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Operating Budget for Fiscal Year 2023

**For Consideration by the Board of Trustees
March 25, 2022**

Executive Overview

Purpose of Report

The purpose of this report is to review the fiscal year 2023 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 and the University Budget Advisory Council (UBAC).

The report outlines budgeted revenue and expense categories and details the spending plan for fiscal year 2023 using updated enrollment targets and projections (as of February 28, 2022) and revenue forecasts, along with the Board's approved tuition and fee rates.

Recommendation

The proposed fiscal year 2023 unrestricted operating budget was approved by the President on March 5, 2022. The President recommends that the Board of Trustees approves the proposed fiscal year 2023 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 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 2023 operating plan.

FY 2023 Operating Budget Highlights

Tuition, room, and board increases

- Traditional undergraduate tuition increases by 3.9% (with tuition, fees, room, and board, the typical traditional undergraduate student cost of education increase is 3.5%).
- The tuition increase for graduate programs varies by program. Generally, Arts & Sciences, Nursing & Health Professions, and Management graduate tuition increases by 2.9%. The Master of Nonprofit Administration, the Master of Science in Information Systems and the Master of Public Administration programs will see tuition increases of 1.9%.
- Tuition rate increases for the School of Education will be 1.9% and those for the School of Law will be 0.9%.
- Residence hall rates, and meal plan rates, increase by 2.5%.

Enrollment projections of 10,026 student headcount and 268,718 student credit hours (SCHs)

- An increase of 2,963 SCHs (a 1.1% increase) from the FY 2022 base budget and an increase of 70 SCHs (a 0.03% increase) from FY 2022 actuals (as of February 28, 2022).

FY 2023 total operating budget is \$499.3 million

- The tuition (net of exceptions) budget of \$440.5 million increases by \$21.8 million, or 5.2%, from the FY 2022 Board budget* and increases \$12.5 million, or 2.9%, from FY 2022 forecasted actuals (as of March 6, 2022).
- The financial aid budget of \$131.8 million increases \$12.1 million, or 10.2%, from the FY 2022 Board budget and increases \$5.7 million, or 4.5%, from FY 2022 forecasted actuals. The University's unfunded discount rate increases to 29.9% — up from 28.6% in the FY 2022 Board budget and up from 29.5% with respect to FY 2022 forecasted actuals.
- The net tuition budget of \$308.7 million increases by \$9.7 million, or 3.2%, from the FY 2022 Board budget and increases \$6.9 million, or 2.3%, from FY 2022 forecasted actuals.
- The proposed FY22 budget includes anticipated centrally organized and/or unit savings (aka “placeholder savings”) of approximately \$12.0 million. These cuts are being identified by management and will be implemented by, or around, the start of FY 2023.

FY 2023 restricted fund forecast

- The FY 2023 Restricted Fund Forecast provides an estimate of all restricted (not spendable until specific purpose or criteria are met) revenues and expenses for FY 2023.

*FY 2022 Board budget is the budget that was drafted in March 2021, and incorporates management's later “placeholder savings” in June 2021. Please refer to June 7, 2021 [Memorandum – Summary of fiscal year 2022 budget-balancing measures](#) for more details.

FY 2023 University Non-Law planning priorities include:

Division	Primary Unit	Revenue	Compensation	FT FTE	Expenditures	Total Description
Athletics Division	Athletics	\$ -	\$ 130,101	1.0	\$ 65,000	\$ 195,101 Title IX Gender Equity
	Subtotal	\$ -	\$ 130,101	1.00	\$ 65,000	\$ 195,101
Business & Finance Division	Business & Finance	\$ -	\$ -	-	\$ 890,000	\$ 890,000 Insurance / Risk Management Contractual Increase
	Facilities Management	\$ -	\$ -	-	\$ 252,000	\$ 252,000 Janitorial Contract Increase
	Facilities Management	\$ -	\$ -	-	\$ 960,000	\$ 960,000 Natural Gas and Electricity Contractual Increases
	Subtotal	\$ -	\$ -	-	\$ 2,102,000	\$ 2,102,000
Development Division	Development	\$ -	\$ -	-	\$ 45,000	\$ 45,000 GiveCampus Online Giving Platform Contractual Fees
	Subtotal	\$ -	\$ -	-	\$ 45,000	\$ 45,000
ITS Division	CIO	\$ -	\$ -	-	\$ 286,215	\$ 286,215 ITS Contractual Hardware/Software/Svcs Maintenance Contractual Increase
	CIO	\$ -	\$ -	-	\$ 312,500	\$ 312,500 New Charges for Google Apps & Storage Drive
	Subtotal	\$ -	\$ -	-	\$ 598,715	\$ 598,715
Office Marketing Communications Division	Office Marketing Communications	\$ -	\$ -	-	\$ 12,000	\$ 12,000 Widen Digital Asset Management System Contractual Increase
	Subtotal	\$ -	\$ -	-	\$ 12,000	\$ 12,000
Provost Division	Global Ed & Strategic Initiatives	\$ -	\$ 89,375	1.0	\$ -	\$ 89,375 ISSS International Student Advisor
	Branch Campuses	\$ -	\$ -	-	\$ 290,000	\$ 290,000 Sacramento Campus Facilities
	Gleeson Library	\$ -	\$ -	-	\$ 91,973	\$ 91,973 Gleeson Library Acquisitions Contractual Increase (Periodicals & Databases)
	Gleeson Library	\$ -	\$ -	-	\$ 28,431	\$ 28,431 OCLC, Innovative, & Other Library Systems
	Nursing	\$ -	\$ 99,000	1.0	\$ -	\$ 99,000 Clinical Placement Coordinator Position
	Provost Pass Through	\$ -	\$ 3,230,273	-	\$ -	\$ 3,230,273 Faculty Compensation Increase Pools
	Provost Pass Through	\$ -	\$ 872,938	-	\$ -	\$ 872,938 Part-time Faculty Increase Funding
	Subtotal	\$ -	\$ 4,291,587	2.00	\$ 410,404	\$ 4,701,991
Student Life Division	Student Life	\$ -	\$ -	-	\$ 17,539	\$ 17,539 Campus Shuttle Driver/Services (WeDriveU)
	Student Life	\$ -	\$ -	-	\$ 14,000	\$ 14,000 Central Station Life Safety System Monitoring
	Student Life	\$ -	\$ 161,590	1.0	\$ -	\$ 161,590 Dispatcher Full-Time Staff
	Student Life	\$ -	\$ -	-	\$ 8,795	\$ 8,795 Student Life Contractual Increases
	Subtotal	\$ -	\$ 161,590	1.00	\$ 40,334	\$ 201,924
University Division	University	\$ -	\$ (1,000,000)	-	\$ -	\$ (1,000,000) Full-time Staff Additional Compensation Salvage
	University	\$ -	\$ 2,876,656	-	\$ -	\$ 2,876,656 Staff Compensation Increase Pools
	University	\$ -	\$ -	-	\$ 652,806	\$ 652,806 University Operating Reserves Increase
	Subtotal	\$ -	\$ 1,876,656	-	\$ 652,806	\$ 2,529,462
Grand Total		\$ -	\$ 6,459,933	4.00	\$ 3,926,259	\$ 10,386,192

New Academic Programs Within Their First Five Years of Operation:

New and Continuing Academic Programs	Salary & Benefit	Faculty FTE	Staff FTE	Expenditure	Total
BS Engineering	(41,105)	-	(0.5)	8,911	\$ (32,194)
International Studies	40,052	-	-	-	\$ 40,052
Public Leadership	3,054	-	-	10,875	\$ 13,929
MS Applied Economics	134,845	1.0	-	38,256	\$ 173,101
Andersen Enterprise MBA	512,356	1.0	2.3	240,871	\$ 753,227
Marketing Intelligence	8,348	-	-	6,900	\$ 15,248
Masters in Public Health - Orange County	21,115	-	-	4,500	\$ 25,615
MSN Orange County	-	-	-	(49,330)	\$ (49,330)
Grand Total	\$ 678,666	2.0	1.8	\$ 260,983	\$ 939,649

- For FY 2023, the incremental expense budgets enumerated in the table above are funded by the reallocation of budgetary resources within the Division of Academic Affairs rather than through the creation of new expense budgets.
- Reallocation has been 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 \$13,600,129 in net tuition (tuition net scholarships).
- Law revenues decrease by \$363,202 and its expenses decrease by \$319,249. With an anticipated transfer in from restricted resources of \$930,000, Law's contribution will increase a total of \$886,047 providing a total contribution of \$4.7 million.
- Student housing revenue increases by \$679,400, with accompanying expense increases of \$376,172. Dedicated reserves for student housing revenue are budgeted at \$1,057,016, or 3.0% of student housing revenue.

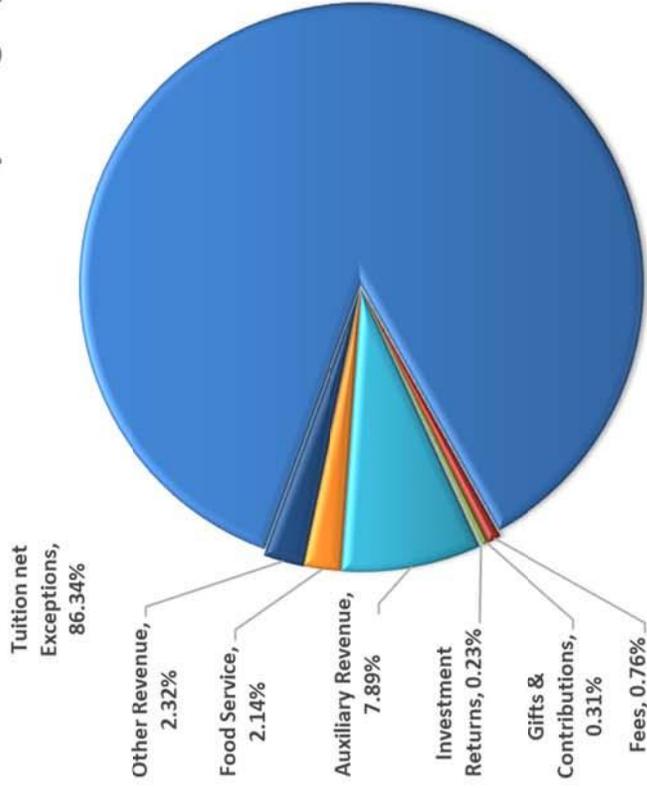
FY 2023 Unrestricted Operating Budget Creation Process Goal

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.

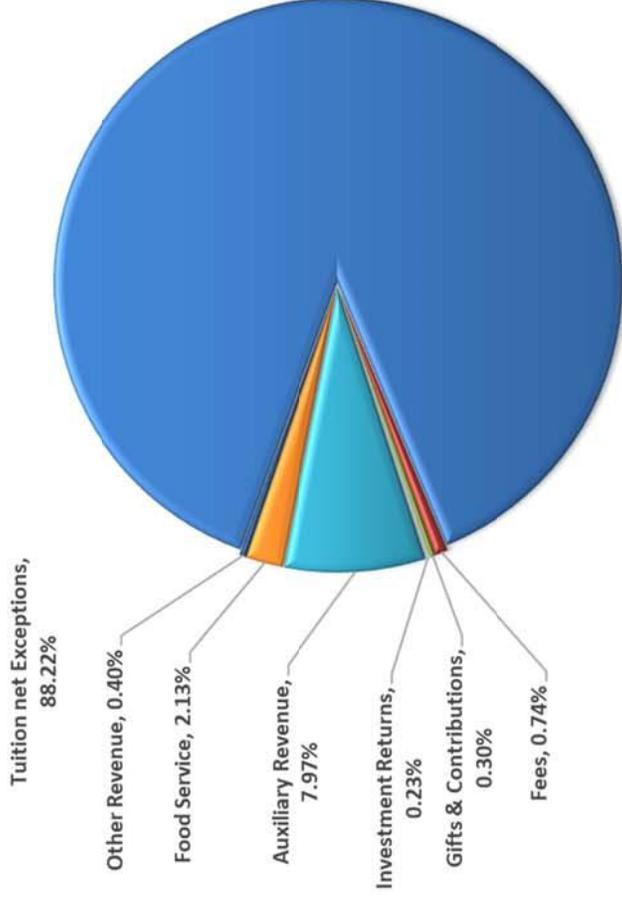
FY 2023 Unrestricted Operating Budget Creation Process Highlights

- 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 preliminary enrollment targets and projections at its winter meeting.
- Institutional financial aid expenses were based on a combination of historical, forecasted, and targeted discount rates.

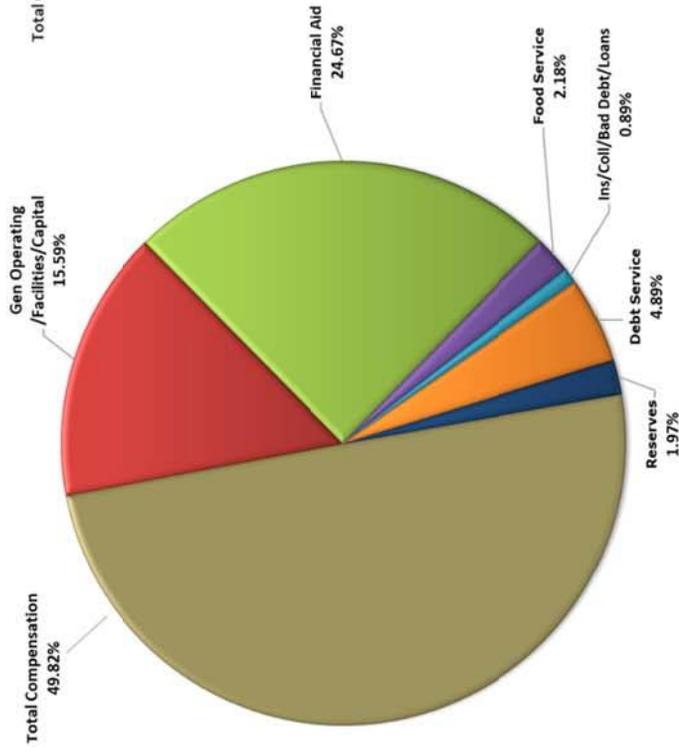
FY 2022 Revenue by Category



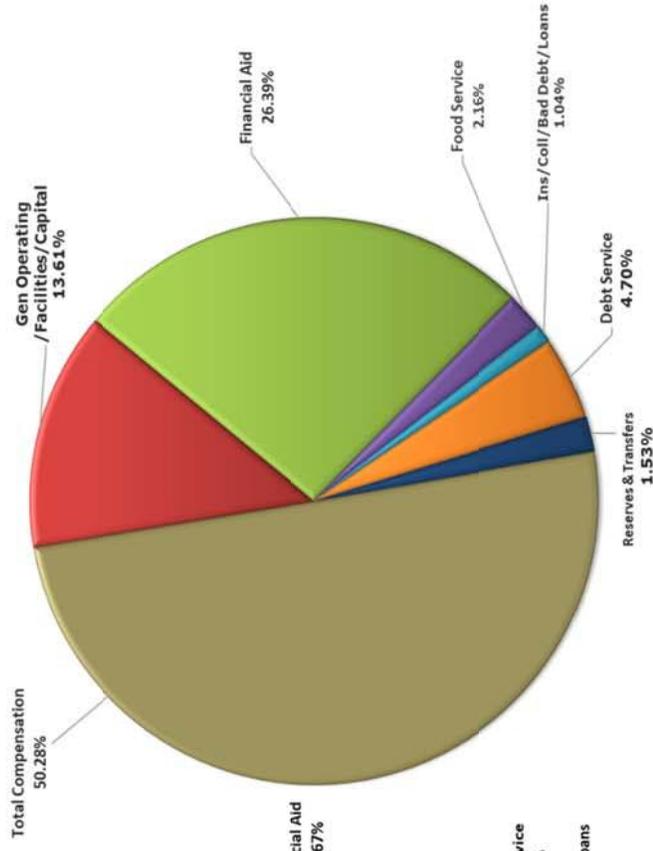
FY 2023 Revenue by Category



FY 2022 Expense by Category



FY 2023 Expense by Category



FY 2023 Proposed Operating Budget by Category

Across the University

The \$499.0 million operating budget for FY 2023 is based on the University's plan to welcome 10,026 continuing and new students across all of its campuses. The current fiscal year's Board budget includes base and one-time budget savings of \$18.1 million made in order to balance the current fiscal year's placeholder budget. These FY 2022 savings included \$4.4 million in base savings and another \$13.7 million in one-time savings. (Please refer to June 7, 2021 Memorandum - Summary of fiscal year 2022 budget-balancing measures for more details.) By their nature, these one-time savings are cleared in generating the FY 2023 budget.

Revenue

Due to enrollment composition and rate increases, tuition revenue (net of tuition exceptions) is budgeted to increase by \$21.8 million. Fee revenue budgets reflect the reversal of one-time reductions. Planned changes to auxiliary revenue also reflect the reversal of one-time reductions as well as a 2.5% room rate increase. Food service revenue increases due to a 2.5% meal plan rate increase. The decrease to other revenues primarily reflects the removal of one-time budget associated with Federal Stimulus funds.

Financial Aid Expense

Institutional financial aid is a combination of merit awards and need-based aid. Unfunded financial aid budgets will increase, in aggregate, by 10.2%. This increase will account for the University's recent and planned enrollment composition and discounting practices.

Other Expenses

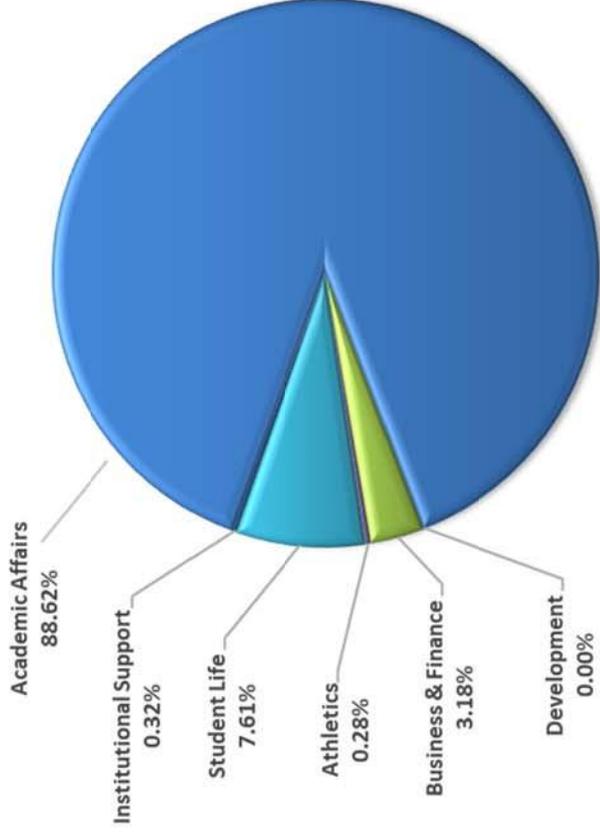
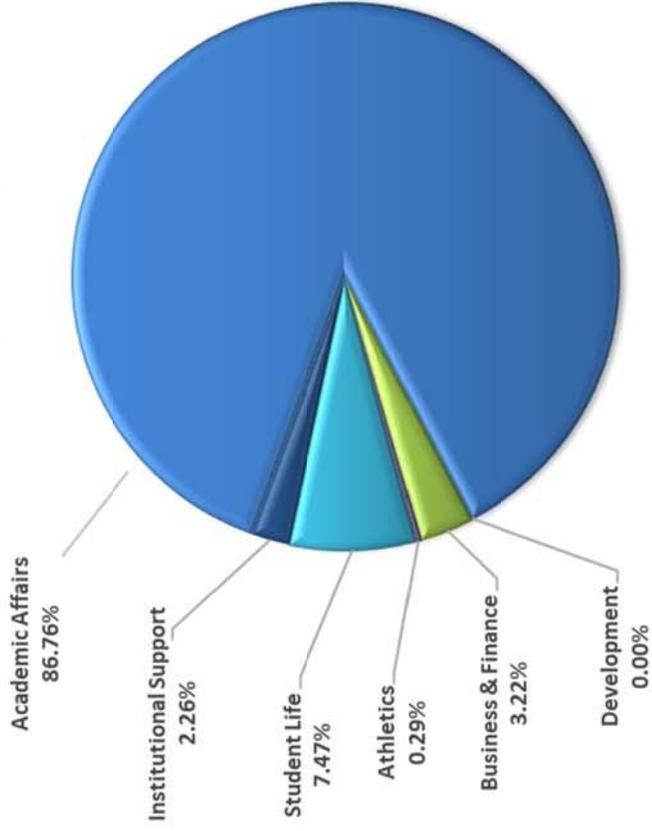
General operating, facilities, and capital expenditure budgets will collectively see a decrease in their level. General operating includes a FY 2023 budget-balancing placeholder for savings of \$12.0 million. Insurance premium budgets increase. Debt service reduction reflects a transfer to associated general operating expense. Please refer to pages 15 and 16 for more details.

University Reserves and Transfers

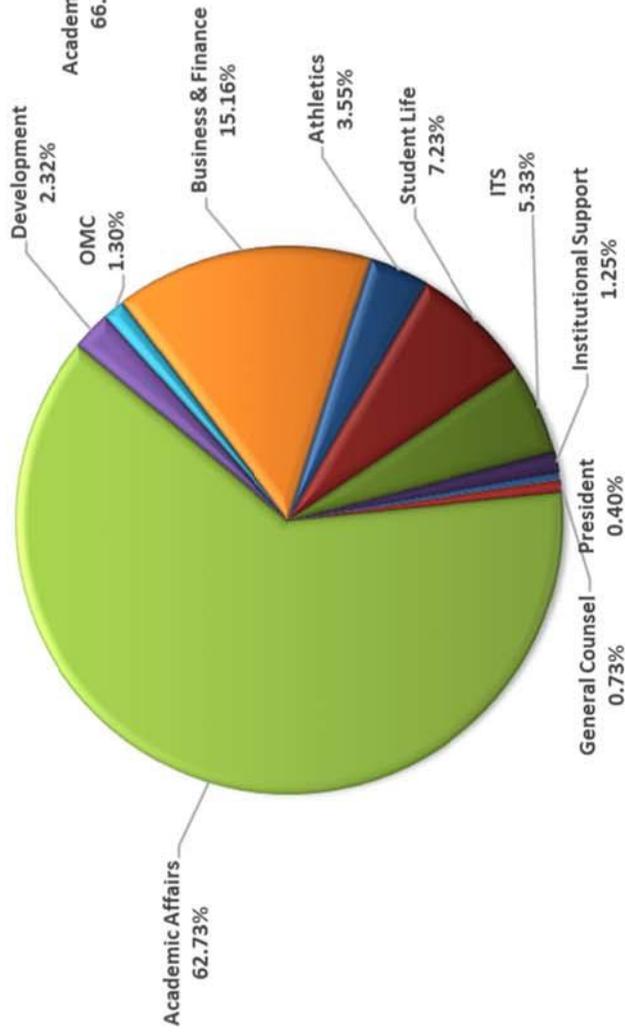
University operating reserves increase an aggregate \$449 thousand to \$9.98 million, or 2.0% of operating revenue budgets. Transfers In reflects Law's anticipated support from their restricted resources.

	FY 2023 Budget Creation (in \$1,000's)			
Revenue	FY 2022 Budget	FY 2023 Budget	Change	Change %
Tuition net Exceptions	418,692	440,508	21,816	5.2%
Fees	3,681	3,716	35	0.9%
Gifts & Contributions	1,522	1,517	(5)	-0.4%
Investment Returns	1,134	1,134	0	0.0%
Auxiliary Revenue	38,243	39,773	1,530	4.0%
Food Service	10,400	10,660	260	2.5%
Other Revenue	11,238	2,006	(9,232)	-82.2%
Total Revenue	484,910	499,314	14,404	3.0%
Expense				
Total Compensation	241,585	251,035	9,451	3.9%
Gen Ops/Facilities/Capital	75,595	67,965	(7,630)	-10.1%
Financial Aid	119,618	131,763	12,145	10.2%
Food Service	10,550	10,810	260	2.5%
Ins/Coll/Bad Debt/Loans	4,325	5,215	890	20.6%
Debt Service	23,703	23,473	(230)	-1.0%
Reserves	9,535	9,984	449	4.7%
Transfer In	-	(930)	(930)	0.0%
Total Expense	484,911	499,314	14,404	3.0%
Net Balance	(0)	0	0	0

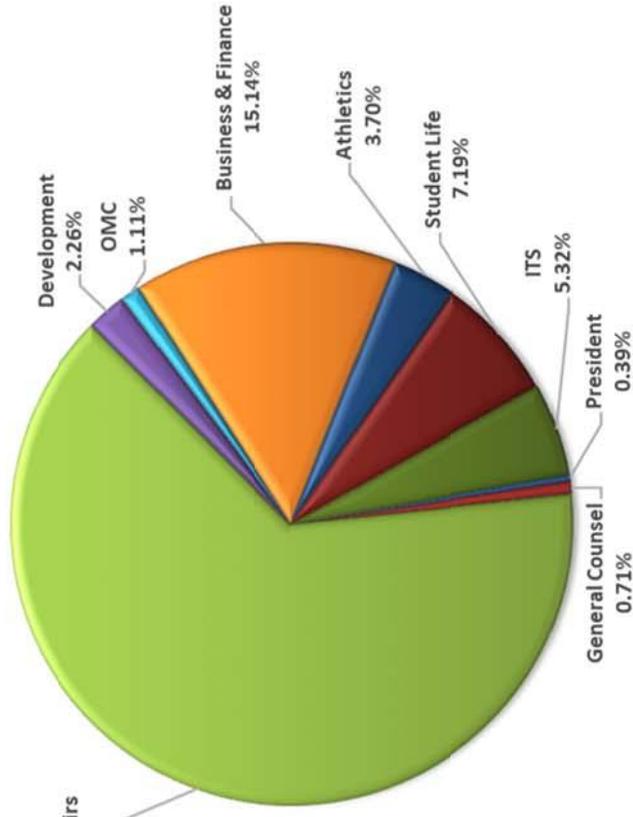
FY 2022 Revenue by Primary Functional Areas FY 2023 Revenue by Primary Functional Areas



FY 2022 Expense by Primary Functional Areas



FY 2023 Expense by Primary Functional Areas



FY 2023 Proposed Operating Budget by Primary Functional Areas

FY 2023 Proposed Budget (in \$1,000's)

Revenue	FY22 Budget	FY23 Budget	Change	Change %
Academic Affairs	420,694	442,490	21,796	5.2%
Development	6	11	5	83.3%
Business & Finance	15,631	15,891	260	1.7%
Athletics	1,393	1,393	-	0.0%
Student Life	36,207	38,000	1,793	5.0%
ITS	-	-	-	-
Institutional Support	10,969	1,519	(9,450)	-86.2%
Total Revenue	484,910	499,314	14,404	3.0%
Expense				
President	1,957	1,967	10	0.5%
General Counsel	3,564	3,575	11	0.3%
Academic Affairs	304,166	323,069	18,903	6.2%
Development	11,227	11,402	175	1.6%
OMC	6,300	5,568	(732)	-11.6%
Business & Finance	73,499	76,234	2,735	3.7%
Athletics	17,227	18,637	1,410	8.2%
Student Life	35,049	36,179	1,130	3.2%
ITS	25,844	26,773	929	3.6%
Institutional Support	6,078	(4,090)	(10,168)	-167.3%
Total Expense	484,910	499,314	14,404	3.0%
Net Balance	-	-	-	-

The current fiscal year's Board budget includes base and one-time budget savings of \$18.1 million made in order to balance the current fiscal year's placeholder budget. These FY 2022 savings included \$4.4 million in base savings and another \$13.7 million in one-time savings. (Please refer to June 7, 2021 Memorandum - Summary of fiscal year 2022 budget-balancing measures for more details.) By their nature, the one-time savings are removed in generating the FY 2023 budget. Changes from the FY 2022 Board budget also include management base budget adjustments made within the fiscal year.

Revenue Changes

- The Division of Academic Affairs increase is due to enrollment projections as of February 28, 2022, adjusted by tuition increases approved by the Board of Trustees in December 2021.
- The Division of Business & Finance includes the meal plan increase.
- The Student Life increase is due to the restoration of one-time revenue decreases in the Koret Health and Recreation Center as well as a student housing revenue increase.
- Institutional Support decrease is due to the removal of one-time budget associated with Federal Stimulus funds.

Expense Changes

- Expense budgets in functional areas see increases due to the removal of one-time savings, planned compensation increases, planning priorities, as well as new and continuing academic programs.
- The Academic Affairs net increase includes reductions for Law and Pearson tuition share, as well as increases for scholarships, the faculty compensation increase pool, library collections and databases, the Sacramento campus lease, and an international student advisor.
- Development and The Office of Marketing Communications include contractual increases.
- The Business and Finance increase includes increases for utilities, janitorial service, university insurance premiums, and food service budgets.
- The Athletics increase includes both additional and reallocated financial aid as well as Title IX gender equity funding for Women's Cross Country / Track & Field.
- The Student Life net increase includes additional funding for student housing, shuttle service, life safety systems, a Public Safety dispatcher, as well as contractual increases.
- The Information Tech Services increase supports contractual as well as new costs for Google applications and storage drive.
- Institutional Support net decrease includes a holding budget of approximately \$12.0 million for anticipated savings, an increase to the University's operating reserves, staff compensation increases, as well as a staff compensation salvage increase.

Enrollment Projections (as of February 28, 2022) (HC = Head Count; SCHs = Student Credit Hours)

	FY 2021 Actual		FY 2022 Actual		FY 2023 Budget		FY 2024 Budget	
	Fall HC	SCH						
Undergraduate								
Arts & Sciences	3,582	140,703	3,741	144,605	3,852	146,734	3,973	152,063
Management	1,423	27,467	1,363	23,693	1,273	23,586	1,344	24,664
Nursing	809	17,169	833	17,486	839	17,387	860	17,394
Undergraduate Total	5,814	185,339	5,937	185,784	5,964	187,707	6,177	194,121
Graduate								
Arts & Sciences	1,085	18,386	1,078	18,892	1,059	18,718	1,115	19,648
Management	572	11,865	534	11,458	582	11,756	662	12,512
Nursing	873	19,534	764	18,210	701	17,020	713	17,347
Education	1,180	22,874	1,157	21,817	1,146	21,643	1,218	22,853
Law	502	11,723	523	12,487	499	11,874	540	12,798
Graduate Total	4,212	84,382	4,056	82,864	3,987	81,011	4,248	85,158
Non-Degree-Seeking	115		55		75		75	
University Total	10,141	269,721	10,048	268,648	10,026	268,718	10,500	279,279

Enrollment, Revenue, and Expense: FY 2022 Actuals Versus FY 2023 Budget

Undergraduate Enrollment

New undergraduate student enrollment is planned to decrease from 1,816 in fall 2021 to 1,803 in fall 2022. The undergraduate continuing student population is planned to increase from 4,121 in fall 2021 to 4,161 in fall 2022. Overall, undergraduate student enrollment is planned to increase from 5,937 in fall 2021 to 5,964 in fall 2022.

Graduate Enrollment

Arts and Sciences graduate student enrollment for FY 2023 is planned to decrease from 18,892 SCHs in FY 2022 to 18,718 SCHs in FY 2023.

Management projected graduate SCHs are planned to increase from 11,458 in FY 2022 to 11,756 in FY 2023.

Nursing graduate SHCs are planned to decrease from 18,210 SCHs in FY 2022 to 17,020 in FY 2023.

Education total enrollment, as measured by SCHs, is planned to decrease from 21,817 in FY 2022 to 21,643 in FY 2023.

Law total enrollment, as measured by SCHs, is planned to decrease from 12,487 in FY 2022 to 11,874 in FY 2023.

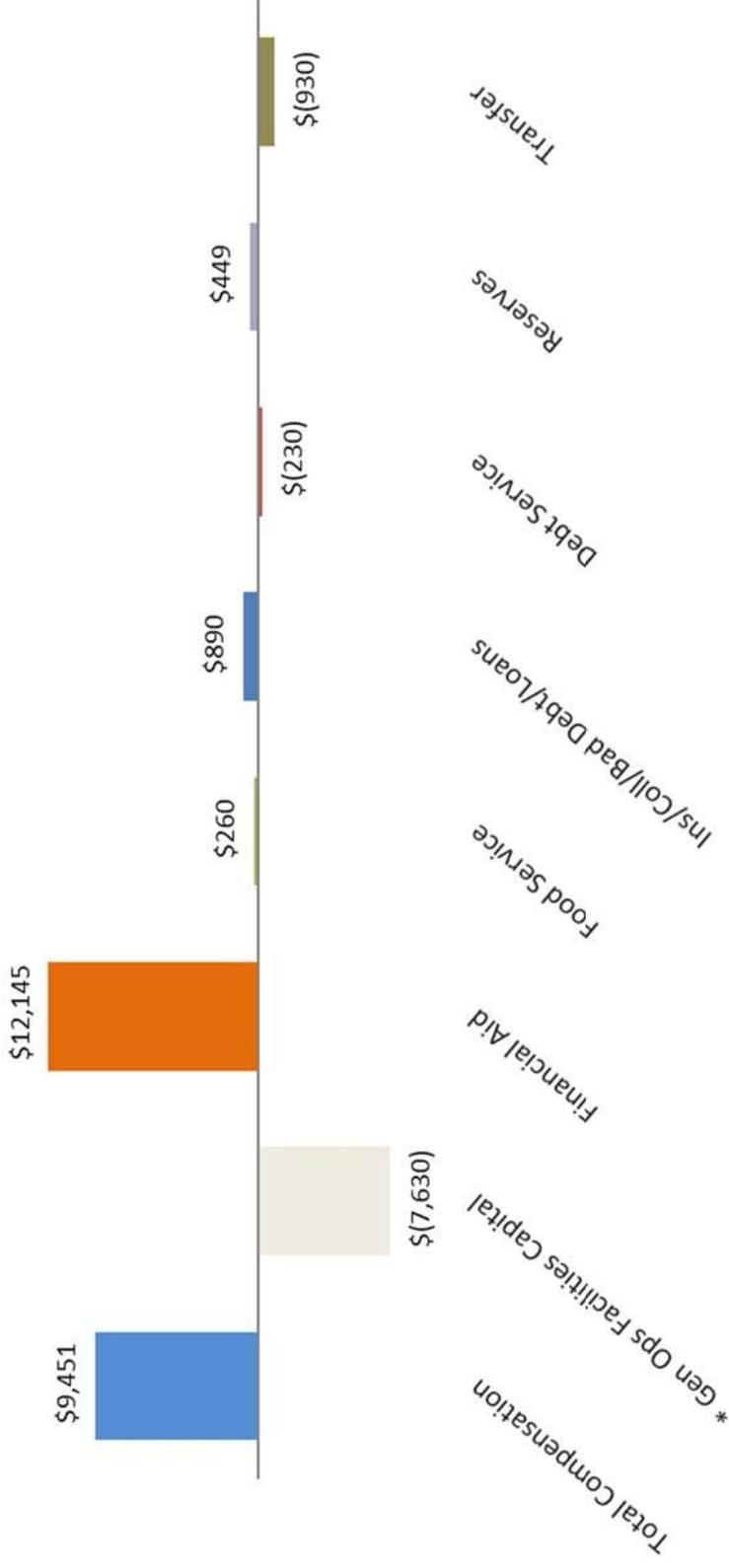
FY 2023 Budgeted Revenue and Expense by School or College

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

	FY 2023 Budget	Revenue	Expense
Arts & Sciences	\$	281,341	\$ 175,682
Management	\$	57,272	\$ 37,680
Education	\$	25,009	\$ 15,607
Law	\$	21,410	\$ 16,720
Nursing	\$	56,831	\$ 34,176
	\$	441,863	\$ 279,864

*All figures in \$1,000's

FY23 Change in Expense Budgets



*Note: Gen Ops Facilities Capital includes a decrease for anticipated savings of \$12.012 million.

Changes in Expense Budgets

The current fiscal year's Board budget includes base and one-time budget savings of \$18.1 million made in order to balance the current fiscal year's placeholder budget. These FY 2022 savings included \$4.4 million in base savings and another \$13.7 million in one-time savings. (Please refer to June 7, 2021 Memorandum - Summary of fiscal year 2022 budget-balancing measures for more details.) By their nature, these one-time savings are cleared in generating the FY 2023 budget.

Total Compensation

Employee compensation constitutes approximately 50.3% of budgeted expenses in FY 2023. 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 the removal of one-time savings, compensation increase pools and new planning priorities, Law adjustments, and new academic program plans. 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.

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 \$7.6 million includes a decrease for anticipated savings of \$12.0 million, restoration of one-time savings and budget adjustments of \$2.5 million, increases for planning priorities of \$2.4 million, housing increases of \$245 thousand (K), decreased revenue share payments of \$100K, a reallocation reduction to support new academic compensation adjustments of \$531K, and a net decrease of \$72K for Law.

Financial Aid

The \$12.1 million increase in financial aid includes the restoration of one-time savings and budget adjustments of \$1.0 million and an increase of \$11.2 million in undergraduate budgets supporting current financial aid practices. Law decreases its operating financial aid funding by \$334K. Other non-Law graduate financial aid increases \$142K, and housing financial aid increases by \$106K.

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

Food Service increases by \$260K matching its meal plan revenue increase. Debt Service decreases by \$230K with a transfer to associated general operating expense. The Insurance/Collections/Bad Debt/Loans category increase by \$890K 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 a net 449K. The resulting level will represent 2.0% of operating revenue budgets. Law's transfers in budgets \$930K for anticipated support from their restricted resources.

Changes in Compensation Budgets

Faculty

Tenured, probationary, and term full-time faculty salaries for FY 2023 include the funding of two lines for new academic programs: one for the MS in Applied Economics and one for the Andersen Enterprise MBA. Expense budget within the Provost internally fund new academic programs (see page four). The School of Law slightly increases its faculty budgets. Additionally, compensation increase pools for non-Law faculty are funded in response and in anticipation of collective bargaining agreements for both full- and part-time faculty.

Staff

Staff salaries for FY 2023 include the funding of compensation increase pools for both represented and unrepresented staff. New academic program adjustments include a net additional 1.8 FTE in staff support positions. Expense budget within the Provost internally fund new academic programs (see page four). Planning priorities result in the funding of an additional 4.0 FTE in staff positions. These include an International Student and Scholar Services International Student Advisor, a Clinical Placement Coordinator in the School of Nursing and Health Professions, an Assistant Women’s Cross Country / Track & Field Coach in support of the university’s gender equity Title IX compliance, and a Public Safety Dispatcher.

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 2023, student worker compensation pools see increases due to wage laws, as well as planned incremental activity in new academic programs. Housing plans also include an increase in student worker compensation.

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.

<u>Compensation</u>	<u>FY 2022 Budget</u>	<u>FY 2023 Budget</u>	<u>Change</u>
Full-Time Faculty	63,234	65,718	2,485
Part-Time Faculty	21,227	22,328	1,101
Staff	87,306	90,005	2,698
Student Staff	8,405	8,686	281
Benefits	61,412	64,298	2,886
Total Compensation	241,585	251,035	9,451

* All figures in \$1,000's

FY 2022 Board Budget and Forecast Versus FY 2023 Budget

	FY22 Budget	FY22 Forecast [^]	FY23 Budget*
Revenue			
Tuition net Exceptions	418,692	427,985	440,508
Fees	3,681	2,387	3,716
Grants & Contracts		9	
Gifts & Contributions	1,522	943	1,517
Investment Returns	1,134	1,223	1,134
Auxiliary Revenue	38,243	36,316	39,773
Board Revenue	10,400	9,725	10,660
Other Revenue and FY22 Federal Stimulus	11,238	10,630	2,006
Total Revenue	484,910	489,218	499,314
Expense			
FT Faculty Salary & Benefits	86,946	83,796	90,361
PT Faculty Salary & Benefits	26,109	26,863	27,575
Total Staff Salary & Benefits	128,529	120,819	133,098
Gen Ops/Facilities/Capital	75,596	78,904	67,965
Scholarships	119,618	126,108	131,763
Food Service	10,550	10,225	10,810
Ins/Coll/Bad Debt/Loans	4,325	4,245	5,215
Debt Service	23,703	23,273	23,473
Reserves, Transfers & Internal Bank	9,535	14,987	9,054
Total Expense	484,910	489,218	499,314
Net Balance	-	-	-

[^] February Fiscal Period Operating Forecast

* This amount included a general operating reduction for anticipated savings of \$12.012 million which will be allocated across other expense categories with management's inputs by June 1, 2022.

(All figures in \$1,000's)

FY 2023 Restricted Fund Forecast (in 1,000's):

Revenue	FY 2023 Forecast
Endowment Distribution	20,000
Grants & Contracts	7,000
Restricted Gifts (excluding endowments)	11,000
Total Revenues	38,000
Expense	
Scholarships	18,000
Compensation (Salary & Benefits) Program	10,000
Total Expenses	38,000
Net Balance	-

- The FY 2023 Restricted Fund Forecast represents all restricted (not spendable until specific purpose or criteria are met) revenues and expenses. These figures are not precise and have been estimated based on historical data. There are many unknown factors and uncertainty associated with them, with exception of the endowment distribution.
- The endowment distribution is based on 4.5% of the average market value of the endowment pools prior three years ending 12/31/2021. The purpose percentages on historical endowments include 58% to endowed scholarships, 31% to program, and 11% to endowed faculty.
- Grants and Contracts include estimated Federal, State, City/County, Corporate, and Foundation revenues. With no additional Higher Education Emergency Relief Funds (HEERF) expected, Grants & Contracts revenue will revert to more historical averages.
- Restricted Gifts include all other estimated gift related contribution revenue. This does not include endowment contributions.
- Scholarships, compensation, and program expenses represent all forecasted expenses that meet the criteria and purpose of endowments, grants & contracts, and restricted gifts.

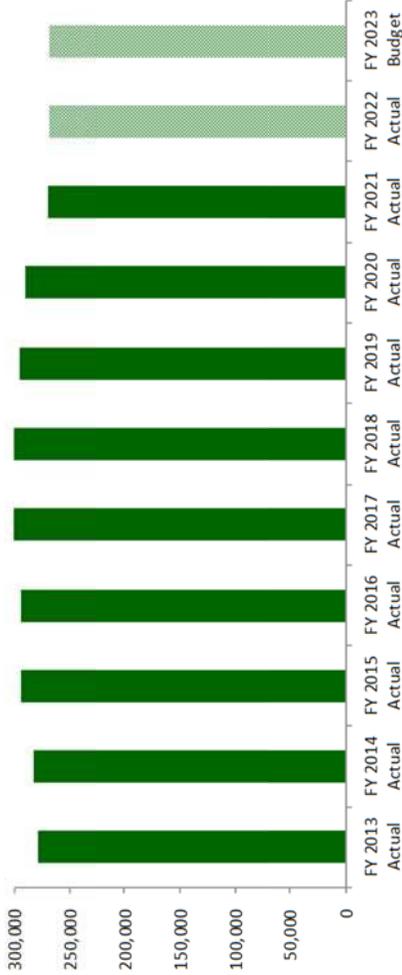
Appendix: Historical Analysis

Revenue

Tuition and fees make up 89.0% of the gross revenue in the FY 2023 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 2013 - FY 2023)

Year	Total SCH	% Change	10-year % Change
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 Actual	269,721	-7.2%	
FY 2022 Actual	268,648	-0.4%	
FY 2023 Budget	268,718	0.0%	-3.5%



Tuition and Fee Income

Planned tuition and fee revenue increases because enrollment projections and/or tuition rates increase. The FY 2023 budget anticipates that tuition (net of tuition exceptions) and fee revenue will increase by 5.2%. Tuition and fees constitute 89.0% of the FY 2023 gross revenue budget.

Financial Aid

Over the ten-year analysis period, expenditures for University-funded financial aid have increased 108.5%, in contrast with a tuition and fee cumulative increase of 40.4%. As a percentage of tuition, aggregate financial aid has grown from 20.2% to a budgeted 29.9% 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 \$131.8 million in aggregate unrestricted financial aid in the FY 2023 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 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 Actual	\$418,077	\$426,177	98.1%		-4.2%
FY 2022 Forecast	\$430,372	\$489,218	88.0%		2.9%
FY 2023 Budget	\$444,224	\$499,314	89.0%		3.2%

FY 2013 - FY 2023 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 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 Actual	\$115,281	\$415,447	27.7%		-7.0%
FY 2022 Forecast	\$126,108	\$427,985	29.5%		9.4%
FY 2023 Budget	\$131,763	\$440,508	29.9%		4.5%

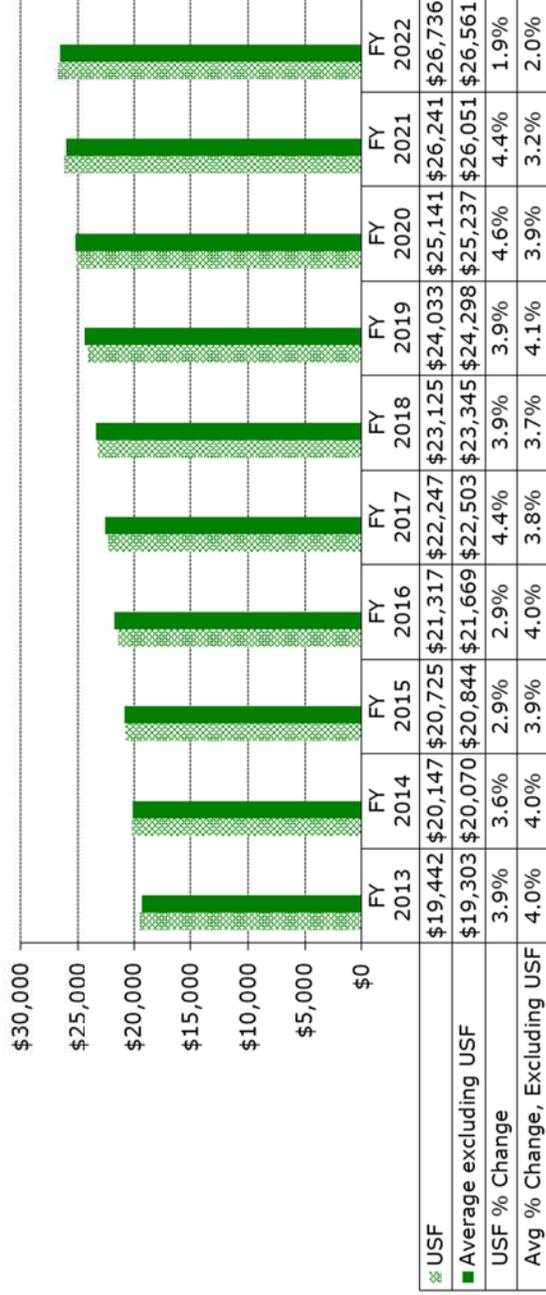
Tuition* = Tuition + Tuition Exceptions

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 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 1.9% 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 (FY2013 - FY2022)



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 2.0% in FY 2022. USF increased undergraduate tuition and fees by 1.9% in FY 2022.

Undergraduate Semester

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
WCC Schools										
Pepperdine University	\$21,386	\$22,451	\$23,346	\$24,171	\$25,011	\$25,996	\$26,966	\$27,946	\$29,001	\$29,851
Santa Clara University	\$20,431	\$21,223	\$22,054	\$22,798	\$23,704	\$24,769	\$25,693	\$26,643	\$26,652	\$27,930
University of San Diego	\$19,985	\$20,696	\$21,414	\$22,293	\$23,070	\$23,861	\$24,679	\$25,593	\$26,432	\$26,432
Loyola Marymount University	\$19,609	\$20,177	\$20,849	\$21,806	\$22,642	\$23,261	\$24,329	\$25,417	\$26,489	\$26,763
USF	\$19,442	\$20,147	\$20,725	\$21,317	\$22,247	\$23,125	\$24,033	\$25,141	\$26,241	\$26,736
Saint Mary's College	\$19,225	\$19,945	\$20,690	\$21,465	\$22,180	\$22,843	\$23,855	\$24,594	\$25,330	\$25,784
University of Portland	\$17,630	\$18,435	\$19,260	\$20,125	\$21,007	\$22,013	\$22,952	\$23,909	\$24,932	\$24,932
Gonzaga University	\$16,853	\$17,560	\$18,295	\$19,028	\$19,910	\$20,673	\$21,613	\$22,555	\$23,520	\$24,235
Average including USF	\$19,320	\$20,079	\$20,829	\$21,625	\$22,471	\$23,318	\$24,265	\$25,225	\$26,075	\$26,583
Average excluding USF	\$19,303	\$20,070	\$20,844	\$21,669	\$22,503	\$23,345	\$24,298	\$25,237	\$26,051	\$26,561
USF % Change	3.9%	3.6%	2.9%	2.9%	4.4%	3.9%	3.9%	4.6%	4.4%	1.9%
Avg % Change, Excluding USF	4.0%	4.0%	3.9%	4.0%	3.8%	3.7%	4.1%	3.9%	3.2%	2.0%

Five-Year Undergraduate Tuition and Fees Trend

The FY 2022 average (excluding USF) annual undergraduate tuition and fees is \$53,387, and the average rate of increase over the past five years has been 3.1% per annum. The average annual USF increase over the past five years has been 3.2%. Over the entire five-year period, the average tuition and fee level (excluding USF) increased 13.2%, while USF's tuition and fees increased 15.6%.

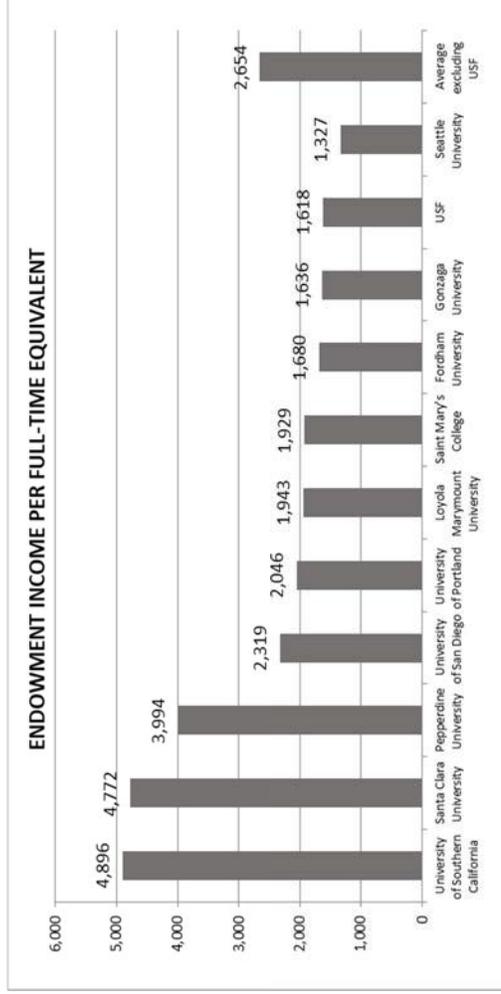
WCC	School	2017~2018					2018~2019					2019~2020					2020~2021					2021~2022					% chg in 5 yrs ^B		Avg. % chg per yr. ^C		
	CA	University of Southern California	54,573	56,676	58,645	60,725	61,911	54,573	56,676	58,645	60,725	61,911	54,573	56,676	58,645	60,725	61,911	54,573	56,676	58,645	60,725	61,911	54,573	56,676	58,645	60,725	61,911	13.4%	13.4%	3.2%	3.2%
X	CA	Pepperdine University	51,992	53,932	55,892	58,002	59,702	51,992	53,932	55,892	58,002	59,702	51,992	53,932	55,892	58,002	59,702	51,992	53,932	55,892	58,002	59,702	51,992	53,932	55,892	58,002	59,702	14.8%	14.8%	3.5%	3.5%
	NY	Fordham University	50,986	52,687	54,411	56,161	56,161	50,986	52,687	54,411	56,161	56,161	50,986	52,687	54,411	56,161	56,161	50,986	52,687	54,411	56,161	56,161	50,986	52,687	54,411	56,161	56,161	10.1%	10.1%	2.5%	2.5%
X	Bay	Santa Clara University	49,538	51,386	53,285	53,303	55,860	49,538	51,386	53,285	53,303	55,860	49,538	51,386	53,285	53,303	55,860	49,538	51,386	53,285	53,303	55,860	49,538	51,386	53,285	53,303	55,860	12.8%	12.8%	3.1%	3.1%
X	CA	Loyola Marymount University	46,522	48,658	50,833	52,977	53,526	46,522	48,658	50,833	52,977	53,526	46,522	48,658	50,833	52,977	53,526	46,522	48,658	50,833	52,977	53,526	46,522	48,658	50,833	52,977	53,526	15.1%	15.1%	3.6%	3.6%
X	Bay	USF	46,250	48,066	50,282	52,482	53,472	46,250	48,066	50,282	52,482	53,472	46,250	48,066	50,282	52,482	53,472	46,250	48,066	50,282	52,482	53,472	46,250	48,066	50,282	52,482	53,472	15.6%	15.6%	3.7%	3.7%
X	CA	University of San Diego	47,722	49,358	51,186	52,864	52,864	47,722	49,358	51,186	52,864	52,864	47,722	49,358	51,186	52,864	52,864	47,722	49,358	51,186	52,864	52,864	47,722	49,358	51,186	52,864	52,864	10.8%	10.8%	2.6%	2.6%
X	Bay	Saint Mary's College	45,686	47,710	49,188	50,660	51,568	45,686	47,710	49,188	50,660	51,568	45,686	47,710	49,188	50,660	51,568	45,686	47,710	49,188	50,660	51,568	45,686	47,710	49,188	50,660	51,568	12.9%	12.9%	3.1%	3.1%
X	OR	University of Portland	44,026	45,904	47,818	49,864	49,864	44,026	45,904	47,818	49,864	49,864	44,026	45,904	47,818	49,864	49,864	44,026	45,904	47,818	49,864	49,864	44,026	45,904	47,818	49,864	49,864	13.3%	13.3%	3.2%	3.2%
	WA	Seattle University	43,428	45,145	47,090	48,390	49,595	43,428	45,145	47,090	48,390	49,595	43,428	45,145	47,090	48,390	49,595	43,428	45,145	47,090	48,390	49,595	43,428	45,145	47,090	48,390	49,595	14.2%	14.2%	3.4%	3.4%
X	WA	Gonzaga University	41,345	43,225	45,110	47,040	48,470	41,345	43,225	45,110	47,040	48,470	41,345	43,225	45,110	47,040	48,470	41,345	43,225	45,110	47,040	48,470	41,345	43,225	45,110	47,040	48,470	17.2%	17.2%	4.1%	4.1%
	IL	Loyola University of Chicago	43,115	44,158	46,028	46,310	47,739	43,115	44,158	46,028	46,310	47,739	43,115	44,158	46,028	46,310	47,739	43,115	44,158	46,028	46,310	47,739	43,115	44,158	46,028	46,310	47,739	10.7%	10.7%	2.6%	2.6%
		Average	47,099	48,909	50,814	52,398	53,394	47,099	48,909	50,814	52,398	53,394	47,099	48,909	50,814	52,398	53,394	47,099	48,909	50,814	52,398	53,394	47,099	48,909	50,814	52,398	53,394	13.4%	13.4%	3.2%	3.2%
		Average excluding USF	47,176	48,985	50,862	52,391	53,387	47,176	48,985	50,862	52,391	53,387	47,176	48,985	50,862	52,391	53,387	47,176	48,985	50,862	52,391	53,387	47,176	48,985	50,862	52,391	53,387	13.2%	13.2%	3.1%	3.1%

Notes:

- (A) Schools are sorted by 2021/2022 Tuition and Fees column.
- (B) The '% change in 5 yrs' is the growth from FY18 to FY22.
- (C) The 'Avg % change per yr' is an avg of the % changes from FY18 to FY22.

Endowment (FY 2020)

Among other forms of support, a healthy endowment provides a source of funding for university scholarships. In fiscal year 2020 (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 \$2,654. USF's EI/FTE is below this average at \$1,618.



WCC	School	Fall 2019			2020 Total Enrollment EI/FTE
		2020 Total Enrollment (TE) (000)2	4% Endowment Income (EI) (000)	Total Enrollment (FTE)3	
CA	University of Southern California	5,914,358	236,574	48,321	122,397
X	Bay Santa Clara University	1,034,167	41,367	8,669	119,295
X	CA Pepperdine University	881,140	35,246	8,824	99,857
X	CA University of San Diego	532,239	21,290	9,181	57,972
X	OR University of Portland	217,584	8,703	4,254	51,148
X	CA Loyola Marymount University	477,020	19,081	9,822	48,566
X	Bay Saint Mary's College	178,002	7,120	3,692	48,213
	NY Fordham University	712,775	28,511	16,972	41,997
	WA Gonzaga University	308,172	12,327	7,537	40,888
X	Bay USF	430,101	17,204	10,636	40,438
	WA Seattle University	238,888	9,556	7,199	33,183
	Average	993,131	39,725	12,282	63,996
	Average excluding USF	1,049,435	41,977	12,447	66,352

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.

Year	Benefits			Benefits			Salaries	
	Benefits	Salaries	Total Expense	% of Salaries	% of Total Expense	Annual % Change	10-year % Change	10-year % Change
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 Actual	\$56,897	\$163,350	\$426,177	34.8%	13.4%	-5.0%		
FY 2022 Forecast	\$59,080	\$172,397	\$489,218	34.3%	12.1%	3.8%		
FY 2023 Budget	\$64,298	\$186,737	\$499,314	34.4%	12.9%	8.8%	39.5%	42.0%

USF Five-Year Revenues & Expenses by Category

The following report is a summary of all University historical actual revenues and expenses and unrestricted Board 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>.

YTD Activity	FY 2019		FY 2020		FY 2021		FY 2022		FY 2023	
	Actual		Actual		Actual		Forecast		Budget	
Tuition & Fees	(425,283)		(436,333)		(418,077)		(430,372)		(444,224)	
Gifts	(1,736)		(1,140)		(1,130)		(943)		(1,517)	
Auxiliary & Other Revenues	(45,401)		(38,764)		(6,970)		(57,903)		(53,573)	
Revenue Total	(472,420)		(476,237)		(426,177)		(489,218)		(499,314)	
Full-Time Faculty	62,176		61,979		59,517		60,942		65,718	
Part-Time Faculty	22,053		21,546		20,570		21,840		22,328	
Staff	83,138		83,177		79,792		84,014		90,005	
Student Staff	7,462		6,973		3,472		5,601		8,686	
Benefits	60,461		59,907		56,897		59,080		64,298	
Gen Ops/Facilities/Capital	81,369		80,967		60,151		78,904		67,965	
Financial Aid	116,394		123,916		115,281		126,108		131,763	
Food Service	10,056		6,744		2,130		10,225		10,810	
Debt & Other Expense	19,681		19,681		20,264		27,517		28,687	
Reserves & Transfers In/Out	9,320		11,347		8,071		14,987		9,054	
Expense Total	472,110		476,237		426,144		489,218		499,314	
Grand Total	(310)		0		(33)		0		(0)	

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