



Academy Budget Update February 2017

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Strategic Plan

- Status of Planning
 - Steering Committee Work
 - Trustee and Principal Staff Input
 - Community and Alumni Engagement Plan
- Resource Impacts
 - Financial Plan – TBD
 - Fundraising Campaign - TDB



FY17 Budget

- Revenues

- Net Tuition and Fees - \$27.6M
- Endowment Draw - \$54.7M
- AG & Current Gifts - \$8.7M
- Other Revenue - \$8.0M

- Expenses

- Comp & Benefits - \$58.2M
- Utilities - \$4.2M
- Plant & Technology - \$15M
- Other Expenses - \$21.6M



FY17 Projection

- Overall deficit of \$3.97M
 - Favorable Areas
 - Net Tuition and Aid - \$742K
 - Endowment Spending - \$1.6M
 - Salaries & Benefits (Open Positions) - \$306K
 - Unfavorable Areas
 - Current Gifts - (\$887K)
 - Contingency & Crisis Costs - (\$6.3M)



3-Year Crisis Costs

	<u>FY16</u> <u>Actual</u>	<u>FY17</u> <u>Projection</u>	<u>FY18</u> <u>Projection</u>	<u>Total</u>
Legal & Other Expenses	1,980,061	7,949,168	2,429,500	12,358,729
Crisis Positions		277,667	602,790	880,457
Total Variance	1,980,061	8,226,835	3,032,290	13,239,186



Salary and Benefits

- Salary
 - November 2016 CPI – 1.7%
 - 2.5% increase for FY2018
- Health Insurance
 - Projecting a 15% - 20% increase
 - PEA will absorb 60% of the increase
- Retirement Changes
 - Rule of 75



Faculty Peer Salary Data

<u>2016-17 ABOPS FACULTY SALARY STUDY</u>						
	<u>All Years of Experience</u>				<u>#</u>	<u>Avg.</u>
	<u>Max.</u>	<u>Med.</u>	<u>Avg.</u>	<u>Min.</u>	<u>Fac</u>	<u>YOE</u>
PEA	118.6	77.2	78.7	42.7	136	27
Average With PEA	98.6	61.3	61.8	35.4	64	20
Average Without PEA	98.0	60.8	61.4	35.3	62.5	19.4



FY17 Projection & FY18 Budget

	FY17 Projection	FY18 Budget
Revenue:		
Net Student Tuition and Fees	28,375	29,699
Philanthropy	64,106	64,459
Other Revenue	8,153	8,443
Total Revenues	100,634	102,601
Expenses:		
Salaries	41,509	43,673
Benefits	15,919	17,204
Other Expenses	47,179	41,723
Total Expenses	104,607	102,599
Surplus (Deficit)	(3,973)	2
Reduction in Endowment Revenue resulting from use of UR Quasi		(180)
Resulting Surplus (Deficit)	(3,973)	(178)



Tuition – 4 year CAGR

	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000	FY 1999
Boarding	49,951	47,800	46,905	46,905	46,030	44,470	41,800	39,890	38,720	37,960	36,500	34,500	33,000	31,600	30,000	28,500	27,000	25,100	23,750	22,725
Tuition Increase	4.50%	1.91%	0.00%	1.90%	3.51%	6.39%	4.79%	3.02%	2.00%	4.00%	5.80%	4.55%	4.43%	5.33%	5.26%	5.56%	7.57%	5.68%	4.51%	5.70%
Day	38,796	37,125	36,430	36,430	35,750	34,540	32,470	30,820	29,920	29,330	28,200	26,600	25,500	24,400	22,800	21,700	20,500	18,900	17,900	16,975
CAGR	2.06%				4.42%				4.08%				5.14%				5.86%			



Changes to Health Benefits

- Current
 - AISNE Consortium
 - Fully insured model
- Proposed
 - “Captive” insurance model
 - Transition from consumer to owner
 - Changes for PEA and employees



Q&A