

OPERATING BUDGET OVERVIEW

Fall 2017



CLARK
UNIVERSITY



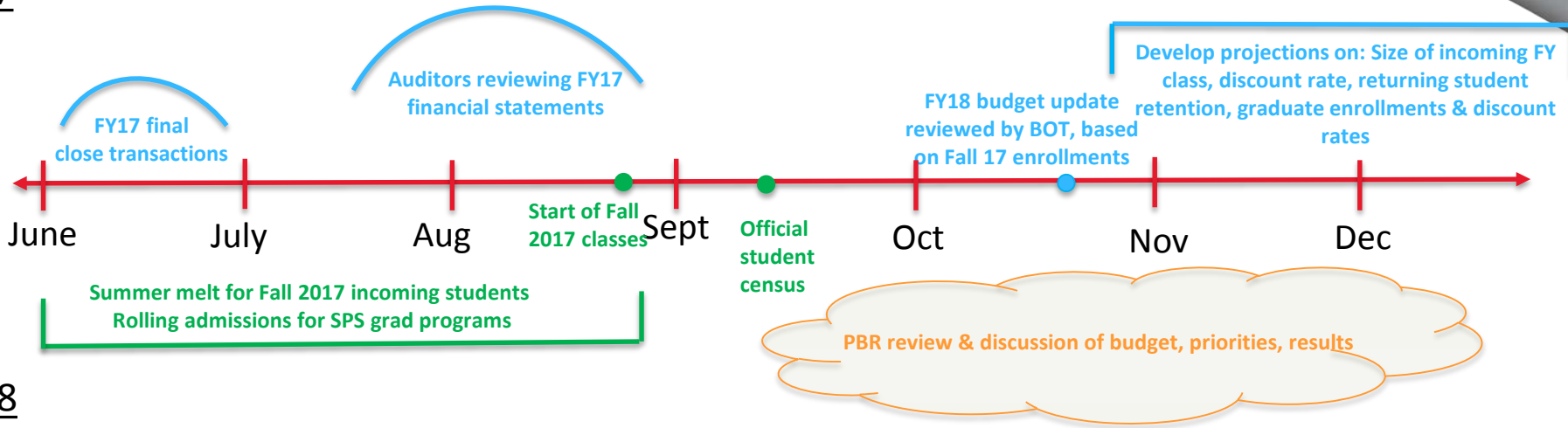
Topics

- What is a Budget & What is It Used For?
- Operating Budget Process & Timeline
- Revenue Sources
 - Enrollments
 - Discount rates
 - Net tuition revenue
- Expense Categories
 - Elastic and Inelastic Expenses
- Endowment
 - What is an endowment?
 - How does it affect the operating budget?
- Questions & Discussion

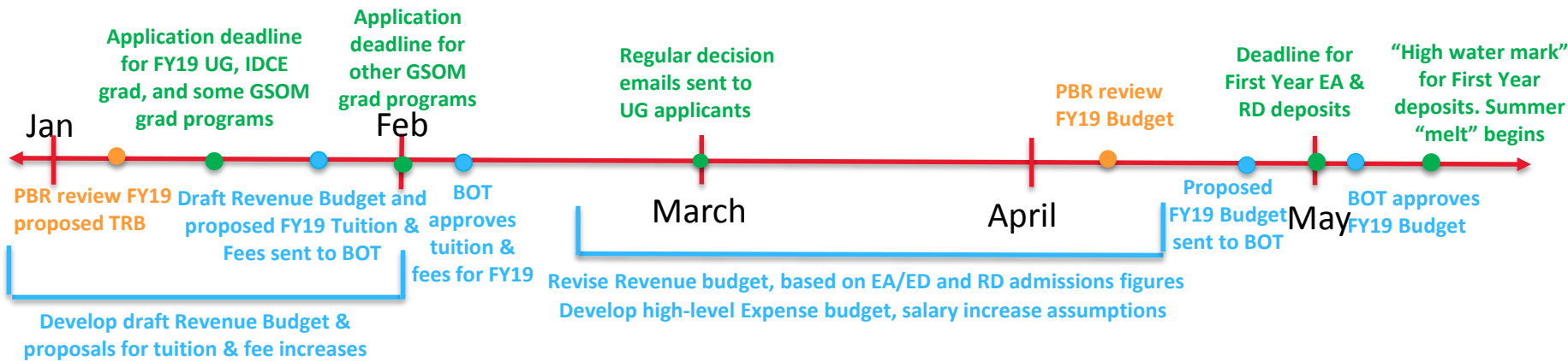
High-Level Timeframe of Clark's Budget Process



2017



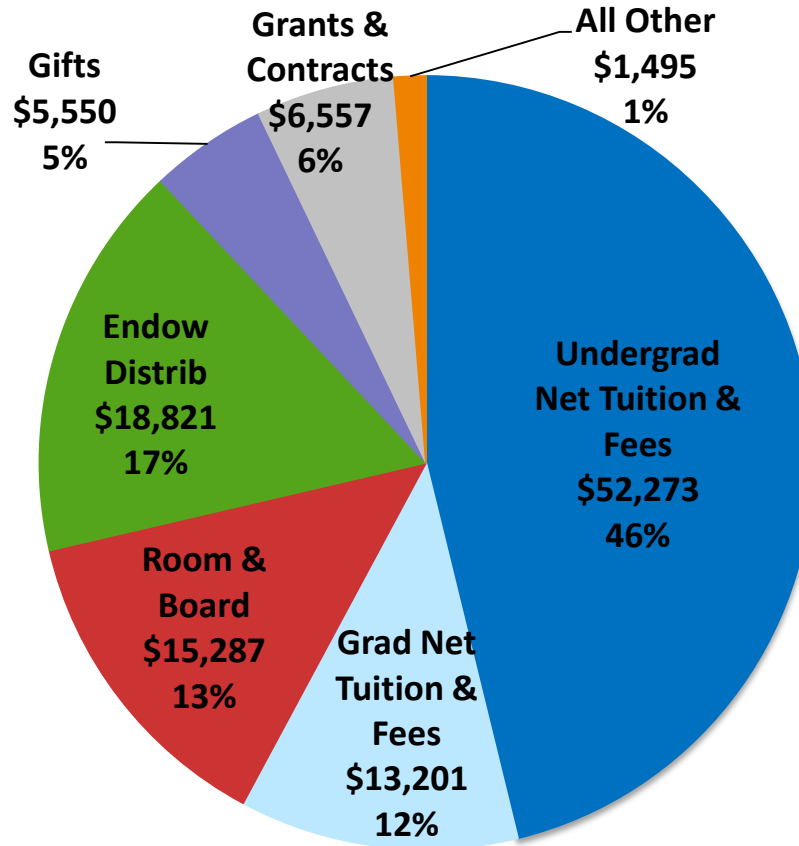
2018





FY2017-18 Revenue Budget

Total Revenue \$113.2M



Gross UG Tuition & Fees	98,400
Less Financial Aid	(46,126)
Net Tuition	52,273

Gross Grad Tuition & Fees	29,754
Less Financial Aid	(16,553)
Net Tuition	13,201

Tuition, Discount Rate, and Net Tuition Revenue



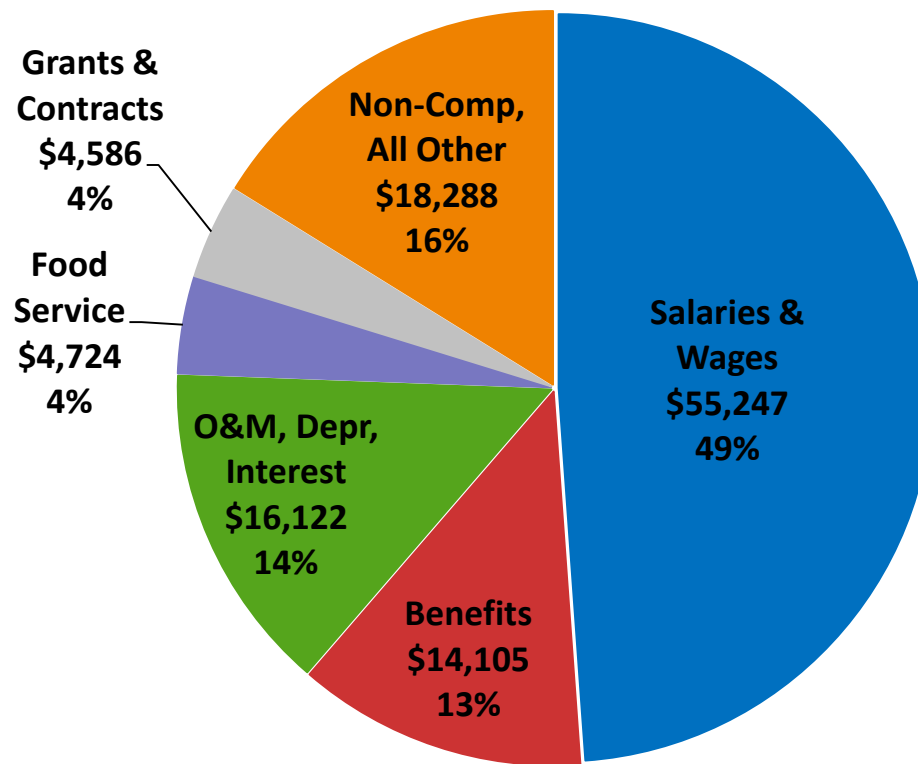
Undergraduate Tuition, Discount Rates, NTR Since 2012

	FY12	FY13	FY14	FY15	FY16	FY17	FY17 vs FY12
Total Undergrads	2,174	2,202	2,243	2,186	2,268	2,178	0.2%
Tuition Rate	\$37,000	\$38,100	\$39,200	\$40,380	\$41,590	\$42,800	15.7%
Avg Discount Rate	43.1%	43.1%	45.5%	45.7%	47.6%	47.3%	9.7%
Avg NTR/ Student	\$21,053	\$21,665	\$21,367	\$21,910	\$21,793	\$22,559	7.1%
Net Tuition Revenue (000s)	\$45,770	\$47,707	\$47,926	\$47,896	\$49,416	\$49,121	7.3%



FY2017-18 Expense Budget

Total Expense \$113.1M

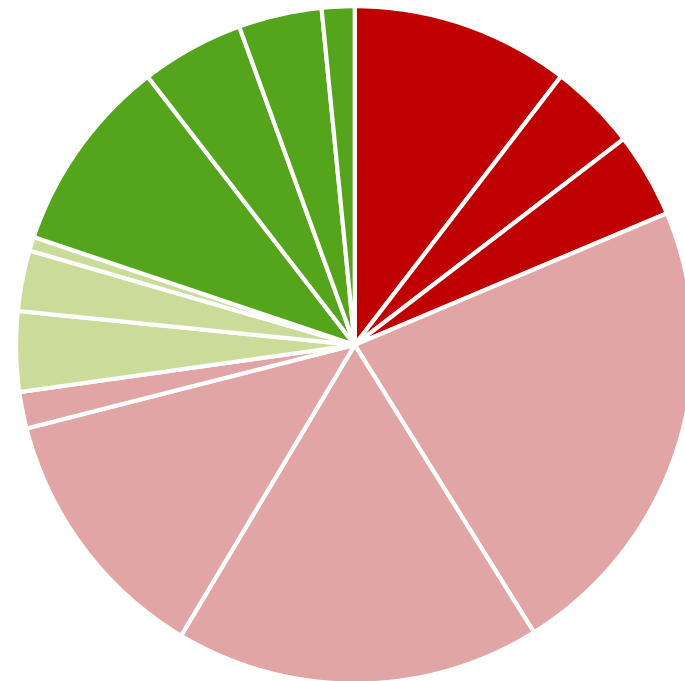




Elastic & Inelastic Expenses

Budget Line Items	\$000's
Depreciation & Debt Service	\$11,796
Food Service	\$4,724
Grants & Contracts	\$4,586
Full-time Staff Salaries	\$25,436
Full-time Faculty Salaries	\$19,741
Benefits	\$14,105
Study Abroad Tuition Pmts	\$1,975
Maintenance & Utilities	\$4,326
Equipment & Library	\$3,279
Student Council	\$750
All Non-Compensation Items	\$10,613
PT Faculty & Staff; Extra Comp	\$5,570
All Student Wages	\$4,499
Travel	\$1,771

Elasticity of Expenses





Endowment

- What is an endowment?
 - Donated funds that are permanently invested to generate annual returns to help support operating budget
 - Clark has about 550 individual endowed “funds”, each with its own set of restrictions for use established by the donors
- How does the endowment work?
 - The individual funds are pooled together for investment purposes, much like a mutual fund. Each fund owns “shares” that represent its claim on the total endowment
 - The original gifts can never be spent. Only a portion of the investment earnings are sent to the budget each year, based on a distribution rate
- Distribution to Operating Budget
 - Market value as of May 31st was \$410.7 million. Annual distribution rate, approved by the Trustees, is 5% of rolling 20-quarter average market value
 - FY18 distribution to budget is \$18.8 million or 16.6% of total revenue



Questions?
Comments?
Let's discuss!