

The Scenario

In November 2011, the protesters of Occupy Portland were finally removed from downtown parks. A group of sympathetic Reed students invited them to move their encampment to Reed's front lawn: Thus began the Occupy Reed debacle.

Taken by surprise at this "invasion" of the campus, college authorities confronted the trespassers and asked them to leave but were loath to invite a police confrontation on campus. Protesters asked the college to allow them to stay a few days, hinting that they had another site to which they would soon move; the college reluctantly acquiesced. A sequence of fruitless negotiations ensued as the protesters repeatedly promised to find another site, but they were never able to do so and they ultimately remained at Reed for several weeks.

Many students were initially sympathetic to the protesters' cause and supported the protesters by feeding them from the scrounge line and by propping open outside doors in Old Dorm Block and MacNaughton to allow bathroom access. However, the novelty soon wore off and students in nearby dorms complained of noise and general chaos at all hours of the day and night coming from the camp. Eastmoreland residents were predictably aghast and pressured the college to evict the protesters.

Matters began to turn ugly with reports of thefts from dorms and classroom buildings, culminating with tens of thousands of dollars in losses over the Thanksgiving break when few Reedies were on campus. When students returned to find their dorm rooms stripped of valuables, the administration finally realized that it needed to end the "occupation." Portland Police were summoned to campus and asked to evict the protesters. Early in December, police surrounded the encampment and, with many Reed students and staff watching from the surrounding sidewalks, issued an ultimatum to the protesters to depart. When they refused, the police began to close in to make arrests.

The exact details of what followed are still being investigated. What is known is that some protesters forcibly resisted the police lines and that members of the police force responded with batons and tasers, leading to a wide-spread and, at times, violent melee. Several non-student protesters were seriously injured and Reed freshman Vic Timm suffered head injuries that left him in a coma, from which he has not yet (as of June 2012) emerged.

The resulting trauma had a dramatic effect on the Reed community, particularly as it occurred just as students were stressing over final exams and preparing to leave campus for winter break. A total of 150 students (including Mr. Timm) failed to return for spring semester, 90 first-years, 30 sophomores, 20 juniors, and 10 seniors. Whether these students will ever return to Reed is not currently known. The best guess is that most of the seniors and juniors will return but that the younger students are much less likely to come back. Moreover, despite an aggressive public-relations campaign and heightened admission rate, only 300 new freshmen and 20 new transfers are expected to arrive in fall 2012, about 50 below the usual target number, despite having exhausted the admissions wait list.

The Implications

The non-returning students are disproportionately full-payers. Net of financial-aid savings, the tuition cost to the college in the spring of 2012 was about \$2.5 million, plus a loss of \$500,000 on room and board operations. This has used up most of the college's accumulated reserve of "revenues in excess of expenditures." In addition, there will be a large hole in revenue for the coming years due to both the non-returning students and the shortfall of new students in Fall 2012.

Your Task

You must devise a plan for balancing the budget over the next five years under the financial constraints imposed by the current difficulties, along with a strategy for admission and financial aid going forward that will return the college to its optimal size by 2017 and provide for future operation on a financially sustainable basis. Reed's mission should be uppermost in your minds as you consider alternative ideas.

Your report should describe your plans in a narrative that discusses the effects on all sides of the college's operations: general budgetary considerations, the faculty and academic program, admission and financial aid, and public relations and fund-raising. Appendices should provide a detailed budget for 2012–13 through 2016–17 and details of your projections for such areas as admission, financial-aid, donations, and any cost elements where your projections differ from normal, baseline assumptions. (Your projections must be reasonable; you may be asked to defend them.)

Each of you will be judged on the individual section of the report for your assigned role and on the thoughtfulness, feasibility, and protection of the values of the institution/program of your approach. The assessment of the overall presentation of your team will be an evaluation of the soundness of your plan, the manner in which you defend it

and have considered your assumptions orally and in writing, and the overall “strategy” and creativity of your team's approach.

Your Resources

The budget handouts that you have received in class should provide enough information to allow you to do basic calculations. We will provide you with a “baseline” budget that reflects the college’s projections for these five years had there been no event and an estimate of how this setback will affect it under baseline assumptions. While we cannot provide the Reed budget model for you to experiment with during your discussions, Jon is willing to provide limited “consulting” services to assess feasibility once you have a basic plan. Your treasurer should coordinate all communication with Jon and should come with specific revenue and expenditure plans to be evaluated.

Your Roles

- **President:** Responsible for organizing the group, convening and running meetings, arbitrating among the various constituencies represented by group members, and coordinating preparation of the final report and presentation.
- **Treasurer:** Responsible for making sure that the budget is in balance and that the assumptions going into the budget numbers are reasonable. Also responsible for the office of human resources and non-academic staff, so must defend the interests of staff members in addition to those of the institution in general.
- **Dean of the Faculty:** Represents the interests of the academic program. Must defend the interests of the faculty and the quality and integrity of the college's curriculum and academic program. Also responsible for the library and (because we don't have a dean of students) other student support services.
- **Dean of Admission:** Responsible for recruiting the Reed student body and for maintaining or improving the quality and diversity of admitted students. Must be able to defend assumptions about student demand.
- **Director of Financial Aid:** Responsible for financial-aid budget and administration. Must estimate the effects of any changes in policies on the financial-aid bottom line and on Reed's ability to satisfy its admission goals.
- **VP for College Relations:** Must deal with the public-relations aspects of the crisis and its impact on fund-raising.

The Teams

Considerable thought has gone into the team and individual assignments. We have tried to allocate positions based on skills and interests that you have demonstrated in the class, both on written assignments and in discussions. We also considered the difficult time constraints of final-semester seniors at this time of year in assigning roles.

Team Reed:

Zach Horváth, president
Daniel Ku, treasurer
Lauren DeRosa, dean of faculty
Catherine Chen, dean of admission
Shabab Mirza, director of financial aid
Jonathan Calenzani, college relations

Team Griffin:

Michael Kincaid, president
Ben Sutphin, treasurer
Sean Howard, dean of faculty
John Iselin, dean of admission
Casey Anderson, director of financial aid
Kirin Kachroo-Levine, college relations