

## **A Campus Community Letter from President Kim Phipps: Prioritization at Messiah College**

April 6, 2017

Dear Colleagues,

The past decade has seen unprecedented challenges and changes in higher education. Messiah, like other colleges and universities, has been navigating a significantly shifting economic and demographic landscape to manage expenses and secure the revenue necessary to effectively fulfill our mission. Since the recession of 2008, I have been discussing this changing climate with you through State of the College addresses, President's Campus Updates, employee budget forums and campus governance discussions. Our campus community has been in an ongoing mode of making decisions about how to best prioritize and steward our financial and human resources. It has indeed become our "new normal." As an institution that is 86 percent reliant on student-generated revenue, in this challenging environment we must persist in identifying and implementing solutions to address the issues we face. Accordingly, we also continue to review, strengthen and invest in our institutional enrollment and retention strategies.

### **The challenge**

In recent years, despite having achieved first-year undergraduate enrollment goals, significant growth in our graduate programs and successful institutional fundraising, these historic enrollment challenges have resulted in a decline in our total number of undergraduate students. For example, since FY12 Messiah has experienced a decrease of 117 financial full-time equivalent (FFTE) undergraduate students even though our total enrollment has increased primarily due to graduate programs. In other words, we are serving fewer undergraduate students annually than we did just five years ago.

In my February 2017 President's Campus Update, I also shared with you that, despite meeting our new student enrollment targets for FY17, this spring we are down 28 FFTE students from our annualized FFTE goal of 2,628—due to higher-than-average three-year graduation rates combined with lower fall-to-spring retention rates (down 2-3 percent from historical rates). *This undergraduate enrollment gap puts significant strain on net tuition revenue in the upcoming fiscal year budgets.*

### **The goal**

**To help alleviate this strain on our annual operating plan, we need to achieve a total of \$1.5 million in permanent reductions by FY20, with at least half of those reductions to be implemented by June 30, 2018.** (This targeted prioritization goal assumes successful achievement of FY18 enrollment and retention targets.)

**To maintain Messiah College's short- and long-term financial vitality, we will be engaging in a prioritization effort—as already identified in the strategic plan we approved last spring—to comprehensively assess our programs, functions and processes.** The volatile external climate for undergraduate student enrollment necessitates that we exercise courage and creativity as we plan for the College's future. This effort will require significant time commitment, thoughtful analysis, and mutual respect and collaboration.

### **The process of prioritization**

Prioritization is a process in which the College reduces its ongoing operating expenses to balance with its sustainable revenue. This process will result in difficult yet necessary choices, but prioritization is essential to sustaining the long-term financial health of the College. The challenge of prioritization is that some good, valuable programs that the College created in past years when there was sufficient funding will not be sustained in their present form in our current economic realities.

**Prioritization Steering Committee**

The organization and implementation of this process will be determined by a Prioritization Steering Committee and two related task forces. The Prioritization Steering Committee, which I chair in my role as president, is comprised of:

- Randall Basinger, provost
- Kris Hansen-Kieffer, vice provost and dean of students
- Amanda Coffey, vice president for human resources and compliance
- Kathie Shafer, vice president for operations
- David Walker, vice president for finance and planning

This committee will: determine the specific budget reduction goals to be met by each task force and establish the guidelines/parameters for their work; keep the process on track; receive prioritization recommendations from each task force and provide final recommendations to President's Cabinet. From there, recommendations will be considered by College Council, with final review by the Messiah College Board of Trustees.

**Educational Program Area Task Force**

*(Representing the Provost's Division)*

- Randall Basinger, provost (chair)
- Peter Powers, dean, School of the Humanities
- Richard Roberson, dean, School of the Arts
- Caroline Maurer, dean, School of Business, Education and Social Sciences
- Angela Hare, dean, School of Science, Engineering and Health
- Bill Strausbaugh, associate provost, vice president for information and technology
- Kris Hansen-Kieffer, vice provost and dean of students
- David Hagenbuch, chair, Community of Educators
- Alison Noble, past chair, Ranked Faculty
- David Weaver-Zercher, Ranked Faculty representative on College Council
- Faith Minnich-Kjesbo, cocurricular educator representative

This group will design the analysis and research plan that will inform the specific recommendations for the budget reductions in the Provost Division that will yield the necessary savings target. The task force will submit its recommendations to the Prioritization Steering Committee for final review before being submitted to President's Cabinet.

**Administrative/Support Areas Task Force**

*(Representing the Divisions of the President, Finance and Planning, Advancement, Operations, Information and Technology Services, Enrollment Management, and Human Resources and Compliance)*

- Amanda Coffey, vice president for human resources and compliance (co-chair)
- Kathie Shafer, vice president for operations (co-chair)
- Jonathan Bert, sound and lighting
- Scott Tochtermann, finance
- Mark Templeton, development
- Robert Getty, information and technology services
- Sheryl Scaramuzzino, student involvement and leadership programs
- Heather Wisner, dining services
- Cindy Agoncillo, marketing and communications

This group will design the analysis and research plan that will inform the specific recommendations for the budget reductions that will yield the necessary savings targets within the divisions it represents. The task force will submit its recommendations to the Prioritization Steering Committee for final review before being submitted to President's Cabinet.

Additionally, as part of this administrative review process, I will be working with the Executive Committee of the Board of Trustees to conduct a review of the senior administrative structure (President's Cabinet and Provost's Cabinet) prior to June 30, 2018.

### **Guiding principles**

The Prioritization Steering Committee and both task forces will follow these principles to guide their work and to help ensure their final recommendations.

- Secure Messiah's long-term financial vitality so that our institutional mission and identity continue to be fulfilled
- Insure that students' educational experience continues to be transformational and distinctive
- Continue to invest in the collective welfare of our employees
- Focus on the common good of Messiah College, not individual departments or divisions
- Identify costs savings through creative restructuring, reduction, redirection or elimination
- Provide transparent communication throughout the process

### **Employee forums**

Design plans from the task forces (that will inform/guide their specific recommendations for budget reductions) will be shared in May as part of the employee forums scheduled below. I will be joined by David Walker and Randall Basinger for a brief presentation about prioritization, followed by an opportunity for questions and answers.

May 15 – Community of Educators prioritization forum (9-10 a.m., Parmer Hall)

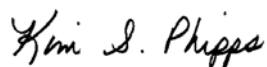
May 23 – Staff and administrative employee prioritization forum (2-3 p.m., Parmer Hall)

### **In closing**

As we experienced in Messiah's focused prioritization process in 2013, prioritization is not a "once-and-done" undertaking. To remain financially strong, we will need to continue to nurture a long-term systemic approach to balancing our expenses and revenue through an *ongoing* prioritization of resources while simultaneously increasing revenue.

Central to this entire process is a commitment to achieve a solid financial foundation for Messiah College so that we will continue to fulfill our distinctive institutional mission now and in the future. To this end, please pray for God's guidance, wisdom and grace as we engage in this important task.

With gratitude for your service to Messiah College,



Kim S. Phipps, President