Expenses
($292M, FY24 budget)

Salaries:
$133M
Managers' Budget (22%)
$64M
Buildings (15%)
$43M
People (62%)
$180M
Benefits:
$47M
Debt:
$26M
Renewal:
$17M
Other (1%)
$5M
Other (1%)
$5M

Revenues
($292M, FY24 budget)

= Net Tuition $84M
Gross Tuition: $165M
less Financial Aid: -$82M
Gifts $26M (7%)
Endowment Avail $162M (55%)
Other $20M (7%)
Other (1%) $5M

Other (1%) $5M

Gifts (9%)
$26M

Other (7%)
$20M

Gross Tuition: $165M
less Financial Aid: -$82M
= Net Tuition $84M
(29%)

Other (7%)
$20M

Gross Tuition: $165M
less Financial Aid: -$82M
= Net Tuition $84M
(29%)

Other (7%)
$20M

Gross Tuition: $165M
less Financial Aid: -$82M
= Net Tuition $84M
(29%)
Real Growth in Operating Expenses, FY04-FY24

Compound annual growth rate (20 year, real)

- Other: 3.0%
- Buildings: 3.3%
- Managers: -0.5%
- People: 1.7%
- Financial Aid: 4.8%
Real Growth in Revenues, FY04-FY24

Compound annual growth rate (20 year, real)

- Other: 2.0%
- Current Gifts: 0.1%
- Student Charges (Gross): 1.7%
- Asset Use: 2.9%
FY25 Budget Process: Financial Context and Considerations

- **Inflation**
  - Annual CPI at 3.5% in March
  - Informs setting of faculty and staff salaries, managers’ budget increase

- **Endowment Performance & Market Volatility**
  - Over the past 10 years, the endowment has returned above the target 5.0% real return
  - Recent endowment returns are below the target return: -11.2% in FY22, 2.96% in FY23

- **Institutional Priorities and Strategic Initiatives**
Institutional Priorities and Strategic Initiatives

Competitive Compensation for Faculty and Staff
• Trying to raise faculty and staff salaries to at least keep pace with inflation over time

Access and Affordability
• Sustaining All-Grant financial aid program

Academic Initiatives
• Global Scholars Program
• Winter Study

Arts Education
• New home for the Williams College Museum of Art

Sustainability
• Campus decarbonization

Student Wellbeing
• Dorm renovations
• Dining improvements

Athletics and Wellbeing Facilities
Operating Budget by Senior Staff Area: FY24 Total $221.5 million*

- Dean of the Faculty, $94,888, 43%
- VPFO, $49,153, 22%
- Provost, $27,811, 13%
- VP College Relations, $15,441, 7%
- Dean of the College, $15,096, 7%
- VP IDEI, $3,815, 2%
- Communications, $2,971, 1%
- Utilities, $9,047, 4%
- President, $3,234, 1%
- Dean of the College, $15,096, 7%

* Includes compensation and managers' budget. Investment office, contingency, and other "college-level" undistributed costs are excluded.
FY25 Operating Budget: New Staff FTE

**Approved Positions**

**Fundraising Opportunity**
- Director of Winter Study

**Revenue Generating Positions**
- Senior Development Officer
- Senior Development Officer
- Development Officer

**Disciplined Approach to Staff FTE**
- Approval of new staff FTE only when there is compelling need
- Incremental increase in staff FTE to be offset within senior staff area over time
- Departments and divisions required to develop three-year staffing plans
FY25 Managers’ Budget: New Funding

- $4.5m new funding requests
- $3.8m approved, including:

**Teaching and Research**
- Faculty and student research on sustainability*
- Global Scholars Program
- Winter Study courses*
- Grad Art Program colloquium*

**Student Programs and Support**
- Athletics: Towne Field House programming and team break travel
- Student fellowships and graduate fellowships
- Accessible education*
- IWISE program
- Written in Stone*

**Operational and Institutional Support**
- Workday operating costs
- Website project*
- College Relations CRM system implementation*
- WCMA website and branding*

* = one-time expenditure for FY25
FY25 Managers’ Budget: Unavoidable Inflation

- $1.3m inflationary requests
- $844k approved = 1.5% of FY24 managers’ budget
- Approved requests include:

### Teaching and Research
- Faculty with named chairs: research funds
- Center for Development Economics: travel and food

### Student Programs and Support
- Athletics: travel and food
- Dining: food, equipment, software, and travel
- Academic programs (e.g., Mystic, Oxford): travel
- Admission: recruitment
- Berkshire Health Systems: contract

### Operational and Institutional Support
- Information technology: licenses and subscriptions
- Finance: auditor, financial advisor, and insurance
Manager spend: up $4.2 million, 7.4%; 1.8% from unrestricted funds

Debt service: up 6.3% with $125 million new debt at 5% interest
Renewal: up $500,000, 2.9%

Compensation: up 2.6%; 3.25% base staff increase, 7.3 new staff FTE; 3% medical cost trend, 1% cost shift; increased self-insured stop loss from $250,000 to $300,000

Total = $303M
3.8% growth

FY25 Proposed Operating Budget: Expenses
FY25 Proposed Operating Budget: Revenues and Avail

Annual fund and current use gifts: up $1.7 million, 6.7%

Student charges: up $7.6 million, 9.3%, net

Gross Tuition: $184M
less Financial Aid: -$92M
= Net Tuition $92M (30%)

Gifts $28M (9%)
Other $22M (7%)

Endowment Avail $162M (54%)

Total = $303M 3.8% growth

Avail: flat vs FY24, 4.5% of 12Q trailing LTIP avg balance
Ten-Year Projection of Revenues and Expenses, FY24-FY34

Revenues (April '24)
- $130,471 (FY23-Final)
- $140,867 (FY24-Proj)
- $159,391 (FY25)
- $194,664 (FY26)
- $302,928 (FY27)
- $342,741 (FY28)
- $389,139 (FY29)

Expenses (April '24)
- $276,245 (FY23-Final)
- $302,928 (FY24-Proj)
- $342,741 (FY25)
- $389,139 (FY26)

5 yr. CAGR:
- Revenues: 4.1%
- Expenses: 4.4%

10 yr. CAGR:
- Revenues: 4.1%
- Expenses: 3.5%

2 yr. CAGR:
- Revenues: 3.9%
- Expenses: 4.7%
Ensuring Financial Sustainability

**Ongoing Efforts**

- Disciplined growth in faculty salaries, staff salaries, and managers’ budget, guided by the long-term model

- Pulling back on staff FTE
  - Approval of new staff FTE only when there is compelling need
  - Required development by all departments and divisions of three-year staffing plan

- Comprehensive fee increase of 5.74% for FY25

**Measures in Development**

- Curbing growth in benefits expenses
  - Medical plan contributions
  - Dependent tuition grant

- Charging model for students studying away
Reiteration of Principles

- Prioritize the college’s financial health and sustainability over the long term
- Align annual and capital spending with core educational mission, institutional priorities, and strategic initiatives
- Exercise fiscal restraint in annual budget process, guided by long-term model
- Understand that endowment returns fund our commitments today
- Underscore that new initiatives require new revenue
- Encourage and support philanthropy to fund institutional priorities and strategic initiatives