

WHITMAN COLLEGE

CURRENT FUND/FUND SOURCES	2013/2014 APPROVED BUDGET	%Total
Tuition & Fees	67,055,100	
Less Unrestricted Financial Aid	16,235,912	
Less Restricted Financial Aid	6,567,205	
Subtotal Institutional Aid	22,803,117	
Net Tuition	44,251,983	66%
Instructional Fees	379,616	1%
Private Gifts & Grants	1,150,000	2%
Federal Financial Aid	340,000	1%
Endowment Income	18,529,998	28%
Investment Income	50,000	0%
Miscellaneous Income	266,000	0%
ASWC Fees	499,514	1%
Sponsored Programs	410,000	1%
Transfer Income from Auxiliary	1,001,000	1%
Subtotal Operating Budget	66,878,111	100%
Residence Halls	4,097,000	40%
Food Service	4,368,000	42%
Student Center	1,187,000	12%
Other Auxiliary	668,000	6%
Subtotal Auxiliary	10,320,000	100%
Total Revenue	77,198,111	

WHITMAN COLLEGE

CURRENT FUND/FUND USES	2013/2014 APPROVED BUDGET	%Total
Instruction	25,873,447	41%
Academic Support	8,698,520	14%
Sponsored Programs	410,000	1%
Student Services	8,171,375	13%
Institutional Support	10,680,040	17%
Physical Plant	8,862,391	14%
Federal Financial Aid	180,000	0%
Subtotal Operating Budget	62,875,773	100%
Residence Halls	3,628,000	37%
Food Service	4,305,000	44%
Student Center	1,177,000	12%
Other Auxiliary	668,000	7%
Subtotal Auxiliary	9,778,000	100%
Total Operating Expense	72,653,773	
Campus Replacement Reserve	1,941,000	
Auxiliary Replacement Reserve	542,000	
Subtotal Replacement Reserve	2,483,000	
Enrollment Contingency	1,351,012	
OCS Reserve	710,326	
Total Expense	77,198,111	
Net Balance	0	

WHITMAN COLLEGE BUDGET TERMS AND PROCESS

FUND SOURCES

Net Tuition

The tuition charge increased 3.25 percent for the 2013-2014 academic year. The annual charge is \$43,150. Restricted financial aid is funded by gifts and endowment. Unrestricted financial aid is funded from the operating budget. We show these line items as tuition discount so we may better focus on net tuition income, which is the key issue for budget planning. The College's institutional aid as a percentage of tuition (what we call our discount rate) has usually been between 35 percent and 40 percent; this last school year it was 35.6 percent. Our Dean of Admission and Financial Aid uses several different strategies to manage the discount rate while at the same time recruit a strong and diverse academic class. This is one of the largest challenges facing private higher education.

Instruction Fees

Instructional fees include lab fees for certain art and science classes, private music lessons, P.E. fees for such activities as skiing, etc.

Private Gifts and Grants

These are current unrestricted annual fund gifts which are used to support the operating budget. Whitman relies on such gifts to a far lesser degree than most colleges.

Federal Financial Aid

A portion of these funds are for Federal Supplemental Educational Opportunity Grants to students and a portion pays for part of the costs of Federal Work-Study compensation for students working on campus and in the community.

Endowment Income

There are three components to endowment income: 1) income from funds managed by the College; 2) income from funds held in outside trusts; and, 3) farm income.

The calculation of endowment payout for 2013-2014 is based on the following policy set by the Trustees: 5.0 percent of the average for twelve quarters. The first quarter for the payout is September 30, 2009 and the last is June 30, 2012.

Farm income is based on a six-year rolling average of net income. Total endowment payout for the current year is \$18,529,998.

Investment Income

Investment income is the interest earned on available balances.

Miscellaneous Income

Miscellaneous income is composed of such items as vending machine income, application fees, classroom rental fees, etc.

ASWC Income

ASWC income includes fees paid by students for the student government as well as student government investment income.

Sponsored Programs

Sponsored programs are typically funded by private grants for research and other efforts, using a combination of college personnel, equipment and students to carry out the various projects.

Transfer Income from Auxiliary

Auxiliaries (residence life, food service, the bookstore, and summer conferences) pay this income to the general operating budget in order to defray their share of general support services provided by the College such as payroll, personnel, business office, insurance, etc.

Residence Hall and Food Service

Self-explanatory

Bookstore

Self-explanatory

Other Auxiliary

This includes summer programs and rental houses and equipment.

FUND USES

Instruction

These costs include faculty salaries and other direct costs for supplies and services which support teaching.

Academic Support

These are costs which support the instructional process but are not central to teaching. Examples include the Library, Instructional Media, Theatre, Art Gallery, Museum, etc.

Sponsored Programs

These are costs incurred in fulfilling the terms set by the grantor.

Student Services

These are costs to help students succeed in their academic mission. Student services offer co-curricular programs outside of the classroom. Examples of Student Services include the Health Center, Counseling Center, Admission Office, Financial Aid Office, Intercultural Center, and the Outing Program.

Institutional Support

These are administrative costs incurred to carry out the day-to-day operations of the College: the Office of the President, Human Resources, Business Office, Technology Services, Security, Development, Alumni, etc.

Physical Plant

These are the costs of managing the physical plant of the College such as Maintenance, Custodial Services and Grounds.

Federal Financial Aid

These are the costs of the Federal Supplemental Educational Opportunity Grants to Whitman students.

Residence Hall and Food Service

Self-explanatory

Bookstore

Self-explanatory

Other Auxiliary

This includes summer programs and rental houses and equipment.

Campus and Auxiliary Replacement Reserves

Funded from the operational budget, replacement reserves are set aside each year to fund a life cycle reserve. The Buildings and Grounds Committee developed a facilities spending plan to eliminate deferred maintenance and fund future life cycle replacement needs. Deferred maintenance was eliminated in the 1997-1998 year. The reserve is used to fund projects identified by the Life Cycle Committee each year. Currently, the College is reserving .80 percent of the estimated replacement value of campus buildings, building components and other infrastructure. The contribution to the reserve is reviewed annually by the Buildings and Grounds Committee.

OTHER

Faculty and Staff Salary Pools

Faculty and staff pools are each given an overall percentage increase to the respective budget bases as approved by the Trustees. Raises at the individual level in both pools are primarily based on merit. Faculty achieving an increase in rank is given an automatic percentage increase in pay. However, rank increases are based on merit so it is fair to say the faculty pool is merit based. Increases to staff are based on merit with a small portion held out for equity adjustments. Equity increases are requested by department heads for positions suffering from compression, or significantly lagging survey indicators, and are tracked and approved centrally by the Office of Human Resources.

OPE or Fringe Benefits

OPE is assessed upon all employing departments at an annual rate approved by the Trustees. The rate is management's best estimate to the costs per dollar of salary or wages for the contributions Whitman makes for fringe benefits. The largest costs are medical, retirement, social security/Medicare, and tuition benefits. At the end of the budget year the actual experience or cost incurred will differ from the overall rate charged, and such differences are charged or swept to a reserve account.

Budget Process

The budget process begins with an executive staff retreat over the summer. General goals are set and the strategic plan is updated. Using the direction provided at the retreat, the College develops a budget model to forecast operating budgets for multiple years. The model shows various scenarios for revenues and expenses associated with strategic initiatives and a sensitivity analysis of the key budget drivers (tuition, financial aid, enrollment, and salary pools)

Beginning in September, the budget officers work with their departments to develop and prioritize budget requests and reallocations.

Beginning in October, the Budget Advisory Committee (BAC) begin meeting. The BAC is comprised of students, faculty, staff and one trustee. The BAC brings input from their respective constituencies and helps prioritize budget requests as well as provide input on key budget elements such as tuition increases and salary pools.

With input from the BAC, the President and CFO recommend budget planning parameter ranges to the governing board budget committee in November. Using these ranges, and with further input from the BAC, the President and CFO work with the rest of the budget officers to balance the budget, adjusting both revenues and expenses. A proposed budget is presented to the Budget Review Committee and Trustees in February. The approved budget is then reviewed with the Budget Advisory Committee.

Comparison Groups

Panel of 13

The members of this group were chosen because they are liberal arts institutions much like Whitman College. The group contains institutions which range in various rankings both above and below Whitman. The members of the group are periodically reviewed to ensure they remain an appropriate comparison group.

Carleton College
Colby College
Colorado College
Davidson College

Dickinson College
Franklin & Marshall
Kenyon College
Macalester College

Occidental College
Reed College
Rhodes College
Union College (NY)
Whitman College

2013 Panel of 13 Benchmarking Report

Institution	US News ¹ Rank	Undergraduate ¹ Academic Reputation Index		2013-2014 ² Tuition		2013-2014 ³ Est Net Tuition		Percent ² Tuition Increase from 2012-2013		Tuition ³ Discount Rate		Endowment ⁴ Per Student		Accept ¹ Rate 2012		SAT 25th ¹ to 75th Percentile	
Carleton College	7		91		45,900		29,266		3.9%		36.24%		322,827		26%		1340 - 1520
Colby College	22		82		43,840		30,171		3.3%		31.18%		330,334		29%		1240 - 1430
Colorado College	31		78		43,812				6.0%				266,870		23%		1260 - 1420
Davidson College	9		89		42,849		19,338		5.0%		54.87%		291,226		25%		1260 - 1440
Dickinson College	45		72		46,094		29,219		3.5%		36.61%		138,589		40%		1190 - 1380
Franklin & Marshall	45		72		46,185		32,168		4.3%		30.35%		121,893		39%		1213 - 1400
Kenyon College	32		77		43,900		28,509		2.6%		35.06%		112,125		36%		1240 - 1410
Macalester College	24		81		45,167		23,302		3.9%		48.41%		305,060		34%		1270 - 1470
Occidental College	41		73		45,190		26,432		3.9%		41.51%		155,633		39%		1200 - 1400
Reed College	74		61		45,750		29,893		3.5%		34.66%		305,202		40%		1300 - 1470
Rhodes College	54		67		39,484		20,038		4.5%		49.25%		151,174		55%		1190 - 1380
Union College (NY)	41		73		46,314		27,594		3.5%		40.42%		143,812		49%		1220 - 1440
Whitman College	41	T-7	73	T-7	43,150	11	26,930		3.3%	T-11	37.59%	8	261,558	7	49%	T-11	1220 - 1440 ^{8/4}
Average	36		76		44,433		26,905		3.9%		39.68%		223,562		37%		1242 - 1431
Median	41		73		45,167		28,051		3.9%		37.10%		261,558		39%		1240 - 1430
Whitman College Percent difference from median	41		73		43,150		26,930		3.3%		37.59%		261,558		49%		1220 - 1440
	0%		0%		-5%		-4%		-19%		1%		0%		-20%		-2% 1%

1) U.S. News & World Report, 2013 issue based off academic year 2011/2012 data. (Rank - 100 highest)

2) Verified with each institution.

3) Tuition discount rate from June 30, 2012 financial statements is applied to 2013/2014 actual tuition to estimate 2013/2014 net tuition.

4) NACUBO Endowment Study 2012 based off June 30, 2012 endowment values.