video production efforts.</p> <p><b>Pros:</b> This one-time investment will, over time, improve enrollment of prospective students who visit the website. It will also make day-to-day management of the</p>	<p>Unknown</p>	<p>TBD</p>

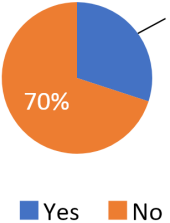
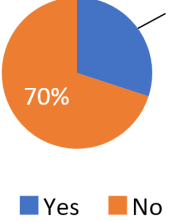
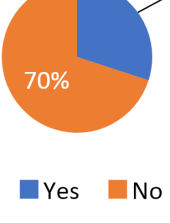
	<p>website more straightforward for communications staff, allowing their time to shift from making small factual updates to more robust content creation.</p> <p><b>Cons:</b> Large scale web projects pay off over time, and multiple confounding variables that impact enrollment may make it difficult to measure the return on investment accurately. This is an expensive investment in a moment of significant financial cuts, regardless of the source of these funds. As the website focuses more on external audiences, new communications strategies may be required for other audiences. While these strategies could be implemented in a cost-neutral way, they will require campus audiences to get used to new ways to find and share information.</p> <p><b>Costs (one-time):</b> Up to \$300,000</p>		
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**Opportunities suggested and voted on, but not suggested for further study**

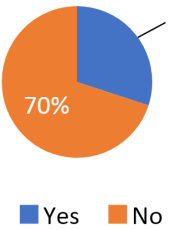
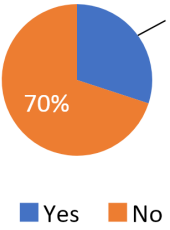
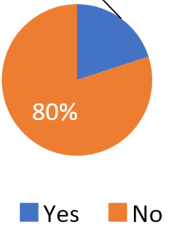
These opportunities were among the 30+ opportunities that were initially ranked with high potential positive impact but various degrees of potential negative impact vis a vis the 8 criteria agreed on by the entire committee: Reduces Operating Costs, Improves Staff Satisfaction, Increases Development Revenue, Aligned with our Strategic Priorities, Increases Net Tuition Revenue, Increases Student and Parent Satisfaction, Increases Enrollment and is Consistent with a Liberal Arts Mission. When we voted in favor of them moving forward, they did not receive a majority of votes (as shown in the pie charts). We include them to honor the fact that they were brought to the table.

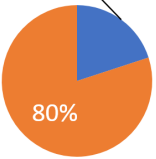

<b>Committee Vote in Favor of Further Consideration</b>	<b>Opportunity Description and Rationale</b>
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 <p>A pie chart with two equal halves. The left half is orange and labeled '50%' with 'No' below it. The right half is blue and labeled '50%' with 'Yes' below it. A legend at the bottom shows a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>Improve Rankings</b></p> <p>Pursue strategy to improve our rankings in publications such as <i>US News &amp; World Report</i>.</p> <p><b>Pros:</b> US News rankings are important to many students and families.</p> <p><b>Cons:</b> Research suggests that US News rankings (much of which is based on subjective reputational surveys) change very little over time, and require enormous resources to influence, even to move one or two places. Other research suggests that Whitman would need to move up 20 or more places to have a significant impact in enrollment, something that is unlikely to happen even with significant investment.</p>
 <p>A pie chart with a smaller blue slice and a larger orange slice. The blue slice is labeled '40%' with 'Yes' below it. The orange slice is labeled '60%' with 'No' below it. A legend at the bottom shows a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>Flexible Contracts</b></p> <p>Offer flexible contract lengths for professional staff (example: 10-month contract with prorated 12-month salary schedule), subject to supervisor and cabinet officer approval. The magnitude of savings would be contingent on the number of people who take up such flexibility and the number of positions where that flexibility is available.</p> <p><b>Pros:</b> Administrative capacity in place and voluntary furloughs demonstrate some possible interest. No direct cost to the institution to make this available.</p> <p><b>Cons:</b> Unlikely that substantial savings could be realized. Many of the job categories that might have been candidates will be moving from exempt to non-exempt as the new Washington State wage and hour law goes into effect. Possible equity and fairness concerns. Possible negative effects on overall service level.</p>
 <p>A pie chart with a smaller blue slice and a larger orange slice. The blue slice is labeled '40%' with 'Yes' below it. The orange slice is labeled '60%' with 'No' below it. A legend at the bottom shows a blue square for 'Yes' and an orange square for 'No'.</p>	<p><b>Tuition Assistance Program</b></p> <p>Reduce the tuition assistance program for dependent children by reducing the amount of benefit for current employees from 50% to 40%. The savings would of course vary by year, both due to the total number of participants in the cash grant program and the relative mix of expensive versus inexpensive institutions those dependents are attending.</p> <p><b>Pros:</b> This would save some money while impacting a relatively small number of employees each year.</p> <p><b>Cons:</b> This program is extremely valuable in recruiting and retaining employees, and is one of few benefits of its kind that is meaningful in the recruitment and retention of staff and faculty at all levels. This does not save enough money given the reduction in benefits. It would disproportionately impact a small number of employees, rather than sharing smaller cuts to benefits across a larger number of staff, which seems to be preferable in the Whitman community. Cutting the program also undermines its value in recruiting and retaining employees.</p>

 <p>70%</p> <p>■ Yes ■ No</p>	<p><b>Tuition Assistance Program</b></p> <p>Reduce tuition assistance program for dependent children, grandfathering it in for current employees and discontinuing for new employees. Because of these eligibility requirements, the college would not realize any savings grandfathering these programs for between 2 and 5 years. Following those eligibility periods, it is difficult to determine what the savings would be and costs would likely still fluctuate for years to come.</p> <p><b>Pros:</b> This would save the college money while impacting a relatively small number of employees each year.</p> <p><b>Cons:</b> This program is extremely valuable in recruiting and retaining employees, and is one of few benefits of its kind that is meaningful in the recruitment and retention of staff and faculty at all levels. These cuts disproportionately impact a relatively small number of faculty and staff.</p>
 <p>70%</p> <p>■ Yes ■ No</p>	<p><b>Staff Salaries</b></p> <p>Reset our targets for staff salaries from 100% to 90% of the median for peer institutions, and/or reconsider the appropriate comparison class for those salaries.</p> <p><b>Pros:</b> The savings could be used to reduce the 2021-2022 budget deficit, fund programs to increase enrollment and retention of students, and/or avoid elimination of some faculty and staff positions.</p> <p><b>Cons:</b> If Whitman’s compensation is not competitive with compensation paid by its peer institutions and local employers, Whitman will not be able to hire and retain the best people and will have difficulty filling some positions. Also, the costs resulting from any increased staff turnover will reduce any annual savings.</p>
 <p>70%</p> <p>■ Yes ■ No</p>	<p><b>Part-time Positions</b></p> <p>Consider more part-time positions to allow flexibility and reduce burnout for full time employees.</p> <p><b>Pros:</b> Potential savings on OPE and could produce mutually beneficial flexibility.</p> <p><b>Cons:</b> Unclear whether any savings would result. Unclear whether there is any interest. Washington State wage and hour law change has implications for feasibility. This move would increase the number of staff without access to full benefits.</p>



 <p>70%</p> <p>■ Yes ■ No</p>	<p><b>Centralized Purchasing</b></p> <p>Purchase all office and building supplies in bulk and establish a supply repository used to distribute the supplies.</p> <p><b>Pros:</b> Potential to consolidate orders to make use of economies of scale.</p> <p><b>Cons:</b> Central purchasing is better suited to large corporations. Office supplies are a small portion of budgets and campus paper and computer purchases are already purchased with discounts. Structuring a centralized purchasing department would require that a staff person be responsible for placing orders, tracking orders and charging budgets accordingly.</p>
 <p>70%</p> <p>■ Yes ■ No</p>	<p><b>Retirement Contribution Match</b></p> <p>Reduce retirement contribution match from 10% to 9%. Any reduction in the benefit level should consider the overall compensation provided, so that Whitman’s overall compensation is competitive with peer institutions and permits the college to compete for and retain the most-qualified candidates.</p> <p><b>Pros:</b> The savings of approximately \$330K per year could be used to reduce the 2021-2022 budget deficit, fund programs to increase enrollment and retention of students, and/or avoid elimination of some faculty and staff positions.</p> <p><b>Cons:</b> The retirement plan contribution match is only one part of the overall faculty and staff compensation package. The 10% match was established so that the combination of salary and benefits would be competitive with peer institutions and employers with whom Whitman competes for its faculty and staff. If Whitman’s compensation package is not competitive, Whitman will not be able to compete for and retain the best qualified candidates. Also, costs resulting from any increased staff and faculty turnover will reduce any annual savings.</p>
 <p>80%</p> <p>■ Yes ■ No</p>	<p><b>Outsource Functions</b></p> <p>The committee explored opportunities to outsource work currently done by Whitman staff. The rationale is to find third party providers that offer services at a lower cost. We addressed a few opportunities to outsource functions within our purview. After review the committee decided in one case that there was unlikely to be any financial benefit. In a second case, the committee determined the negatives outweigh the financial benefit (although admittedly the committee did not have a good estimate of cost savings). More time is required to effectively study outsourcing.</p> <p><b>Pros:</b> Potential cost reduction.</p> <p><b>Cons:</b> Lost control over services.</p>

 <p>80%</p> <p>■ Yes ■ No</p>	<p><b>Reduce administrative and discretionary budgets by 4%</b></p> <p>Find 4% in administrative unit discretionary budget cuts to be identified by cabinet officers for Fiscal Year 2022. The cabinet should pursue a longer term process to distinguish truly discretionary funds from annual anticipated costs and review those discretionary funds as part of the annual budgeting process.</p> <p><b>Pros:</b> Identify short term savings and develop longer term processes to promote sustainability and clarity in budgeting. The 4% cut is equivalent to the proportion of the requested FSR cuts to the overall operating FY22 budget.</p> <p><b>Cons:</b> Some items identified currently in discretionary budgets are actually required, annual needs.</p>
 <p>■ Yes ■ No</p>	<p><b>Reduce Cabinet Size</b></p> <p>Based on feedback after the initial draft report, we reviewed the cabinet structure at Whitman to see if there were positions that could be cut. Despite the fact that in the national landscape of higher education we may notice a large increase in upper-level administration positions in the last ten years, Whitman’s cabinet is one of the smallest within our panel of 18 comparison schools. The median size of a cabinet is 9, the largest is 12, and the smallest is 7. Whitman’s cabinet is 7 positions, a few of which combine positions that at other institutions are stand-alone positions.</p> <p><b>Pros:</b> Secure additional operating budget savings.</p> <p><b>Cons:</b> Based on this comparison, we feel it would be disadvantageous for Whitman to shrink its cabinet size.</p>

**Appendix**—The opportunities below are a summary of additional suggestions made by committee members or collected in the staff survey we conducted in December. The primary reason they are not addressed above is that they were estimated to have a relatively lower financial impact. In addition, some are very broad and some are incorporated into ideas addressed above. We are passing these ideas along to the President and Cabinet.

<b>Opportunity</b>
On-site renewable energy, reducing emissions.
Accelerate the transition to digital communication and documentation.
Reduce the number of on-campus Alumni Board meetings.
Turn off lights earlier in all or most buildings and classrooms and reduce the number of fixtures.
Reducing computers in classrooms. Perhaps provide divisional laptops that faculty can request.
Reduce landscaping efforts and resource use.
Pursue development opportunities for eco-friendly retrofits of facilities. Consider deferring those improvements so that they can be part of future fundraising.
Provide more paths for career and title advancement at Whitman.
Limit facility hours and staffing.
Leverage existing revolving funds to fund projects that lower energy, water, etc. use.
Move the magazine on line for young alumni (less than 10 or 20 years out?) to reduce printing and mailing costs but still have paper versions for folks who value the paper the most.
Increase Development collaboration with faculty to support fundraising efforts.
Communicate utility-cost-saving recommendations (e.g. closing blinds in the summer, etc.).
Drastically reduce heat or AC during breaks for certain buildings.
Reduce the number of computers in classrooms.
Reduce air conditioning and heating usage.
To increase the College's effectiveness in attracting and retaining students, we should make significant progress on Whitman's Climate Action Plan and our goal of reaching carbon neutrality.

Reduce the number of printers across campus. People are doing more things digitally nowadays.
Ask all administrative departments how they would reduce budgets (in general, or just discretionary spending) by 10% to assess the effects of such reductions.
Limit food reimbursement for travel.
The Alumni Board could meet on campus once instead of twice per year: Savings: \$11,000
Eliminate tech licenses we no longer need.
Enhance student-staff cooperation. For example, create Communications Fellows, students who can work with communication to develop student-centered communication.
Continue to rely on virtual programming for alumni.
Continue using email and video more extensively in alumni relations after pandemic to reduce printing, event, and travel costs.
Eliminate the FALC program (Future Alumni Leadership Council). Savings: \$10,000
Reduce course fee assistance.
Reduce paper and stationery usage, recycle and reuse when possible.
Conferences and Events has a discretionary budget of \$550K and overall budget of \$987K. Are there opportunities here for efficiencies?
Eliminate the cell phone stipend.
Purchase technology and lab equipment in overstock, scratch-and-dent, and refurbished condition.
Reduce annual landscaping irrigation (example: 5% reduction) and flower budget.
Outsource payroll.
Identify current spending and standardize professional development spending for staff. Communicate clearly to staff how to access this spending.
Reconsider which administrative positions require national searches and which can be filled locally (with cost savings).
The President's Office has a discretionary budget of \$539K. Are there opportunities for efficiencies here?

Implement a surplus program to methodically sell items that the college no longer needs. According to the person who runs the surplus program at Carleton College, as of a couple of years ago, it was generating tens of thousands of dollars of revenue annually.
Leverage Whitman Investment Company (WIC) endowment fund to educate students and attract donors.
Annually recruit alumni volunteers to reach out to prospective students.
Charge for non-student access to some facilities.
Reduce turnover across positions on campus (staff and faculty) to reduce recruitment costs.
Reconsider overnight position at Library Circulation desk.
Bid out a new life insurance policy.
Move away from 100% recycled paper for <i>The Whitman Magazine</i> .
Evaluate Whitman contributions to employee health insurance plans.
Providing more work study jobs. Increase collaboration between communications and other departments, including athletics and academics. Work with the SEC and OP to target prospective students at schools with experiential learning programs.
Better manage athletics camps for college revenue.
Develop an annual Alumni Referral program in partnership with Admissions. (Admissions and AO are working on this program now.)
Video conferencing tools, such as Zoom, should be utilized to create a national platform for presenting Whitman speakers who have previously traveled across the country to speak with small audiences.
Charging for memberships to recreational facilities, such as Bratton, BFFC for community and non-Whitman use.
Health center and counseling center should bill student's insurance for services.
The alumni trips program can generate revenue. Each of the excursions to Cuba earned a \$5,000 commission for a total of \$15,000.
Provide strong incentives for faculty to compete for external grants (and/or at least remove strong disincentives). (E.g. revise Faculty Handbook Chapter VIE, and perhaps chapter VIB.)
Move to a satisficing model of admissions to minimize need for staff labor on reviewing applications.
Monetize academic content, including virtual distribution of classes or publications in academic journals.

Reevaluate mileage reimbursement.
Selling the blue seats for home basketball/volleyball games.
Merchandising and selling athletics gear on campus.
Pursue sponsorships for athletics programs.
Strategically outsource administrative and creative talent. Set up a outsource resources finder in HR. COVID has changed workforce sourcing.
Use academic programming to expand our donor base, both in terms of strategic topical areas (Black and Indigenous Studies, perhaps?) and geographically (consider how a Whitman in Seattle or domestic Crossroads course could not only interest new individual donors).
Charge a nominal fee (\$5-\$10pp) for in-person events; this will help defray the cost of venues and BEO minimums that are high. Exempt young alumni from this fee. Adding a fee has the potential to reduce the number of no-shows.
Facility rentals plays a significant role in revenue for many college athletic departments, but at this point, SSRA/athletics really does not do anything or have a plan to rent out our facilities in order for use, or even charging for facility use, even to groups across campus, to help maintain/pay for upkeep of our facilities.
Offer tuition discounts for local Walla Walla college/university students who don't plan on returning to their college campuses.
Allow individual departments to solicit donations from alumni and community members whom we interact with. (Perhaps provide specific guidelines for such solicitations? More generally, perhaps use faculty and staff in roles akin to gift officers for specific donors who have relationships with those faculty or staff?)
Perhaps a few particular collection pieces could be deaccessioned and sold with the proceeds coming in used to fund other things.
In recruiting/communications/marketing, emphasize distinguishing features of Whitman's program such as efforts to decolonize syllabi, a focus on diversifying the voices represented in collections, a new practice of land acknowledgement, and efforts to have the Marcus Whitman statue removed.
Host athletics tournaments on campus.
You would get more work for your money if some custodians were allowed to work 12am to 9am.
Replace the Science Outreach Coordinator, a staff position that plays an important role in publicizing science, which is a requirement or desideratum in many of the most prestigious science grants.

Implement need-blind admissions. What would be the cost/benefit from a recruiting standpoint to going need blind? Use parent-plus loans to fill in gaps.
Evaluate ROI of the College's membership in Independent Colleges of Washington.
Update Penrose House.
Partner with CS to create "web development fellows", also create fellows for other forms of communications ("admissions communications fellow").
Promote faculty sabbaticals, which can be partly funded by external grants and which also provide springboards for future grant applications. (Consider building some form of grant application due diligence into sabbatical applications.)
Use existing reserve budgets to bridge gaps caused by lower enrollment this year and probably the next.
Work with faculty and/or other constituencies to develop a broad range of programming (including some that would be appealing for political conservatives) for donor/alumni events. (A different policy of "The college engages too much in politics and that has alienated quite a few of our conservative donors, including current parents.")
Formalize criteria for admissions and merit aid decisions so that these can be reviewed for effectiveness in terms of yield and retention (and perhaps even academic performance).
Develop strategies to lower our admit rate. (This might be particularly important for recruiting among some populations. Anecdotally, I've found that students from China and Korea tend to write off schools with high admit rates.)
There should be a reallocation of staff positions to create an internal development communications position to tell donor stories more effectively and broadly. Avoid prominent public political actions as a College.