

2023 - 2024 Proposed Budget

***Action Item:* Recommend approval of 2023 - 2024 budget**

BUDGET BUILDING PROCESS

The budget building process began in the summer with a retreat of the president's cabinet. The cabinet is focusing its work this year on the strategic plan priorities, including updating those priorities in preparation for the launch of the public phase of our capital campaign.

In the fall all administrative and academic departments were asked to identify opportunities to reallocate existing resources as well as make requests for new funding. Cabinet officers reviewed and prioritized all requests. The cabinet ranked requests and reviewed them with the President's Budget Advisory Committee, which is composed of representatives from Whitman staff, faculty, and students. The committee then provided input on the requests and key variables of the budget such as tuition increases, financial aid, and salary pools.

The proposed budget for 2023-2024 is recommended by the president's cabinet and reflects the input of the on-campus Budget Advisory Committee. The budget is consistent with the planning assumptions approved by the Resources Committee and the trustees in November.

Following are the key budget parameters for the proposed 2023-2024 budget:

	<u>2022-2023</u>	<u>Proposed 2023-2024</u>
Budgeted Enrollment (10 students = \$255,000)	1488	1409
Target first year & transfer students	430 FTE	435 FTE
Enrollment Contingency (2.5% of NTR)	\$1,062,000	\$1,025,000
Tuition Increase (1% = \$380,000)	4.75%	4.90%
Tuition Discount (Excluding Federal Support) (.50% = \$423,000)	50.96	52.39%
Target first year & transfer discount rate (.50% = \$126,000)	51.0%	53.5%
Gross Tuition per student	\$58,200	\$61,070
Budgeted Net Tuition per student	\$28,541	\$29,075
Endowment Payout	5.0%	5.0%
	\$30,779,000	\$35,065,000
The Whitman Fund Gifts	\$2,800,000	\$3,000,000
Life Cycle Contributions	(.49%) \$2,327,000	(.49%) \$2,419,000
Merit Salary Pool for Faculty (1% = \$238,000)	3.0%	3.0%
Equity/Promotion Salary Pool for Faculty	3.5%	1.0%
Merit Salary Pool for Staff (1% = \$260,000)	3.0%	3.0%
Equity/Promotion salary pool for staff	3.5%	1.0%
Fringe Benefit Rate (.50% = \$193,000)	35.5%	35.5%
Room Increase (1% = \$46,000)	3.0%	3.0%
Board Increase (1% = \$52,000)	3.0%	3.0%
Reallocations & growing non-student revenue	\$868,000	\$346,000

Strategic Priorities Addressed in Proposed Budget

- 1. Invest in Whitman's People:** The cabinet continues to believe investing in our people is a top priority. The compensation reports in November's materials showed faculty salaries 5.5% to 10% below our peer panels. Staff salaries are 2% to 4.5% below peer colleges, but the differences are greater for positions we hire locally given Washington's high minimum wage laws. The proposed 4% increase in salaries pools totals \$2 million in additional compensation and benefits, the largest increase in the budget. The new position added in HR this year is already enabling the college to do much more in recruiting the best available candidates and building more diverse applicant pools. HR is also enhancing retention efforts through a stronger on-boarding process for staff, supervisor training on DEIA, managing employees, and other topics. The proposed budget also includes new funding for professional development of employees by helping them chart their strengths and develop a career path for the future.
- 2. Access and Affordability:** The budget includes an additional \$1 million in financial aid to support our students. More importantly the overall discount rate is increasing from 51% to over 52%. The dollar increase is lower than expected due to the drop in budgeted enrollment next year. In addition, \$101,000 is being added to student wage budgets in various departments to both cover the rising minimum wage and to increase student hours in some departments.
- 3. Enhance Diversity, Equity, Inclusion and Antiracist Efforts:** Last year's budget included; two new program positions under the Vice President of Diversity and Inclusion; the summer fly-in program for first generation and other diverse students was fully funded in the operating budget; and funding was increased to support international students. This year \$40,000 has been added to the Admissions recruitment budget to support covering expenses of one trusted adult to visit the campus with lower socioeconomic status students who otherwise could not afford to visit Whitman. In addition \$162,000 has been added to the Off Campus Studies program fees budget to support more students studying abroad as interest increases coming out of the pandemic.
- 4. Enhancing Academic Excellence:** A \$60,000 operating budget has been created to support the new Human Centered Design program launching next year.
- 5. A Vibrant Campus Community that Supports Learning and Thriving:** A new counselling center position for health and sexual violence prevention is proposed; the budget includes ongoing funding for the pilot telehealth program launched this year; a new position in the Academic Resource Center is included to provide more tutoring and testing accommodations assistance; two new security officers are included (two more will be proposed for the following year and then the College will have two officers on duty for every shift).
- 6. Growing Revenue:** Funding is increasing to enhance admissions travel efforts. We are in year two of building into the operating budget over three years funding to support assistant coaches who are vital in athletic recruitment efforts. The budget increases annual fund gifts to support operations by \$200,000.

PROPOSED OPERATING BUDGET HIGHLIGHTS

4.0% Salary Pool (including OPE)	\$2,000,000
Increased Financial Aid	1,000,000
Student Wage Budgets	101,000
New staff position for health and sexual violence prevention	65,000
Teletherapy program for students (pilot program funded with surpluses)	36,000
New Operating Budget for Human Centered Design	60,000
New testing and tutoring coordinator position	43,000
Off Campus Studies Program Fees	162,000
Misc academic operating budget increases	25,000
Two additional security officers	79,000
1 staff to support event planning and Dean of Students Office	40,000
Admissions travel and visit scholarship program	60,000
1 staff to support increased events on campus post pandemic	42,000
1 staff to support increased technology needs in classes and events	50,000
Technology increases cyber security software, software licensing and student printing automation	147,000
Increases in a few part-time position hours	28,000
Utilities	35,000
Misc Administrative Operating Budget Increases	35,000

INITIATIVES FUNDED THROUGH SURPLUSES, GIFTS, AND NEW ENDOWMENTS

Supporting Student Internships: It is projected we will receive \$150,000 in operating gifts to support student internships.

Computer Science Position: The new Kathy Murray Endowed Chair in Computer Science will provide \$100,000 in operating support towards this position next year.

New Professorship in History: The new Goetter endowment will provide \$60,000 in operating support next year for a visiting professor focused on indigenous studies in the West.

The Don Snow Endowed Professorship: this new endowment will provide \$50,000 in operating support for an assistant professor of environmental studies.

Serrurier Life After Whitman Endowment: an additional \$75,000 in operating support from this endowment will fund a new assistant director for career mentoring programs as the next step in building out the CCEC coaching initiative.

DEI Efforts: It is projected there will be \$75,000 in gifts to the Whitman Fund to support DEI programs.

Whitman Athletics: It is projected the W Club will raise \$300,000 in gifts to support varsity athletics programs. New gifts are funding new athletic fields and a baseball clubhouse.

Sustainability: It is projected that there will be \$25,000 in gifts to The Whitman Fund designated for investments in more sustainable use of energy, water, and resources on campus.

The Walter and Katherine Weingart Opportunity Scholarship: \$500,000 in operating support to financial aid will be available to meet the full financial need for all first-year students from Washington state.

Enhanced Digital Advertising: \$50,000 in surplus funds will be used to pilot enhanced digital advertising for student recruitment.

CONCLUSION

The proposed budget invests in the top strategic priorities of the college:

- Investing in our people
- Accessibility and affordability
- Enhancing academic excellence
- Life After Whitman
- A vibrant campus community that supports learning and thriving
- Growing revenues

The College is being diligent with constrained resources, and very little in additional operating funding is being proposed beyond those associated with Whitman's strategic priorities. Fundraising plays a key role in supporting the operating budget. New endowments are supporting strategic priorities. Current fund gifts are supporting the operating budget. New gifts are helping build new athletic facilities.

Whitman College Budget Report

	2021/2022 Approved Budget	% Total	2022/2023 Approved Budget	% Total	2023/2024 Proposed Budget	% Total
CURRENT FUND SOURCES						
Full-time equivalent students	1,438		1,488		1,409	
Annual tuition charge	55,560		58,200		61,070	
Annual tuition increase	0.00%		4.75%		4.94%	
Discount rate	48.42%		50.96%		52.39%	
TUITION & FEES	79,918,651		86,617,516		86,069,884	
LESS UNRESTRICTED FINANCIAL AID	(28,586,188)		(32,673,676)		(31,746,937)	
LESS RESTRICTED FINANCIAL AID	(10,110,380)		(11,466,013)		(13,341,595)	
SUBTOTAL INSTITUTIONAL AID	(38,696,568)		(44,139,689)		(45,088,532)	
NET TUITION REVENUE	41,222,083	56%	42,477,827	54%	40,981,352	49%
INSTRUCTIONAL FEES	376,236	1%	376,237	0%	376,235	0%
ANNUAL FUND GIFTS	2,500,000	3%	2,800,000	4%	3,000,000	4%
FEDERAL FINANCIAL AID	330,000	0%	330,000	0%	330,000	0%
ENDOWMENT INCOME	27,387,965	37%	30,779,307	39%	35,065,526	42%
INVESTMENT INCOME	25,000	0%	0	0%	500,000	1%
MISCELLANEOUS INCOME	150,000	0%	188,000	0%	163,000	0%
ASWC FEES	579,508	1%	596,893	1%	614,800	1%
SPONSORED PROGRAMS	425,000	1%	425,000	1%	425,000	1%
AUXILIARY TRANSFER	1,044,620	1%	1,119,240	1%	1,519,240	2%
SUBTOTAL EDUCATION & GENERAL	74,040,412	100%	79,092,504	100%	82,975,153	100%
RESIDENCE HALLS	4,436,013	40%	4,569,093	44%	4,706,166	44%
FOOD SERVICE	5,035,031	46%	5,186,082	50%	5,341,665	50%
BOOKSTORE	846,360	8%	0	0%	40,000	0%
OTHER AUXILIARY	715,244	6%	672,397	6%	658,828	6%
SUBTOTAL AUXILIARY	11,032,648	100%	10,427,572	100%	10,746,659	100%
TOTAL CURRENT FUND SOURCES	85,073,060		89,520,076		93,721,812	

Whitman College Budget Report

	2021/2022 Approved Budget	% Total	2022/2023 Approved Budget	% Total	2023/2024 Proposed Budget	% Total
CURRENT FUND USES						
Faculty salary change			Reintstate reductions	6.50%		4.00%
Staff salary change			Reintstate reductions	6.50%		4.00%
Fringe benefit rate - OPE		37.00%		35.50%		35.50%
INSTRUCTION	28,003,276	39%	29,955,968	39%	31,096,543	39%
ACADEMIC SUPPORT	8,954,070	12%	9,406,438	12%	9,999,228	12%
SPONSORED PROGRAMS	431,526	1%	432,717	1%	434,698	1%
STUDENT SERVICES	10,900,545	15%	12,092,251	16%	13,055,945	16%
INSTITUTIONAL SUPPORT	13,308,928	19%	14,270,885	19%	15,227,124	19%
PHYSICAL PLANT	9,997,068	14%	10,423,280	14%	10,613,008	13%
FEDERAL FINANCIAL AID	180,000	0%	180,000	0%	180,000	0%
SUBTOTAL EDUCATION & GENERAL	<u>71,775,413</u>	<u>100%</u>	<u>76,761,539</u>	<u>100%</u>	<u>80,606,546</u>	<u>100%</u>
RESIDENCE HALLS	3,528,013	35%	3,601,058	38%	3,723,474	39%
FOOD SERVICE	4,945,030	49%	5,096,082	54%	5,248,965	54%
BOOKSTORE	841,360	8%	0	0%	0	0%
OTHER AUXILIARY	715,244	7%	672,397	7%	698,827	7%
SUBTOTAL AUXILIARY	<u>10,029,647</u>	<u>100%</u>	<u>9,369,537</u>	<u>100%</u>	<u>9,671,266</u>	<u>100%</u>
SUBTOTAL OPERATING EXPENSES	<u>81,805,060</u>		<u>86,131,076</u>		<u>90,277,812</u>	
CAMPUS REPLACEMENT RESERVE	1,234,000	55%	1,282,930	55%	1,343,608	56%
AUXILIARY REPLACEMENT RESERVE	1,003,000	45%	1,044,070	45%	1,075,392	44%
SUBTOTAL REPLACEMENT RESERVE	<u>2,237,000</u>	<u>100%</u>	<u>2,327,000</u>	<u>100%</u>	<u>2,419,000</u>	<u>100%</u>
ENROLLMENT CONTINGENCY	<u>1,031,000</u>		<u>1,062,000</u>		<u>1,025,000</u>	
TOTAL CURRENT FUND USES	<u>85,073,060</u>		<u>89,520,076</u>		<u>93,721,812</u>	
NET SOURCES / (USES)	<u>0</u>		<u>0</u>		<u>(0)</u>	