From: The Student Budget Sustainability Task Force

To: The Wesleyan Student Body
   President Michael Roth
   Vice President for Finance & Administration John Meerts
   University Vice Presidents

Date: Monday, December 10th, 2012

Subject: Memorandum to the Community

Part 1: Mission

The Student Budget Sustainability Task Force’s stated mission is to use all available information to evaluate the suitability of the recent move to a capped financial aid budget and need-aware admissions policy. During that process, the Task Force seeks to identify cost savings, new revenues, or budget cuts that will ameliorate the University’s financial situation and enable Wesleyan to increase its financial aid budget, raise our discount rate, restore need blind, and provide an education of the most desirable caliber and accessibility. The Task Force’s work is based on certain assumptions. First, eliminating need blind is not a necessity—it is a choice—and that in order to justify it, evidence must be compiled to demonstrate that it is the least bad choice of the given options. Second, need aware admissions is morally undesirable since it deviates from our stated common values of admitting students regardless of need (as established in Wesleyan 2020), and the University should do what it can to minimize its negative consequences by maximizing affordability and reinstating need blind admissions at a future date. Ultimately, the Task Force will produce, in addition to this set of initial items for consideration, a second document with concrete and actionable recommendations to the University that optimize Wesleyan’s potential to fulfill its mission.

Part 2: Process So Far

The Student Budget Sustainability Task Force was proposed over the summer by WSA President Zachary Malter ‘13 in light of the Administration and the Board of Trustee’s decision to eliminate need-blind admissions. After President Roth agreed to support the task force and its work, the WSA appointed members to the Task Force. They are: Kevin Arritt ‘13, Nate Campagne ‘15, Alex Japko ‘14, Chi Le ‘13, Michelle Li ‘16, Michael Linden ‘15, Zachary Malter ‘13, Lina Mamut ‘13, Jesse Ross-Silverman ‘13, Andrew Trexler ‘14, Rachel Warren ‘14.

The Task Force began its work by familiarizing itself with the university budget through meetings with Associate Vice President of Finance Nate Peters and members of the Budget
Priorities Committee. We analyzed budget documents and conducted research on relevant peer institutions, gaining a thorough understanding of the issues at hand. After educating ourselves, the Task Force met with every top university administrator, including but not limited to all the University Vice Presidents and President Roth, to gain insight about departmental budgets, with an eye for places where inessential spending could be shifted to support the financial aid budget. We also asked critical questions about how university practices such as admissions, financial aid, and fundraising would be affected by the policy shift towards need aware admissions. Last, we conducted outreach to the student body via an all-student survey and two open student fora. This memorandum represents our work up until this point and puts forward various items that we are considering in order to increase affordability. While these items are not formal recommendations, they are meant to spark conversation and debate in advance of our final recommendations.

Part 3: Items for Consideration

Note: The following items are still under consideration, subject to continuing research and review. These are preliminary recommendations only, some of which may form part of the our final report and recommendations in Spring 2013.

1. Waitlist-only need-aware model

While we consider any review of students’ finances during the admissions process to be less than optimal, applying the need-aware policy only to the wait-list could be more fair and transparent, while still allowing the University to prevent uncontrolled growth of its financial aid budget.

The major substantive difference in impact on the financial aid budget from applying need-sensitivity only to the waitlist is reduced “flexibility” in admitting a student body under a capped financial aid budget. However, according to the figures released through Wesleyan’s common data sets, the number of students admitted from the waiting list prior to the Class of 2015 was similar to the estimated number of applicants to be impacted by the proposed need-aware policy. A waitlist-only need-aware policy could allow for similar levels of financial responsibility and, by shifting the consideration of financial need to only less-optimal applicants, would be more responsible to Wesleyan’s core values.

This model offers another major advantage: the aggregate need of the admitted students (before the waitlist is used) is determinable, being that of the matriculating students, before waitlist decisions are made. As such, we can accurately be as generous with financial aid as we can afford, rather than attempting to rely on estimations and data models.
Admission would need to be cautious to ensure that Wesleyan does not under-admit in fear of running over budget. The models currently being developed for the current need-aware policy could be useful in this regard.

2. **Hire more student workers to replace staff**

We recommend that the University replace some permanent staff positions with student workers. Hiring more student workers would not only reduce the expenses of having full time staff, but also open up opportunities for students looking for work.

For example, contractors on call are paid a minimum of two hours worth of work, resulting in wasted expenditures as they oftentimes do not work for two hours or more. We propose an initiative to eliminate contracted work for grounds and facilities maintenance by encouraging students to take up these responsibilities. One model for this would be to require some amount of labor for all students on campus, compensated on a sliding scale. This would also encourage students to take ownership of the school and become more involved within the Wesleyan community. Currently, there is a group of students outside the task force working on proposals that have a similar thrust, and we will include their input in our final recommendations.

3. **Promote greater independence in residential policies**

We recommend that students are given more responsibility in maintaining their living environment, such as a standard in program houses or dormitory halls whereby the house or hall residents themselves do upkeep in public spaces; seniors can also be given responsibility for minor maintenance of their woodframes, such as opportunities to paint their own houses. Such a standard could be incentivized for students to participate by dedicating savings from not hiring custodial staff directly to the financial aid budget or the endowment for scholarships. This model could increase awareness of our financial situation and its relation to financial aid, build a stronger sense of community within residences, encourage positive group dynamics, and demonstrate that students are actively contributing to the solution of Wesleyan’s financial problems. We recommend a pilot program to test the suitability of this model.

We are also reviewing a redefinition the traditional role of RAs at Wesleyan, both in terms of responsibilities and compensation. We feel that forcing the RA’s to regulate student behavior through disciplinary actions is both unnecessary and inconsistent with the community-building values that Wesleyan promotes. A better model for the role of the RA would be one that focuses on providing practical advice, community leadership, and both curricular and social support, consistent with many of our peer schools. Given these redefined responsibilities, we also believe that RA compensation (which comes in the form of a stipend), could be reduced, and the money saved by this cut could be redirected towards financial aid.
4. Sell graduate and faculty housing units

Wesleyan currently owns a portfolio of 160 housing units that it rents out to faculty, staff, and graduate students. This housing option is seen as a draw for faculty, staff, and grad students deciding whether or not to come to Wesleyan, although concrete evidence that this weighs particularly heavily in that decision is not readily available. Because Wesleyan rents these properties at rates below the cost to maintain them, the University loses money each year by owning these properties (the annual loss has recently risen to around $500,000). Wesleyan could raise rent so that Wesleyan takes in more revenue from these holdings; alternatively, the University could sell these units off (total estimated value = $14 million) and have an external contractor rent the houses to faculty/staff/grad students.

5. Encourage teachers to take on research/scholarship based classes as a 5th credit

Transitioning from a 2-2 teaching model to a mandatory 3-2 teaching model would save the University significantly; however, we feel that this could undermine Wesleyan’s academic mission and its particular dedication to employing professors that are both exceptional teachers and exceptional scholars. Nevertheless, we recall that our 2-2 teaching model has an asterisk, noting that professors should be willing to work with students in research and independent scholarship as a sort of limited “fifth” course load, and recommend that Academic Affairs more energetically encourage this commitment amongst the faculty. We also recommend that when appropriate Academic Affairs encourage professors to teach a full fifth class (based on their research/independent scholarship or otherwise) for an additional stipend, which would reduce the number of visiting professors we’d have to hire while still not preventing our professors from engaging in scholarship. In these settings, faculty are able to continue their research, and perform that research with free assistance, but students are also able to participate and learn actively from Wesleyan’s great minds and get credit for their work. These courses would build upon the small class initiative to offer more courses taught by tenure-track faculty, but do so in such a way that saves the university money. Expanding these opportunities would allow the University to reduce its visiting professor payroll while still presenting excellent opportunities for both faculty and students.

6. Restructure administration

We recommend that Wesleyan consider restructuring the upper administration. In researching many of our peer schools, we found an array of different structures for the upper administration, several of which Wesleyan should consider for efficiency. Particularly, we encourage exploration of three possibilities. First, none of the schools we researched had a Director of Strategic Initiatives as a singular position; many schools had a merged Vice President for
Strategic Initiatives and Diversity. Second, several peer schools had a class dean specifically for freshmen plus two or three floating class deans for sophomores and upperclassmen. Third, course relief for divisional deans could be reduced.

The rapid growth of administrative personnel in higher education over the past two decades is a well-documented phenomenon. While Wesleyan has made significant cuts in recent years through attrition and other means, Wesleyan has not been exempt from this rapid growth and the University should continue to seek to innovate and lead higher education to greater administrative efficiency.

7. Explore co-curricular spending reductions

Students have provided significant feedback that ResLife and UCAB programs are poorly attended, expensive, and otherwise inefficient. Excessive programming is wasteful and creates information clutter that dilutes the experience of other events and the Wesleyan experience generally. We recommend making cuts to the ResLife and UCAB programming budgets. A cut in the programming requirement for program houses as well may allow for the elimination of some Head Resident positions in ResLife due to the reduced paperwork, ultimately resulting in cost savings.

We are reviewing the attendance Center for the Arts events to evaluate demand and the optimal level of programming. We are also researching a cross-school comparison of the same. We tentatively suggest the reduction of the subsidy for CFA programs by either reducing the number of programs or by increasing the ticket fee for students and other constituencies. Increased outreach to the Middletown community to increase awareness about our programs and to attract viewers who will pay full admission might also reduce our CFA programming cost.

8. Decrease rate of salary increase for staff and faculty making over $100,000

Faculty and staff salaries constitute a significant portion of Wesleyan’s budget. Decreasing the rate of increase would help curb spending over time. That being said, there is very little room to do this, as salary increases must be kept in line with cost-of living increases. Being known as a school who gives raises at a significantly lower rate than peer institutions may make it more difficult to get the best staff and faculty. That being said, for faculty and staff making over 100k, it may be possible to reduce the rate of salary increase without compromising the quality of personnel we attract or our rate of retention for staff or faculty. Our highest paid faculty, who would be less susceptible to cost-of-living increases, could afford to endure a decrease in the rate their salary increases, and such a proposal seems worth considering to help increase our financial aid budget.
9. Reduce athletics budget

Fifty-four percent of students responding to the Student Budget Priorities Survey favored reducing the athletic budget. While we recognize that support for athletics draw alumni donations, we recommend that more research be conducted on cost-effective ways to streamline the athletic budget.

In particular, we recommend further encouraging varsity teams to engage in more fundraising for their endeavors, turning some varsity teams into club sports teams, and reducing the money allocated to each team by a set percentage.

10. Put moratorium on building projects

Buildings are expensive (especially new buildings but also comprehensive renovations such as those recently occurred at 41 Wylys and the Butterfields). While funding for some projects may be covered entirely by gifts, others would require substantial borrowing, increasing Wesleyan’s debt levels or otherwise damaging our endowment and overall financial outlook. Furthermore, gifts that fund building projects could be dedicated more directly to stabilizing Wesleyan’s financial situation and funding scholarships that directly support our academic and social mission. We recommend that building projects focus only on major maintenance until we are able to both admit without sensitivity to need and meet full need of all those admitted, and do so.

11. Permanently end increases of student body

Given the University’s current financial situation, we do not consider the expansion of the student body to be an acceptable solution to the University’s budgetary model. While under other circumstances an expansion may be acceptable or even desirable, our budget is already stretched quite thin on a per-student basis and we see little benefit to the admittance of more students. Under a need-blind policy, the admittance of a marginal student nets the University only $28,000 in additional revenue on average after financial. If the University were to admit more students under a need-aware policy, it may be able to gain more since the students admitted would be full-pay students. However, this would exemplify one of the worse outcomes of a need-aware policy: since these extra “seats” would be only open to those who could pay full tuition and fees, such an expansion would be the equivalent to selling seats.

The expansion of the student body in recent history has only worsened problems with access to courses and class-appropriate housing. Furthermore, the over-enrollment of the Class of 2015 appears to have exacerbated the financial stress of the University because of the requisite growth of the financial budget, which has exaggerated the purported unsustainability of a need-blind policy. Based on our discussions with students, the student body would be deeply concerned
about the effects of expanding the size of the undergraduate classes. In the long term, admitting a larger student body undercuts our endowment per-student and therefore dilutes the long term fiscal sustainability of the University. Ultimately, class size will increase such that hiring new faculty and capital projects are required, mitigating any financial gains from increased class size. We therefore implore the University to not consider this as a viable option in determining the path to financial sustainability.

12. Explore innovative fundraising methods including encouraging faculty fundraising

At many other colleges and universities, faculty are either able to fundraise for their own needs or work actively with the fundraising department (University Relations in our case) to fundraise for the University, bringing a more personal connection to the University to alumni on the road. We feel that faculty and students are kept out of the fundraising process in such a way that damages Wesleyan’s overall fundraising capacity, and we would like to see these two constituencies more actively involved. While the Red and Black Calling Society is composed entirely of students, possibilities for more innovative and personal connecting with alumni, particularly that which more amply highlights the superb and pioneering work that faculty and students are performing here at Wesleyan every semester. We also encourage University Relations to actively work with faculty and students to seek out other new and unexplored fundraising methods that may be able to reach individuals otherwise disinclined to donate to Wesleyan.

13. Aggressively pursue new revenues

We recommend that the University make a more proactive effort to creatively identify projects and initiatives that maximize revenue for the University, thus allowing more money for financial aid. In particular Wesleyan could do better at profiting from its facilities during summers and breaks. Although we do have a summer session and are about to introduce a second, it is relatively short and includes few core classes, particularly in math and science. The program could also be better publicized for non-Wesleyan students and high school students. Furthermore a pre-college program taught by graduate students and junior faculty, similar to Brown’s, might be a good source of revenue as well as an important recruiting tool. A program of that sort is being adopted for online classes, and we highly encourage other opportunities to use online learning to generate revenue from outside constituencies. Much of the University's facilities also remain unused during the summer and other breaks, and we feel the university could do more to increase facilities rental and maximize usage. Last, the university should look into ways of working with faculty to generate revenue through research. Large research projects such as the Wesleyan Media Project could be capitalized upon to raise money for financial aid and while at the same time increasing the profile of Wesleyan’s faculty.
Part 4: Desired Process for Future Financial Decisions

All future financial decisions of a comparable or otherwise significant magnitude should be considered carefully over the course of an academic year. All constituencies (students, faculty, alumni, staff, etc.) should be actively consulted from the beginning of the process. These constituencies should be actively engaged at the identification of a problem, at the exploration of the problem, at the cultivation of possible solutions, at the weighing of possible solutions, at the decision on a particular solution, at the implementation of said solution, and the evaluation in the aftermath of the same. The administration has a duty to achieve consensus, if not unity, of these broad constituencies at all stages of the process in resolving issues of this significance to Wesleyan’s long-term health, core values, and mission.

We believe the University has not met this obligation in the past, as evidenced by the plethora of activism and discussion this semester that was mostly absent last year. This perceived lack of engagement has led to unfortunate tensions between the administration and the student body that have negatively impacted our community's ability to move forward to find solutions that are viewed as legitimate by the whole community.

Wesleyan has a many-decade history of decisions that were not carefully considered in the long-term, were rushed, and did not engage the thousands of brilliant minds available to it for their opinions and consideration. The time is long past that we had the wealth and the freedom from care to do so.

Part 5: Next Steps

The Task Force will gather feedback on this memorandum and meet with administrators and other relevant parties to further explore the items for consideration—their viability, desirability, and impact on the budget. We ask that the relevant administrators read and provide a response to this document in a timely manner. After considering their and other feedback, we will determine which items will be formally endorsed and constitute our final recommendations. We will also entertain new ideas and conduct further research to ensure the final recommendations are as well informed as possible.