WHITMAN COLLEGE

RESOURCES COMMITTEE

February 29, 2024

Jeff Hamrick, Ph.D., CFA, FRM
Vice President for Finance and Administration

on behalf of
the President's Cabinet and
the President's Budget Advisory Committee

Proposed Fiscal Year 2025 Operating Budget

Budget-building process. The process of constructing the fiscal year 2025 operating budget began in August 2023 with a second close review of the college's fiscal year 2024 operating budget by the Vice President for Finance and Administration, as well as a Cabinet retreat. At this retreat, the President's Cabinet discussed a number of issues, such as:

- Budgets which, in the view of the Vice President for Finance and Administration, had not been updated in some time, or in ways that reflected emerging post-pandemic operational realities;
- The challenging and competitive environment for recruiting new undergraduate students and, in particular, the higher-than-planned discount rate for the incoming cohort of new students in fall 2023;
- Likely future challenges with budget-balancing efforts; and
- Aligning the college's operating budget as tightly as possible with recently-approved strategic priorities.

In fall 2023, all administrative and academic departments were asked to identify opportunities to reallocate existing resources as well as make requests for new funding. These requests for new funding are called "budget initiative proposals."

For fiscal year 2025, the President's Cabinet ultimately received approximately $1.35 million (inclusive of benefits) in proposed new positions and $7.5 million in one-time (for capital projects) or recurring (for operating budgets) discretionary budget requests. The overwhelming majority of these proposals were not ultimately recommended for funding in the fiscal year 2025 budget delivered to the Board of Trustees.

Cabinet officers reviewed and prioritized all requests in consultation with the President's Budget Advisory Committee. One-time requests related to capital projects were set aside and managed through a separate process; please see the document entitled "Proposal for Designations of Prospective Fiscal Year 2024 Operating Surplus" that was shared with the Resources Committee.

The President's Cabinet ranked requests and reviewed them with the President's Budget Advisory Committee (PBAC), which is composed of staff, faculty, and student representatives.

The committee then provided input on the requests, as well as key variables related to the budget such as tuition increases, financial aid, and salary increase pools.

The proposed budget for fiscal year 2025 is recommended by the President's Cabinet and reflects feedback from PBAC. The budget is consistent with the planning assumptions approved by the Resources Committee and the entire Board of Trustees in November 2023.

Strategic Priorities Addressed in the Fiscal Year 2025 Operating Budget. Note that the President's Cabinet is transforming the fiscal year 2024 operating budget into the fiscal year 2024 operating budget by way of three efforts: (A) the positions and initiatives discussed in this document; (B) budget reallocations, totalling around $3.9 million, that are documented in "VPFA True-Up/True-Down Initiative"; and (C) a proposal to designate the prospective fiscal year 2024 operating surplus for a variety of capital projects that would not normally be funded through the college's Life Cycle Program, which include the new junior/senior residential village, and which are documented in the "Proposal for Designations of Prospective Fiscal Year 2024 Operating Surplus." All of the initiatives proposed for funding in these documents were evaluated with the college's strategic priorities in mind. Some highlights, organized by strategic priority, are as follows:

1. **Investing in Whitman's People.** The compensation reports shared with the Resources Committee and the Board of Trustees in November 2023 showed that faculty salaries are about 2% to 4% below the college's peers. Staff salaries also now track, on average, at about 4% lower than the college's peers, but the differences are greater for positions in which the college primarily hires locally, given the State of Washington's very high minimum wage.

   For fiscal year 2025, the President's Cabinet is proposing compensation increase pools for both faculty and staff that total 2.5%, or $1,291,139. This figure includes the costs of additional fringe benefits (sometimes called OPE, or Other Personnel Expenses, at the college). The President's Cabinet debated, at length, the tradeoff between allocating additional budget dollars to net operating revenue contingency (in a fiscal year 2025 one-time sense) versus allocating those dollars to compensation increase pools (in a base sense). The President's Cabinet is very much aware that rates of inflation have recently been very high, that the large compensation increases for fiscal years 2023 and 2024 only partially counteract those high rates of inflation, and that trailing 12-month inflation is a little over 3%. Given anticipated challenges with balancing future operating budgets, and given the chaos introduced by the federal government's FAFSA simplification efforts, the President's Cabinet believes that compensation increase pools of 2.5% are appropriate for fiscal year 2025.

2. **Access and Affordability.** The budget includes an additional $11.32 million in unfunded and funded financial aid dollars to support the college's students; see the document entitled "Sources and Uses Report for Proposed Fiscal Year 2025 Operating Budget." This sizable increase accounts for four powerful effects: (1) truing up the unfunded financial aid budget to account for the variance between the 53.5% discount rate that was planned for the cohort of students matriculating in fall 2023 and the actual outcome of 61.2%; (2) rotating out a relatively low-discount cohort of graduating seniors; (3) while working hard to increase enrollments of higher-income students and acknowledging rapidly-increasing price competition, conservatively planning for a new cohort of

students at a 61.5% discount rate; and (4) increasing, budget to budget, the college's anticipated total enrollment by 141 students. Note that the college's overall discount rate is increasing from 52.39% (in the fiscal year 2024 operating budget) to 57.29% (in the proposed fiscal year 2025 operating budget).

In addition, approximately $95,400 is being added to student wage budgets in various departments, to both cover minimum wage increases and to increase student hours in some offices and departments. Of course, student employment supports access.

3. **Enhance Diversity, Equity, Inclusion and Anti-Racism Efforts.** A reallocation of operating budgets, primarily across the Division of Finance and Administration and documented in "VPFA True-Up/True-Down Initiative," will top off operating budgets in the Office of Admissions and Financial Aid. These top-offs will support the college's fly-in program, among other activities. The fly-in program disproportionately benefits lower-income students.

   The President's Cabinet is also recommending that the Division of Inclusive Excellence receive $140,000 in one-time budget from the prospective fiscal year 2024 operating surplus which, when combined with budget offered by the Office of the President, will transform 219 Marcus Street into Third Space, an "anchor of community" for BIPOC students and a location that will foster broader and more creative interactions between BIPOC students. The President's Cabinet is also recommending a small number of additional budget dollars to convert the recently-vacated DEIA Project Specialist position into a Senior Director of Identity and Belonging position.

4. **Enhancing Academic Excellence.** The President's Cabinet is recommending that small discretionary operating budgets be created to support the 3-2 engineering program ($1000); the social justice concentration ($2,500); and the Brain, Behavior, and Cognition program ($7,000). The President's Cabinet is likewise recommending that $13,870 in new budget dollars be allocated to digital initiatives at the Penrose Library that support academic excellence and student success. Finally, the President's Cabinet is recommending that if the prospective fiscal year 2024 operating surplus is large enough, $500,000 in one-time capital budget be allocated to support the construction of an active learning classroom at Olin Hall. This classroom will primarily serve the rapidly-growing computer science major.

5. **A Vibrant Campus Community that Supports Learning and Thriving.** The second new staff position that is proposed for fiscal year 2025 is a campus security officer; with fringe benefits, the cost of this new position is $53,352. The college has committed to adding two new campus security officer positions over time. With these additions (and without the use of overtime), the college can expect that there will always be two officers on duty at any given time – a practice expected by our insurers. In a similar vein, the President's Cabinet is recommending that $81,000 in new salary and fringe benefit budget dollars be allocated to fulfill a three-year commitment to support the addition of assistant athletics coaches throughout the college's various athletics programs.

   The Career and Community Engagement Center (CCEC) has been the beneficiary of an external grant over the past several years; this grant has largely supported student employment. The President's Cabinet is recommending that $40,000 in operating budget be allocated to continue to sustain these student jobs and the related community engagement programming.

Keeling & Associates has recently completed a review of the College's health, wellness, residential life and counseling programs, as well as other student-support functions within the Division of Student Life. Following the recommendations from that review, the President's Cabinet is recommending that the Vice President for Student Life be allocated $108,000 new compensation dollars to effect a reorganization of the health, wellness, and mental health counseling functions at the college. From this effort, the President's Cabinet expects to transform an existing position into a new Assistant Vice President for Wellness position. Finally, in this same area, the President's Cabinet is recommending a $12,000 increase in operating budget for the Leadership Education Advancement Fund (LEAF), which will primarily be used to sustain access to the Outdoor Program and make leadership opportunities available for lower-income students.

Finally, the college is adding a disability support services specialist to its Academic Resource Center. The center is manifestly understaffed; at points in time, single employees are managing the accommodations process for up to 400 students. This new specialist is one of two new staff positions that the President's Cabinet is recommending the college create for fiscal year 2025. It is an important recognition of the realities of working with contemporary students and represents a commitment to support students even after they begin their studies at the college. In this same vein, the President's Cabinet is recommending the allocation of approximately $17,000 for Blackboard Ally and GLEAN, technologies that improve access and support for students with learning disabilities.

6. **Growing Revenue.** Vis-a-vis the true-up / true-down initiative discussed elsewhere, the college is providing new budget dollars to support the Office of Admissions and Financial Aid for: (1) project management software (Wrike); (2) to purchase additional leads on prospective students; (3) to purchase more meals at the Cleveland Commons for visiting students and their families; (4) to support recruitment-related domestic travel; and (5) to expand the college's relationship with MarketView to include financial aid leveraging and consultation services.

   As part of the regular process for requesting new budget dollars, the Office of Admissions and Financial Aid requested, and the President's Cabinet supported, $20,000 to cover more (and, increasingly expensive) printing and mailing services connected to the recruitment of new students. The Office of the President has been providing the Office of Communications with $50,000 per year to support an expanded array of digital marketing strategies; the President's Cabinet is now recommending that that office be provided with recurring budget support for this activity. Both of these initiatives, if funded, will support the college's goal of growing its revenues.

7. **Sustainability.** There are no recommended requests for new base-budgeted initiatives related to the college's newest strategic priority: environmental justice, sustainability and climate action. However, the President's Cabinet has recommended a number of sustainability-related capital projects be supported out of the prospective fiscal year 2024 operating surplus. The largest of these initiatives, and the most likely to be funded if the operating surplus is sufficient in size, is an acceleration of the college's multi-year

program to replace iridescent and fluorescent lighting with LED lighting. This $630,000 acceleration has a payback period of 2-3 years and will reduce the college's future electricity costs.

Concluding Remarks. There are some new initiatives – primarily those related to risk management or maintenance of the college's technology infrastructure – that do not fit into any of the above categories. For example, the President's Cabinet is recommending $40,000 in base funding for an identity access management system, which is increasingly necessary to obtain affordable cybersecurity insurance. The President's Cabinet is similarly recommending $20,000 to fund (in the recurring sense) Zoom video conferencing software that has become commonly used at the college since the COVID-19 global pandemic. Finally, the President's Cabinet is recommending approximately $176,000 in new budget dollars to cover a range of non-discretionary increases in software licenses ranging from Ellucian Colleague to EMS, and from Adobe Creative Cloud to SignRequest (the college's digital signature solution).

In summary, the proposed fiscal year 2025 operating budget is aligned with the college's strategic priorities, which were approved by the Board of Trustees in summer 2024 after a community-wide effort to update them:

- Investing in the college's faculty, staff, and student workers;
- Accessibility and affordability;
- Enhancing academic excellence;
- Supporting strong launches after graduation;
- A vibrant campus community that supports learning and thriving;
- Growing revenues; and
- Environmental sustainability.

The college is being diligent in grappling with the challenge of a constrained envelope of resources. As discussed in the commentary associated with the five-year forward-looking budget model, the President's Cabinet is immediately reducing staff lines by engaging in a thorough review of all open staff lines each quarter. It expects to eliminate approximately 15 vacant staff positions over the next 12 months. This approach will likely result in spending significantly less on salaries and benefits than is currently anticipated in the fiscal year 2025 budget. Any surplus at the end of fiscal year 2025 would be available for designation by the Board of Trustees, as per the college's usual practice. Very little additional operating budget is being proposed that does not directly support one or more of the college's strategic priorities. Through the Upwards Together campaign, annual giving, new endowments, and current-use gifts will continue to play a critical role in providing resources for new capital projects, meeting the challenge of rising financial aid costs, and supporting academic excellence and innovation.

FISCAL YEAR 2025 PROPOSED OPERATING BUDGET PARAMETERS

	FY24 Budget	Proposed FY25 Budget Parameter
Budgeted Total Enrollment (Forecast: 1,505) (10 students = $219,000) Target Matriculants (FYFT and Transfers) (Actual Fall 2023: 465)	1409 435 FTE	1550 435 FTE
Net Operating Revenue* *Defined as tuition revenue less Whitman scholarships, plus revenues from auxiliary operations, including unrestricted student fees; also includes endowment support.	$93,722,000	$97,347,0000
Net Operating Revenue Contingency (Target: 1.25% of budget)	$1,025,000	$2,217,000* *Extra $1.0 million is on account of FAFSA-related uncertainties.
Tuition Increase (1% = $398,000)	4.90% $61,070	4.00% $63,510
Average Net Tuition Per Student** (over all students)	$29,100	$27,100
Total Net Tuition** (over all students) Discount rate Unfunded discount rate Funded discount rate	$40,981,300 54% 27% 27%	$42,056,500 57.29% 30.7% 26.59%
Average Net Tuition Per Student** (over matriculants)	$28,400	$25,200
Total Net Tuition** (over matriculants) (0.50% = $134,000) Discount rate Unfunded discount rate Funded discount rate	$12,087,600 61.2% 30.4% 30.8%	$10,963,700 61.5% 34.91% 26.59%
**Excludes federal support.		
Endowment Payout	5.0% $35,065,526	5.0% $37,139,298
Annual Fund Gifts	$3,000,000	$2,400,000
Life Cycle Contributions	(0.49%) $2,419,000	(0.50%) $2,567,000
Merit/Promotion Salary Pool for Faculty (1% = $237,000) Equity Salary Pool for Faculty	3.00% 1.00%	2.00% 0.50%
Merit/Promotion Salary Pool for Staff (1% = $277,000) Equity Salary Pool for Staff	3.00% 1.00%	2.00% 0.50%
Fringe Benefits Rate (i.e., OPE) (0.50% = $197,000)	35.5%	35.0%
Room Increase (1% = $47,000)	3.0%	3.0%
Board Increase (1% = $53,000)	3.0%	3.0%
Budget reallocations.	$346,0000	$3,917,000; see memorandum on the true-up / true-down initiative.

MEMORANDUM

TO: Resources Committee, Board of Trustees
President's Budget Advisory Committee

CC: President's Cabinet

FROM: Jeff Hamrick, Vice President for Finance and Administration

DATE: February 29, 2024

SUBJECT: True-up/true-down initiative built into fiscal year 2025 operating budget.

Context, Rationale, and Summary. It is customary for any new vice president for finance and administration to undertake several exhaustive reviews of their institution's operating budget. My reviews of the college's operating budget suggest that, both within the Division of Finance and Administration but also in other divisions, certain budgets have not been updated on account of three factors:

1. Transitions to post-pandemic realities, practices, and behaviors;
2. A period of unusually high rates of inflation that appears to be on the verge of settling down a bit; and
3. The phenomenon that naturally occurs when a longstanding and respected chief financial officer retires and the operating budget is subjected to fresh eyes for the first time in many years.

The President's Cabinet and I ("we") are proposing a package of adjustments ("true ups and true downs") to a collection of budgets across the college. The combination of increases and decreases to revenue budgets, as well as increases and decreases to expense budgets, makes the package self-funding, as summarized below:

- Favorable increases to revenue budgets: +$1,586,900
- Unfavorable decreases to revenue budgets: ($1,374,469)
- Favorable decreases to expense budgets: +$2,329,726
- Unfavorable increases to expense budgets: ($2,542,157)

The sum of these proposed changes is approximately zero and hence, these changes represent budget reallocations. The total dollar value of the budget reallocations we are proposing is approximately $3.9 million, or a bit more than 4% of the college's draft fiscal year 2025 operating budget.

Additionally, we do not expect to propose a large package of budgetary changes such as this one every year. Rather, we view this as a relatively one-off task that is a function of the three above-mentioned factors. Going forward, the college will need to occasionally effect true-ups and true-downs to budgets, but we expect to process those proposals at a more granular level as budget initiative proposals submitted through the annual budget-building process.

In the sections below, we provide some additional (and, for the reader, possibly optional) details about the true-ups or true-downs within each of the aforementioned four categories.

Favorable increases to revenue budgets. The President's Cabinet is proposing the following favorable changes to revenue budgets:

- Increasing the interest income budget on the college's current fund cash holdings from $500,000 to $1.6 million, a change of $1.1 million. Fiscal year 2024 current fund interest income is currently forecasted to come in at approximately $2.0 million.
- Creating a new 2-fund to capture current-use gifts intended for scholarships at the level of $400,000. Note that this proposal has to be viewed in connection with a proposal to true down the annual giving revenue target from $3,000,000 to $2,000,000 (see the section on unfavorable decreases to revenue budgets).
- Updating the budget for the college's share of revenues from residence hall fees (in connection with administrative support) from $198,170 to $260,000, a change of $61,930.
- Updating the budget for the college's share of revenues from food services fees (in connection with administrative support) from $84,930 to $110,000, a change of $25,070.

The sum of these four changes is the $1,586,900 figure mentioned on the first page of this memorandum.

Unfavorable decreases to revenue budgets. The President's Cabinet is proposing the following unfavorable changes to revenue budgets:

- Decrease the annual giving budget from $3,000,000 to $2,000,000, a change of ($1,000,000). This proposal should be viewed in connection with the above-mentioned proposal to create a $400,000 current-use scholarships budget supported by annual giving efforts. The college has recently fallen short of its annual giving objectives on account of a shortfall in leadership-level gifts to the annual fund, possible cannibalization from other capital campaign priorities, and now-corrected historical miscommunications between the college's development and accounting personnel.
- Decrease an internal chargeback budget connected to phone lines in residence halls from $70,000 to $0, a change of ($70,000). This proposal is connected to a proposal to reduce a parallel expense budget; see below.
- Decrease an internal chargeback budget associated with rental of college vehicles from $124,000 to $90,000, a change of ($34,000). In the aftermath of the pandemic, faculty, staff, and students are traveling less intensively and are therefore renting college vehicles less often. This proposal is connected to a proposal to reduce a parallel expense budget; see below.
- Decrease an internal chargeback budget associated with making photocopies from $90,000 to $55,000, a change of ($35,000). In the aftermath of the pandemic, faculty, staff, and students are not making photocopies as frequently or printing as much. This proposal is connected to a proposal to reduce a parallel expense budget; see below.
- Decrease a revenue budget related to a grab-bag of miscellaneous fees, rental charges, etc. from $150,000 to $120,000, a change of ($30,000). While the reasons are not entirely clear, this budget has not been met since the pandemic ended.
- Decrease the summer conferences, events, and rentals budget from $330,469 to $125,000, a change of ($205,469). Essentially, this category of revenue generation more or less collapsed after the pandemic and does not seem inclined to see a recovery in the near-term. This proposal is connected to a proposal to reduce a parallel expense budget; see below.

The sum of these changes is the ($1,374,469) figure mentioned on the first page of this memorandum.

Favorable decreases to expense budgets. The President's Cabinet is proposing the following favorable changes to expense budgets:

- In connection with the above-mentioned true-down in revenue budgeted for internal chargebacks related to telephone lines in residence halls, we are proposing to true down a linked expense budget (which covers a variety of functions) from $359,630 to $309,630, a change of $50,000.
- In connection with the above-mentioned true-down in revenue budgeted for internal chargebacks related to vehicle rentals, we are proposing to true down a linked expense budget from $148,000 to $90,000, a change of $58,000.
- In connection with the above-mentioned true-down in revenue budgeted for internal chargebacks related to photocopying and printing, we are proposing to true down a linked expense budget from $60,000 to $55,000, a change of $5,000.
- In connection with the above-mentioned true-down in revenue budgeted for summer conferences, events, and rentals, we are proposing to true down a linked expense budget from $192,944 to $70,000, a change of $122,944.
- The college would create a $1,150,000 staff compensation contraexpense budget to capture the effect of probable annual unplanned staff compensation expenditures. Currently, the college does not budget for anticipated staff compensation non-expenditures – due to vacancies, positions being deliberately held open, lags between postings and hirings, challenges filling staff positions in a timely manner, etc. This new budget would capture this phenomenon. (Faculty compensation non-expenditures are substantially small enough each year that we do not recommend budgeting for them at this time.)
- The college would lower the other personnel expense (OPE) rate from 35.5% to 35.0% and realize annual savings of $170,000. While there are some concerns that fiscal year 2025 OPE expenses might exceed budget, they would probably do so by approximately $100,000 to $300,000, and then draw down the OPE restricted reserve, which has grown in recent years to nearly $5 million.
- The college owes a bullet payment (i.e., a large payment of principal) of $36.24 million on its debt on January 1, 2029. Thanks to two generously-sized lines of debt servicing budget built into the college's operating budget, the college has been setting aside funds in its endowment in order to pay back this bullet. The amount set aside is approximately the same amount as the bullet payment due on January 1, 2029. The proposed decrease in two lines of the operating budget committed to preparing for the bullet is $763,020. The Resources Committee and Investment Committee will discuss defeasance possibilities each fall semester until fall 2028.

- A transfer out of the Vice President for Finance and Administration's contingency budget of $10,762.

The sum of these changes is the $2,329,726 figure mentioned on the first page of this memorandum.

Unfavorable increases to expense budgets. The President's Cabinet is proposing the following unfavorable changes to expense budgets:

- We are proposing to increase the expense budget set aside for reimbursement of staff moving expenses from $17,900 to $60,000, a change of $42,100. This budget has not been updated for at least a decade. Not only have staff moving expenses increased, but the longstanding policy for reimbursement of staff moving expenses – up to 7% of the first year's salary – means that this budget should be indexed to the general level of staff salaries. Finally, staff turnover has increased since the end of the global pandemic, which means that the college must more frequently provide reimbursements for staff moving expenses.
- We are proposing to increase the expense budget set aside for recruitment of staff from $43,500 to $110,000, a change of $66,500. Again, this budget has not been updated for at least a decade.
- We are proposing to increase the discretionary budget that pays for the college's audit and tax filing expenses from $155,000 to $185,000, a change of $30,000. This budget has not been updated since the college started paying more in unrelated business income tax and the federal excise tax related to having a large endowment.
- The college's current budget for all legal expenses (except for those expenses related to Title IX) is $30,000. The college has not stayed within this budget for at least a decade. (The historical practice was to clear each year's realized unfavorable variance from the operating surplus available to the trustees for designation.) The college's new vice president for finance and administration prefers for this budget to more closely resemble the recent actual annual legal expenses faced by the college. So, we are proposing to set this budget at $350,000, a change of $320,000.
- The college has historically not explicitly budgeted for banking fees, which should be viewed as a contrarevenue item connected to the college's current fund interest income. The college's new vice president for finance and administration prefers to do so, if the college is to update its interest income budget at the same time (as mentioned above, from $0 to $1,600,000). Hence, we are proposing to set this budget at $80,000, a change of $80,000 from its current value of $0.

- The college's current annual maintenance budget – the discretionary line, and not salaries and benefits for maintenance technicians – is set at $397,000. The college has not remained within this budget for the past half-decade. Accordingly, we are proposing to set this budget near its actual recent annual average values, or $800,000, which is a change of $402,778.
- The same observations can be made about the college's plant administration budget, which we are proposing to increase from $29,000 to $50,000, a change of $21,000.
- The discretionary line for the college's custodial services budget – which covers things like purchases of cleaning chemicals, mops, brooms, garbage bags, etc. – is approximately where it should be. However, we are proposing a slight change from $144,7000 to $150,000, or $5,300, to account for recent inflationary pressures.
- The discretionary line in the groundskeeping budget – which covers items ranging from small equipment purchases to gasoline to shrubs – has not been updated in a half-decade. We are proposing to update it from $67,820 to $120,000, an increase of $52,180.
- The discretionary line in the physical plant operations budget has also not been updated for several years. This budget is where the college's utilities (e.g., water, natural gas, electricity) are paid. We are proposing to update this budget to the level of actual average expenses realized over the past several years, i.e., to change it from $1,423,195 to $1,600,000, a change of $176,805.
- The property insurance budget for the college has not been updated for several years. We are proposing to update it from $409,000 to $575,000, or a change of $166,000.
- The liability insurance budgets (i.e., automobile liability, general liability, and educator's legal liability) for the college have not been updated for several years. We are proposing to update these budgets from $627,284 to $702,284, a change of $75,000. In addition to covering recent liability insurance increases, this increase will allow the college to add an additional $10,000,000 in excess educator's legal liability coverage with its reinsurer, United Educators.
- The budget that covers the supplemental insurance connected to injuries related to our varsity athletes is approximately where it should be, but needs to be slightly updated from $53,000 to $58,800, a change of $5,000.
- The admission office faces increasing overtime expenses due to regulations being promulgated by the State of Washington, including when its employees are caught traveling for longer than expected on account of a flight delay or cancellation. We are proposing to add $28,159 in salary and benefits budget to the pool from which such overtime is paid in this area.

- Like many areas, the admission office has seen rising expenses related to student employment. These increases are driven by minimum wage laws, but also by the Financial Sustainability Review, which swapped out some staff labor and replaced it with student labor. Finally, student employment expenses have increased in this office because it is more active and engaged with in-person activities in the post-pandemic environment. We are proposing to add $40,000 in expense budgets to cover this phenomenon.
- We are proposing to add $8,000 to the discretionary line in the admission office to account for its previously-unbudgeted use of Wrike, which is project management software.
- We are proposing to add $30,000 to the discretionary line in the admission office to account for the rising costs of purchasing leads that this office has seen in recent years.
- As the admission function transitions to post-pandemic realities, we are delighted that more prospective students are visiting campus more frequently. he college traditionally covers meals for these visitors, which gives the college the opportunity to showcase the Cleveland Commons. These additional meals require funding, and so we are proposing to add $26,000 to the discretionary line in the admission office to account for this heightened activity.
- In that same vein, the admission office has seen rising travel costs, both for its admission officers (who recruit across the country), its vice president (who recruits in China as well as in the United States), and to fly in students who lack the financial means to do so. We are proposing to add $40,000 to the discretionary line in the admission office to recognize these added and recent pressures.
- Finally, we are truing up the discretionary line in the admission office for a previously-unbudgeted expense; namely; that office's independent contractor support from Blue Icon Advisors. This true-up amounts to $50,000. In the future, if we are able to develop or hire internal staff who have the capacity to manage the work currently being handled by Blue Icon Advisors, we will repurpose this budget (i.e., to staff salary and benefits) accordingly.
- In the same vein as the previous item, the President's Cabinet is recommending that the college expand its relationship with MarketView (a platform providing real-time and aggregated enrollment data for both the college and its peers) to fold in both consultations and recommendations about the college's financial aid leveraging strategies. This new service will cost $50,000 per year.
- The college recently approved the creation of a new major gifts officer position that rolls up to the Vice President for Development and Alumni Relations. However, no budget was created to support travel, airfare, meals, or lodging for this gift officer. We propose to correct this oversight by adding $28,000 to the

discretionary line in the general ledger department associated with this major gift officer.

- Additionally, travel expenses (e.g., airfare, hotels, local meals, etc.) have increased for all development-related employees who travel to raise money for the college, both in general but in particular in connection with the current capital campaign. We are proposing to recognize these recent inflationary impacts by adding $12,000 to discretionary lines rolling up to the Vice President for Development and Alumni Relations.
- The college's Vice President for Inclusive Excellence (formerly, Vice President for Diversity and Inclusion) has never had a non-zero discretionary budget to cover their own office's expenses (e.g., for professional development, for programming originated at the direction of the vice president, etc.). We propose to add $25,000 to the discretionary line within this vice president's general ledger department.
- The college's varsity athletics program has consistently been over budget each year over the past half-decade. While there are a number of factors that have driven this failure to adhere to budget, key drivers include the rising expenses of travel, charter buses, airfare, food, hotels, etc. To that end, we are proposing to add $240,000 to discretionary lines throughout those general ledger departments rolling up to this program.
- The college's recent expenses related to emergency preparedness have been captured in a restricted fund which has run a negative (and growing) balance for some time. Since the college's commitment to training (e.g., Cabinet tabletop trainings) and to equipment purchases (e.g., evacuation chairs) is ongoing, the vice president for finance and administration has proposed to clear the deficit in the aforementioned restricted fund and then provide base funding for emergency preparedness for the duration. We propose to create a new departmental general ledger code related to emergency preparedness in the operating fund, and to place $100,000 in recurring annual funding in its discretionary line.
- The college has set aside some one-time funding to address accessibility-related priorities as they are identified by the College Accessibility Committee. Additionally, the Life Cycle Fund periodically and opportunistically (and, sometimes, inadequately) provides some funding to make buildings, grounds, and spaces more accessible. However, the college urgently needs an identifiable budget for managing routine small- and medium-sized accessibility initiatives. To that end, we are proposing to create a new departmental general ledger code related to accessibility projects, and to place $250,000 in recurring annual funding in its discretionary line.
- The college currently budgets in an ad hoc and one-time way whenever it must pay the (often substantial) costs of recruiting new executives (or, sometimes, mid-level administrators). We are proposing to create a general ledger

department, specifically dedicated to headhunting expenses, that will close unto itself (i.e., roll over and accumulate from year, since executive searches can be occasional and unpredictable). The initial proposed level for this budget is $125,000. This budget's rolling and accumulating balance will, as mentioned, also be used occasionally for mid-level administrator search support (e.g., an assistant vice president, an information security officer, etc.) and it may also be used to cover the costs of transitioning an executive back to the faculty.

- An increase, for what will likely be its last year of operation, in Borleske Stadium Association dues, from $80,000 to $85,000, i.e., a change of $5,000.
- A transfer into the Vice President for Finance and Administration's general office budget of $10,301.
- The balance of the various adjustments indicated throughout the rest of this document was slightly favorable, and so to have the entire set of adjustments net to zero, we are putting the remaining favorable balance of $32,034 in a new general ledger account to support the purchase of carbon offsets associated with the college's scope 3 emissions.

The sum of these changes is the ($2,542,157) figure mentioned on the first page of this memorandum.

RESOURCES COMMITTEE

February 29, 2024
Jeff Hamrick, Ph.D., CFA, FRM
Vice President for Finance and Administration

Proposal for Designations of Prospective Fiscal Year 2024 Operating Surplus

As noted in the Fiscal Year 2024 Mid-Year Operating Forecast, the college is on track to realize a sizable (e.g., between $3.7 million and $4.5 million) operating surplus for the current fiscal year. The President's Cabinet is recommending the following approach to managing the disposition of this operating surplus:

- As also noted in the Update on Funds Available for Designation and Designation Proposal, the President's Cabinet proposes that the first priority is to redirect $2,000,000 from the prospective fiscal year 2024 operating surplus towards the junior/senior residential village.

- The President's Cabinet recommends that, to the extent that the fiscal year 2024 operating surplus exceeds $2,000,000, that excess amount be allocated to the following (mostly capital) projects in the following order.

    1. Set-up costs and professional services fees connected to rolling out a new identity access management (i.e., cybersecurity) system. **$150,000**
    2. Funding to complete the renovation of the new Third Space house. **$140,000**
    3. Making a restroom in Olin Hall accessible (i.e., ADA compliant). **$165,000**
    4. Accelerating swap-outs of iridescent or fluorescent lighting for LED lighting to reduce future utility costs and support the sixth strategic priority. **$630,000**
    5. Replace a turtletop vehicle at the end of its useful life with an wheelchair-accessible turtletop vehicle. **$165,000**
    6. Renovate a space in Olin Hall to create an active learning classroom for the rapidly-growing computer science major. **$500,000**
    7. Correct a sidewalk to facilitate travel by wheelchair users from the Jewett Hall parking lot to the Olin Hall south main entryway (Ankeny side). **$120,000**
    8. Provide one-time funding for various one-time activities over the next two fiscal years that will be necessary to bring the Upwards Together capital campaign to a successful conclusion. **$400,000**
    9. First two of a total of four ramps to create wheelchair accessibility to chapter rooms at Prentiss Hall (Northeast/Kappa ramp and Southeast/Theta ramp). **$200,000**
    10. Replacement of half of the college's forty-year-old bleachers that are primarily used for graduation ceremonies. **$90,000**

11. Second two of a total of four ramps to create wheelchair accessibility to chapter rooms at Prentiss Hall (Southwest/Alpha ramp and Northwest/Delta ramp). **$180,000**
12. Replace the second of the college's forty-year-old bleachers that are primarily used for graduation ceremonies. **$120,000**
13. Replace two Facilities Services vehicles with electric work carts. **$60,000**
14. Install card access and door assists at the east entrance to Olin Hall; this is an accessibility project. **$50,000**
15. New waste disposal and recycling containers across campus; the college is hoping that this project will be funded by the firm that secures a contract with the college for pouring rights over the next 5 years. **$50,000**
16. Three new athletics scoreboards; the college is hoping that this project will be funded by the firm that secures a contract with the college for pouring rights over the next 5 years. **$210,000**

Proposers of projects not funded at the close of fiscal year 2024 will be invited to re-submit their proposals, with appropriate updates, in future fiscal years. A report will be made to the Resources Committee of the Board of Trustees in fall 2024 concerning the extent to which the above projects were able to be funded from the fiscal year 2024 operating surplus.

CURRENT FUND SOURCES	2022/2023 Approved Budget	YTD Percent	2022/2023 Actual	2023/2024 Approved Budget	YTD Percent	2023/2024 Projected
Full-time equivalent students	1,488		1,448	1,409		1,501
Annual tuition charge	58,200			61,070		
Annual tuition increase	4.75%			4.94%		
Discount rate	50.96%		49.00%	52.39%		53.90%
TUITION & FEES	86,617,516		84,302,474	86,069,884		91,690,839
LESS UNRESTRICTED FINANCIAL AID	(32,673,676)		(30,029,443)	(31,746,937)		(36,120,353)
LESS RESTRICTED FINANCIAL AID	(11,466,013)		(11,253,363)	(13,341,595)		(13,341,595)
SUBTOTAL INSTITUTIONAL AID	(44,139,689)		(41,282,806)	(45,088,532)		(49,461,948)
NET TUITION REVENUE	42,477,827	54%	43,019,668	40,981,352	49%	42,228,891
INSTRUCTIONAL FEES	376,237	0%	445,985	376,235	0%	390,400
THE WHITMAN FUND GIFTS	2,800,000	4%	1,875,485	3,000,000	4%	1,181,932
FEDERAL FINANCIAL AID	330,000	0%	319,109	330,000	0%	326,089
ENDOWMENT INCOME	30,779,307	39%	30,779,307	35,065,526	42%	35,050,101
INVESTMENT INCOME	0	0%	1,782,792	500,000	1%	2,500,000
MISCELLANEOUS INCOME	188,000	0%	146,840	163,000	0%	139,284
ASWC FEES	596,893	1%	588,954	614,800	1%	602,981
SPONSORED PROGRAMS	425,000	1%	43,314	425,000	1%	8,169
AUXILIARY TRANSFER	1,119,240	1%	1,119,240	1,519,240	2%	1,519,240
SUBTOTAL EDUCATION & GENERAL	79,092,504	100%	80,120,693	82,975,153	100%	83,947,089
RESIDENCE HALLS	4,569,093	44%	5,356,090	4,706,166	44%	5,700,500
FOOD SERVICE	5,186,082	50%	6,277,171	5,341,665	50%	6,750,100
BOOKSTORE	0	0%	19,103	40,000	0%	26,100
OTHER AUXILIARY	672,397	6%	453,268	658,828	6%	457,900
SUBTOTAL AUXILIARY	10,427,572	100%	12,105,631	10,746,659	100%	12,934,600
TOTAL CURRENT FUND SOURCES	89,520,076		92,226,324	93,721,812		96,881,689

CURRENT FUND USES

Faculty salary change	6.50%			4.00%		
Staff salary change	6.50%			4.00%		
Fringe benefit rate - OPE	35.50%			35.50%		
INSTRUCTION	29,955,968	39%	29,185,128	31,096,543	39%	30,892,777
ACADEMIC SUPPORT	9,406,438	12%	9,876,966	9,999,228	12%	10,288,613
SPONSORED PROGRAMS	432,717	1%	38,509	434,698	1%	9,366
STUDENT SERVICES	12,092,251	16%	12,478,126	13,055,945	16%	12,766,195
INSTITUTIONAL SUPPORT	14,270,885	19%	13,839,530	15,227,124	19%	14,945,517
PHYSICAL PLANT	10,423,280	14%	10,575,404	10,613,008	13%	10,589,098
FEDERAL FINANCIAL AID	180,000	0%	244,207	180,000	0%	118,000
SUBTOTAL EDUCATION & GENERAL	76,761,539	100%	76,237,870	80,606,546	100%	79,609,565
RESIDENCE HALLS	3,601,058	38%	4,099,835	3,723,474	39%	5,039,554
FOOD SERVICE	5,096,082	54%	6,349,411	5,248,965	54%	5,487,690
BOOKSTORE	0	0%	564	0	0%	1,156
OTHER AUXILIARY	672,397	7%	459,582	698,827	7%	405,410
SUBTOTAL AUXILIARY	9,369,537	100%	10,909,392	9,671,266	100%	10,933,809
SUBTOTAL OPERATING EXPENSES	86,131,076		87,147,262	90,277,812		90,543,374
CAMPUS REPLACEMENT RESERVE	1,282,930	55%	1,282,930	1,343,608	56%	1,343,608
AUXILIARY REPLACEMENT RESERVE	1,044,070	45%	1,044,070	1,075,392	44%	1,075,392
SUBTOTAL REPLACEMENT RESERVE	2,327,000	100%	2,327,000	2,419,000	100%	2,419,000
OPERATING REVENUE CONTINGENCY	1,062,000			1,025,000		
TOTAL CURRENT FUND USES	89,520,076		89,474,262	93,721,812		92,962,374
NET SOURCES / (USES)	0		2,752,062	(0)		3,919,315
Net surpluses and contingencies to be designated			(1,391,191)			(2,272,539)
Net surpluses and contingencies to be designated by Trustees			(1,222,667)			(721,378)
Department net (surplus) / deficit			(138,204)			(925,398)
Auxiliary net (surplus) / deficit			0			0

RESOURCES COMMITTEE

February 29, 2024
Jeff Hamrick, Ph.D., CFA, FRM
Vice President for Finance and Administration

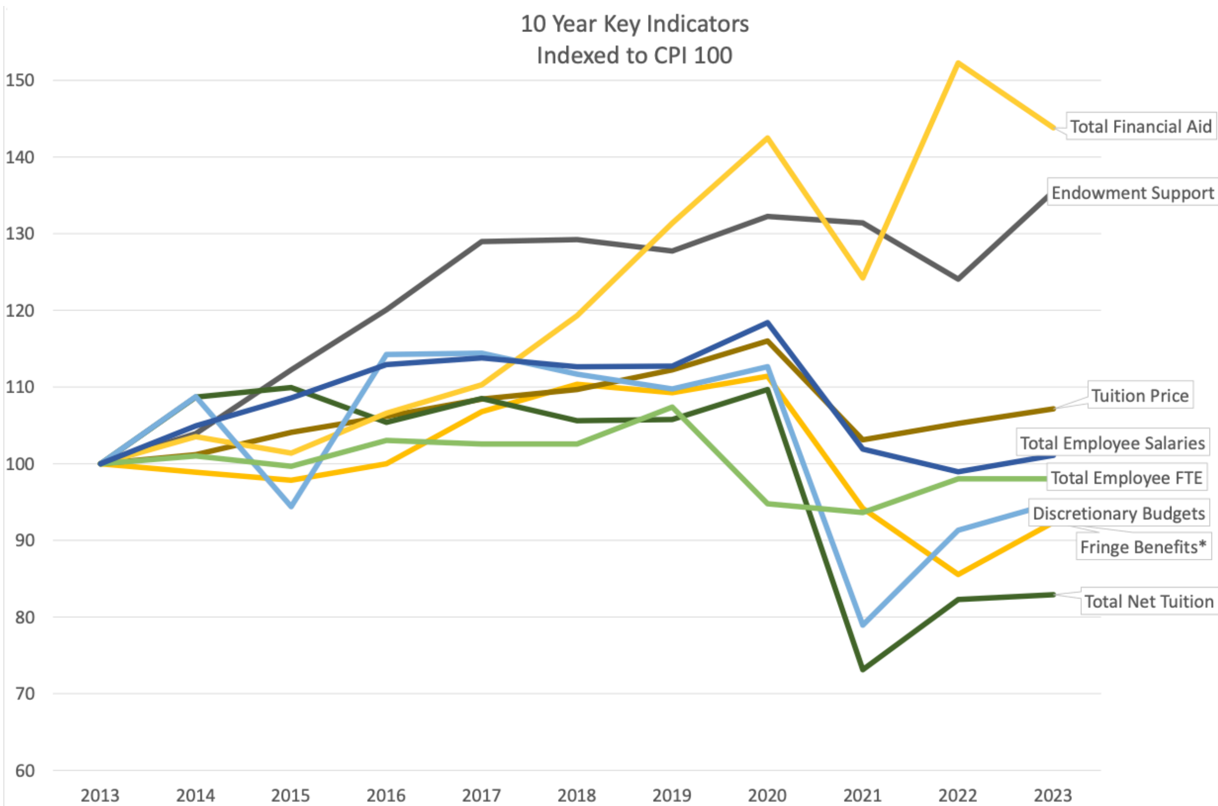
Review of 5-Year Forward-Looking Operating Budget Model

Baseline Assumptions. The attached budget model summary uses the current fiscal year 2024 operating budget as a baseline, and then projects forward using the following assumptions:

- 4% tuition increases each year, beginning with fiscal year 2025.
- 3% room and board increases each year, beginning with fiscal year 2025.
- 3% salary increase pools each year, except for the pools for fiscal year 2025, which are set at 2.5%.
- Incoming student discount rate re-set at 61.50% beginning fiscal year 2025, and then increasing by half a percentage point each year thereafter.
- 435 incoming students each year beginning fiscal year 2025.
- 35% fringe benefits rate beginning fiscal year 2025.
- 7% average annual return on endowment.
- An additional $1,000,000 added, for fiscal year 2025, to the net operating revenue contingency budget on account of the uncertainty created by the delayed federal rollout of FAFSA. (For fiscal year 2026 and beyond, the net operating revenue contingency budget remains calibrated at 1.25% of projected net operating revenues.)
- **Critically:** no other net new expenses added to the model.

Commentary on Baseline Assumptions and Model. The current version of this five-year forward-looking model of the college's operating budget is conservative in a few respects. First, the projected forward-looking return on the endowment of 7%, including for the current fiscal year, may be somewhat conservative. Second, the college has traditionally yielded more than 435 new students in years when discounting has been at relatively high levels (e.g., greater than 60%). The projected 0.50% increase in the discount rate, starting in fiscal year 2026, appears reasonable at this time, given the intense price competition for students among many of the college's peers, which has begun to impact the college significantly. At the same time, it seems reasonable to estimate the fiscal year 2025 new student discount rate at 61.5%, given the current data, as we work to continue to draw more students to the college who have higher incomes.

The model shows a balanced budget for fiscal year 2025 (undergirded by the largest net operating revenue contingency budget in the college's history). There is a projected deficit of approximately $3.7 million for fiscal year 2026 which grows to $7.5 million for fiscal year 2029.



*Fringe Benefits in FY 2021-FY 2022 were normalized to account for reduction and subsequent payback of 10% retirement contribution

As shown in the figure above (which shows a decade of inflation-adjusted values for key components of our financial model) , the largest source of the college's budgetary challenges is the downward pressure on net tuition, which has dropped by nearly 20% in inflation adjusted dollars over the last decade. This pressure arises due to intense competition on the basis of (net) price as the number of students shrinks nationwide. As just one recent example of the price competition, former President Bob Skotheim brought a student to our attention. The student has applied to the college and her family's resources are sufficient so she has no need for financial aid. President Skotheim shared that this student has already received $30,000 merit scholarship offers from both the University of Puget Sound and Lewis and Clark. Our admission folks would have awarded this student $10,000 or less in merit aid based on the student's academic record. This kind of pricing pressure drives relatively flat revenues over the next several years, despite a growing endowment.

The college's administration takes these modeled deficits for fiscal years 2026 and beyond very seriously, and is acting to address them through efforts to increase revenue and immediate actions to cut expenses. The college is also undertaking collaborative efforts on campus to engage staff and faculty in the significant changes that will be needed. In recent weeks, Vice President for Finance and Administration Jeff Hamrick has given two community-wide presentations on the draft fiscal year 2025 operating budget and the challenges facing the college in fiscal year 2026 and beyond. The President's Cabinet will soon meet with key stakeholder groups – e.g., the President's Budget Advisory Committee, the Council of Division Chairs, etc. – to firm up the structure of a multi-year budget-balancing process that is expected to begin, in earnest, in August 2024. President Bolton will discuss these plans with the Board of Trustees at the March 1, 2024 meeting, and bring an overall approach to the Board of Trustees for discussion and approval in May 2024.

As we plan for next year, the President's Cabinet is already acting to constrain expenditures in the near-term, and to set the stage for a successful budget-balancing process in fiscal year 2025 as the fiscal year 2026 operating budget is prepared. The college's faculty have already been informed that only a small fraction of currently-vacant faculty lines (or, faculty lines that are anticipated to be vacated in the near future) will likely be filled, and this approach is championed and led by the divisional chairs of the faculty. The lines held open will provide flexibility for strategic longer-term staffing decisions to be made in the fall, once the college has the Art & Science data. The President's Cabinet is also slowing down the pace at which staff vacancies are filled, by holding most lines open to the end of each quarter, at which time they are reviewed and prioritized.

The Cabinet's intent is to eliminate multiple staff lines each quarter from now through the end of fiscal year 2026. (The likely total staff line reduction is 20-25 lines.) Finally, the Vice President for Finance and Administration has committed to working with a consultant in fiscal year 2025 to analyze all of the college's non-compensation expenditures, the better to determine if the college is missing certain opportunities or not engaged in the leanest possible procurement practices.

Sensitivity Considerations. The sensitivity calculations provided by the Office of Accounting and Business Services shed light on various strategies that the college might consider as it seeks to balance the fiscal year 2026 operating budgets, and beyond.

Taking as a case study the forecasted imbalance of approximately $7.5 million for fiscal year 2029: a bit less than half of that imbalance could be eliminated by adopting a policy of 2.0% (rather than 3.0%) salary increases over the intervening period of time. Freezing the discount rate for incoming students at 61.5% would address a little over a quarter of the gap by fiscal year 2029.

Similarly, if the college could impose 5% annual tuition increases (rather than 4%) over the next five years – and, equally importantly, not increase financial aid packages commensurately over that same period of time – then it could address a little less than a quarter of the gap by fiscal year 2029. Adding 30 students to the college's total enrollment would result in a 1553-student campus rather than a 1523-student campus, and would also eliminate more than a third of the imbalance.

The challenge, of course, is that many of these approaches are very difficult to reconcile with the increasingly intense price sensitivity of students and their families – even those families with significant means. Ultimately, shaping our offerings to be compelling to students and families, so that we strengthen our value proposition, will be central to success.

Summary Observations.

- The college continues to be in a strong overall financial position. The college has a very strong Aa3 bond rating from Moody's. The forthcoming junior/senior residential village should strengthen the college's value proposition, create a sense of energy and confidence that appeals to prospective students and their families, and recapture revenue that is currently "leaking" outside of the college.

- The budgeted revenues and expenses for fiscal year 2025 and beyond are realistic; they suggest that the college is going to have to identify and to develop new streams of revenue and continue to focus on leanness in its operations.

- The college has no unfunded liabilities, including deferred maintenance. The Life Cycle Program maintains the quality of both the college's facilities and its technology infrastructure. Adequate contingencies and reserves are available to protect the college from most financial challenges, even after some restricted reserves are reallocated by the trustees to support the construction of the junior/senior residential village.

- It is critical that the college continue to make strategic investments in its people, its academic programs, and its co-curricular programs in order to ensure that the college continues to offer an outstanding educational experience which draws and inspires students – both inside and outside of the classroom.

- The college must continue to grapple with the challenge of not undertaking activities that are less relevant to its current students – and tomorrow's students.

Whitman College
Budget Model Summary

	Greater than baseline > / Less than baseline >	23/24 Approved		24/25 Estimated		25/26 Estimated	26/27 Estimated	27/28 Estimated	28/29 Estimated
ASSUMPTIONS									
Tuition Charge		61,070		63,510		66,050	68,690	71,440	74,300
Tuition Charge Increase +/- .25%		4.94%		4.0%		4.00%	4.00%	4.00%	4.00%
Total Student Enrollment Forecast		1,409		1,550		1,502	1,546	1,524	1,523
Budgeted Total Student Enrollment		1,409		1,550		1,502	1,546	1,524	1,523
Entering New Students +/- 5		435		435		435	435	435	435
Overall annual discount rate		52.39%		57.29%		59.80%	62.14%	62.70%	63.32%
New Student Discount Rate +/- .25%		53.50%		61.50%		62.00%	62.50%	63.00%	63.50%
Assumed Endowment Growth +/- .5%		-18.10%	Actual	10.67%	Actual	7.00%	7.00%	7.00%	7.00%
Unrestricted Endowment Gifts +/- $500,000		2,000,000	Actual	2,000,000	Actual	2,000,000	2,000,000	2,000,000	2,000,000
The Whitman Fund Gifts +/- $50,000		3,000,000		2,400,000		2,400,000	2,400,000	2,400,000	2,400,000
Faculty Salary Change +/- .25%		4.00%		2.50%		3.00%	3.00%	3.00%	3.00%
Staff Salary Change +/- .25%		4.00%		2.50%		3.00%	3.00%	3.00%	3.00%
Fringe Benefit Rate - OPE +/- .25%		35.50%		35.00%		35.00%	35.00%	35.00%	35.00%
MODELED SURPLUSES / (DEFICITS)		**0**		**0**		**(3,711,615)**	**(5,818,735)**	**(6,682,907)**	**(7,544,185)**

Whitman College
Budget Model Summary

	23/24 Approved	24/25 Estimated	25/26 Estimated	26/27 Estimated	27/28 Estimated	28/29 Estimated
REVENUES						
Tuition & Fees	86,069,884	98,460,944	99,197,666	106,228,259	108,874,497	113,137,788
Institutional aid	(45,088,532)	(56,404,414)	(59,315,626)	(66,014,298)	(68,259,767)	(71,637,912)
Net tuition revenue	40,981,352	42,056,530	39,882,040	40,213,961	40,614,730	41,499,876
Endowment support	35,065,526	37,139,298	36,254,292	35,881,756	36,988,013	37,638,461
All other revenues	17,674,934	18,150,800	19,287,364	19,545,454	19,863,330	20,243,201
TOTAL REVENUES	93,721,812	97,346,629	95,423,696	95,641,172	97,466,072	99,381,539
EXPENSES						
Tenure and tenure track faculty compensation	14,147,528	13,794,721	14,187,389	14,597,546	15,035,788	15,481,999
Non-tenure track faculty compensation	4,457,484	4,568,921	4,705,989	4,847,169	4,992,584	5,142,361
Staff compensation	22,015,272	22,797,266	23,457,049	24,160,760	24,885,583	25,632,150
Fringe benefits on all compensation	14,124,831	14,094,366	14,517,730	14,959,821	15,408,482	15,872,799
All other expenses	38,976,696	42,091,354	42,267,154	42,894,612	43,826,543	44,796,415
TOTAL EXPENSES	93,721,812	97,346,629	99,135,311	101,459,908	104,148,980	106,925,724
MODELED SURPLUSES / (DEFICITS)	0	0	(3,711,615)	(5,818,735)	(6,682,907)	(7,544,185)
Net change to / (from) baseline		0	(3,711,615)	(5,818,735)	(6,682,907)	(7,544,185)
SENSITIVITY						
Change staff and faculty salary pools by 1%		513,634	1,065,578	1,655,909	2,286,286	2,958,801
Change tuition charge by 1%		398,894	724,350	1,085,012	1,455,088	1,852,875
Change student FTEs by 10		219,318	425,839	639,094	858,022	889,724
Change incoming student discount rate by .50%		133,779	261,373	394,274	527,871	555,085

Assumptions

1. Gross tuition charge increases by 4% per year
2. Employee compensation increase pools are 2.5% for fiscal year 2025 but then revert to the long-term average level of 3.0% starting fiscal year 2026.
3. New student headcount goal is 435.
4. Discount rate goal for fiscal year 2025 is 61.5%, and then that rate rises by 50 basis points per year in the out years.
5. Average annual endowment rate of return of 7%.
6. Unrestricted gifts placed in the endowment, which effectively offset the endowment payout, of an average of $2,000,000 per year.
7. Whitman Fund reverting to a more sustainable steady state goal of $2,400,000 for fiscal year 2025 and beyond.
8. Fringe benefits rate adjusted from 35.50% to 35.00% for fiscal year 2025 and beyond.
9. The current endowment payout policy remains intact for all years displayed.