

## Waste and More Waste

BY JOSEPH ASCH '79, GUEST COLUMNIST  
PUBLISHED ON TUESDAY, FEBRUARY 10, 2009

---

The details of Dartmouth's administrative overspending — and where to cut waste from the budget — are there for everyone to see, if you just know where to look. Let's start on the College Controller's Office web page, where you can review Dartmouth's annual accounts.

When James Wright became College president in 1998, the "Administrative Support" line in the audited Statement of Operating Expenses showed spending of only \$14,183,000.

But irresponsible budgeting began immediately: administrative costs jumped 19 percent in the 1999 fiscal year, and rose each year after that. Several years had increases of over 20 percent — including, by the way, the year in which the athletic department tried to cut the swim team.

By 2007, spending on administrative support was up to \$32,608,000. That's a jump of 130 percent over nine years, a period during which the U.S. Department of Labor's inflation calculator showed a total increase of only 27 percent.

However, those increases were just appetizers leading up to last year's budgetary binge. After endowment gains of 11 percent, 14 percent and 22 percent in 2005, 2006 and 2007 respectively, the administration decided to really let the good times roll. From \$32,608,000 in 2007, outlays for administrative support in fiscal 2008 shot up to \$47,398,000 — an increase from one year to the next of 45.4 percent, in a year when inflation was only 2.45 percent!

Of course, of that \$14,790,000 increase, about \$2,000,000 was devoted to legal fees relating to the alumni lawsuit, but even subtracting those costs, you are left with a budget jump of 39.2 percent.

So where did all the money go over the last decade? It's hard to know exactly because, unlike state universities, the College keeps the details of its budget secret. But clues abound.

For instance, if you examine the evolution of Dartmouth's personnel directory from 1997 to 2007, you will find that every administrative office has increased its headcount dramatically.

In 1997, the President's Office numbered 6.5 full-time employees; 10 years later there were 10.

During that time period, the Dean of the Faculty Office went from 14 to 28 full-time employees. The Dean of the College Office went from 16 to 26; the Provost's Office went from 6.5 to 11.5; and the combined headcount of the First-Year Office, the Office of Student Life and the Office of Residential Life went from 26.5 to 47.

These figures are examples of growth within departments; they do not include what the McKinsey & Co. report of April 25, 2006 called "shadow organizations" — added College structures that duplicate the work of dysfunctional parts of the bureaucracy.

All of these bureaucrats receive generous salaries, but their paychecks are only a fraction of the total cost of their presence. Beyond wages, one must take into account the cost of office space, technology and support, professional training and conferences. Additionally, the College's astoundingly expensive benefits package adds about 45 cents onto each dollar of salary paid out to bureaucrats.

Add all this up and you begin to understand why there is no money left to add professors to our many over-subscribed academic departments.

However, once you integrate the above observations into your thinking, solving the current budget crisis becomes easier. A first step: roll back all of the absurd and wasteful spending increases from the last year. Secondly, move on to peeling away the accretions of the last decade; they have added nothing to the school. In doing so, not only will you save enough money to balance the College's budget, you'll have enough cash left over to hire new professors so that students don't get turned away from desired courses.

Today, Dartmouth College is being run as ploddingly as was General Motors in the 1970s: administrative costs go up each year, even as quality goes down. We have virtually the same number of students, faculty and alumni as we did 10 years ago; why do we need all these extra administrators?

The answer is: we don't. Dartmouth had higher rankings a decade ago, and back then students got into their courses with no waitlists or over-subscriptions.

When you reach a certain level of age and experience, you can see poor performance for what it is. The administration's endless protestations of excellence are no more than hollow PR. Dartmouth has just endured 10 years of lurching incompetence and wasteful spending.

But don't take my word for it: the administration's own numbers tell the whole story.