

**Resource Source and Allocation
Financial Advisory Committee Report
Big 5 Retreat
April 12, 2010**

During the past year, the FAC has focused significant attention toward the issues of faculty salaries and the financial aid policy. Two sub-committees were tasked with gaining an understanding of the topics and with reporting back to the full committee on potential recommendations to the President on the issues. Also during the year, the committee reviewed the Sightlines Study, a report on the condition of the campus facilities, the current level of stewardship for these facilities and the future resources required to “catch up” and to “keep up” with facilities’ deferred maintenance needs and the Performance Contracting Presentation, a report on a deferred maintenance and energy-saving project that would reduce the College’s carbon footprint by 36%. When the committee began engaging in the strategic planning process later in the spring semester, these discussions led to the recognition of three issues as strategic initiatives. The three are to:

- Increase Faculty and Staff Salaries
- Stabilize and Reduce the Student Tuition Discount Rate
- Improve Campus Facility Stewardship

Strategic Initiative 1—Increase Faculty and Staff Salaries: To make compensation more competitive in order to attract and retain strong faculty and effective staff.

SWOTs

1. Addresses a recognized weakness, which is that our salaries are below the median for our peers.
2. Creates an opportunity for recognition of the College of Wooster as a premier undergraduate teaching institution.

Indicators :

- a. Initially, increase faculty salaries in all three ranks to reach the GLCA Median. Then explore other appropriate reference benchmarks next year.
- b. Hourly staff salary – Average at 50th percentile – using regional market study for hourly staff.
- c. Salaried staff salary -Average at 50th percentile using CUPA Salary Survey

Tactics to provide resources necessary:

1. Reducing administrators and staff through attrition, as appropriate
2. Increase spending from the endowment
3. Improve net tuition revenue

Strategic Initiative 2—Stabilize and Reduce the Student Tuition Discount Rate: To grow financial resources per student in order to more appropriately support our core mission.

SWOTS

1. Threat of families’ more frugal spending habits, increased price sensitivity, and focus on “cost-benefit” in college selection.
2. Threat of growing student (and family) affinity for public institutions.
3. Opportunity for more emphasis placed on recognition of Wooster as a premier teaching College making us distinctive and worth the cost.

Indicators:

- a. Previous year’s discount rate \pm 0.30%. Over time the rate should decline.
- b. Annual net tuition revenue increase (%) equals or exceeds the % tuition increase for that year.

Tactics to accomplish reduction in discount rate:

1. Revise the financial aid matrix to optimize our scholarship dollars and net tuition revenue.

2. Target student enrollment, and stabilize the size of the college at 1800 students.
3. Improve student retention rates to at least 90%.

Strategic Initiative 3—Improve Campus Facility Stewardship: To reduce our carbon footprint through targeted deferred maintenance projects helping to meet the College’s environmental responsibility.

SWOTs

1. Addresses the weakness of having outdated facilities (in areas beyond athletics and recreation).
2. Opportunity to realize significant monetary savings, and address identified priorities from prospective students for a sustainable campus.
3. Plays upon our strength in having a strong balance sheet with opportunities to leverage our assets (issue bonds to pay for improvements).
4. Opportunity to improve attractiveness to prospective students.

Indicators

1. Track actual allocation of resources to deferred maintenance against the target of an average of 25% of the Sightlines annual recommended amount (\$4 million) over 3 years.
2. Track reduction of energy consumption as measure against target of not less than 36% throughout the performance contracting project timeline.

Tactics to reduce the campus carbon footprint:

1. Implement the proposed Performance Contract.
2. Be strategic in undertaking deferred maintenance that will provide long-term energy savings.
3. Develop a strategic plan for addressing ongoing deferred maintenance.
4. Update Campus Master Plan

Principal FAC Objective Indicators determined from the Overall list.

Objective II: *To enhance the availability of the resources needed to achieve our vision*

Human Resources

1. Faculty and Staff Compensation (Are our salaries and benefits appropriate for the expectations we hold for faculty and staff, and is our compensation competitive for the markets in which we recruit faculty and staff?)
2. Staffing levels (Do we have the right numbers of faculty and staff to support our core mission?)

Financial Resources

1. Net tuition revenues (Is our aggregate net tuition revenue adequate to support us in achieving our vision?)
2. Annual Fund (The Wooster Fund) (Is the Wooster Fund appropriately supporting us in achieving our vision?)
3. Foundation and corporation grants (Is our support from foundations and corporations appropriate given our core mission and our visitors?)
4. Steadily improving endowment (Is our endowment appropriately supporting us in achieving our vision?)

Physical Resources

1. Campus Stewardship (Is our campus well-maintained and attractive?)

Objective IV: *To cultivate a campus-wide and sustainable culture of planning as an effective, collective endeavor.*

1. Strategic allocation of our financial resources (Do our budgets reflect our institutional priorities?)