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How One Campus United Behind a Budget-Cutting Effort

By Lee Gardner

A heavy dependence on tuition dollars means, for many colleges, keeping the cost for students as low as possible, to maintain enrollment. That generates little revenue growth. Net tuition revenue at private colleges is projected to increase by only 2.7 percent in the 2015 fiscal year, according to Moody’s Investors Service. At the same time, colleges must sustain and build their educational programs and student services to follow their missions and remain competitive. That often requires scaling back somewhere. Here’s how one college met that dual challenge.

The Problem
Trimming the budget
Thin margins have led many administrators to pore over their budgets, looking for savings. The process often proves painful, as faculty and staff members worry about losses and grumble over priorities. "I've never really come upon a college that had managed to bring themselves to a lower budget point without acrimony or alienation or turmoil," says Grant H. Cornwell, president of the College of Wooster, in Ohio.

Wooster is lucky—it hasn't faced unexpected enrollment declines or budget troubles in recent years—but people there know they need to stay alert. Scaling back enrollment by about 35 students, to roughly 1,900 on the campus by the 2015-16 year, makes good strategic sense, Mr. Cornwell says. (Some larger-than-expected classes in recent years had strained facilities and academic schedules.) And lowering the annual 5-percent tuition increase typical of many private institutions would help keep Wooster competitive. To achieve both, the college would try to cut about $4-million from its $80-million operating budget for the 2016 fiscal year.

Not being in crisis mode gave Wooster some breathing room, Mr. Cornwell says. He set out to scrutinize the budget for potential
savings and new revenue with the help of the entire campus. The goals, beyond finding a few million dollars to trim: "that nobody is surprised," he says, "and everybody feels like they’ve been part of the process."

The Approach
Inclusive but not democratic

Last fall Mr. Cornwell and top administrators set up a wiki with all of Wooster’s financial information for the past 20 years, plus staffing data, and made it available to faculty, staff, and students.

Then came a series of meetings with different campus constituencies, right down to the custodial staff. Mr. Cornwell and other administrators and faculty members who ran the meetings asked for suggestions on how the college could save money.

"The people who might actually have ideas about how to do things differently are not sitting in a cabinet room," the president says. "They’re on the ground in departments and divisions, doing their work, and they know where we’re doing things that aren’t smart."

In addition to compiling lists of suggestions through the meetings,
the college opened an anonymous online suggestion box. More than 170 ideas came in that way.

In some cases, the suggestions were no-brainers, like setting all printers to print on both sides of a page. Others were less obvious. Why did the college need to keep paying for a campuswide cable-television contract when most students were streaming shows on their smartphones and tablets? (That’s still under consideration.) The groundskeeping staff, Mr. Cornwell says, got "really excited" about more-efficient ways to distribute road salt and fertilizer.

With all of the ideas compiled, each division evaluated and prioritized those pertaining to it. The most promising ideas from each division were shared more broadly for review. "Every group at the college had a chance to sound off and say, This a good idea or a terrible idea," says Gregory K. Shaya, an associate professor of history.

Throughout the process, Mr. Cornwell stressed that Wooster’s ability to compete with its peers for students and to deliver on its mission could not be sacrificed for savings. Increasing class sizes, for example, would have saved money, but faculty members pointed out the damage it could do to the college’s academic
reputation. A universal student-parking fee was on the table, but students balked at absorbing another charge.

Mr. Cornwell and other top administrators made the final decisions on which ideas would inform a budget proposal to the Board of Trustees. Through all the commenting and debating, what emerged wasn’t exactly a consensus, he says, "but there was a sense on the campus about what it made the most sense to do."

**The Challenges**

**Transparency isn’t easy**

In terms of the faculty role, Mr. Shaya says he felt "relief that we were being consulted and brought into the conversation." But he still brought to the process "a certain amount of skepticism" over how much he and his colleagues would be able to participate.

In the early stages, the conversation did not always go smoothly. Faculty, staff, and students not accustomed to dealing with complex budgets needed more help than anticipated in understanding the wiki. "Transparency isn’t as easy as it sounds," Mr. Cornwell says. "It still calls for a tremendous amount of thought and effort and listening."
While the organizers had plenty of experience with strategic planning, opening that up to everyone presented new wrinkles. It sometimes felt "like we were making it up as we went along," says Susan Y. Lehman, an associate professor of physics and chair of the college’s Financial Advisory Committee.

While many ideas were not practical or to the college’s advantage (increased teaching loads, for example, could endanger Wooster’s hallmark of mentored undergraduate research), they proved revealing to participants nonetheless. If someone suggested cutting a program another person considered vital, says Ms. Lehman, "it meant that we need to communicate better why we’re doing some things."

**The Results**

**About $2.5-million in savings**

The slimmed-down budget—3 percent lower than last year’s—includes more than 100 of the campus’s ideas for cutting costs and (less often) raising revenue.

One plan for bringing in new revenue is to lease land on the campus for a cellphone tower. But most items on the list are
"micro-efficiencies," Mr. Cornwell says, such as emailing bills rather than printing and mailing them. "You feel sort of silly when you look at the list and think, Gee, we should have been doing these anyway," he says.

While the outcome and inclusive process were both good, the president says, he was disappointed on a couple of small counts.

First, finding such savings is the kind of thing a college can do only once. If Wooster's budget falters in a year or two, the college will be out of micro-efficiencies. Second, the process unearthed "no paradigm-changing ideas," Mr. Cornwell says. The proposed tweaks will help keep the college in good financial health, but they stop short of reinvention.

Still, the exercise offered good value beyond the money it saved, according to Ms. Lehman. It’s easy for a college just to keep doing what it’s used to doing. But at Wooster, she says, "all of the different divisions really looked at, What are we doing? Why do we do exactly what we do? Is this really the best way to do it?"

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