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#### BETHANY ADDRESSES ONGOING BUDGET ISSUES, MAKES DECISIONS

LINDSBORG, Kan.—Bethany College continues to confront budget pressures, including a deficit in the operating budget. For the past several years, the college's operating expenses have exceeded the operating revenues.

"We have not lived within our means. That said, we are confronting our truths and defining our future. We must stop doing the same things every year and expecting a different result," wrote Bethany College President Edward F. Leonard III in a letter to members of the Bethany family.

Changes made at Bethany this month include improving financial services to students by combining the Business Office and the Financial Aid Office to create a new Student Financial Services Office. The college will also create new working models for the bookstore and campus mail by consolidating these two departments and then establishing a virtual bookstore, giving students increased access to used books. In the end, the cost of books for students will decrease and efficiencies will increase while employing more students. The college is currently exploring student healthcare service options with the Lindsborg Rural Health Clinic and the Lindsborg Community Hospital.

Bethany will also work to enhance the international student program by consolidating the international student recruitment position with the international student services position. The college will strengthen its financial leadership by combining two positions and working to fill the vacant controller position. A reconfiguration of residence life and a soft hiring freeze has been implemented, including not filling vacant positions in the custodial and grounds departments as well as enrollment services. The frozen positions will each be released as necessary.

Two positions in career services and one position in athletics have been redefined from 12 months to 10 months. Also, a technology training position will now be used on a contract basis as needed. Overall, Bethany projects to save more than \$260,000 from these changes.

“Difficult decisions have to be made to deliver on our promise to students and, more importantly, Bethany’s service to students should not be compromised by these decisions. In fact, we are striving to enhance the college’s service to students through these actions,” said President Leonard.

Bethany will continue to work toward a fundamental restructuring of its economic model to achieve long-term financial equilibrium, which includes a balanced budget and limited use of the endowment to preserve purchasing power. Also, the goal will be not to defer maintenance and other essential expenses in order to create a balanced budget. Work by the task force, Righting Our Economic Model, includes balancing the rates of change in revenues and expenses.

In addition, The Austen Group has assisted Bethany in understanding academic programs and their impact on the college’s total economic model. From the analysis, the college has identified which majors are opportunities for growth, which must operate more cost efficiently, which are performing as expected, and which require further study and discussion.

Additionally, again working with The Austen Group, Bethany has begun a similar analysis of the college’s co-curricular portfolio of programs. This analysis is based on the dimensions of demand, retention, graduation, cost effectiveness and campus contribution.

Lastly, and in the early stages of its work, a campus work group is imagining the Bethany College of the 21<sup>st</sup> century. “This is the critical next step to the college’s renaissance, once we have righted our economic model,” indicated President Leonard. This group’s work is based on the broadly popular business book, *Blue Ocean Strategy*.

Bethany College, established by Swedish Lutheran immigrants in 1881, is a college of the Evangelical Lutheran Church in America. The mission of Bethany College is to educate, develop and challenge individuals in their search for truth and excellence as they lead lives of faith, learning and service. Bethany College is on the Web at [www.bethanylb.edu](http://www.bethanylb.edu).