

# College Finances and Priorities

## Planning for FY25 and Beyond

President's Administrative Group Meeting

November 9, 2023

# Context for Financial Planning

## ❖ Economic Picture

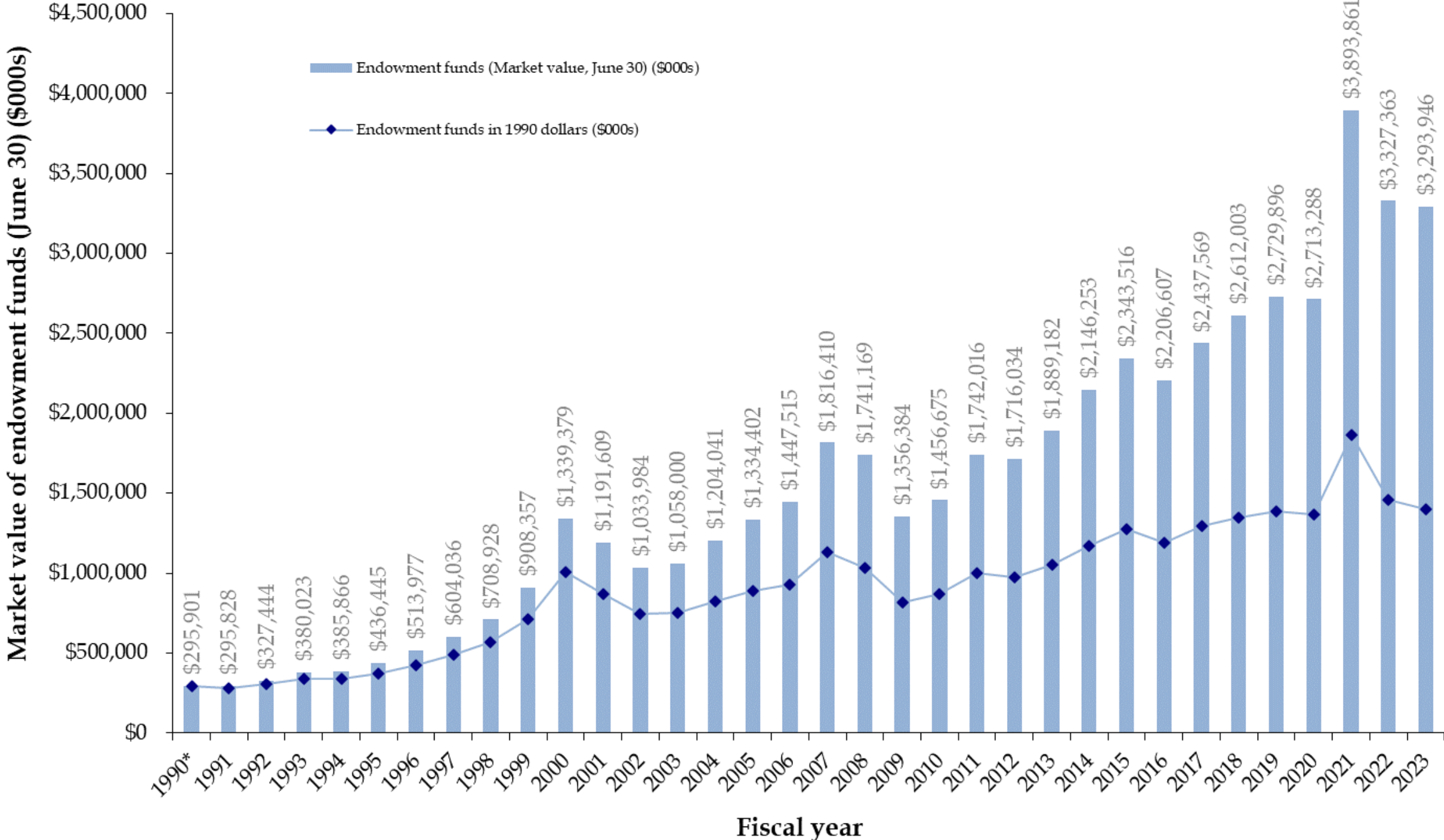
### • Inflation

- Inflation has decreased substantially from this time last year; in October 2022, CPI was 7.7%.
- With CPI at 3.7% in September 2023, the inflation rate remains above the Federal Reserve's target of 2.0%.

### • Endowment Performance

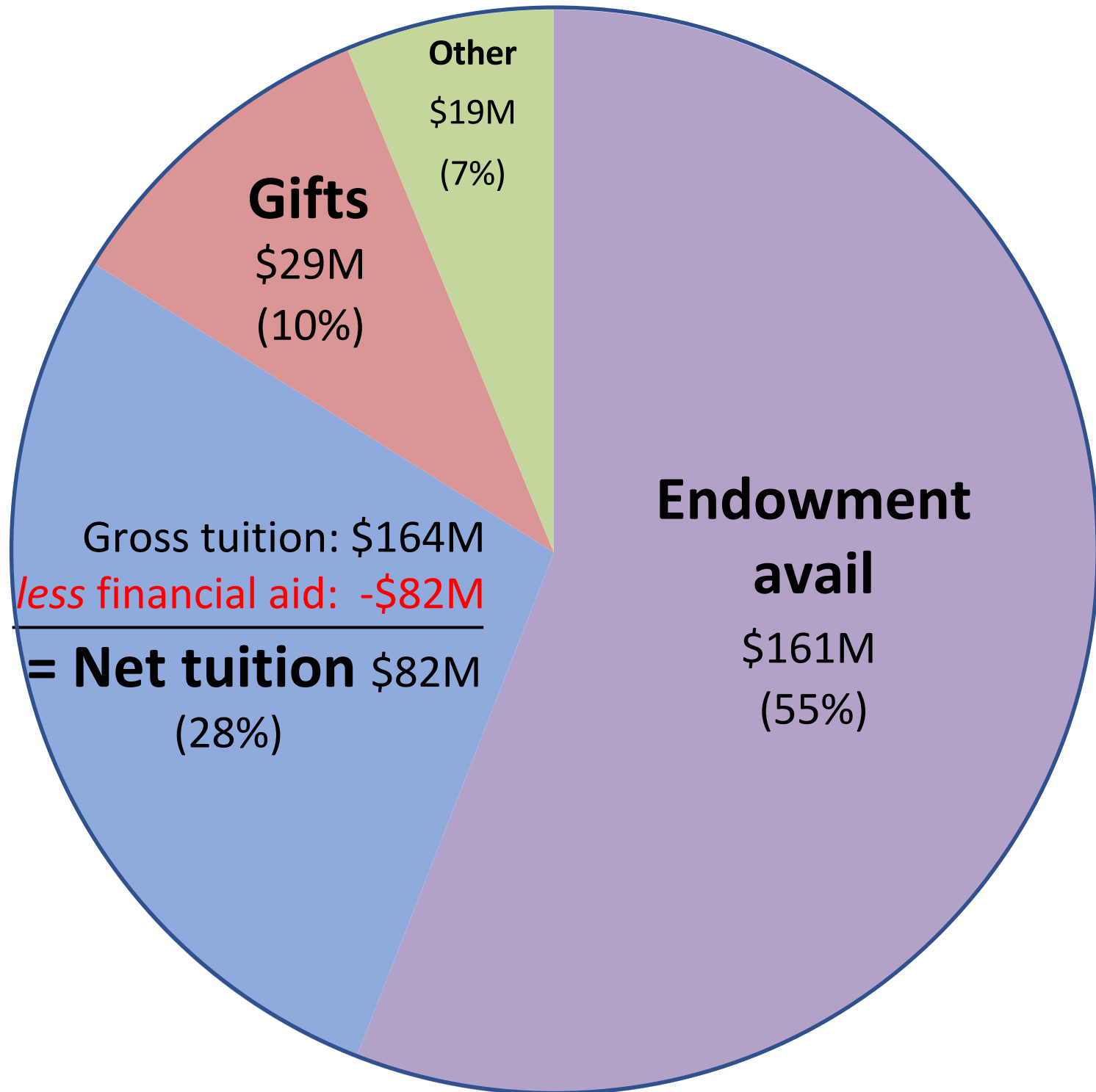
- Over the past ten years, the endowment has returned above the target of a 5.0% real return.
- The endowment returns of -11.2% for FY22 and 2.96% for FY23 are below the target return.
- In nominal terms, the value of the endowment is about where it was in March 2021.

# Market Value of Endowment Funds, FY90-FY23

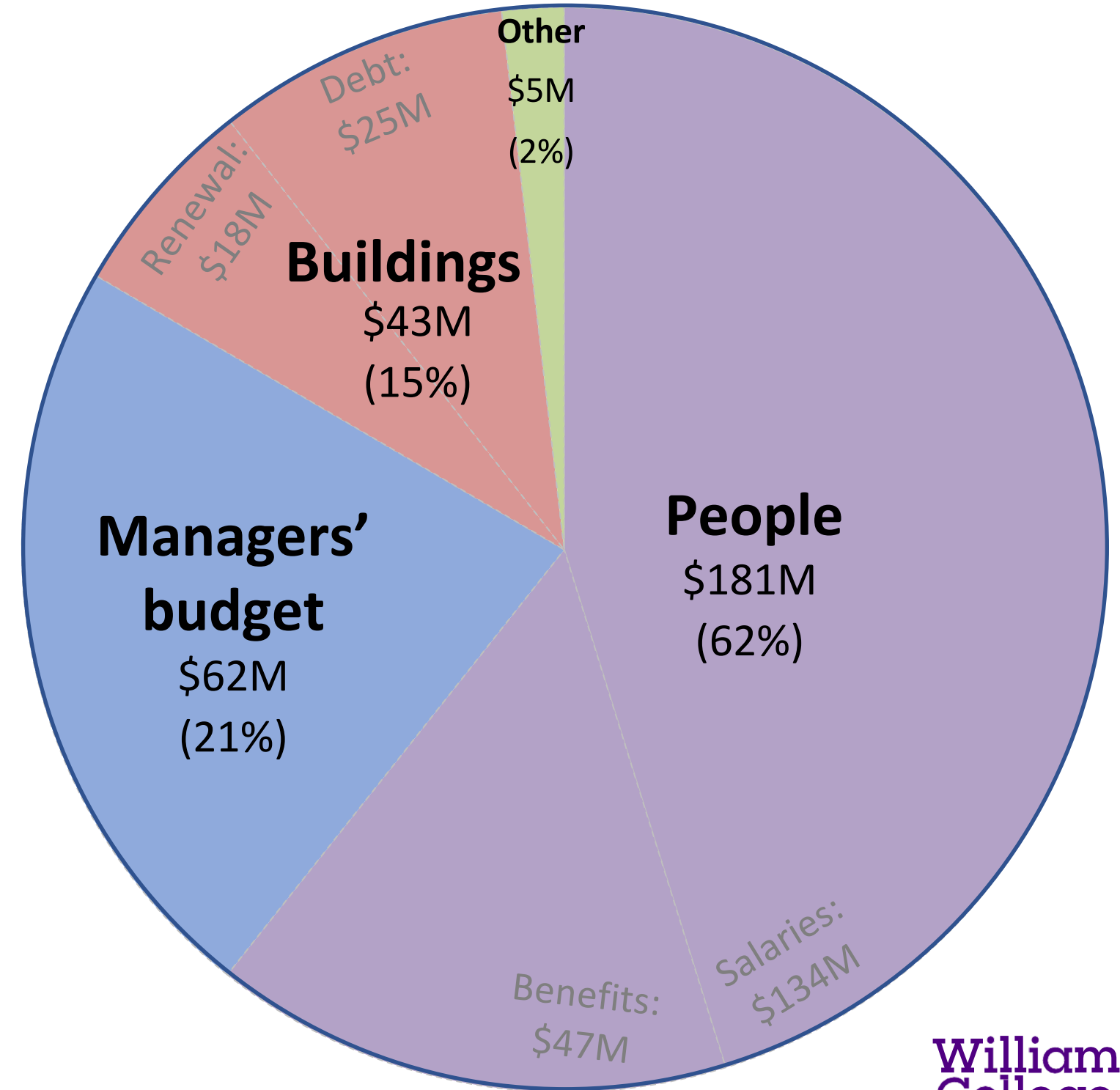


Source: Schedule VII of Financial Statements  
 \*Adjustments for CPI made using CPI-U, per <http://www.bls.gov/cpi/#tables>

## Revenues (\$291M, FY24 budget)



## Expenses (\$291M, FY24 budget)



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## ❖ Strategic Priorities

# Funding Strategic Priorities

- ❖ **Academic Mission of Teaching and Research**
- ❖ **Valuing People with Competitive Compensation for Faculty and Staff**
- ❖ **Access and Affordability → All-Grant Financial Aid Program**
- ❖ **Arts Education → Enhancing WCMA's Mission as Teaching Museum**
- ❖ **Sustainability → Campus Energy Transition**
- ❖ **Health and Wellbeing → Dorm Renovations, Dining Improvements, Athletics and Wellness Facilities**

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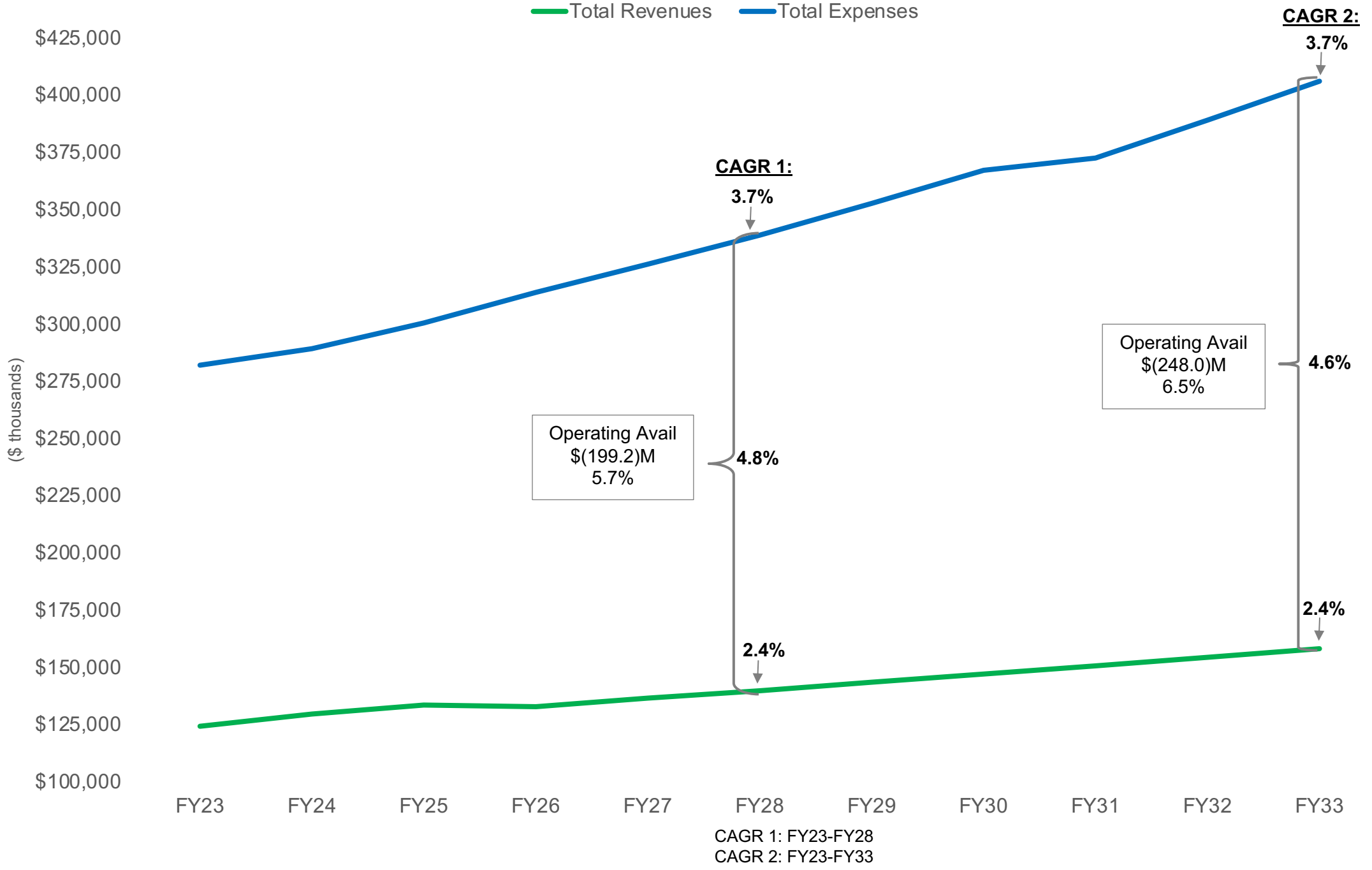
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## ❖ Strategic Priorities

## ❖ Financial Sustainability

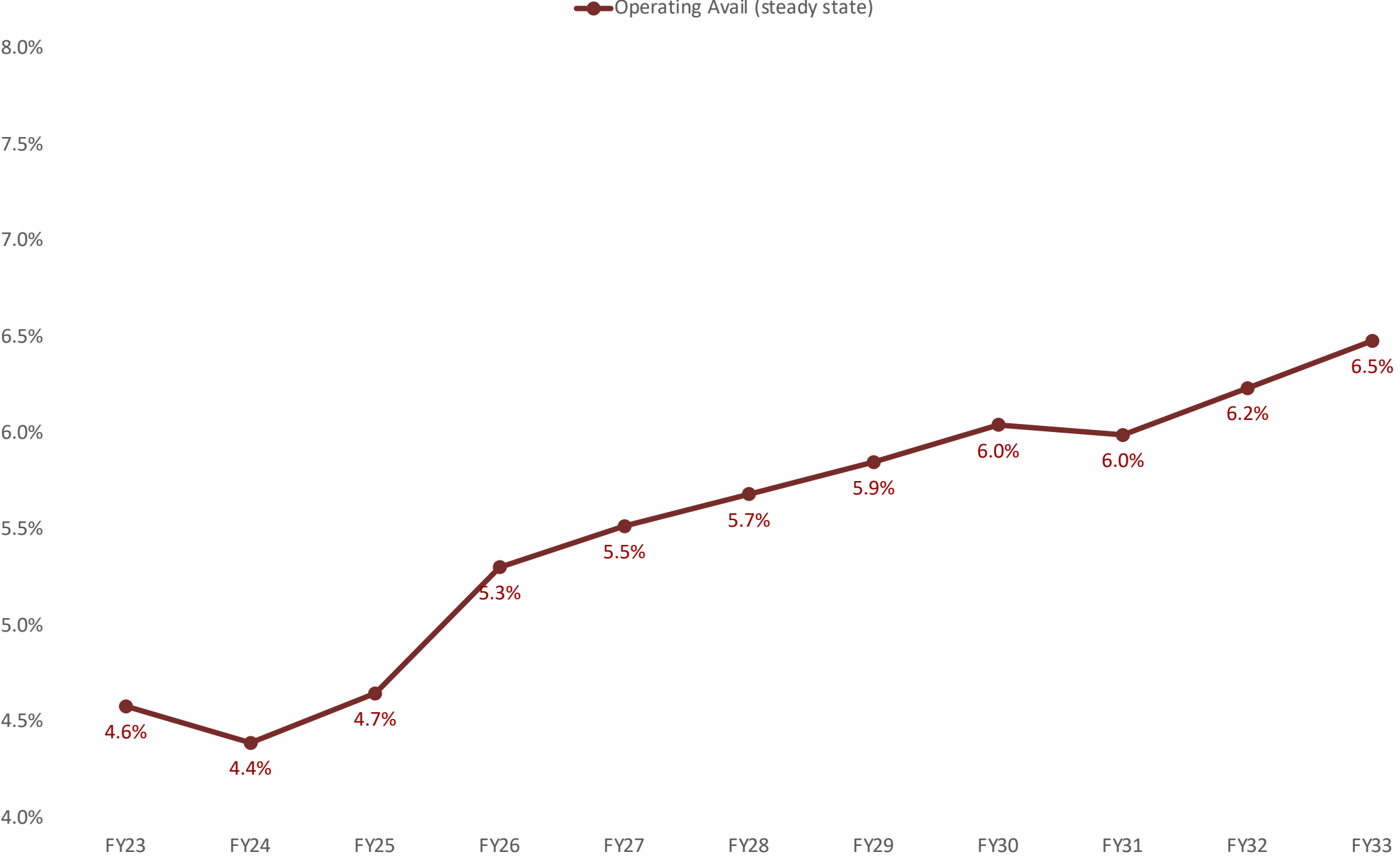
- Ensuring the Health of the College's Finances in the Long Term

# Ten-Year Projection of Revenues and Expenses, FY23-FY33 (From Spring)

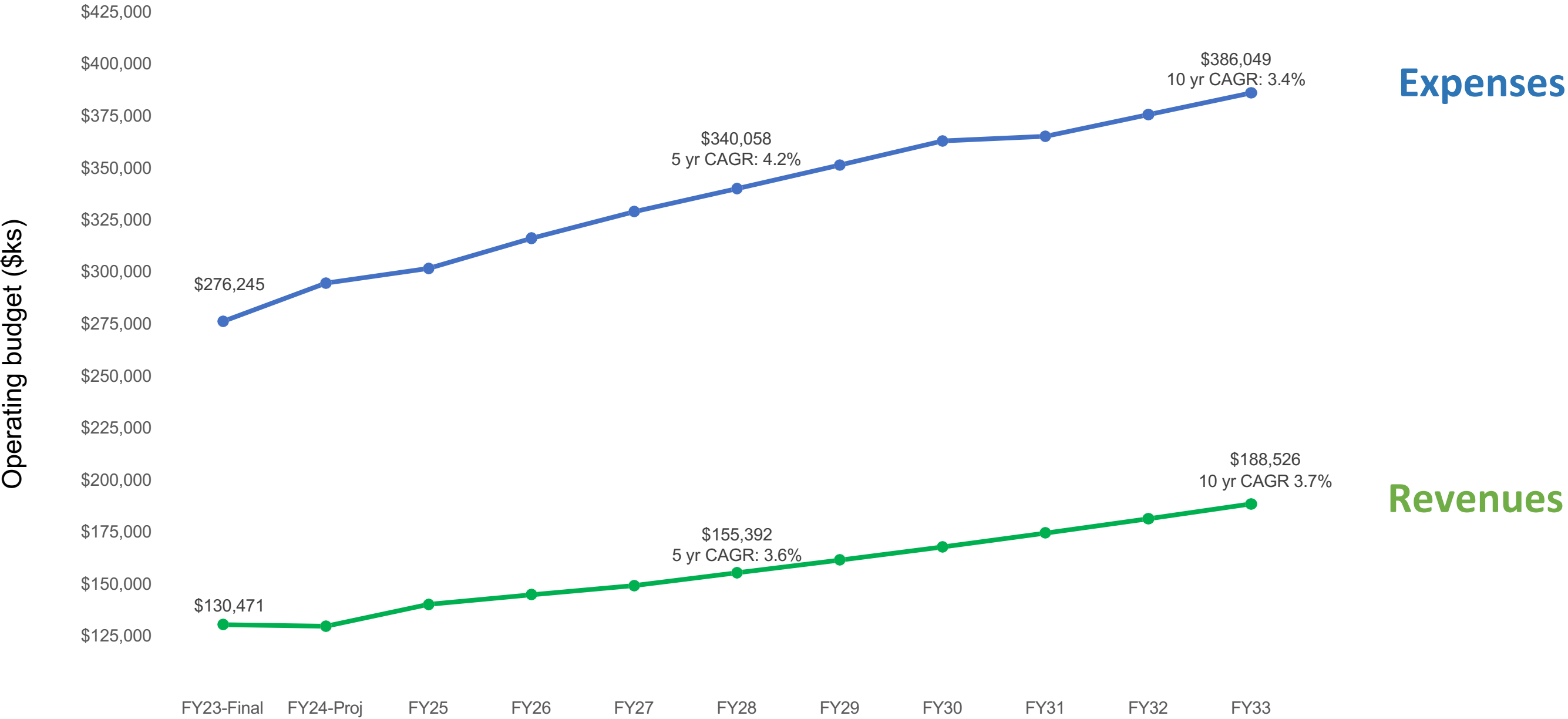




# Ten-Year Projection of Avail Rate, FY23-FY33 (From Spring)



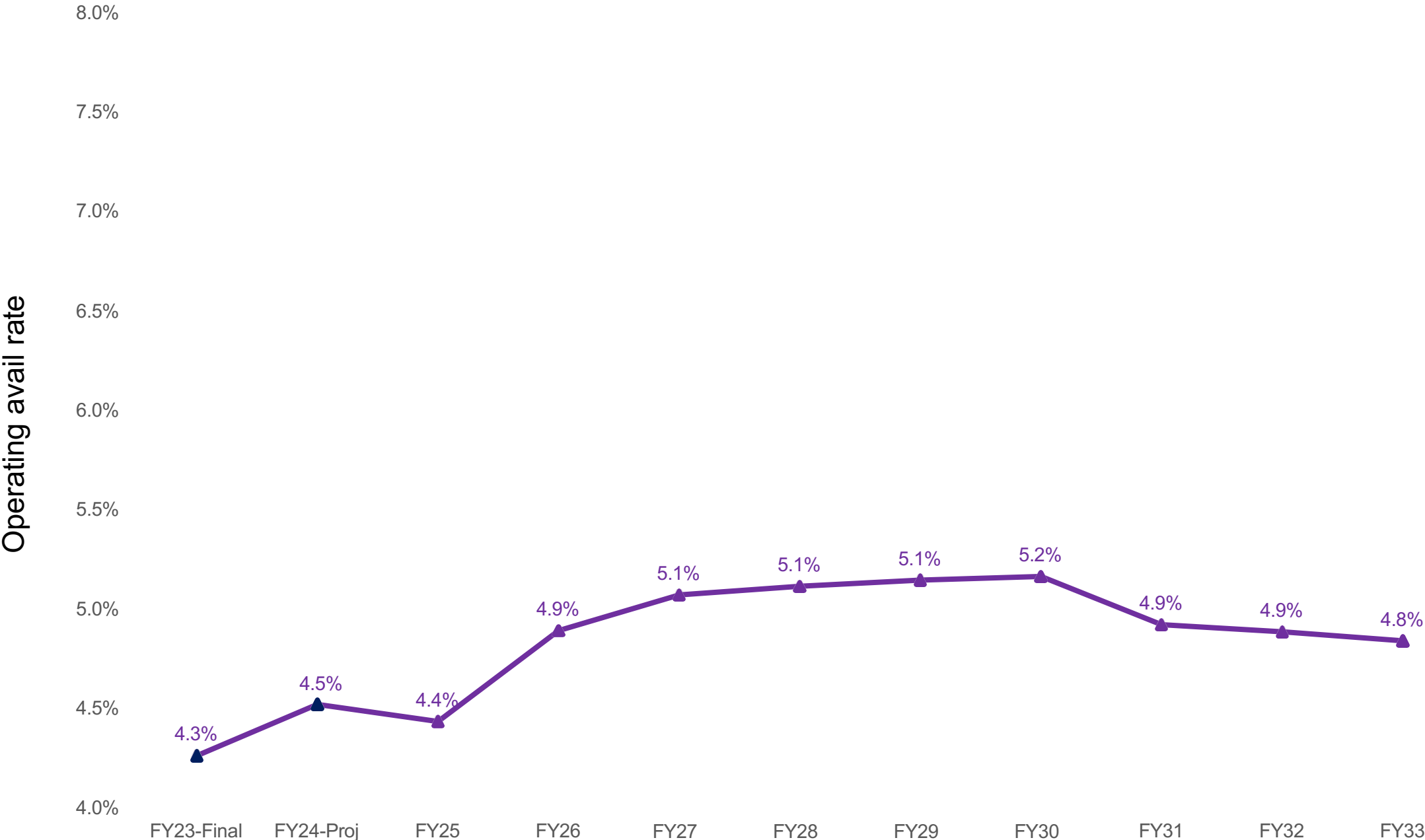
# Ten-Year Projection of Revenues and Expenses, FY23-FY33 (Current)



Expenses

Revenues

# Ten-Year Projection of Avail Rate, FY23-FY33 (Current)



# FY25 Financial Planning

## ❖ **Manager's Budget**

- Increase of 1%
  - If extraordinary need, requests for unavoidable inflation, new funding.

## ❖ **Staff FTE**

- Vacant Staff Positions
  - Option to relinquish, reallocation of 20% of salary dollars.
- New Staff FTE Request
  - Only in extraordinary circumstances; must be accompanied by staffing plan.
- Three-Year Staffing Plan
  - Strategic planning to support the evolution of work and achievement of vision and goals.
  - For September 2024.

# Financial Principles

- ❖ **Align Spending with Educational Mission and Strategic Priorities**
- ❖ **Fiscal Responsibility with Annual Operating Budget**
- ❖ **Endowment Returns Fund Our Commitments Today**
- ❖ **New Initiatives Require New Revenue**
- ❖ **Importance of Philanthropic Giving**