Finance Committee
Final FY 2012 Budget

May 2011
### Summary

<table>
<thead>
<tr>
<th></th>
<th>FY 2011</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue budget</strong></td>
<td>$78,159</td>
<td>$80,109</td>
</tr>
<tr>
<td><strong>Expense budget</strong></td>
<td>77,943</td>
<td>77,943</td>
</tr>
</tbody>
</table>

**Additional expense in FY 2012:**

- **Committed** 701
- **Ongoing** 363
- **Savings, net of re-allocation** (585)
- **New expenses** 377
- **Compensation** 1,423

**Surplus/(gap), before VRP savings**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>216</td>
</tr>
<tr>
<td><strong>VRP savings</strong></td>
<td>448</td>
</tr>
</tbody>
</table>

**Surplus after VRP savings**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>335</td>
</tr>
</tbody>
</table>
## FY12 Revenue Budget

<table>
<thead>
<tr>
<th>Table 1. Revenue Budget</th>
<th>FY 2011 (In 1,000)</th>
<th>FY 2012 (In 1,000)</th>
<th>Better/ Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross College Tuition, including student computers</td>
<td>$65,520</td>
<td>$70,568</td>
<td>$5,048</td>
</tr>
<tr>
<td>Gross Theological School Tuition, including student computers</td>
<td>5,560</td>
<td>5,657</td>
<td>97</td>
</tr>
<tr>
<td>Gross Caspersen School Tuition</td>
<td>4,452</td>
<td>4,351</td>
<td>(101)</td>
</tr>
<tr>
<td>Endowment Spending Rate Income</td>
<td>10,211</td>
<td>9,450</td>
<td>(761)</td>
</tr>
<tr>
<td>Gifts</td>
<td>1,700</td>
<td>1,720</td>
<td>20</td>
</tr>
<tr>
<td>State Aid</td>
<td>200</td>
<td>250</td>
<td>50</td>
</tr>
<tr>
<td>Church Aid</td>
<td>924</td>
<td>950</td>
<td>26</td>
</tr>
<tr>
<td>Housing, Board, and Bookstore</td>
<td>16,963</td>
<td>17,957</td>
<td>994</td>
</tr>
<tr>
<td>All Fees and Other Miscellaneous Revenues</td>
<td>3,975</td>
<td>3,900</td>
<td>(75)</td>
</tr>
<tr>
<td>Relief from Restricted Funds</td>
<td>$912</td>
<td>$65</td>
<td>(847)</td>
</tr>
<tr>
<td><strong>Total Additional Available</strong></td>
<td><strong>$110,417</strong></td>
<td><strong>$114,868</strong></td>
<td><strong>$4,451</strong></td>
</tr>
<tr>
<td>Financial Aid:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>College</td>
<td>$ (26,744)</td>
<td>$ (29,144)</td>
<td>$ (2,400)</td>
</tr>
<tr>
<td>Theological School</td>
<td>(3,761)</td>
<td>(3,774)</td>
<td>(13)</td>
</tr>
<tr>
<td>Caspersen School</td>
<td>(1,753)</td>
<td>(1,841)</td>
<td>(88)</td>
</tr>
<tr>
<td><strong>Total Financial Aid</strong></td>
<td><strong>$ (32,258)</strong></td>
<td><strong>$ (34,759)</strong></td>
<td><strong>$ (2,501)</strong></td>
</tr>
<tr>
<td><strong>Total Available for Expenditure</strong></td>
<td><strong>$ 78,159</strong></td>
<td><strong>$ 80,109</strong></td>
<td><strong>$ 1,950</strong></td>
</tr>
</tbody>
</table>
FY ’12 Revenue Assumptions
Tuition and Fee Increases

• 3.5 % College, DIS, Summer
• 4.0 % Theological Masters (ex GDR)
• 4.0% Graduate School – MA/Ph.D., MAT
• 2 % Arts and Letters/ Medical Humanities, MFA
• 0 % GDR MA/Ph.D.; Doctor of Ministry
• 3.5 % Room and Board
• College Technology Fee from $225 to $300
• Student Health Forms Late Fee $10
FY ’12 Revenue Assumptions: Enrollments and Aid

• College
  – 494 First Year Students at 49.1% Discount
  – 43 Transfers in Fall at 30% Discount
  – 18 Transfers in Spring at 30% Discount
  – Fall 2011 College Classified non-CUE Enrollment : 1697 FTE
  – Projection for student retention: average of past three years, less 1%
  – Projection for returning student discount rate: average of past three years
  – Projection for housing: 85% of students live on campus
FY ’12 Revenue Assumptions: Enrollments and Aid  Continued

• Theological School
  – M.Div.: new students: 50 Fall; 8 Spring; total fall enrollment 204 FTE; overall discount rate 82.5%
  – MAM/MA/STM: Fall enrollment 38 students at 40% discount rate
  – MA/PhD (GDR) Fall enrollment 39 students at 90% discount rate

• Caspersen School (enrollments down from FY ‘11)
  – 32 in MA/PhD at 85% discount
  – 88 in Arts and Letters at 26% discount
  – 35 MAT at 40% discount
  – 34 MFA at 25% discount
FY ’12 Revenue Assumptions
Other Revenue

• Endowment
  – 5.82% spending rate (5.4% base rate plus .42% Capital Campaign Support)
  – Projected Endowment Return 8.29% net of fees

• Gifts and Donations
  – Endowment $ 2 million
  – Annual Fund $ 1.4 million
  – Restricted annual gifts $355,000
  – State Aid Educational Opportunity Fund increase $50,000
  – Ministerial Education Fund 3 year average of $950,000

• Rental Income
  – Loantaka Houses $150,000
  – Other $150,000

• Miscellaneous Revenue
  – Generally used average of last 3 year actual results
  – Bad Debt Expense of $172,000 budgeted
FY ’12 Revenue Assumptions
Other Revenue

• Housing, Conferences and Events based on last three year actual results
• Acorn Academy fee and enrollment increases are not yet reflected
• Application, Orientation and University Center Fees based on projected student population, fee levels, and actual results
Revenue Vulnerabilities

• Enrollment Level and Discount Rate
  – New Students: ± 25 to 50
  – Retention: ± 1%
  – Discount Rate: ± 2%

• Gifts

• State and Federal Aid

• Budget includes a contingency of 0.4% of expenses; aiming for 2% in FY 2016
Summary of Expenses, by Category
Committed Expenses: $701(752)

- Debt Service, principally for deferred maintenance program: $440
- Advancement: Campaign: $142
- Technology: fourth quarter of Banner: $96
- [Center for Religion, Culture, and Conflict: visiting scholar: $51]
- College: matching funds for HHMI grant: $23
Ongoing Expenses: $363(413)

• Cost to Carry: $208
  – Utilities, Taxes: $166
  – General Institutional: audit, insurance: $42

• Revenue-related: $155
  – Food service: $120
  – Campus Life: two additional R.A.s (more resident students), higher room/board fees: $35

• [Compliance: $50
  – Pension consultant: $50] Fund through TIAA
Savings and Re-allocations: ($585) ($369)

• Utilities savings
  – Natural gas contract: ($400)
  – Improve electrical efficiency: ($150)

• Human Resources
  – Compensation study: $100
  – Professional (wellness coordinator, eligibility audit, etc.) [expected to generate out-year savings]: $75

• General Institutional savings
  – 403(b) audit expense, to be paid by plan participants: ($30)
  – Insurance savings: ($19)
  – Mailroom contract ($30)
  – Salary savings ($102)
  – One time expenses ($15)

• Finance
  – Part-time internal auditor: $55

• Provost
  – CCRC ($69)
New Expenses: $377($142)

- Two one-year replacement faculty members in the College, one to be paid from restricted funds: $70
- One-half full-time Theological School faculty member: $38
- [Stipends to support assessment and planning: $34]
- Associate Provost for Planning and Assessment  $153
- Library materials $20
- Admin Asst. for Center for Civic Engagement  $25
- National faculty member (50 pct. funded by Theo) $38
- Front desk staff for dorms $6
- Accreditation for health services $6
- Athletics $20
Compensation: $1,423

• Salary pool increases 2.5%, to cover campus-wide increases, promotions, reclassifications, and staff-side gap-filling: $907.

• Benefits expense increases include 13% increase in healthcare as well as recognition of the subsidy to faculty members who rent in Copper Beech: $517.
VRP savings

• FY 2011 payout: $1,946
  – This unbudgeted payout from University cash will be recovered over FY 2012 - 2016.

• FY 2012 salary savings: $708

• FY 2012 gross compensation savings: $835
  – Including savings on salary-related benefits

• FY 2012 net savings: $448
  – Net of first year’s payout recovery
Reallocations

• Enrollment Management: reallocated savings from revising a large contract

• Already mentioned:
  – Administration: applied part of utility savings to one-time expenses in Human Resources (compensation study, additional professional)
  – Finance: applied savings on general institutional expenses to improve expense controls (internal audit)
Personnel Reallocations

• Administration: Director of Special Projects to Director of Legal Affairs
• Career Center: position moved from Continuing Education
• College: replacing eleven departing faculty
• Caspersen School: restructuring MAT faculty
• VRP: most positions being replaced
• Part-time internal position funded from non-salary re-allocation as well as staff position in HR
Unspent Restricted Funds

• Apply to initiatives that arise from the strategic planning process now underway