

# Financial Operating & Capital Plan Reviews FY 2011



## Budget Forum

March 5, 2010

## Overview of Economic Conditions and Impact on the University

- Affordability
- Endowment Performance
- Financial Aid

# University Budget Council (UBC)



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Philip Riley	President-elect, Faculty Senate
Michael Sexton	Vice Pres. for Enrollment Management
Atom Yee	Dean, College of Arts & Sciences

## Enrollment, Tuition, & Financial Aid

- Undergraduate Program
  - Increase budgeted enrollment levels to current and prior years actual enrollment level
  - Moderate tuition rate increase
  - Maintain financial aid support levels
  - Establish enrollment contingency reserve
- Graduate and Professional Programs
  - Maintain enrollment levels
  - Modest Law School & Graduate tuition increases
  - Manage financial aid to support enrollment goals and to address increased student need

## Faculty & Staff Compensation

- Moderate increases for faculty & staff salaries
  - No planned faculty or staff reductions
- No new faculty or staff positions
  - Exception for faculty positions supporting increased enrollment
- Staff vacancies review
  - Filling of vacant staff positions limited to positions that meet strategic needs
  - Maintain disciplined vacancy management process

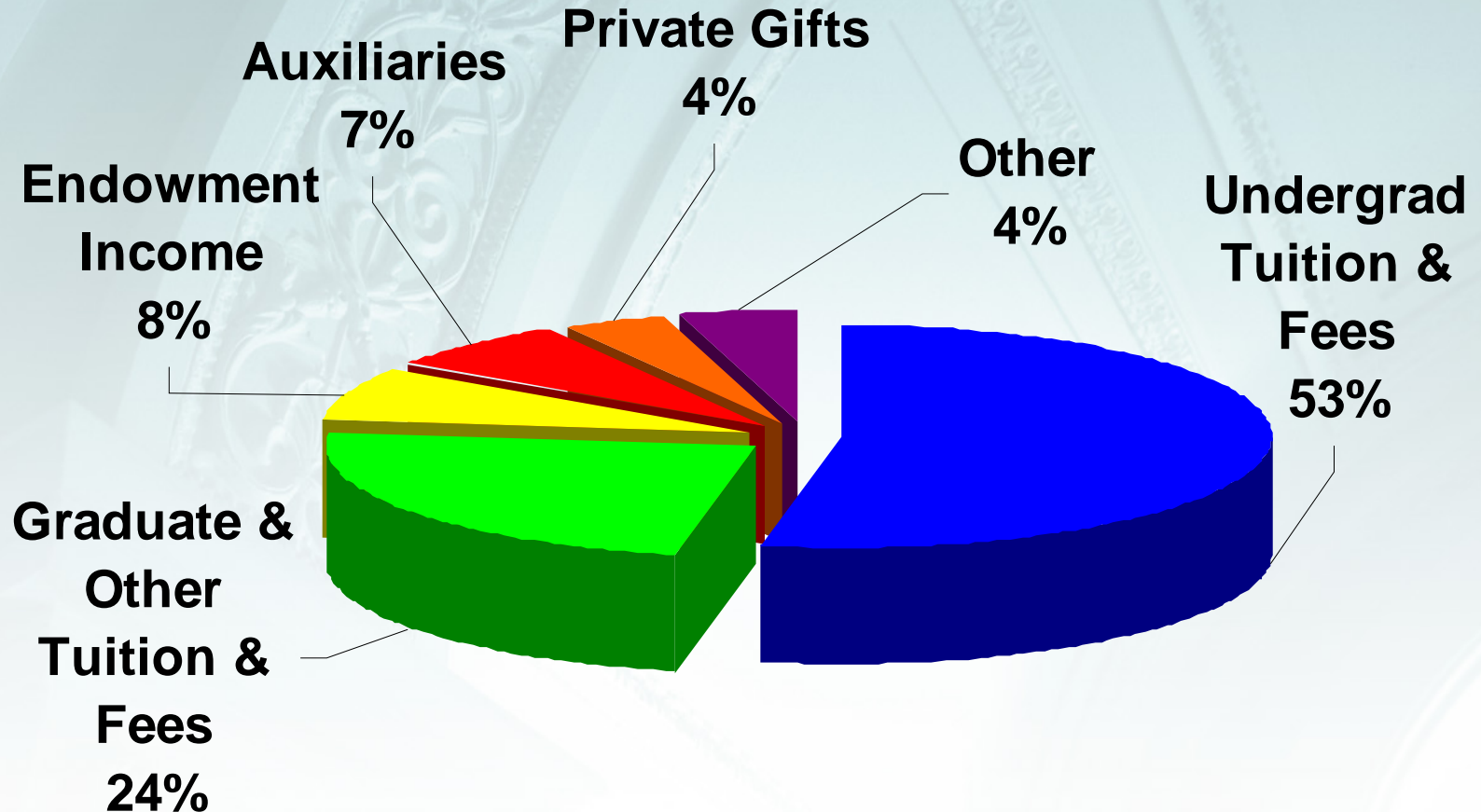
## Department Operating Expenses

- Budget for departmental expenditures held to current budget levels, except for additional operating requirements to support undergraduate and graduate enrollment increases

## Retained Equity

- Establish contingency reserves for undergraduate enrollment and financial aid challenges, endowment spending shortfalls, and the Jesuit School of Theology

# FY 2011 Revenue Budget



**Total: \$346.1M** (includes JST)

# Revenue Assumptions



## Undergraduate Program

- Increase budget to 4,800 full time students
  - Similar to prior years actual enrollment
  - Continue to manage Study Abroad participation
- 3.6% Undergraduate Cost of Education increase
  - Composite Tuition, Room & Board rate increase
- Financial aid to support enrollment goals
- Establish enrollment contingency reserve
  - Address new freshman enrollment challenges
  - Retain continuing students

## Graduate & Professional Programs

- Stable enrollment for most programs
  - 14% Engineering program enrollment increase
- 3.5% Law School and other Graduate programs tuition rate increase

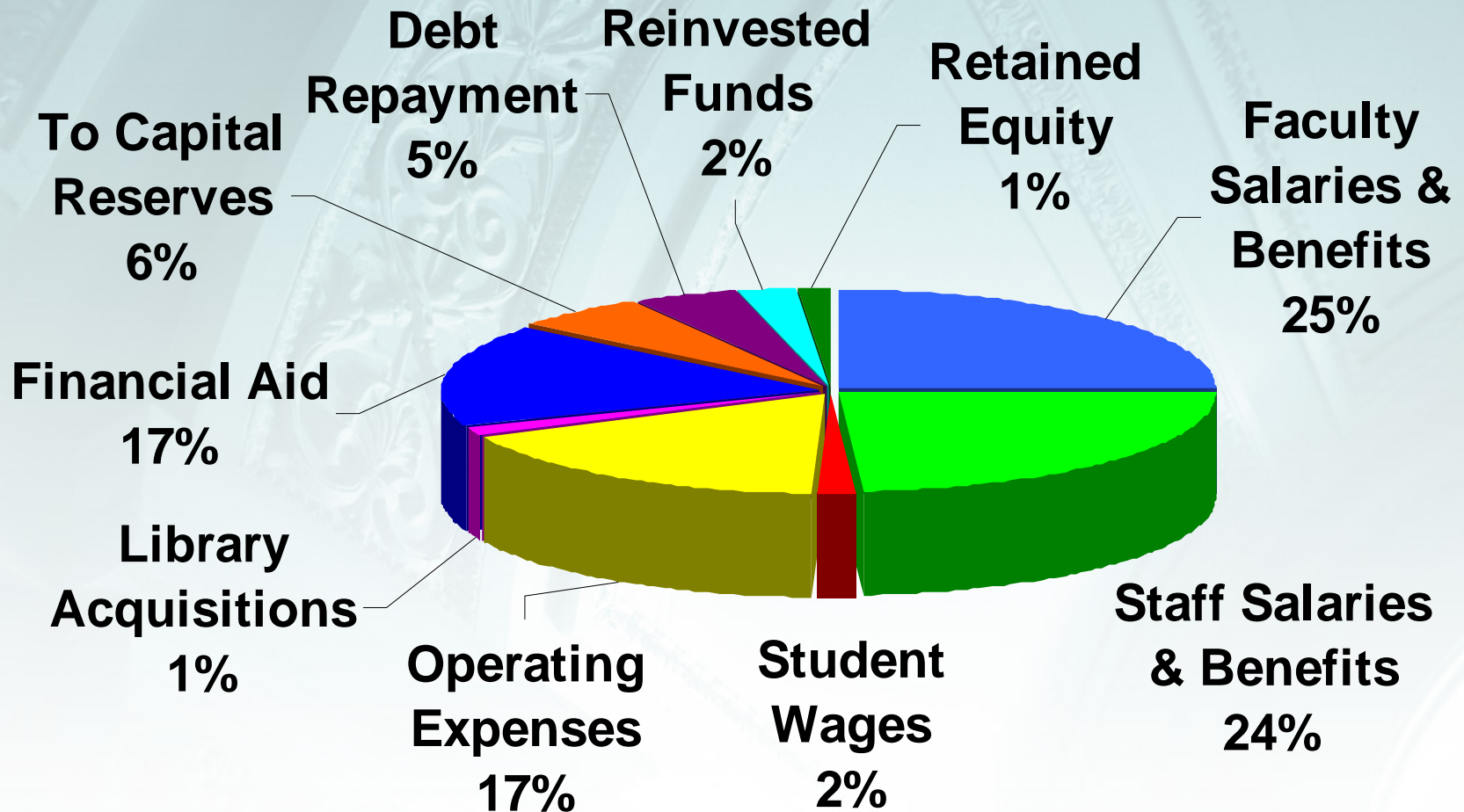
## Endowment & Private Gifts

- Absorb impact of 'underwater' endowments
- 5% increase projected for general gifts;  
\$400K increase expected for the Santa Clara fund

## Other

- Moderate increased revenue projected

# FY 2011 Expense Budget



**Operating: \$333M** +\$8.5M Reinvested +\$4.6M Retained  
(includes JST)

# Expense Assumptions



## Faculty & Staff Compensation & Benefits

- 2% average salary increase pool
- Additional funding for faculty salary budget to support increased undergraduate enrollment
  - Faculty position increases pending Capacity Study
  - Limited funding for market and equity adjustments and faculty promotions
  - Additional funding for Faculty Housing Program

## Operating Expenses

- Hold Department Operating Budgets at current levels
  - Continue to reallocate resources from non-strategic activities to higher priority requirements and programs

## Financial Aid

- Provost Office working with Enrollment Management, Deans, and University Relations to:
  - Achieve greater strategic alignment between financial aid and enrollment goals
  - Support enrollment goals

## Retained Equity

- Enrollment and financial aid contingency to support undergraduate enrollment
- General University contingency for endowment spending and revenue shortfalls
- Contingency for Jesuit School of Theology and unanticipated expenses
- Continue one-time financial aid contingency funded from gifts to address continuing student need due to financial hardship

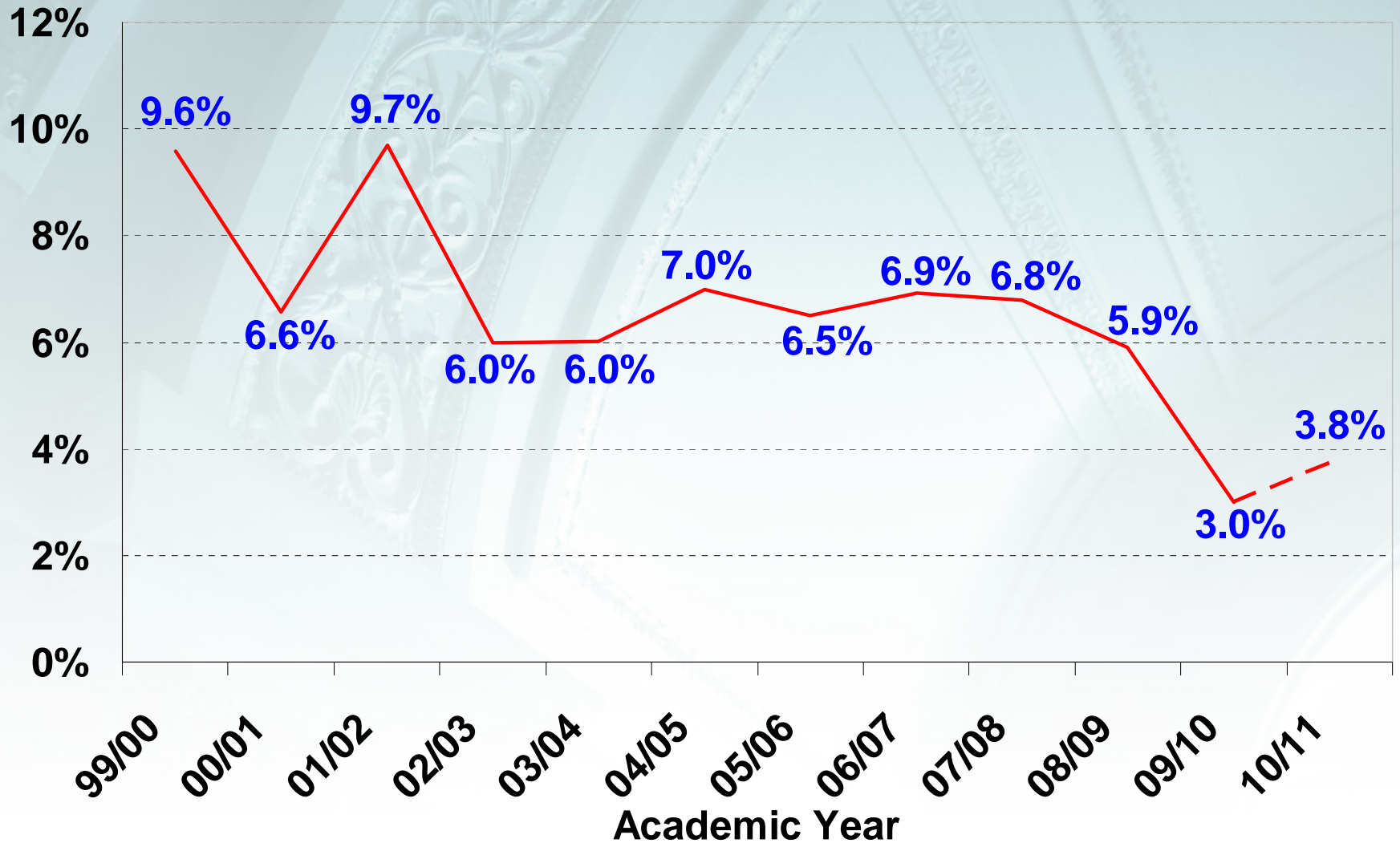
# Capital Budget Assumptions



## Capital Renewal & Improvement

- Facilities
  - Capital renewal funds for new facilities gradually phased in over 4 years to mitigate budget impact
  - Major capital improvement project for Donohoe building
- Technology
  - Reduce capital spending pending review of priority technology requirements
- Auxiliaries
  - Major Swig Hall renovation planned
  - Market Square renovation planned

# Undergraduate Tuition Rate Increases



# FY 2011 Operating Budget - \$ in Millions

*Includes Jesuit School of Theology*



<b>REVENUE</b>	<b>TUITION &amp; FEES</b>	<b>267</b>
	<b>ENDOWMENT INCOME</b>	<b>26</b>
	<b>AUXILIARIES</b>	<b>25</b>
	<b>PRIVATE GIFTS</b>	<b>13</b>
	<b>OTHER</b>	<b>15</b>
	<b>TOTAL REVENUE</b>	<b>346</b>
<b>EXPENSE</b>	<b>FACULTY SALARIES</b>	<b>64</b>
	<b>STAFF SALARIES</b>	<b>61</b>
	<b>STUDENT WAGES</b>	<b>6</b>
	<b>TOTAL SALARIES &amp; WAGES</b>	<b>131</b>
	<b>BENEFITS</b>	<b>44</b>
	<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>175</b>
	<b>OPERATING EXPENSES</b>	<b>59</b>
	<b>LIBRARY ACQUISITIONS</b>	<b>5</b>
	<b>FINANCIAL AID</b>	<b>58</b>
	<b>DEBT REPAYMENT</b>	<b>16</b>
	<b>TO CAPITAL RESERVES</b>	<b>20</b>
	<b>TOTAL EXPENSE</b>	<b>333</b>
<b>CURRENT OPERATIONS NET</b>		<b>13</b>
	<b>RETAINED EQUITY</b>	<b>5</b>
	<b>REINVESTED FUNDS</b>	<b>8</b>
<b>NET INCOME</b>		<b>-</b>

# FY 2011 Capital Budget - \$ in Millions



Line Item	CAPITAL PLAN		SOURCE OF FUNDS				
	Request	Capital Budget	Capital Reserves	Debt	Gifts & Grants		Funding Total
					Actual	Goal	
<b>Capital Renewal</b>							
General University Facilities	5.5	4.5	4.5				4.5
Auxiliaries	5.3	5.3	5.3				5.3
Technology	4.3	2.4	2.4				2.4
Other Equipment	0.1	0.1	0.1				0.1
<b>Subtotal Renewal</b>	<b>15.2</b>	<b>12.3</b>	<b>12.3</b>	-	-	-	<b>12.3</b>
<b>Capital Improvements</b>							
General University Facilities							-
Physical Environment	1.3	1.3	1.3				1.3
Program Change							
Donohoe	3.0	3.0	3.0				3.0
All Other	2.0	1.2	1.2	-	-	-	1.2
<b>Total Facilities</b>	<b>6.3</b>	<b>5.5</b>	<b>5.5</b>	-	-	-	<b>5.5</b>
Auxiliaries							
Swig Interior Renovation	13.0	13.0		13.0			13.0
Benson Market Square	7.0	7.0	3.0		4.0		7.0
All Other	0.3	0.3	0.3				0.3
Technology	0.8	0.6	0.6				0.6
Other Equipment	-	-					-
<b>Subtotal Improvements</b>	<b>27.4</b>	<b>26.4</b>	<b>9.4</b>	<b>13.0</b>	<b>4.0</b>	-	<b>26.4</b>
<b>New Construction</b>							
General University Facilities							
Enrollment Management Building	15.0	15.0				15.0	15.0
<b>Subtotal New Construction</b>	<b>15.0</b>	<b>15.0</b>	-	-	-	<b>15.0</b>	<b>15.0</b>
<b>Grand Total</b>	<b>57.6</b>	<b>53.7</b>	<b>21.7</b>	<b>13.0</b>	<b>4.0</b>	<b>15.0</b>	<b>53.7</b>

# Budget Forum Presentation



**Presentation available on  
University Finance Office Website:**



**<http://www.scu.edu/finance>**

# Questions & Answers