UNIVERSITY OF SAN FRANCISCO

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Operating Budget for Fiscal Year 2022

For Consideration by the Board of Trustees
March 26, 2021

Executive Overview

Purpose of Report

The purpose of this report is to review the fiscal year 2022 operating budget of the University of San Francisco and to recommend its approval by the Board of Trustees. The Center for Institutional Planning and Effectiveness (CIPE) prepared this report and the budget therein in consultation with the executive officers of the University, its Leadership Team, and the University Budget Advisory Council (UBAC).

The report outlines budgeted revenue and expense categories and details the spending plan for fiscal year 2022 using updated enrollment targets and projections (as of March 1, 2021) and revenue forecasts, along with the Board's approved tuition and fee rates.

Recommendation

The proposed fiscal year 2022 unrestricted operating budget was approved by the President on March 5, 2021. The President recommends that the Board of Trustees approves the proposed fiscal year 2022 unrestricted operating budget.

Process

Vice presidents approve unit plans, contractual increases, and planned reductions or changes, which are presented for discussion and prioritization at the University Budget Advisory Council, Leadership Team and Cabinet meetings. The President makes final funding decisions in consultation with the Provost.

The School of Law develops its own budget, which is reviewed by Law faculty and administrators under separate funding policies. The Provost also reviews and approves this budget. The School of Law budget is included in this report as it is incorporated into the University's overall proposed fiscal year 2022 operating plan.

FY 2022 Operating Budget Highlights

Tuition, room, and board increases

- Traditional undergraduate tuition increases by 1.9% (with tuition, fees, room, and board, the typical traditional undergraduate student cost of education increase is 1.7%).
- The tuition increase for graduate programs varies by program. Generally, Arts & Sciences, Nursing & Health Professions, and Management graduate tuition increases by 1.9%. The Master of Nonprofit Administration, the Master of Science in Information Systems and the Master of Public Administration programs will see tuition increases of 0.9%.
- Tuition rate increases for the School of Education and the School of Law will be 0.9%.
- Residence hall rates, and meal plan rates, increase by 0.9%.

Enrollment projections of 9,941 student headcount and 262,785 student credit hours (SCHs)

- A decrease of 21,733 SCHs (a 7.6% decrease) from the FY 2021 base budget and a decrease of 6,559 SCHs (a 2.4% decrease) from FY 2021 actuals (as of March 1, 2021).

FY 2022 total operating budget is $470.0 million

- The tuition (net of exceptions) budget of $413.7 million decreases by $23.0 million, or 5.3%, from the FY 2021 base budget* and decreases $2.3 million, or 0.5%, from FY 2021 forecasted actuals (as of March 5, 2021).
- The financial aid budget of $118.3 million decreases $6.1 million, or 4.9%, from the FY 2021 base budget and increases $2.1 million, or 1.8%, from FY 2021 forecasted actuals. The University's unfunded discount rate increases to 28.6% — up from 28.5% in the FY 2021 base budget and up from 27.9% with respect to FY 2021 forecasted actuals.
- The net tuition budget of $295.4 million decreases by $16.9 million, or 5.4%, from the FY 2021 base budget and decreases $4.4 million, or 1.5%, from FY 2021 forecasted actuals.
- The proposed FY21 budget includes anticipated centrally organized and/or unit savings of approximately $18.2 million. These cuts are being identified by management and will be implemented by, or around, the start of FY 2022.

*FY 2021 base budget is the budget that was drafted in March 2020, and incorporates management's base category savings in June 2020 and base adjustments.

FY 2022 University Non-Law planning priorities include:

Division	Primary Unit	Revenue	Compensation	FT FTE	Expenditures	Total	Description
Business & Finance Division							
	Business & Finance	$ -	$ -	-	1,000,000	$ 1,000,000	University Insurance Premium Increases
	Facilities Management	$ -	$ 309,457	5.00	737,001	$ 1,046,458	Lone Mountain East Housing - Facilities Related Expenses
Subtotal		**$ -**	**$ 309,457**	**5.00**	**$ 1,737,001**	**$ 2,046,458**	
ITS Division							
	CIO	$ -	$ -	-	232,765	$ 232,765	FY22 - Lone Mountain Residence Hall annual ongoing operational cost
Subtotal		**$ -**	**$ -**	**-**	**$ 232,765**	**$ 232,765**	
Marketing Communications							
	Office Marketing Communications	-	-		120,000	$ 120,000	Media and Crisis Communications Consultant
Subtotal		**$ -**	**$ -**	**-**	**$ 120,000**	**$ 120,000**	
Provost Division							
	Nursing	$ -	$ 16,500	0.25	-	$ 16,500	Operations Analyst
	Nursing	$ -	$ 153,153	2.00	-	$ 153,153	Sim and Lab Techs - Two Staff Lines
	Gleeson Library	$ -	$ -		13,572	$ 13,572	OCLC/INNOVATIVE & Other Library Systems Contractual Increases
Subtotal		**$ -**	**$ 169,653**	**2.25**	**$ 13,572**	**$ 183,225**	
Student Life Division							
	Student Life	$ -	$ -	-	25,500	$ 25,500	Student Life Contractual Increases
	Student Achievement	$ -	$ -	-	12,555	$ 12,555	Black Achievement Success and Engagement (BASE) Program Staff and Faculty Support
	Student Development	$ -	$ 201,438	2.00	-	$ 201,438	Title IX Staff Positions
Subtotal		**$ -**	**$ 201,438**	**2.00**	**$ 38,055**	**$ 239,493**	
University							
	University	$ -	$ -	-	1,500,000	$ 1,500,000	University Reserves Increase
	University	$ -	$ -	-	67,288	$ 67,288	Minimum Salaries for Exempt Employees in California for 2021
Subtotal		**$ -**	**$ -**	**-**	**$ 1,567,288**	**$ 1,567,288**	
Grand Total		**$ -**	**$ 680,548**	**9.25**	**$ 3,708,680**	**$ 4,389,228**	

New Academic Programs Within Their First Five Years of Operation:

New and Continuing Academic Programs	Salary & Benefit	Faculty FTE	Staff FTE	Expenditure	Total
Computer Science Bridge Program	598	-	-	(17,500)	$ (16,902)
MA International Studies	7,732	-	-	-	$ 7,732
MS Applied Economics	11,200	-	-	(7,500)	$ 3,700
BS Engineering	111,010	-	1.0	41,089	$ 152,099
MA Public Leadership	(1,359)	-	-	85,725	$ 84,366
MA Migration Studies	(39,571)	-	-	9,404	$ (30,167)
MS Marketing Intelligence	(256)	-	-	4,600	$ 4,344
MS Entrepreneurship and Innovation	3,551	-	-	-	$ 3,551
PsyD Clinical Psychology	(35,514)	-	(2.5)	13,230	$ (22,284)
Doctor of Nursing Practice	(32,773)	-	-	69,140	$ 36,367
BSN Sacramento	27,442	-	0.5	-	$ 27,442
MSN Orange County	80,882	-	0.8	-	$ 80,882
Masters in Public Health - Orange County	114,344	-	0.5	(4,000)	$ 110,344
Executive Leadership DNP	27,533	-	-	18,960	$ 46,493
Grand Total	**$ 274,817**	**-**	**0.3**	**$ 213,148**	**$ 487,965**

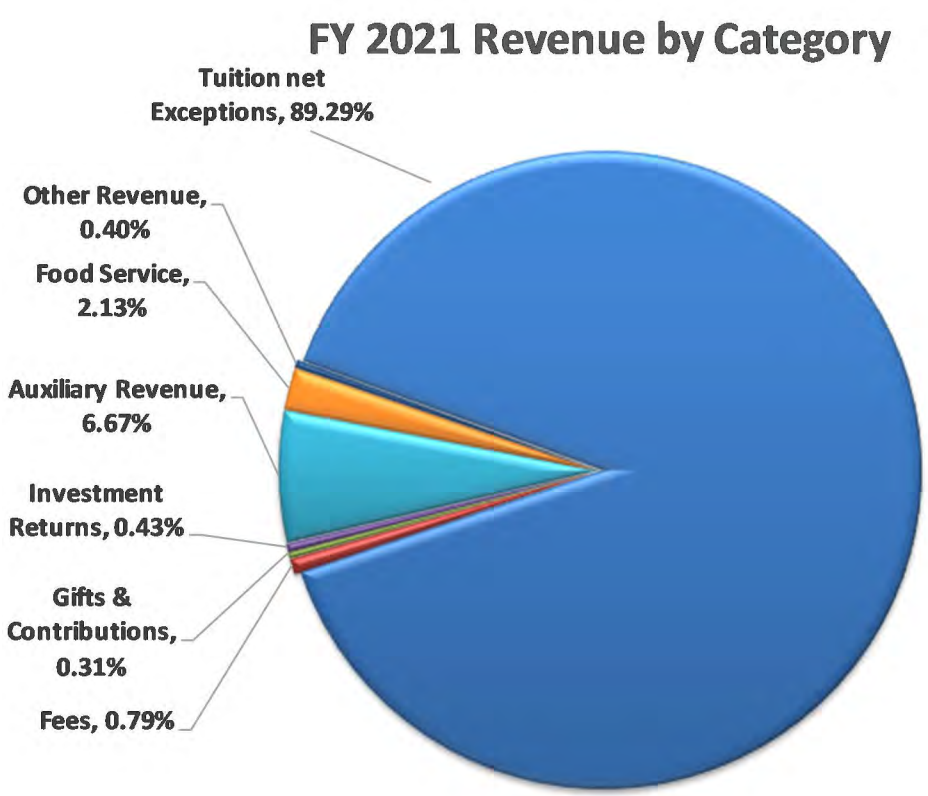
- For FY 2022, the incremental expense budgets enumerated in the table above will be funded by reallocation of budgetary resources within the Division of Academic Affairs rather than through the creation of new expense budgets.
- Reallocation will be achieved by cleaning up budgets associated with programs or cohorts that have been suspended or that have seen material declines in enrollment.
- These new academic programs, launched over the past five years, are projected to contribute $22,064,000 in net tuition (tuition net scholarships, and also net any Pearson Embanet revenue share).
- Law revenues increase by $66,000. Its net expenses decrease by $3.8 million. FY 2022 now sees a Law operating contribution of $3.8 million, a stark increase from the $0 in operating contribution budgeted for FY 2021.
- Student housing revenue increases by $6.0 million, with accompanying expense increases of $1.7 million. Dedicated reserves for student housing revenue are budgeted at $996,000 (3.0% of student housing revenue), an increase of $180,000 over its base budget of $816,000 in FY 2021. In support of the new Lone Mountain East residence hall, the debt servicing budget increases $7.1 million.

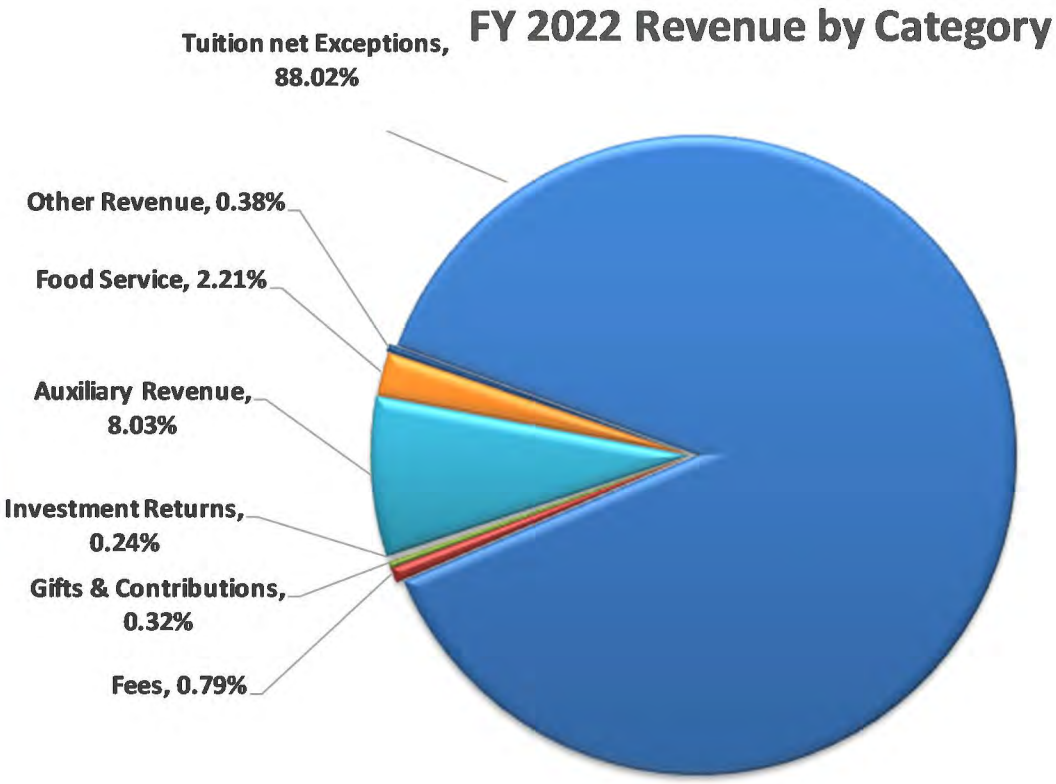
FY 2022 Unrestricted Operating Budget Creation Process Goal

The primary goals of the budget creation process are (1) to align college-, school-, and division-level goals and activities with the vision, mission, and strategic priorities of the University and (2) to promote innovation that is reflected in both new academic programs and enrollment growth in existing academic offerings. While collecting and reviewing requests for new budget allocations, we strongly encourage academic and service units to fund reconfigured programs and required new costs through budget reallocation.

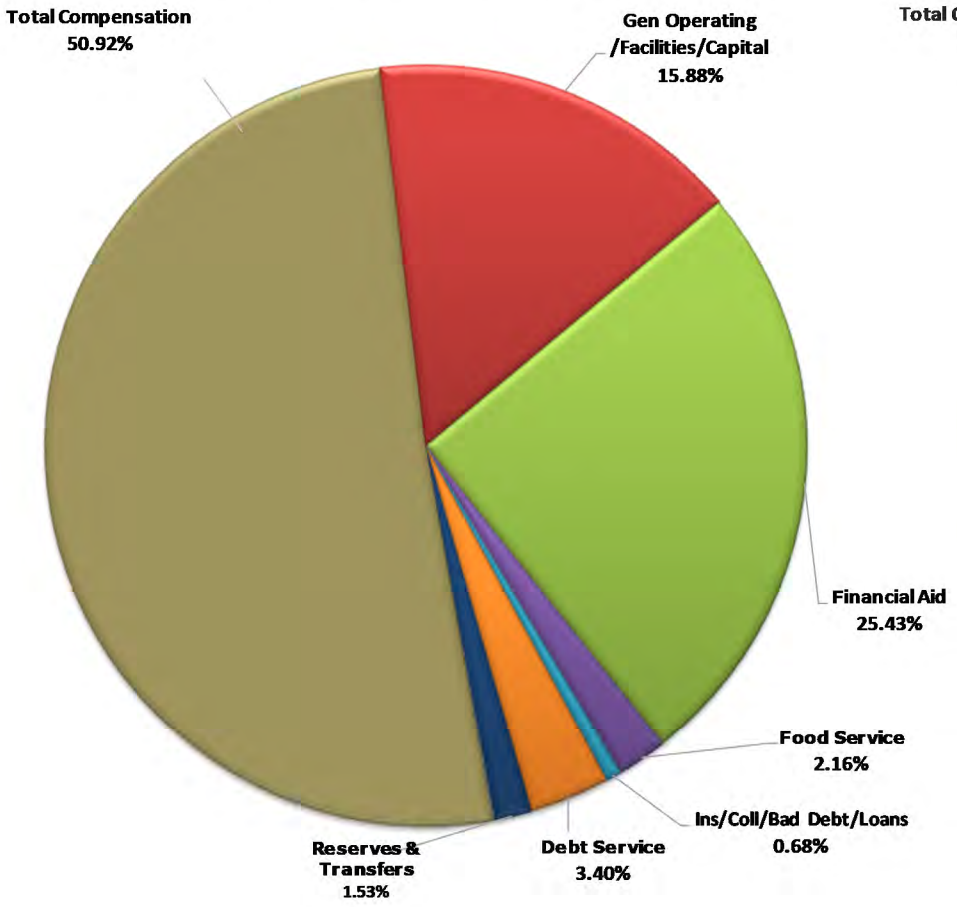
FY 2022 Unrestricted Operating Budget Creation Process Highlights

- Non-tuition revenue items were identified by the responsible managers and reviewed by the vice presidents, University Budget Advisory Council, Cabinet, the Provost, and the President.
- Additional revenue and expense budget requests were submitted through the University's online tool, Budget Assist, for consideration by unit and division leaders, as well as the University Budget Advisory Council, with ultimate funding decisions made by the President and the Provost.
- New capital requests were reviewed by the University Budget Advisory Council, Cabinet members, the Provost, and the President.
- Employee compensation was determined by contractual (or anticipated contractual) obligations with bargaining units, as well as the President's directives concerning compensation for exempt staff and executives.
- Tuition revenue budgets were based on enrollment targets and projections (supplied by the Division of Academic Affairs), as well as Board-approved tuition rates. The Board of Trustees also approved the aforementioned enrollment targets and projections at its winter meeting.
- Institutional financial aid expenses were based on a combination of historical, forecasted, and targeted discount rates.

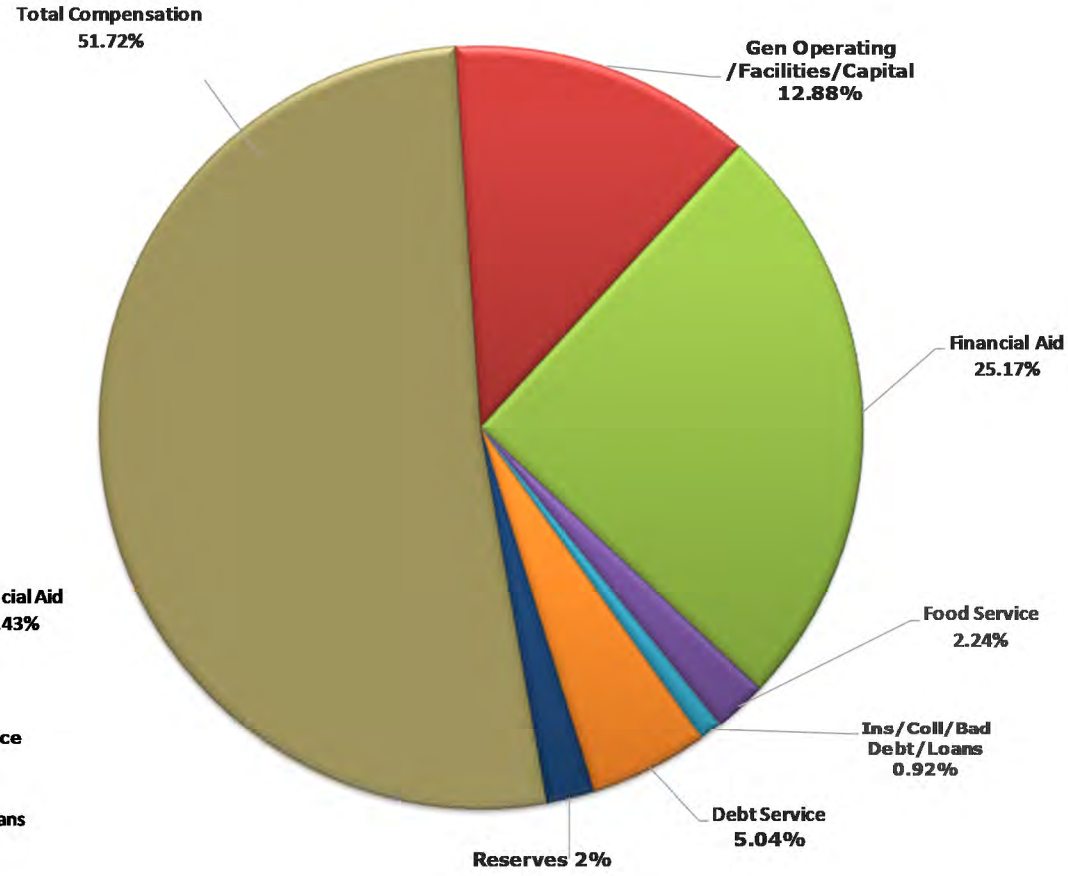

FY 2021 Revenue by Category
Tuition net Exceptions, 89.29%
Other Revenue, 0.40%
Food Service, 2.13%
Auxiliary Revenue, 6.67%
Investment Returns, 0.43%
Gifts & Contributions, 0.31%
Fees, 0.79%


FY 2022 Revenue by Category
Tuition net Exceptions, 88.02%
Other Revenue, 0.38%
Food Service, 2.21%
Auxiliary Revenue, 8.03%
Investment Returns, 0.24%
Gifts & Contributions, 0.32%
Fees, 0.79%

FY 2021 Expense by Category



FY 2022 Expense by Category



FY 2022 Proposed Operating Budget by Category

Across the University

The $470.0 million operating budget for FY 2022 is based on the University's plan to welcome 9,941 continuing and new students across all of its campuses. Compared to the current fiscal year's base budget (including savings identified in order to balance the current fiscal year's placeholder budget), FY 2022 revenue is expected to decrease $19.1 million from FY 2021 revenue due to enrollment composition, rate increases associated with tuition and housing, and adjustments to fees, investment returns, auxiliary and other revenue budgets.

Revenue

Tuition revenue (net of tuition exceptions) is budgeted to decrease by $23.0 million. Fee revenue budgets reflect the adjustment of housing and health clinic fees. The current investment returns budget decreases on account of lower returns on the university's cash holdings. Planned changes to auxiliary revenue reflect a 0.9% room rate increase and the addition of beds in the new Lone Mountain East residence hall. Food service revenue is planned to be flat due to a volume adjustment. Decreases to other revenues include adjustments from the University's housing and Law.

Financial Aid Expense

Institutional financial aid is a combination of merit awards and need-based aid. Unfunded financial aid budgets will decrease, in aggregate, by 4.9% This decrease will account for the University's recent and planned enrollment composition and discounting practices.

Other Expenses

General operating, facilities, and capital expenditure budgets will collectively see a decrease in their levels, as will total compensation. Insurance premium budgets increase, as does debt service to support interest payments for Lone Mountain East. Please refer to pages 15 and 16 for details.

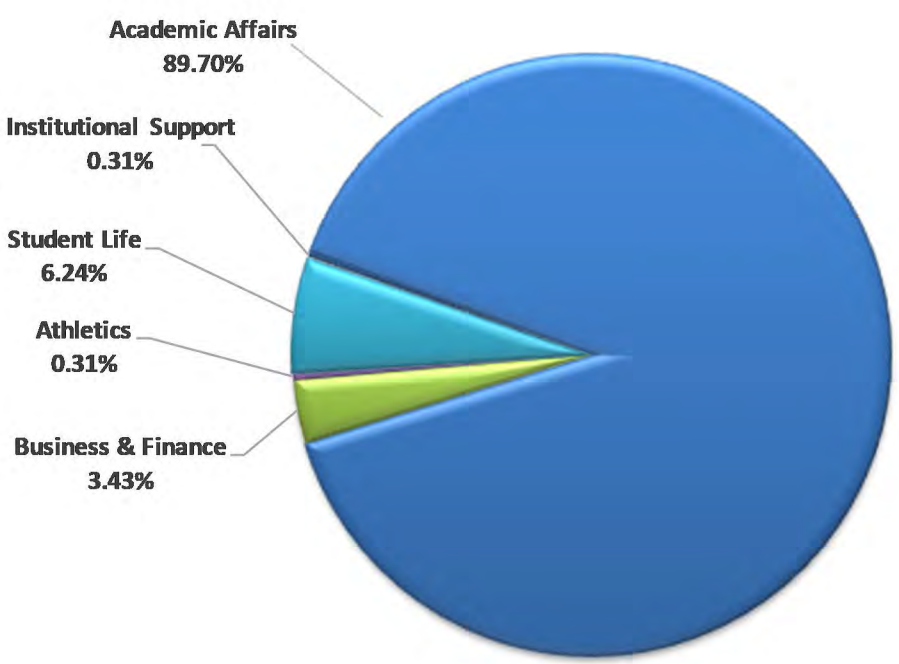
FY 2022 Budget Creation (in $1,000's)

Revenue	FY 2021 Budget	FY 2022 Budget	Change	Change %
Tuition net Exceptions	436,653	413,674	(22,979)	-5.3%
Fees	3,839	3,714	(125)	-3.3%
Gifts & Contributions	1,522	1,522	(0)	0.0%
Investment Returns	2,084	1,134	(950)	-45.6%
Auxiliary Revenue	32,613	37,730	5,117	15.7%
Food Service	10,400	10,400	-	0.0%
Other Revenue	1,932	1,806	(126)	-6.5%
Total Revenue	**489,043**	**469,980**	**(19,063)**	**-3.9%**
Expense				
Total Compensation	249,037	243,094	(5,943)	-2.4%
Gen Ops/Facilities/Capital	77,647	60,532	(17,115)	-22.0%
Financial Aid	124,361	118,282	(6,079)	-4.9%
Food Service	10,550	10,550	-	0.0%
Ins/Coll/Bad Debt/Loans	3,325	4,325	1,000	30.1%
Debt Service	16,627	23,703	7,076	42.6%
Reserves	7,815	9,495	1,680	21.5%
Transfer In	(319)	-	319	-100.0%
Total Expense	**489,043**	**469,980**	**(19,063)**	**-3.9%**
Net Balance	**-**	**-**	**-**	**-**

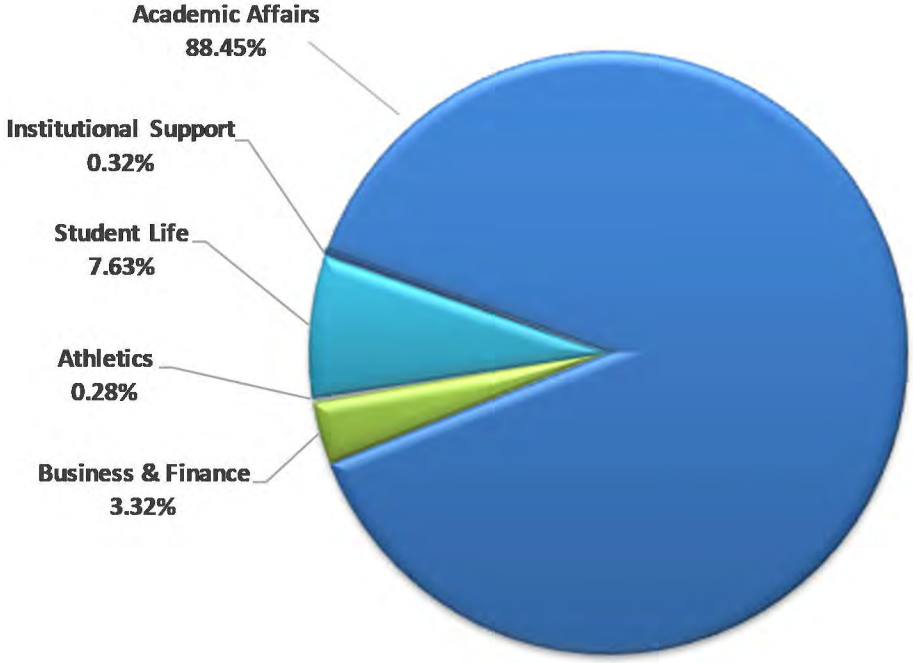
University Reserves and Transfers

University operating reserves increase $1.7 million to $9.5 million, or 2.0% of operating revenue budgets. Transfers In removes Law's previous support from their restricted resources.

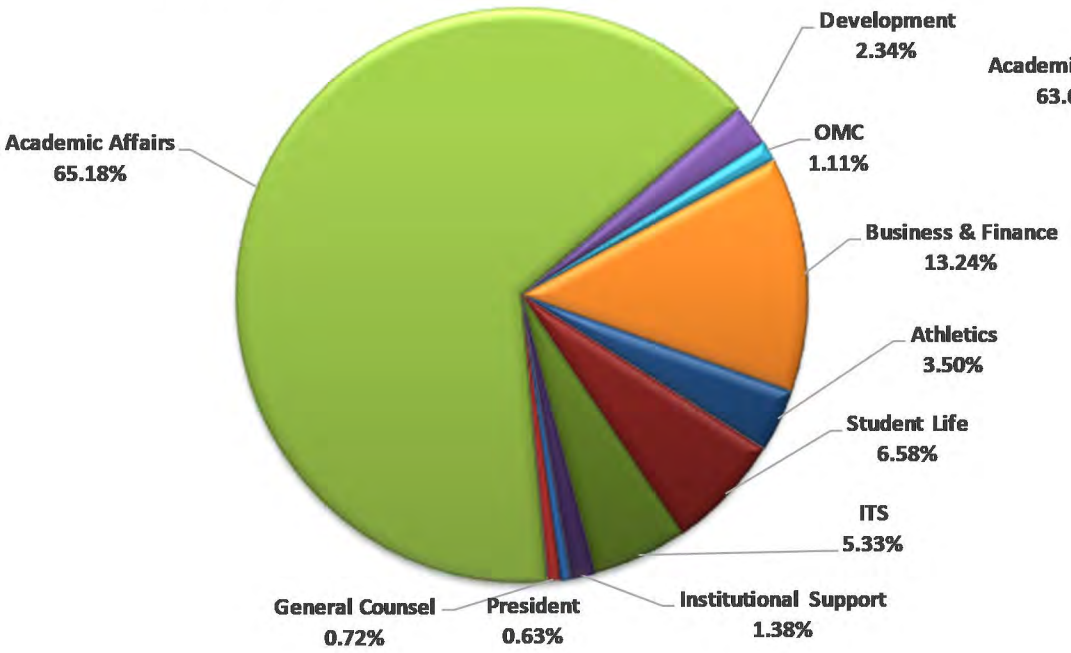
FY 2021 Revenue by Primary Functional Areas



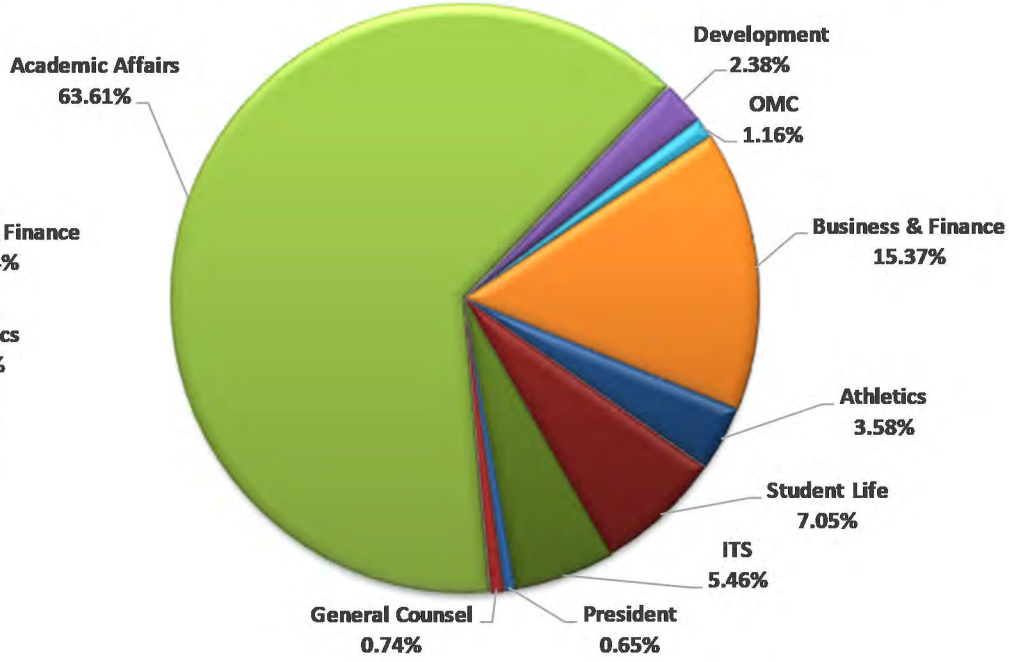
FY 2022 Revenue by Primary Functional Areas



FY 2021 Expense by Primary Functional Areas



FY 2022 Expense by Primary Functional Areas



* Excludes Institutional Support due to contra value

FY 2022 Proposed Operating Budget by Primary Functional Areas

Highlighted changes are from the University's current FY 2021 base budget. While we highlight proposed changes to the FY 2022 budget resulting from planning efforts, changes from the FY 2021 base budget also include management adjustments made within the fiscal year.

Revenue Changes

- The Division of Academic Affairs decrease is due to enrollment projections as of March 1, 2021, adjusted by tuition increases approved by the Board of Trustees in December 2020.
- The Division of Business & Finance decrease is due to lower interest income on the university's cash holdings, as well as lower summer auxiliary operations.
- Athletics decrease is due to lower auxiliary ticket sales.
- The Student Life net increase is due to a student housing revenue increase, including additional beds in Lone Mountain East.

Expense Changes

- Expense budgets in functional areas see changes due to OPE and engineer compensation increases, planning priorities, as well as new academic programs.
- The Academic Affairs net decrease includes reductions for Law budget, Presidio facilities, tuition share, scholarship, and faculty compensation increase pool reductions.
- The Office of Marketing Communications includes funding for a media and crisis communications consultant.
- The Business and Finance increase includes support budgets for Lone Mountain East (staff, facilities, debt interest) as well as for university insurance premiums.
- The Athletics increase includes additional financial aid.
- The Student Life net increase includes additional funding for student housing, Title IX staff positions, a contractual increase as well as support for the Black Achievement, Success and Engagement Program.
- The Information Technology Services increase includes support budgets for Lone Mountain East.
- Institutional Support net increase includes an increase to the University's operating reserves, student staff and minimum wage compensation increases, as well as a holding budget of approximately $18.1 million for anticipated savings.

FY 2022 Proposed Budget (in $1,000's)

Revenue	FY21 Budget	FY22 Budget	Change	Change %
Academic Affairs	438,676	415,676	(23,000)	-5.2%
Development	6	6	-	0.0%
Business & Finance	16,777	15,586	(1,191)	-7.1%
Athletics	1,502	1,293	(209)	-13.9%
Student Life	30,500	35,839	5,339	17.5%
ITS	1	-	(1)	-100.0%
Institutional Support	1,519	1,519	-	0.0%
Total Revenue	**489,043**	**469,980**	**(19,063)**	**-3.9%**
Expense				
President	3,070	3,154	84	2.7%
General Counsel	3,520	3,575	55	1.6%
Academic Affairs	318,742	306,668	(12,074)	-3.8%
Development	11,422	11,459	37	0.3%
OMC	5,446	5,573	127	2.3%
Business & Finance	64,769	74,113	9,344	14.4%
Athletics	17,102	17,249	147	0.9%
Student Life	32,155	34,012	1,857	5.8%
ITS	26,066	26,323	257	1.0%
Institutional Support	6,751	(12,147)	(18,898)	-279.9%
Total Expense	**489,043**	**469,980**	**(19,063)**	**-3.9%**
Net Balance	-	-	-	-

Enrollment Projections (as of March 1, 2021)

(HC = Head Count; SCHs = Student Credit Hours)

	FY 2020 Actual		FY 2021 Actual		FY 2022 Budget		FY 2023 Budget	
Undergraduate	**Fall HC**	**SCH**	**Fall HC**	**SCH**	**Fall HC**	**SCH**	**Fall HC**	**SCH**
Arts & Sciences	3,948	157,912	3,584	140,609	3,568	138,553	3,583	138,874
Management	1,717	31,118	1,424	27,470	1,326	23,978	1,270	23,073
Nursing	845	17,361	809	17,169	848	17,344	848	17,272
Undergraduate Total	**6,510**	**206,391**	**5,817**	**185,248**	**5,742**	**179,875**	**5,701**	**179,219**
Graduate								
Arts & Sciences	1,048	18,132	1,084	18,377	1,094	18,828	1,101	18,948.47
Management	617	13,383	573	11,844	538	10,998	588	11,906
Nursing	811	19,413	873	19,527	849	19,408	843	19,868
Education	1,078	20,913	1,179	22,629	1,132	21,639	1,137	21,875
Law	510	12,345	499	11,719	511	12,037	519	12,225
Graduate Total	**4,064**	**84,186**	**4,208**	**84,096**	**4,124**	**82,910**	**4,188**	**84,822**
Non-Degree-Seeking	98		115		75		75	
University Total	**10,672**	**290,577**	**10,140**	**269,344**	**9,941**	**262,785**	**9,964**	**264,041**

Enrollment, Revenue, and Expense: FY 2021 Actuals Versus FY 2022 Budget

Undergraduate Enrollment

New undergraduate student enrollment is planned to increase from 1,501 in fall 2020 to 1,716 in fall 2021. The undergraduate continuing student population is planned to decrease from 4,316 in fall 2020 to 4,026 in fall 2021. Overall, undergraduate student enrollment is planned to decrease from 5,817 in fall 2020 to 5,742 in fall 2021.

Graduate Enrollment

Arts and Sciences graduate student enrollment for FY 2022 is planned to increase from 18,377 SCHs in FY 2021 to 18,828 SCHs in FY 2022.

Management projected graduate SCHs are planned to decrease from 11,844 in FY 2021 to 10,998 in FY 2022.

Nursing graduate SHCs are planned to decrease from 19,527 SCHs in FY 2021 to 19,408 in FY 2022.

Education total enrollment, as measured by SCHs, is planned to decrease from 22,629 in FY 2021 to 21,639 in FY 2022.

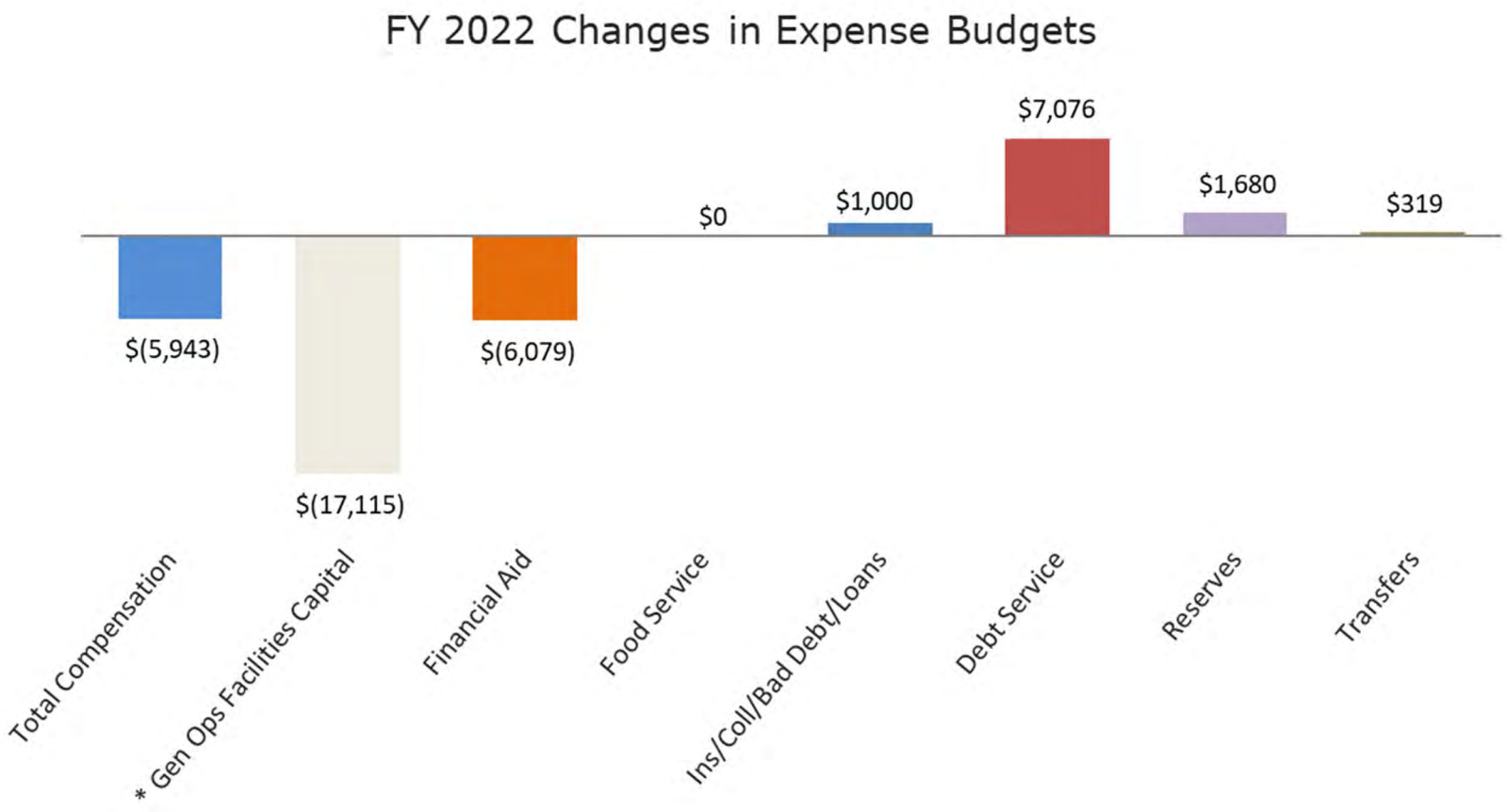
Law total enrollment, as measured by SCHs, is planned to increase from 11,719 in FY 2021 to 12,037 in FY 2022.

FY 2022 Budgeted Revenue and Expense by School or College

The table lists revenue budgets by teaching college, along with direct expense budgets. These budgets include new enrollments, approved plans, and related expenses, as well as estimated allocations for full-time faculty compensation increases, part-time faculty compensation, financial aid, and tuition share budget.

FY 2022 Budget		Revenue		Expense
Arts & Sciences	$	256,198	$	170,905
Management	$	54,598	$	36,334
Education	$	24,004	$	14,550
Law	$	21,778	$	17,974
Nursing	$	58,272	$	33,464
	$	414,849	$	273,226

*All figures in $1,000's



*Note: Gen Ops Facilities Capital includes a decrease for anticipated savings of $18.158 million.

Changes in Expense Budgets

Highlighted changes are from the University's current FY 2021 base budget. While we highlight proposed changes to the FY 2022 operating budget resulting from planning efforts, changes from the FY 2021 base budget also include management adjustments made within the fiscal year.

Total Compensation

Employee compensation constitutes approximately 51.7% of budgeted expenses in FY 2022**.** This category includes salaries for executive, professional and administrative staff; full- and part-time faculty; student employees; and statutory and employee benefit expenses, such as retirement savings contributions, tuition remission, health insurance, etc. Changes by category of compensation are on the next page and include both new academic program plans, as well as the clearing of FY 2021 compensation increase budgets. The non-Law staff compensation increase pool is within the unit of Institutional Support. The non-Law faculty compensation increase pool is within the Division of Academic Affairs. Remaining FY 2021 compensation increase budgets not applied will be zeroed out and there are no compensation increase pool budgets in the FY 2022 budget.

General Operating/Facilities/Capital

This category includes office supplies and equipment, leases, consumable goods and services, building operational costs, janitorial and utility charges, furniture, library holdings, and most scientific equipment. The net decrease of $17.1 million includes a decrease for anticipated savings of $18.1 million, increases for planning priorities of $1.1 million, housing increases of $807K, decreased revenue share payments of $503K, a decrease of $453K for the salvage of the Presidio campus' facilities lease budgets, a $241K increase for the conversion of two staff positions (one in the Office of Marketing Communications and the other in Development) to temporary budgets, and a net decrease of $226K for Law.

Financial Aid

The $6.1 million decrease in financial aid accounts for a decrease of $3.6 million in undergraduate budgets supporting current financial aid practices. Law decreases its operating financial aid funding by $2.8 million. Other non-Law graduate financial aid increases $107K, and housing financial aid increases by $218K.

Food Service, Insurance/Collections/Bad Debt/Loans and Debt Service

Food Service remains at its current budget due to a volume adjustment. Debt Service increases by $7.1 million to budget debt interest payments for Lone Mountain East. The Insurance/Collections/Bad Debt/Loans category increase by $1.0 million to fund university insurance premium increases.

Reserves and Transfers In

Reserves are designated for unexpected variations in revenues or expenses. The University will increase its operating reserves by approximately $1.7 million. The resulting level will represent approximately 2.0% of operating revenue budgets. Law's budget removes a Transfers In target from restricted resources of $319K.

Changes in Compensation Budgets

Faculty
Tenured, probationary, and term full-time faculty salaries for FY 2022 reflect the removal of two lines with the Provost to help internally fund new academic programs (see page four), reductions made within the School of Law, as well as the clearing of FY 2021 compensation increase budgets. Part-time faculty salary budget includes the reversal of FY 2021 compensation increases, an increased budget for the School of Law, and incremental support for new academic programs.

Staff
Staff salaries for FY 2022 reflect the clearing of FY 2021 compensation increase budgets. New academic program adjustments include a net additional 0.3 FTE in staff support positions. Planning priorities result in the funding of an additional 9.25 FTE in staff positions. These include five positions to support new dining and housing facilities in FY 2022: a gardener, a laborer, and three facilities engineers. New planning priorities also include a deputy Title IX coordinator and a sexual violence resource advocate. New planning priorities for the School of Nursing and Health Professions include two simulation lab technicians and a 0.25 FTE increase for an operations analyst. Housing plans include one residence hall director in support of Lone Mountain East and 0.4 FTE increase for an assistant dean.

Student Staff
Student employment provides an opportunity for students to gain work experience and earn wages to support the cost of attending the University. It is also viewed as an effective use of University resources. For FY 2022, student worker compensation pools see increases due to wage laws, as well as planned incremental activity in new academic programs. Housing plans an increase in student worker compensation in support of Lone Mountain East.

Benefits
Benefits are budgeted at supporting rates for the University's differing salary categories for employees. Adjustments to benefits budgets are made in proportion to budget changes taking place in different salary categories.

Compensation	FY 2021 Budget	FY 2022 Budget	Change
Full-Time Faculty	66,186	62,668	(3,518)
Part-Time Faculty	22,310	21,961	(349)
Staff	88,444	87,702	(742)
Student Staff	8,131	8,578	447
Benefits	63,965	62,184	(1,781)
Total Compensation	**249,037**	**243,094**	**(5,943)**

* All figures in $1,000's

FY 2021 Base Budget and Forecast Versus FY 2022 Budget

	FY21 Budget	FY21 Forecast^	FY22 Budget*
Revenue			
Tuition net Exceptions	436,653	415,931	413,674
Fees	3,839	2,558	3,714
Grants & Contracts	-	55	-
Gifts & Contributions	1,522	1,080	1,522
Investment Returns	2,084	1,152	1,134
Auxiliary Revenue	32,613	3,920	37,730
Board Revenue	10,400	1,096	10,400
Other Revenue	1,932	354	1,806
Total Revenue	**489,043**	**426,145**	**469,980**
Expense			
FT Faculty Salary & Benefits	91,005	75,638	86,169
PT Faculty Salary & Benefits	27,441	26,015	27,122
Total Staff Salary & Benefits	130,590	108,169	129,803
Gen Ops/Facilities/Capital	77,647	64,515	60,532
Scholarships	124,361	116,134	118,282
Food Service	10,550	2,096	10,550
Ins/Coll/Bad Debt/Loans	3,325	4,025	4,325
Debt Service	16,627	16,427	23,703
Reserves, Transfers & Internal Bank	7,496	13,125	9,495
Total Expense	**489,043**	**426,145**	**469,980**
Net Balance	**-**	**-**	**-**

^ February Fiscal Period Operating Forecast

* This amount included a general operating reduction for anticipated savings of $18.158 million which will be allocated across other expense categories based on management's decisions on, or around, June 1, 2021.

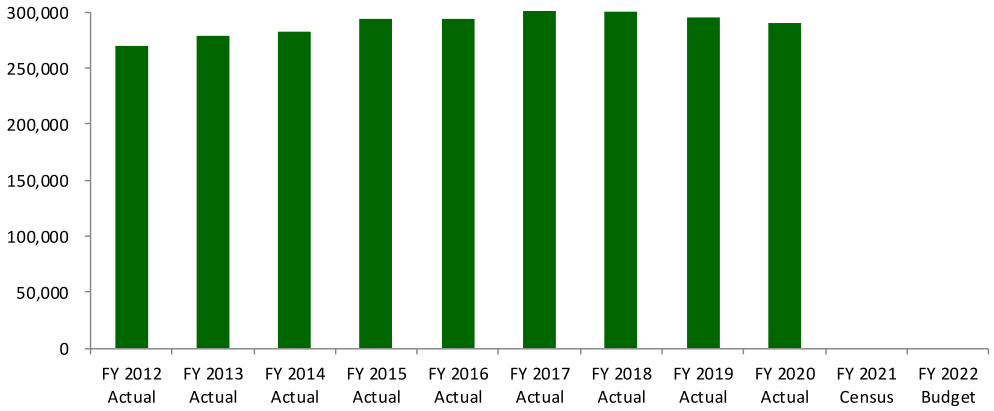
(All figures in $1,000's)

Appendix: Historical Analysis

Revenue

Tuition and fees make up 88.8% of the gross revenue in the FY 2022 operating budget. What follows is a review of the three main factors that influence the University's revenue: enrollment, tuition rates and financial aid.

Enrollment in Student Credit Hours (FY 2012 - FY 2022)



Year	Total SCH	% Change	10-year % Change
FY 2012 Actual	269,454	3.8%	
FY 2013 Actual	278,528	3.4%	
FY 2014 Actual	283,286	1.7%	
FY 2015 Actual	294,499	4.0%	
FY 2016 Actual	294,223	-0.1%	
FY 2017 Actual	301,323	2.4%	
FY 2018 Actual	301,090	-0.1%	
FY 2019 Actual	295,212	-2.0%	
FY 2020 Actual	290,577	-1.6%	
FY 2021 Census	269,344	-7.3%	
FY 2022 Budget	262,785	-2.4%	-2.5%

Tuition and Fee Income

Planned tuition and fee revenue increases because enrollment projections and/or tuition rates increase. The FY 2022 budget anticipates that tuition (net of tuition exceptions) and fee revenue will decrease by 0.3%. Tuition and fees constitute 88.8% of the FY 2022 gross revenue budget.

Financial Aid

Over the ten-year analysis period, expenditures for University-funded financial aid have increased 95.6%, in contrast with a tuition and fee cumulative increase of 34.7%. As a percentage of tuition, aggregate financial aid has grown from 19.9% to a budgeted 28.6% during this same ten-year period.

The pressure to increase funding for financial aid comes from reduced support from government sources, as well as from the institution's attempt to use financial aid to recruit students for their academic ability, athletic talent, and ethnic and economic diversity. Financial aid awarded is a balance of merit- and need-based aid.

There is $118.3 million in aggregate unrestricted financial aid in the FY 2022 operating budget.

FY 2012 - FY 2022 Unrestricted Operating Budget
Tuition & Fee Income/Percent of Total Revenue
(in thousands of dollars)

Year	Tuition* & Fees	Total Revenue	% of Total	T&F % Change	10-Year % Change
FY 2012 Actual	$309,816	$343,962	90.1%	6.4%	
FY 2013 Actual	$332,441	$369,546	90.0%	7.3%	
FY 2014 Actual	$349,938	$386,866	90.5%	5.3%	
FY 2015 Actual	$367,352	$406,540	90.4%	5.0%	
FY 2016 Actual	$378,743	$418,237	90.6%	3.1%	
FY 2017 Actual	$402,253	$446,220	90.1%	6.2%	
FY 2018 Actual	$420,181	$465,098	90.3%	4.5%	
FY 2019 Actual	$425,283	$472,420	90.0%	1.2%	
FY 2020 Actual	$436,333	$476,237	91.6%	2.6%	
FY 2021 Forecast	$418,488	$426,145	98.2%	-4.1%	
FY 2022 Budget	$417,388	$469,980	88.8%	-0.3%	34.7%

FY 2012 - FY 2022 Unrestricted Operating Budget
Financial Aid/Percent of Tuition
(in thousands of dollars)

Year	Financial Aid	Tuition*	% of Tuition	Fin Aid % Change	10-Year % Change
FY 2012 Actual	$60,478	$304,166	19.9%	8.2%	
FY 2013 Actual	$65,702	$325,849	20.2%	8.6%	
FY 2014 Actual	$69,061	$340,894	20.3%	5.1%	
FY 2015 Actual	$75,007	$364,473	20.6%	8.6%	
FY 2016 Actual	$82,966	$375,814	22.1%	10.6%	
FY 2017 Actual	$93,447	$398,673	23.4%	12.6%	
FY 2018 Actual	$108,926	$416,295	26.2%	16.6%	
FY 2019 Actual	$116,394	$421,587	27.6%	6.9%	
FY 2020 Actual	$123,916	$433,077	28.6%	6.5%	
FY 2021 Forecast	$116,134	$415,931	27.9%	-6.3%	
FY 2022 Budget	$118,282	$413,674	28.6%	1.8%	95.6%

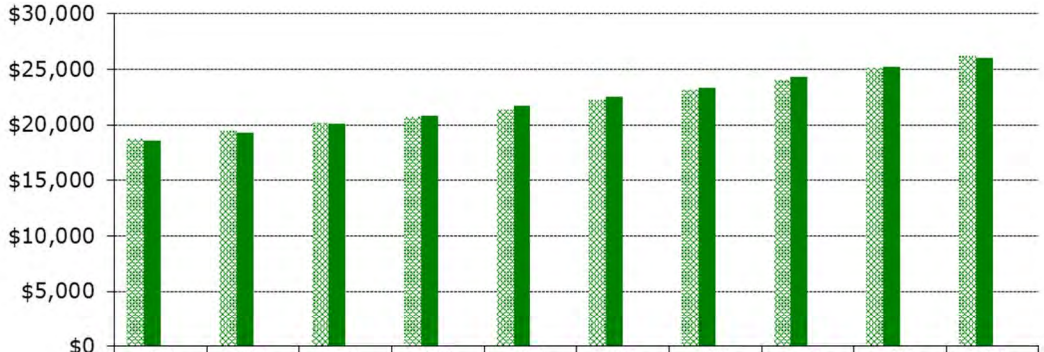
Tuition* = Tuition + Tuition Exceptions

Tuition and Fee Rates

Our pricing strategy of generally lower-than-average tuition increases is in response to an important shift in demographics and has been amplified by the so-called "Great Recession" of 2007-2010. This changing economic context provides the University with an opportunity to adapt and strengthen the University in a way that is consistent with our mission and long-term aspirations, as expressed in USF 2028. As a result, the University is making far-reaching structural adjustments — which include enhancing faculty and staff productivity — so that we may continue to offer a high-quality Jesuit education.

Looking at the University's ten-year tuition and fee history, rates have increased within a range of 2.9% to 4.6% per year over the last ten years. Consistent with private higher education trends, tuition rates have historically increased several percentage points above inflation rates. We are striving to maintain quality in our programs, while keeping our tuition charges at levels consistent with our cross-applicant competitor set of schools. There is strong political and social pressure to control the growth of higher education costs. The University is responding to this pressure by systemically reviewing new initiatives in the context of new and reallocated funds. Reacting to limited tuition rate increases has led to targeted efforts to reallocate budgets to meet emerging needs.

West Coast Conference Tuition & Fees per Semester Rate (FY2012 - FY2021)



	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
USF	$18,712	$19,442	$20,147	$20,725	$21,317	$22,247	$23,125	$24,033	$25,141	$26,241
Average excluding USF	$18,554	$19,303	$20,070	$20,844	$21,669	$22,503	$23,345	$24,298	$25,237	$26,051
USF % Change	2.9%	3.9%	3.6%	2.9%	2.9%	4.4%	3.9%	3.9%	4.6%	4.4%
Avg % Change, Excluding USF	4.1%	4.0%	4.0%	3.9%	4.0%	3.8%	3.7%	4.1%	3.9%	3.2%

Tuition and Fee Comparison

The University competes with other schools for students, and prospective students pay attention to tuition and fee rates. The table below reflects the historical cost of undergraduate tuition and fees at our peer institutions, and the University's relative position in the list. Recommendations for tuition rates are prepared after examining the University's relative price position with comparable institutions, its projected enrollment, and the impact of alternative rate increases on the entire University operating budget. In our comparison of tuition and fees, the average undergraduate tuition and fees per semester for West Coast Conference colleges and universities increased by 3.2% in FY 2021. USF increased undergraduate tuition and fees by 4.4% in FY 2021.

Undergraduate Semester

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
WCC Schools										
Pepperdine University	$20,376	$21,386	$22,451	$23,346	$24,171	$25,011	$25,996	$26,966	$27,946	$29,001
Santa Clara University	$19,667	$20,431	$21,223	$22,054	$22,798	$23,704	$24,769	$25,693	$26,643	$26,652
University of San Diego	$19,291	$19,985	$20,696	$21,414	$22,293	$23,070	$23,861	$24,679	$25,593	$26,432
Loyola Marymount University	$18,950	$19,609	$20,177	$20,849	$21,806	$22,642	$23,261	$24,329	$25,417	$26,489
USF	**$18,712**	**$19,442**	**$20,147**	**$20,725**	**$21,317**	**$22,247**	**$23,125**	**$24,033**	**$25,141**	**$26,241**
Saint Mary's College	$18,575	$19,225	$19,945	$20,690	$21,465	$22,180	$22,843	$23,855	$24,594	$25,330
University of Portland	$16,890	$17,630	$18,435	$19,260	$20,125	$21,007	$22,013	$22,952	$23,909	$24,932
Gonzaga University	$16,133	$16,853	$17,560	$18,295	$19,028	$19,910	$20,673	$21,613	$22,555	$23,520
Average including USF	$18,574	$19,320	$20,079	$20,829	$21,625	$22,471	$23,318	$24,265	$25,225	$26,075
Average excluding USF	$18,554	$19,303	$20,070	$20,844	$21,669	$22,503	$23,345	$24,298	$25,237	$26,051
USF % Change	**2.9%**	**3.9%**	**3.6%**	**2.9%**	**2.9%**	**4.4%**	**3.9%**	**3.9%**	**4.6%**	**4.4%**
Avg % Change, Excluding USF	4.1%	4.0%	4.0%	3.9%	4.0%	3.8%	3.7%	4.1%	3.9%	3.2%

Five-Year Undergraduate Tuition and Fees Trend

The FY 2021 average (excluding USF) annual undergraduate tuition and fees is $52,391, and the average rate of increase over the past five years has been 3.6% per annum. The average annual USF increase over the past five years has been 4.2%. Over the entire five-year period, the average tuition and fee level (excluding USF) increased 15.2%, while USF's tuition and fees increased 18.0%.

WCC		School	2016~2017	2017~2018	2018~2019	2019~2020	2020~2021	% chg in 5 yrsB	Avg % chg per yrC
	CA	University of Southern California	52,567	54,573	56,676	58,645	60,725	15.5%	3.7%
X	CA	Pepperdine University	50,022	51,992	53,932	55,892	58,002	16.0%	3.8%
	NY	Fordham University	48,654	50,986	52,687	54,411	56,161	15.4%	3.7%
X	Bay	Santa Clara University	47,407	49,538	51,386	53,285	53,303	12.4%	3.0%
X	CA	Loyola Marymount University	45,284	46,522	48,658	50,833	52,977	17.0%	4.0%
X	CA	University of San Diego	46,140	47,722	49,358	51,186	52,864	14.6%	3.5%
X	**Bay**	**USF**	**44,494**	**46,250**	**48,066**	**50,282**	**52,482**	**18.0%**	**4.2%**
X	Bay	Saint Mary's College	44,360	45,686	47,710	49,188	50,660	14.2%	3.4%
X	OR	University of Portland	42,014	44,026	45,904	47,818	49,864	18.7%	4.4%
	WA	Seattle University	41,495	43,428	45,145	47,090	48,390	16.6%	3.9%
X	WA	Gonzaga University	39,820	41,345	43,225	45,110	47,040	18.1%	4.3%
	IL	Loyola University of Chicago	42,382	43,115	44,158	46,028	46,310	9.3%	2.2%
		Average	45,387	47,099	48,909	50,814	52,398	15.4%	3.7%
		Average excluding USF	45,468	47,176	48,985	50,862	52,391	15.2%	3.6%

Notes:

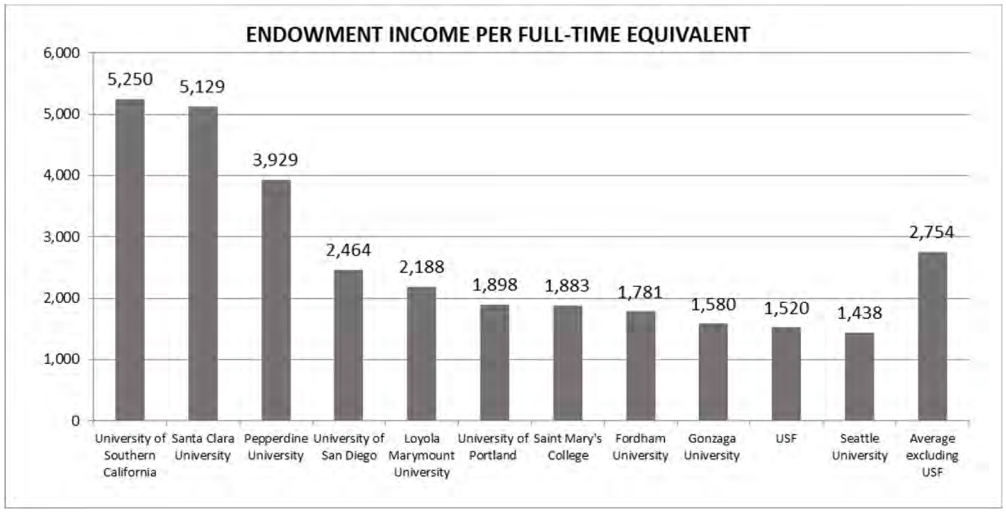
(A) Schools are sorted by 2020/2021 Tuition and Fees column.

(B) The '% change in 5 yrs' is the growth from FY17 to FY21.

(C) The 'Average % change per yr' is an average of the % changes from FY17 to FY21.

Endowment (FY 2019)

Among other forms of support, a healthy endowment provides a source of funding for university scholarships. In fiscal year 2019 (the latest available data), the average (excluding USF) endowment income (EI) per enrolled full-time equivalent (FTE) of the universities included in the comparison below was $2,754. USF's EI/FTE is below this average at $1,520.



WCC		School	2019 Total Endowment (TE) (000)2	4% Endowment Income FY 18 (EI) (000)	Fall 2018 Total Enrollment (FTE)3	2019 Total Enrollment TE/FTE	2019 Total Enrollment EI/FTE
	CA	University of Southern California	5,732,101	229,284	43,674	131,247	5,250
X	Bay	Santa Clara University	1,019,760	40,790	7,953	128,223	5,129
X	CA	Pepperdine University	887,461	35,498	9,035	98,225	3,929
X	CA	University of San Diego	545,552	21,822	8,855	61,609	2,464
X	CA	Loyola Marymount University	476,198	19,048	8,705	54,704	2,188
X	OR	University of Portland	209,125	8,365	4,408	47,442	1,898
X	Bay	Saint Mary's College	181,313	7,253	3,851	47,082	1,883
	NY	Fordham University	733,516	29,341	16,475	44,523	1,781
	WA	Gonzaga University	294,720	11,789	7,460	39,507	1,580
X	**Bay**	**USF**	**399,571**	**15,983**	**10,518**	**37,989**	**1,520**
	WA	Seattle University	234,341	9,374	6,519	35,947	1,438
		Average	973,969	38,959	11,587	66,045	2,642
		Average excluding USF	1,031,409	41,256	11,694	68,851	2,754

Expenses
The following appendices address the major areas of the University's expense budget, including employee compensation.

Compensation
The Office of the Provost and the deans track the balance between full- and part-time faculty members; faculty teaching, research, and service workloads; and faculty-to-student ratios.

The University is continually making a concerted effort to focus its personnel costs on areas that provide consistently high levels of academic excellence and service quality. In concert with institutional planning, and through the annual budgeting process, new and reallocated funds are directed towards these activities.

Benefits Expense

Benefits are shown in relation to University salary expense and total expense. USF charges benefits to departments based on salary expense.

				Benefits				Salaries
Year	Benefits	Salaries	Total Expense	% of Salaries	% of Total Expense	Annual % Change	10-year % Change	10-year % Change
FY 2012 Actual	$45,376	$128,582	$344,180	35.3%	13.2%	9.6%		
FY 2013 Actual	$47,925	$138,516	$364,866	34.6%	13.1%	5.6%		
FY 2014 Actual	$48,136	$148,551	$377,882	32.4%	12.7%	0.4%		
FY 2015 Actual	$54,371	$158,978	$405,906	34.2%	13.4%	13.0%		
FY 2016 Actual	$57,935	$168,247	$418,237	34.4%	13.9%	6.6%		
FY 2017 Actual	$60,366	$174,210	$446,220	34.7%	13.5%	4.2%		
FY 2018 Actual	$61,674	$177,955	$465,098	34.7%	13.3%	2.2%		
FY 2019 Actual	$60,461	$174,828	$472,110	34.6%	12.8%	-2.0%		
FY 2020 Actual	$59,907	$173,675	$476,237	34.5%	12.6%	-0.9%		
FY 2021 Forecast	$54,756	$155,068	$488,853	35.3%	11.2%	-8.6%		
FY 2022 Budget	$62,184	$180,909	$469,980	34.4%	13.2%	13.6%	37.0%	40.7%

USF Five-Year Revenues & Expenses by Category

The following report is a summary of all University historical actual revenues and expenses and unrestricted base budgets as organized by general revenue and expense categories. This analysis, and other budget-focused analyses are available from the Office of Planning and Budget's web site at http://myusf.usfca.edu/planning-budget/office-reports.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
YTD Activity	**Actual**	**Actual**	**Actual**	**Forecast**	**Budget**
Tuition & Fees	(420,181)	(425,283)	(436,333)	(418,488)	(417,388)
Gifts	(1,301)	(1,736)	(1,140)	(1,080)	(1,522)
Auxiliary & Other Revenues	(43,617)	(45,401)	(38,764)	(6,577)	(51,070)
Revenue Total	**(465,098)**	**(472,420)**	**(476,237)**	**(426,145)**	**(469,980)**
Full-Time Faculty	64,531	62,176	61,979	55,010	62,668
Part-Time Faculty	22,839	22,053	21,546	21,150	21,961
Staff	83,400	83,138	83,177	75,781	87,702
Student Staff	7,185	7,462	6,973	3,126	8,578
Benefits	61,674	60,461	59,907	54,756	62,184
Gen Ops/Facilities/Capital	80,560	81,369	80,967	64,515	60,532
Financial Aid	108,926	116,394	123,916	116,134	118,282
Food Service	10,277	10,056	6,744	2,096	10,550
Debt & Other Expense	19,419	19,681	19,681	32,577	28,027
Reserves & Transfers In/Out	6,288	9,320	11,347	1,000	9,495
Expense Total	**465,098**	**472,110**	**476,237**	**426,145**	**469,980**
Grand Total	**0**	**(310)**	**0**	**0**	**0**

Note: Revenues are represented within parentheses. All figures are in thousands.