



BROWN

# University Resources Committee

Proposed 2019-2020 Operating Budget

## Letter to President from Provost

I am pleased to submit the University Resources Committee (URC) report for Brown University's 2019-2020 proposed operating budget, which was endorsed unanimously by that body on January 22, 2019. The annual budget process is the primary mechanism through which Brown ensures that resources are aligned with the University's highest strategic priorities. I am grateful to all of the participants in this year's process – URC members, deans, vice presidents, directors, and staff – who worked tirelessly to ensure that we had an effective and successful budget process.

The committee participated in weekly sessions with senior administrators throughout the fall term to develop a clear picture of the strategic and budgetary context within which its deliberations would occur. To that end, the committee was heavily engaged in conversations about ongoing efforts across the institution to advance the goals of the University's strategic plan. In these sessions, committee members reviewed analysis and offered feedback on factors influencing the University's financial condition. In terms of revenues, this included discussion about the exciting progress on the *BrownTogether* capital campaign, the cap on undergraduate admissions to ensure the highest quality student experience, and the gradual reduction of the endowment's payout rate to preserve its future purchasing power. In terms of expenses, this included discussion on savings achieved through strategic sourcing, higher levels of student aid support to remain competitive with peers, and increased investment in facility renewal. The URC's budgetary recommendations were fully informed by these, and many more, contextual considerations.

For fiscal year 2020, the University Resources Committee recommends an operating budget for Brown University that totals roughly \$1.2 billion of revenues and \$1.2 billion of expenses for an operating deficit of \$1.3 million or -0.1%. This planned deficit is an improvement of roughly \$4 million from a year ago, when the University budgeted for an operating deficit of \$5.3 million. The planned deficit within Brown's Educational and General Division was an intentional decision by University leadership to allow for the URC to have additional funds at its disposal to allocate for various needs in accordance with priorities set forth in *Building on Distinction*.

As in prior years, University leadership met with the heads of major academic and administrative units to discuss operations, review resource allocations, and examine departmental funding requests for the coming fiscal year. Through this budget process, some requests were refined and others denied. This filtering process ensured that the URC was focused on a highly prioritized list of proposals that are aligned with University-wide strategic priorities. For FY20, department requests totaled \$38 million. Of this amount, \$9.9 million related to increased spending for the University's contractual obligations and commitments. Separately, \$9.2 million of requests were denied or temporarily funded through non-base dollars. The remaining \$18.9 million was taken to the URC, which had \$15.6 million of available funds to allocate; the \$15.6 million is based on revenue assumptions, including the proposed tuition and fee increases and the endowment payout rate, described in this report.

The committee evaluated each funding request, and then through the deliberations process, proposed investments across a broad range of academic and administrative units. The following highlights some of the larger investments incorporated into the proposed FY20 budget:

- Create faculty and staff merit pools of 2.5%, and incremental equity pools of 0.25%
- Fund faculty positions in the Dean of the Faculty unit, and support staff in academic departments
- Reduce the summer earnings requirement for aided undergraduate students
- Increase the amount of graduate student stipends to cover cost of living increases
- Provide enhanced support for graduate students who are parents via an expanded child care subsidy, a health insurance subsidy for child dependents, and backup care
- Create a stipend for new Ph.D. and MFA students in the summer before their first year
- Restore prior year cuts to research-related cost share for grant proposals
- Enable access to databases for scholarship in finance, economics, and entrepreneurship
- Hire new research support staff in the Office of Sponsored Projects, the Office of Research Integrity, and the Office of Industry Engagement and Commercial Venturing
- Develop more community-building initiatives (e.g., international student orientation)
- Increase operational support for the Brown Arts Initiative
- Cover operations and maintenance costs for new space and future facility renewal

The proposed budget reflects Brown's unwavering commitment to integrative scholarship, educational leadership, academic excellence, and campus development, while delivering a nearly balanced budget. The budget is a reflection of our ability to achieve our aspirations, and we must continue, with a great sense of purpose, our efforts to eliminate the operating deficit and generate sufficient funds for ongoing investments in our students, faculty, staff, programs, and facilities. To support this goal, budget reviews and analysis are conducted throughout the year, looking for ways to generate efficiencies and to reprioritize resource allocations to the highest and best use. Moreover, University leadership has placed greater emphasis on the development of robust scenario analysis and related contingency planning should the institution be faced with any significant economic downturn. The delicate balance is to be prudent in how resources are used while at the same time not allowing excess caution to curtail Brown's ambitious plans.

I would like to again acknowledge and thank all of the members of the URC and the many staff members and institutional leaders whose hard work enabled the committee's success. (Please see the appendix for a list of URC membership and staffing.)

Respectfully submitted,



Richard M. Locke, Provost  
Brown University

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## 1.0 BROWN UNIVERSITY

### 1.1 Description and Mission

Located in historic Providence, Rhode Island, and founded in 1764, Brown University is the seventh-oldest college in the United States. Brown is an independent, coeducational Ivy League institution comprising undergraduate, graduate, and professional programs and schools. With its talented and motivated student body, accomplished faculty, and dedicated staff, Brown is a leading research university that maintains a strong commitment to exceptional undergraduate instruction.

The mission of Brown University is “to serve the community, the nation, and the world by discovering, communicating, and preserving knowledge and understanding in a spirit of free inquiry, and by educating and preparing students to discharge the offices of life with usefulness and reputation. We do this through a partnership of students and teachers in a unified community known as a university-college.”

Brown’s mission is reflected in the University’s development over time from a college to the incorporation of graduate programs and the addition of several schools, including the Warren Alpert Medical School, School of Engineering, School of Public Health, and School of Professional Studies. All share and exemplify Brown’s commitment to educational excellence, serious scholarship, and usefulness and reputation in the world. Moreover, consistent with the value Brown places on research and education that crosses disciplinary boundaries, the schools are not standalone operations but highly integrated.

This academic year nearly 69% of degree-seeking students are undergraduates. Demand, as measured by acceptance and matriculation rates, remains extremely strong. As shown in Table 16, Brown received 35,437 applications for the undergraduate class of 2022. Brown accepted 7.7% of the applicants and matriculated 60.8%. Undergraduates pursue bachelor’s degrees in 81 concentrations; the University’s commitment to intellectual freedom and self-directed learning means students are architects of their own courses of study. Beyond the baccalaureate level, Brown offers a broad range of doctoral programs, master’s programs, and professional degrees.

### 1.2 Goals and Strategic Priorities

As part of its mission, Brown University advances society through its distinctive approach to scholarship and education, emphasizing intellectual rigor and interdisciplinary inquiry. Brown’s emphasis on innovative student-centered learning and cross-disciplinary collaborative research has never been more relevant. The University’s unwavering focus on advancing knowledge and understanding to make a positive impact on the world has never been more necessary. Brown is committed to pursuing its mission at the highest standards of excellence. The University’s major goals are to:

- Achieve academic distinctiveness in important areas of teaching and research as outlined in Brown’s strategic plan, *Building on Distinction*;
- Build a cohesive, open-minded, and engaged community of faculty, students, staff, alumni, and others who understand and appreciate Brown’s aspirations and values;
- Develop the financial resources needed to maintain and build excellence through fundraising, the careful use of existing resources, the adoption of new modes of resource creation, and skilled endowment management; and

- Become a model of a well-run university – agile, efficient, and open to progress, driven by a culture of collaboration, innovation, and evaluation.

In 2013, under President Christina Paxson's leadership, Brown adopted *Building on Distinction*, the University's strategic plan which set forth a vision for maximizing its distinctive core strengths and making new investments to elevate academic excellence and address pressing societal issues. The plan expresses the University's commitment to build in four areas: (1) Integrative Scholarship; (2) Educational Leadership; (3) Academic Excellence; and (4) Campus Development. More detail on each of these areas can be found later in this section.

In 2015, *The Operational Plan for Building Brown's Excellence* translated these inspiring goals into concrete actions to be taken over the next ten years so that Brown can fulfill its mission and consolidate its role as a leader in higher education and research. The operational plan was developed through a highly collaborative process during which Provost Richard Locke worked with academic leaders to develop goals for faculty hiring, facilities upgrades, and new academic programs within each of the areas covered by *Building on Distinction*. Fueled by the success of the *BrownTogether* fundraising campaign, the University has realized significant and measurable progress toward its original goals and aspirations.

The University revisited this plan, conceived as a living document, in summer 2018. This review process coincided with the midpoint of the *BrownTogether* campaign. The *Revised Operational Plan for Building Brown's Excellence* calls for investments that reflect Brown's core values and are centered on people (faculty, students, staff, community) and academic programming (teaching and research). These are complemented by investments in physical resources in specified areas of need or opportunity.

In 2015-2016 the University developed *Pathways to Diversity and Inclusion: An Action Plan for Brown University* (DIAP). This plan is grounded in the idea that diversity and inclusion are cornerstones of academic excellence. The DIAP proposes key action items to diversify Brown's faculty, staff, and student bodies, and create more inclusive learning and working environments. In addition, it establishes governance and assessment processes to ensure that the institution is achieving these goals. Early successes include the development of diversity and inclusion action plans for each academic and administrative department, a large increase in recruitment of faculty and graduate students from historically underrepresented groups, the establishment of a Native American and Indigenous Studies Initiative, the creation of a center to support first-generation and low-income students, and significant investments to increase staff in the Office of Institutional Equity and Diversity and to hire diversity officers in major units across Brown.

### **1.3 Financial Environment**

Financial sustainability is one of the pillars of Brown's strategic plan, and it has been strengthened by reorganized finance, fundraising, and investment functions that are delivering a more collaborative and cohesive approach to managing and generating resources. Enhancements to budgeting, multiyear forecasting, and financial reporting are contributing to more informed decisions around revenue management, cost control, and capital investment.

Brown continues to maintain a very strong financial profile while managing the impact of national and global economic challenges. High demand for its educational programs, loyal and generous alumni, an endowment close to \$4 billion, and more than \$4.6 billion of net assets (as of June 30, 2018) all contribute to the University's financial strength and top-tier Aa1/AA+ bond rating. In its most recent report, Standard and Poor's made the following statement on Brown University (*in italics*):

*We assess Brown's enterprise profile as extremely strong, reflecting the university's excellent demand and enrollment profile, and solid and experienced management team. We assess Brown's financial profile as strong, given the university's large endowment, historically balanced financial performance, and available resource ratios that are robust, but somewhat light compared with those of peers at the same rating. The enterprise and financial profiles leads to an indicative stand-alone credit profile of 'aa-'. In our opinion, the 'AA+' rating on Brown's bonds better reflects the university's significant cash and investments compared with debt, as well as the enterprise profile's significant strength compared with those of peers.*

One major source of new revenues is the *BrownTogether* capital campaign. The financial investments defined in the *Operational Plan* set the priorities for the \$3 billion capital campaign that is underway. To ensure that academic goals, financial planning, and fundraising activity continue to stay aligned as the campaign moves forward, the provost leads a Strategic Plan Coordinating Committee, which monitors campaign progress against *Operational Plan* targets, adjudicates the categorization of gifts in relation to the plan, and adjusts campaign targets to incorporate new priorities and opportunities that emerge.

At the same time, two recent actions will impact the future growth of undergraduate tuition revenue and the annual distribution from the endowment. First, to ensure the highest quality student experience, the University has placed a cap on undergraduate admissions. FY20 represents the last year of planned growth of the undergraduate student body. For more information, Table 9 shows recent undergraduate enrollment trends and projections.

Second, the University is gradually reducing the payout rate of its endowment. This is to address concern about the level of future investment returns as well as the desire, over time, to increase the portion of University revenue that comes from this source by growing the endowment through compounding earnings. University policy allows for a range of endowment payout rates between 5.5% and 4.5% of the average fair value of applicable endowments over the most recent twelve quarters ending in December. The Corporation-approved endowment payout rate was reduced from 5.49% in FY17 to 5.07% in FY18, and then to 4.9% in FY19. FY20's budget reflects a payout rate of 4.85%. The longer-term goal is to reach a more sustainable payout level of 4.5%. Despite a lower payout rate, annual distributions have been bolstered by new gifts to the endowment as well as strong investment returns. Endowment performance was especially strong in FY18, with a 13.2% return, placing it in the top 5% of the peer group as defined by Cambridge Associates. Brown also achieved top quartile returns within the same peer group for the three- and five-year periods ending June 30, 2018.

#### **1.4 Strategic Investments by the University Resources Committee**

The University Resources Committee is tasked with the important responsibility of prioritizing resource allocations that balance institutional ambitions for broad-based academic excellence with Brown's resource base and the scale of its operations. The committee recognizes that it is impossible to fund every worthy strategic initiative at once; therefore, it must make hard decisions about the best ways to focus the University's activities and resources.



Early in the fiscal year, leaders within the Office of the Provost and within the Office of the Executive Vice President for Finance and Administration meet with deans, directors, and other senior leaders to review department requests for the coming year. Through this budget process, some requests are refined and others denied. This filtering process ensures that the URC is focused on a highly prioritized list of proposals that are aligned with University-wide strategic priorities. For FY20, department requests totaled \$38 million. Of this amount, \$9.9 million related to increased spending for the University's contractual obligations and commitments, such as property lease increases. Another \$9.2 million of requests was denied or temporarily funded through non-base dollars. The remaining \$18.9 million was taken to the URC, which had \$15.6 million of available funds to allocate. The \$15.6 million of available funds is based on revenue assumptions, including the proposed tuition and fee increases, and the endowment payout rate, described in this document. The committee evaluated each funding request in relation to the four major areas of the University's strategic plan which are described below.

1. **Integrative Scholarship:** Brown excels at research and education that integrate knowledge from diverse disciplines. We will build on this distinctive strength through investments in thematic areas that will engage the full community on issues of importance to society now and in the future.
2. **Educational Leadership:** Brown offers the best residential liberal arts education available at a research university. We will sustain Brown's position as a leader in undergraduate, graduate, and medical education through innovative approaches to teaching and learning that prepare students for lives of "usefulness and reputation" in the 21st century.
3. **Academic Excellence:** Brown's success is grounded in the talent of its faculty, staff, and students. We will continue to strengthen this community through investments that support scholarship, cultivate the diversity required for excellence, enhance student access to a Brown education, support existing academic partnerships, and forge new ones with institutions around the United States and the world.
4. **Campus Development:** Brown's campus must support its academic and extracurricular aspirations at the highest levels. We will reinvigorate our physical campus both on College Hill and off, strengthen our ties to our city and state, and create a robust virtual campus that enhances the connections between members of the Brown community – faculty, students, staff, alumni, and others – around the world.

The committee carefully considered the extent to which each department request would advance the University's strategic goals, within the constraints of the amount of incremental revenue available, making proposed allocations accordingly. For example, committee members stressed the importance of providing merit and equity compensation to employees, ensuring that faculty and staff received the same increase. Further, members prioritized investments in research, such as adding funds for cost share and increasing research support service levels to assist with pre-award and post-award activities. Another example is investments in the student experience that are closely linked to the area of educational leadership. Investments included more community-building initiatives (e.g., international student orientation) and academic coaching in the Dean of the College unit.

Table 1 provides a summary of the URC's proposed investments of \$15.6 million.

*Table 1: Summary of Strategic Investments by the University Resources Committee*

Department	Request	Amount (000s)
Admission	Offer wages to student tour guides (currently non-paid role)	\$13.8
Business Services	Increased mail service delivery levels	\$51.0
Campus Life	Community-building initiatives (e.g., international student orientation)	\$125.0
Communications	Brown Alumni Magazine production costs	\$10.0
Computing Info. & Services	Increase IT network capacity for 164 Angell Street	\$20.0
	Operational costs for software, cloud subscriptions, hardware maintenance	\$150.0
	Renewal/replacement funding, incl. deferred maintenance on security technology	\$80.0
Dean of College	Inflationary wage increase for Undergraduate Teaching and Research Awards	\$43.0
	Academic support services (e.g., academic coach)	\$12.8
Dean of Faculty	Unfunded faculty positions; faculty support staff in academic departments	\$1,100.0
Environ. Health/Safety	Hazardous waste disposal and training	\$25.0
Facilities	Enhanced custodial service levels; waste hauling expenses	\$282.0
	Lab ventilation management program	\$133.0
	Operating expenses for new space and future renewal	\$500.0
Finance	Payroll specialist and procurement manager	\$81.7
	Operating expenses in three departments (e.g., postage, professional development)	\$30.0
Financial Aid	Reduce summer earnings requirement for aided students	\$950.0
General Counsel	Salary adjustment and professional development for staff	\$40.0
	Investments in legal service staff (related to research)	\$261.4
Graduate School	Graduate student support (e.g., transitional stipend, child care subsidy)	\$2,897.4
Human Resources	Faculty merit and equity compensation pool	\$2,716.1
	Recruiting/relocation costs; HR database subscription	\$140.0
	Staff merit and equity compensation pool	\$4,268.3
Library	Inflationary increases for library collections	\$250.0
	New records manager/digital archivist position	\$88.0
	Specialized databases for scholarship in finance, economics, and entrepreneurship	\$150.0
President	Fully fund post-doc program, academic diversity, Title IX training/support services	\$370.0
Provost	Brown Arts Initiative operating expenses	\$100.0
	Investments in advising for international students	\$95.0
	Core research infrastructure funds (e.g., equipment, technology)	\$79.5
Public Safety	Security contracts for SciLi buildings	\$17.0
	Maintenance fee for fingerprint identification system	\$2.8
Trinity	Brown/Trinity MFA program operating expenses	\$54.8
VP Research	Restore prior year cuts to cost share funds for grant proposals	\$200.0
	Investments in research support depts. (sponsored programs, research integrity, IECV)	\$220.0
<b>TOTAL</b>		<b>\$15,557.6</b>

## 1.5 Financial Presentation

For fiscal year 2020, the University Resources Committee recommends an operating budget for Brown University that totals roughly \$1.2 billion of revenues and \$1.2 billion of expenses for an operating deficit of \$1.3 million. This planned deficit is an improvement of roughly \$4 million from a year ago, when the University budgeted for an operating deficit of \$5.3 million. Table 2 provides a high-level summary of the recommended FY20 budget with a comparison to the prior two years.

For FY20, the Educational and General Division has planned for a \$5 million deficit; this was an intentional decision by University leadership to allow for the URC to have additional funds at its disposal to allocate for various needs in accordance with the institution-wide strategic plan. A similar approach was taken a year ago when E&G planned for an operating deficit of \$4.4 million in FY19. As shown in Table 3 and Table 4, the Division of Biology and Medicine, and the School of Professional Studies, anticipate operating surpluses of \$4.2 million and \$413,300, respectively. The School of Public Health has budgeted for an operating deficit of \$700,000 in FY20 that is nearly equivalent to its FY19 budget deficit of \$702,000. Likewise, the collective budgets for all auxiliaries result in a modest FY20 operating deficit of \$194,100, which is similar in size to its FY19 budget deficit. In prior years, through ongoing cost containment efforts, the University has often achieved improvements by year end from its budgeted deficits and it anticipates similar results in fiscal year 2020. Table 5 features a more detailed operating statement for the institution.

As shown in Figure 1, tuition and fees, the largest source of revenue for the University, are budgeted to represent 49.8% of total revenues in FY20. Total sponsored revenue (including F&A) and endowment distribution remain major sources, at 16.4% and 13.3%, respectively, for the coming fiscal year. Contributions, another significant revenue source, increased its share of total University revenues from 6.6% in FY19 to 8.1% in FY20; this share increase is due in part to the incorporation of anticipated spending on restricted, spendable gifts in FY20 that have not been budgeted in prior years. Figure 2 shows that 41.3% of FY20 budgeted expenses relate to the salaries, wages, and benefits of employees. Including costs for student aid and support increases that share to 67.2%. The remaining one-third of costs are mainly comprised of general operating expenses, research subcontracts, property costs, and debt service.

Table 2: Brown University Budget by Year

Brown University Budget by Year					
FY20					
(\$ in 000s)	FY18 Budget	FY19 Budget	Proposed	FY20 vs. FY19	FY20 vs. FY19
			Budget	\$ Change	% Change
Total Revenues	1,060,934.0	1,103,875.0	1,204,891.0	101,016.0	9.2%
Total Expenses	1,065,782.4	1,109,198.5	1,206,171.9	96,973.4	8.7%
Net Contributions	(281.0)	0.0	0.0	0.0	--
<b>Operating Margin (\$)</b>	<b>(4,567.4)</b>	<b>(5,323.5)</b>	<b>(1,280.9)</b>	<b>4,042.6</b>	<b>75.9%</b>
<b>Operating Margin (%)</b>	<b>-0.4%</b>	<b>-0.5%</b>	<b>-0.1%</b>	<b>0.4%</b>	<b>78.0%</b>

Note: When calculating a percentage change from a negative number, the formula is based on the absolute value of the base number

Table 3: FY20 Proposed Budget by Division

FY20 Proposed Budget By Division						
(\$ in 000s)	Educational and General	Professional Studies	Biology & Medicine	Public Health	Auxiliaries	Total Brown University
FY20 Total Revenues	824,542.1	38,931.0	169,094.7	53,222.4	119,100.8	1,204,891.0
FY20 Total Expenses	824,230.9	30,517.7	176,823.7	58,790.9	115,808.7	1,206,171.9
FY20 Net Contributions	5,311.3	8,000.0	(11,929.0)	(4,868.5)	3,486.3	0.0
<b>FY20 Operating Margin (\$)</b>	<b>(5,000.0)</b>	<b>413.3</b>	<b>4,200.0</b>	<b>(700.0)</b>	<b>(194.1)</b>	<b>(1,280.9)</b>
<b>FY20 Operating Margin (%)</b>	<b>-0.6%</b>	<b>1.1%</b>	<b>2.5%</b>	<b>-1.3%</b>	<b>-0.2%</b>	<b>-0.1%</b>

Table 4: Budgeted Operating Margin by Division by Year

Budgeted Operating Margin by Division by Year						
(\$ in 000s)	Educational and General	Professional Studies	Biology & Medicine	Public Health	Auxiliaries	Total Brown University
FY18 Operating Margin	(7,170.0)	0.0	2,641.0	(269.0)	230.6	(4,567.4)
FY19 Operating Margin	(4,406.0)	0.0	0.0	(702.0)	(215.5)	(5,323.5)
FY20 Operating Margin	(5,000.0)	413.3	4,200.0	(700.0)	(194.1)	(1,280.9)
<b>FY20 vs. FY19 \$ Change</b>	<b>(594.0)</b>	<b>413.3</b>	<b>4,200.0</b>	<b>2.0</b>	<b>21.4</b>	<b>4,042.6</b>
<b>FY20 vs. FY19 % Change</b>	<b>-13.5%</b>	<b>--</b>	<b>--</b>	<b>0.3%</b>	<b>9.9%</b>	<b>75.9%</b>

Note: When calculating a percentage change from a negative number, the formula is based on the absolute value of the base number

Table 5: Budgeted Operating Statement for Brown University

#	(\$ in 000s)	FY18 Budget Total	FY19 Budget Total	FY20 Proposed Budget					Total Brown University	FY20 vs FY19 \$ Change	FY20 vs FY19 % Change
				Educational and General	Professional Studies	Biology & Medicine	Public Health	Auxiliaries			
1	<b>REVENUES</b>										
2	Undergraduate Tuition	343,327.5	357,479.9	377,446.0	0.0	0.0	0.0	0.0	377,446.0	19,966.1	5.6%
3	Study Abroad Tuition & Fees	11,281.9	13,808.3	14,420.8	0.0	0.0	0.0	0.0	14,420.8	612.5	4.4%
4	Masters Tuition	28,596.9	32,730.2	29,060.8	0.0	4,217.9	7,056.3	0.0	40,335.0	7,604.8	23.2%
5	Professional Studies Tuition	38,320.4	39,722.7	0.0	37,481.0	655.0	0.0	0.0	38,136.0	(1,586.8)	-4.0%
6	Ph.D. Tuition	76,040.3	76,879.4	75,809.1	0.0	13,363.6	0.0	0.0	89,172.7	12,293.3	16.0%
7	Medical Tuition	31,910.1	34,257.4	0.0	0.0	35,262.3	0.0	0.0	35,262.3	1,004.8	2.9%
8	Student Fees	4,506.0	4,638.7	4,106.0	0.0	639.5	0.0	0.0	4,745.5	106.9	2.3%
9	<b>Total Tuition &amp; Fees</b>	<b>533,983.1</b>	<b>559,516.7</b>	<b>500,842.8</b>	<b>37,481.0</b>	<b>54,138.2</b>	<b>7,056.3</b>	<b>0.0</b>	<b>599,518.3</b>	<b>40,001.6</b>	<b>7.1%</b>
10	Sponsored Revenue	139,967.0	139,684.3	55,611.6	0.0	54,000.0	37,500.0	0.0	147,111.6	7,427.3	5.3%
11	F&A Revenue (Indirect Cost Recovery)	46,163.0	47,162.1	24,787.1	0.0	20,500.0	5,764.0	0.0	51,051.1	3,889.0	8.2%
12	<b>Total Sponsored and F&amp;A Revenue</b>	<b>186,130.0</b>	<b>186,846.5</b>	<b>80,398.7</b>	<b>0.0</b>	<b>74,500.0</b>	<b>43,264.0</b>	<b>0.0</b>	<b>198,162.7</b>	<b>11,316.3</b>	<b>6.1%</b>
13	Brown Annual Fund	39,135.0	40,973.4	35,150.0	0.0	1,850.0	395.6	0.0	37,395.6	(3,577.8)	-8.7%
14	All Other Spendable Gifts	30,813.5	32,207.7	43,785.6	0.0	15,054.2	1,426.2	0.0	60,266.1	28,058.3	87.1%
15	<b>Total Annual Contributions</b>	<b>69,948.5</b>	<b>73,181.1</b>	<b>78,935.6</b>	<b>0.0</b>	<b>16,904.2</b>	<b>1,821.8</b>	<b>0.0</b>	<b>97,661.7</b>	<b>24,480.6</b>	<b>33.5%</b>
16	Endowment Yield Distribution	140,177.3	141,399.0	133,619.4	0.0	17,022.8	1,080.3	0.0	151,722.4	10,323.4	7.3%
17	Associated Program Cost	829.1	897.7	7,844.9	0.0	912.6	0.0	0.0	8,757.5	7,859.8	875.5%
18	<b>Total Endowment Distribution</b>	<b>141,006.4</b>	<b>142,296.7</b>	<b>141,464.3</b>	<b>0.0</b>	<b>17,935.4</b>	<b>1,080.3</b>	<b>0.0</b>	<b>160,479.9</b>	<b>18,183.2</b>	<b>12.8%</b>
19	Housing Contractual Revenue	41,913.0	44,058.7	0.0	0.0	0.0	0.0	45,826.9	45,826.9	1,768.1	4.0%
20	Dining Contractual Revenue	22,769.9	23,552.8	0.0	0.0	0.0	0.0	24,374.1	24,374.1	821.3	3.5%
21	Student Health Insurance	13,737.0	15,750.0	0.0	0.0	0.0	0.0	17,300.0	17,300.0	1,550.0	9.8%
22	Student Health Services Fees	7,616.0	8,003.2	0.0	0.0	0.0	0.0	8,509.1	8,509.1	505.8	6.3%
23	All Other Auxiliary Revenue	24,675.5	24,295.8	2,182.9	0.0	0.0	0.0	23,090.7	25,273.6	977.8	4.0%
24	<b>Total Auxiliary Revenue</b>	<b>110,711.4</b>	<b>115,660.5</b>	<b>2,182.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>119,100.8</b>	<b>121,283.6</b>	<b>5,623.1</b>	<b>4.9%</b>
25	Current Fund Investment Income	8,671.1	8,718.7	8,844.6	0.0	0.0	0.0	0.0	8,844.6	125.9	1.4%
26	Affiliated Hospital Revenue	3,166.8	3,244.1	0.0	0.0	3,279.2	0.0	0.0	3,279.2	35.1	1.1%
27	All Other Income	7,316.7	14,410.7	11,873.2	1,450.0	2,337.7	0.0	0.0	15,660.9	1,250.1	8.7%
28	<b>Total Other Income</b>	<b>19,154.6</b>	<b>26,373.5</b>	<b>20,717.8</b>	<b>1,450.0</b>	<b>5,616.9</b>	<b>0.0</b>	<b>0.0</b>	<b>27,784.7</b>	<b>1,411.2</b>	<b>5.4%</b>
29	<b>TOTAL REVENUES</b>	<b>1,060,934.0</b>	<b>1,103,875.0</b>	<b>824,542.1</b>	<b>38,931.0</b>	<b>169,094.7</b>	<b>53,222.4</b>	<b>119,100.8</b>	<b>1,204,891.0</b>	<b>101,016.0</b>	<b>9.2%</b>
30											
31	<b>EXPENSES</b>										
32	Faculty Salaries & Wages	132,793.9	138,412.0	113,608.1	1,800.0	32,593.7	5,155.0	11.6	153,168.4	14,756.5	10.7%
33	Staff Salaries & Wages	204,487.8	214,795.7	165,973.0	6,919.0	26,863.4	3,530.6	21,709.7	224,995.7	10,199.9	4.7%
34	Student Wages	11,530.6	11,720.2	3,815.9	650.0	852.8	80.0	1,877.5	7,276.3	(4,443.9)	-37.9%
35	<b>Total Salaries &amp; Wages</b>	<b>348,812.2</b>	<b>364,927.9</b>	<b>283,397.0</b>	<b>9,369.0</b>	<b>60,309.9</b>	<b>8,765.6</b>	<b>23,598.8</b>	<b>385,440.4</b>	<b>20,512.5</b>	<b>5.6%</b>
36	Faculty Benefits	39,557.6	40,962.1	33,414.9	277.5	9,807.8	1,572.3	3.5	45,076.0	4,113.9	10.0%
37	Staff Benefits	62,627.7	65,233.6	50,439.4	1,902.7	8,060.3	1,078.7	6,516.2	67,997.2	2,763.6	4.2%
38	Student Benefits	617.0	684.5	163.8	0.0	48.0	6.0	7.6	225.4	(459.1)	-67.1%
39	<b>Total Benefits</b>	<b>102,802.2</b>	<b>106,880.2</b>	<b>84,018.1</b>	<b>2,180.2</b>	<b>17,916.1</b>	<b>2,656.9</b>	<b>6,527.3</b>	<b>113,298.6</b>	<b>6,418.5</b>	<b>6.0%</b>
40	Undergraduate Student Aid and Support	122,488.8	136,899.5	143,059.0	0.0	28.8	0.0	0.0	143,087.8	6,188.3	4.5%
41	Graduate Student Aid and Support	136,941.8	145,756.3	123,198.1	0.0	34,265.0	2,450.8	0.0	159,913.9	14,157.7	9.7%
42	All Other Student Aid and Support	8,797.4	8,573.0	4,262.4	3,207.3	858.6	16.0	0.0	8,344.2	(228.8)	-2.7%
43	<b>Total Student Aid and Support</b>	<b>268,228.0</b>	<b>291,228.7</b>	<b>270,519.5</b>	<b>3,207.3</b>	<b>35,152.4</b>	<b>2,466.8</b>	<b>0.0</b>	<b>311,345.9</b>	<b>20,117.2</b>	<b>6.9%</b>
44	General Operating Expenses	210,302.2	208,591.3	141,896.6	6,399.7	28,744.0	39,094.8	43,309.1	259,444.1	50,852.8	24.4%
45	Subcontracts	17,576.1	14,784.6	7,185.2	0.0	6,840.0	0.0	0.0	14,025.2	(759.4)	-5.1%
46	<b>Total General Operating Expenses &amp; Subcontracts</b>	<b>227,878.3</b>	<b>223,375.9</b>	<b>149,081.8</b>	<b>6,399.7</b>	<b>35,584.0</b>	<b>39,094.8</b>	<b>43,309.1</b>	<b>273,469.3</b>	<b>50,093.5</b>	<b>22.4%</b>
47	Property Costs	39,896.0	37,874.8	30,266.7	0.0	347.3	4,599.0	3,711.6	38,924.7	1,049.9	2.8%
48	Debt Service	46,028.5	47,176.6	43,902.9	476.7	0.0	70.0	100.0	44,549.6	(2,627.0)	-5.6%
49	Capital & Plant Expenses	10,413.2	11,281.1	8,049.1	10.1	1,900.0	0.0	1,257.6	11,216.8	(64.3)	-0.6%
50	<b>Total Property Costs, Debt Service, and Capital Expenses</b>	<b>96,337.7</b>	<b>96,332.4</b>	<b>82,218.7</b>	<b>486.8</b>	<b>2,247.3</b>	<b>4,669.0</b>	<b>5,069.2</b>	<b>94,691.1</b>	<b>(1,641.4)</b>	<b>-1.7%</b>
51	Internal Services, Transfers, and All Other Expenses	21,724.1	26,453.4	(45,004.1)	8,874.8	25,614.0	1,137.7	37,304.2	27,926.5	1,473.1	5.6%
52	<b>Total Internal Services, Transfers, and All Other Expenses</b>	<b>21,724.1</b>	<b>26,453.4</b>	<b>(45,004.1)</b>	<b>8,874.8</b>	<b>25,614.0</b>	<b>1,137.7</b>	<b>37,304.2</b>	<b>27,926.5</b>	<b>1,473.1</b>	<b>5.6%</b>
53	<b>TOTAL EXPENSES</b>	<b>1,065,782.4</b>	<b>1,109,198.5</b>	<b>824,230.9</b>	<b>30,517.7</b>	<b>176,823.7</b>	<b>58,790.9</b>	<b>115,808.7</b>	<b>1,206,171.9</b>	<b>96,973.4</b>	<b>8.7%</b>
54											
55	Internal Contributions In	(33,320.3)	(29,768.3)	(11,486.3)	0.0	(11,929.0)	(4,868.5)	0.0	(28,283.8)	1,484.5	5.0%
56	Internal Contributions Out	33,039.3	29,768.3	16,797.5	8,000.0	0.0	0.0	3,486.3	28,283.8	(1,484.5)	-5.0%
57	<b>Net of Internal Contributions</b>	<b>(281.0)</b>	<b>0.0</b>	<b>5,311.3</b>	<b>8,000.0</b>	<b>(11,929.0)</b>	<b>(4,868.5)</b>	<b>3,486.3</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
58											
59	<b>Operating Margin (\$)</b>	<b>(4,567.4)</b>	<b>(5,323.5)</b>	<b>(5,000.0)</b>	<b>413.3</b>	<b>4,200.0</b>	<b>(700.0)</b>	<b>(194.1)</b>	<b>(1,280.9)</b>	<b>4,042.6</b>	<b>75.9%</b>
60	<b>Operating Margin (%)</b>	<b>-0.4%</b>	<b>-0.5%</b>	<b>-0.6%</b>	<b>1.1%</b>	<b>2.5%</b>	<b>-1.3%</b>	<b>-0.2%</b>	<b>-0.1%</b>	<b>0.4%</b>	<b>78.0%</b>
61											
62	Transfer to/(from) Designated Funds	(6,632.4)	(7,565.5)	(5,000.0)	413.3	1,200.0	(700.0)	81.7	(4,005.0)	3,560.6	47.1%
63	Transfer to/(from) Plant Funds	2,065.0	2,500.0	0.0	0.0	3,000.0	0.0	0.0	3,000.0	500.0	20.0%
64	<b>NET RESULTS</b>	<b>(0.0)</b>	<b>(258.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(275.9)</b>	<b>(275.9)</b>	<b>(17.9)</b>	<b>-6.9%</b>

Note: When calculating a percentage change from a negative number, the formula is based on the absolute value of the base number

Note: This statement includes separate line items for transfers to/from designated (i.e., reserve) and plant funds that were reported under expenses in prior year URC reports

Figure 1: Brown University – Revenues by Source by Year

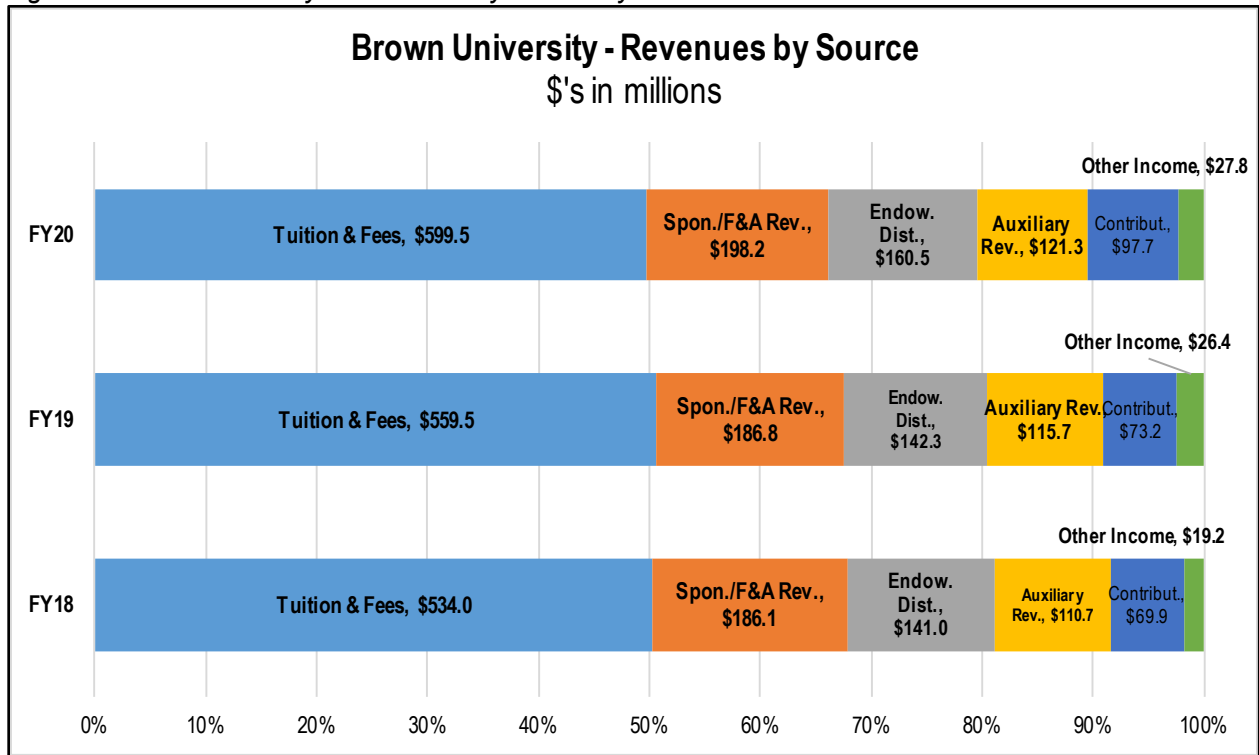
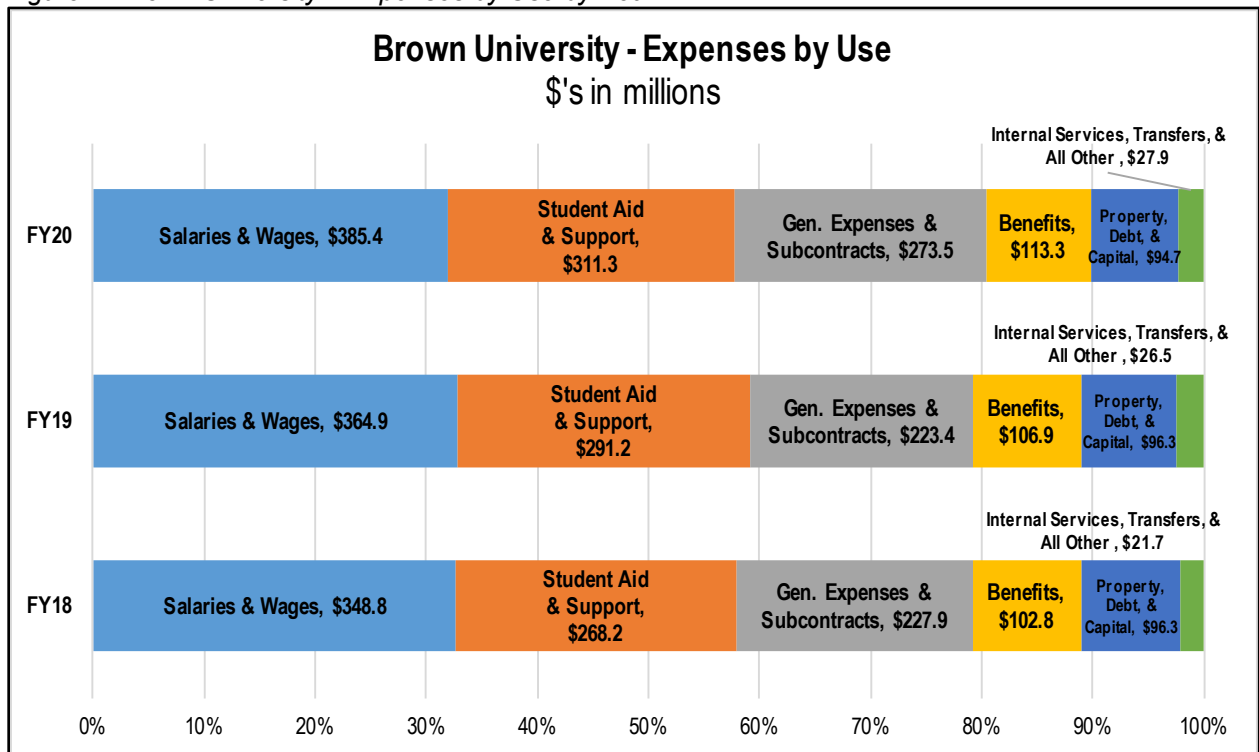


Figure 2: Brown University – Expenses by Use by Year



## 2.0 EDUCATIONAL AND GENERAL DIVISION

### 2.1 Description and Mission

Brown University's Educational and General (E&G) Division is comprised of many historical and core functions of the institution. These include the College, the Graduate School, and the School of Engineering, as well as other academic and research activities that are not housed within the University's other major operating units, namely, the Division of Biology and Medicine, the School of Public Health, and the School of Professional Studies<sup>1</sup>. In addition, the E&G Division includes all central administration functions that serve the entire institution. Collectively, E&G represents close to 70% of all University spending.

### 2.2 Goals and Strategic Priorities

Representing a significant portion of the University's educational and research activities, the E&G Division is a key driver of the goals identified in *Building on Distinction*. In particular, recent investments in E&G are guided by the following important goals: strengthening academic departments to promote integrative scholarship and to elevate the impact of teaching; and enhancing academic excellence through investments in scholarships and resources aimed at making Brown more financially accessible to students.

1. **Strengthening Academic Departments:** Central to achieving our greatest aspirations is Brown's capacity to attract and retain exceptional faculty who offer new ideas, perspectives, and opportunities for collaboration that will elevate Brown's impact in research and teaching. The *Operational Plan* outlines goals to promote integrative scholarship by strengthening academic departments, centers, and institutes through faculty hiring and investments in research. Some examples of these investments within E&G include:
  - An ambitious growth plan and innovative academic vision that establishes the School of Engineering as an international model for creativity and innovation in the 21st century. These investments will enable the school to conduct deep and impactful research at the cutting edge of important disciplines and, increasingly, between disciplines; create new technologies that improve the human condition and fuel economic growth; and educate and mentor the next generation of leaders with innovative approaches that build on the strength of a deeply distinguished liberal arts research university.
  - Investments in the Institute at Brown for Environmental Studies (IBES) that significantly increase Brown's visibility as a center for research and education on environmental issues. Through these investments, the standing of core departments — Earth, Environmental, and Planetary Sciences; Ecology and Evolutionary Biology; Sociology; History; and Economics — has already risen in many cases, and Brown anticipates that joint faculty hiring will continue to strengthen a wider range of partner departments in the natural and social sciences. IBES' emphasis on intellectual collaboration across fields will enable these departments to hire and support faculty with novel ideas and approaches to environmental questions. Through this work, Brown has a unique role in

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<sup>1</sup> The FY21 URC report will include a separate section for the School of Engineering.

contributing research, fostering innovation, and providing a model for environmental sustainability to the community and beyond.

- A plan to establish the University as a national leader in the creation of art and the education of artists and art scholars, critics, and entrepreneurs. Investments in the Brown Arts Initiative will enable the core arts departments at Brown to attract high-profile innovators to the faculty and as visiting artists. By fostering strong connections between the arts and other fields, Brown will be attractive to inventive scholars across the academic landscape who are eager to participate in Brown's distinctive approach to the arts. These investments will lead to greater collaboration with the Rhode Island School of Design and other local partners and will further enrich Providence's cultural life and economic health while also cementing stronger bonds with the local community.
- Investments in computational and data sciences to bolster research and training in the Data Science Initiative and related departments at Brown. Through ambitious growth plans, Brown will recruit faculty in core methodological fields as well as faculty carrying out data-enabled research across many departments. Undergraduate and graduate students specializing in this area will receive outstanding training and be excellent candidates in several desirable employment sectors. Meanwhile, students with other interests will have enhanced opportunities to take courses that promote data fluency as a core competency of contemporary life. The impact of these investments is evidenced by Brown's efforts to expand the Department of Computer Science over a five-year period by adding ten new tenure track faculty members and five lecturers. The CS with Impact growth plan, the largest in the department's history, would bolster teaching to meet the rapid growth in student enrollment in computer science. New faculty in computer science will strengthen existing and emerging areas of expertise for the department in areas like artificial intelligence and robotics, digital liberties, computer education research, and visual computing with a focus on societal impact.
- Targeted investments in the Watson Institute and related centers and departments to position Brown to gain greater prominence nationally and internationally as a home for innovative research and teaching in the social sciences, broadly defined. Watson's recent faculty hiring positions it and Brown to be at the center of scholarly and public conversations about the political, economic, and social causes of global challenges and the best ways to effect positive, sustainable change. Similarly, investments in cognate departments are offering opportunities to explore new areas of study. For example, recent investments in the Department of Economics have similarly expanded the research impact of its faculty to address critical questions facing society today. Through new hiring and support for integrative scholarship, economics faculty are examining new data sources to conduct data-driven research on questions related to government programs, health and medicine, education, politics, media, and infrastructure, among other areas. These investments have in turn strengthened ties with the Data Science Initiative, IBES, and Watson, among other academic centers, and have helped train the next generation of evidence-based researchers at the undergraduate and graduate levels.
- Investments focused on the Cogut Institute and Pembroke Center for Teaching and Research on Women that will both consolidate and expand upon critical resources for promoting innovation in the humanities, an area of historic and ongoing strength at Brown. Ambitious faculty growth plans will also increase the visibility and standing of the humanities departments and will continue to



foster stronger intellectual and programmatic linkages to the arts, social sciences, natural sciences, and other fields.

- 2. Enhancing Academic Excellence:** The *Pathways to Diversity and Inclusion* action plan outlines the University's goals to build and foster a diverse and inclusive community. As part of this work, Brown is making important investments that are aimed at making the University more financially accessible for its undergraduate and graduate student communities. Over the last several years, Brown has offered an expanding array of programs and initiatives aimed at enrolling and supporting students from low-income families. For example, Brown opened one of the country's first dedicated centers for first-generation and low-income students. The University also offers funding to assist income-eligible students with health insurance, travel, food, and housing during spring and winter recess, and emergency funding to cover urgent, unanticipated non-academic needs such as health and medical care costs and copays, travel costs related to medical emergencies or death in their immediate family, and winter clothing. More recently, in an effort to make itself more accessible to applicants from middle-income families, the University launched *The Brown Promise* initiative to replace loans with scholarship funds in all University-packaged financial aid awards. In 2018-2019, Brown launched two measures to ensure that students with the highest financial need at Brown have sufficient funds for full meal plans and required course materials.

### **2.3 Financial Environment**

Together, total gross undergraduate tuition revenue and the endowment distribution are expected to represent nearly 65% of E&G's FY20 revenue budget. To diversify sources and enhance sustainability, the University is focused on growing net revenue in other ways; this includes increasing enrollments in professionally-oriented master's degree programs as well as improving the indirect cost recovery on sponsored research. But a focus on revenue alone is insufficient. Through the annual budgeting process, University leadership meets with the heads of major academic and administrative units to review spending, looking for ways to generate efficiencies and to reprioritize resource allocations to the highest and best use.

Because of Brown's relatively lean budget, and its modest, planned E&G operating deficit, University leadership has placed greater emphasis on the development of robust scenario analysis and related contingency planning should the institution be faced with any significant economic downturn. The delicate balance is to be prudent in how resources are used while at the same time not allowing excess caution to curtail Brown's ambitious plans.

### **2.4 Financial Presentation**

For FY20, the Educational and General Division has proposed a total revenue budget of \$824.5 million, which is an increase of \$72.7 million, or 9.7%, over the prior year budget. The division's total expense budget is \$824.2 million, which is an increase of \$70.7 million, or 9.4%, over the prior year budget. As described later in this section, the division provides, and receives, internal contributions to/from major operating units to support mission-critical needs. Collectively, in FY20, E&G expects to make a net contribution of \$5.3 million. After accounting for internal contributions, E&G has budgeted for an operating deficit of \$5 million; this deficit was thoughtfully planned to provide additional funds for the URC to allocate to support strategic priorities throughout the institution. Table 6 displays the budgeted operating statement for the Educational and General Division.

In FY20, tuition and fees, and the endowment distribution, represent roughly two-thirds of budgeted revenue gains. The FY20 proposed budget includes anticipated spending from restricted gifts that have not been historically budgeted. Excluding the Brown Annual Fund, the revenue budget for all other spendable gifts has grown from \$15.7 million in FY19 to \$43.8 million in FY20. It is important to note that this revenue increase is offset by a matching expense increase based on the way that revenue for spendable gifts is recorded in the operating budget. The only major revenue category to experience a decline relates to sponsored activities, which has seen a recent dip in new awards. Excluding the budgeting of spendable gifts, most of what is driving higher expenses are contractual obligations and the strategic investments proposed by the University Resources Committee that are based on departmental requests.

Table 6 on the following page shows the budgeted operating statement for the Educational and General Division.

Table 6: Budgeted Operating Statement for the Educational and General Division

(\$ in 000s)	Educational and General				
	FY18 Budget	FY19 Budget	FY20		
			Proposed Budget	FY20 vs FY19 \$ Change	FY20 vs FY19 % Change
<b>1 REVENUES</b>					
2 Undergraduate Tuition	343,327.5	357,479.9	377,446.0	19,966.1	5.6%
3 Study Abroad Tuition & Fees	11,281.9	13,808.3	14,420.8	612.5	4.4%
4 Masters Tuition	19,306.3	22,295.0	29,060.8	6,765.8	30.3%
5 Professional Studies Tuition	0.0	0.0	0.0	0.0	--
6 Ph.D. Tuition	63,814.4	64,440.0	75,809.1	11,369.1	17.6%
7 Medical Tuition	0.0	0.0	0.0	0.0	--
8 Student Fees	3,912.0	4,051.7	4,106.0	54.3	1.3%
<b>9 Total Tuition &amp; Fees</b>	<b>441,642.2</b>	<b>462,074.9</b>	<b>500,842.8</b>	<b>38,767.9</b>	<b>8.4%</b>
10 Sponsored Revenue	69,588.0	64,432.0	55,611.6	(8,820.4)	-13.7%
11 F&A Revenue (Indirect Cost Recovery)	26,031.0	25,927.0	24,787.1	(1,139.9)	-4.4%
<b>12 Total Sponsored and F&amp;A Revenue</b>	<b>95,619.0</b>	<b>90,359.0</b>	<b>80,398.7</b>	<b>(9,960.3)</b>	<b>-11.0%</b>
13 Brown Annual Fund	37,050.0	38,791.4	35,150.0	(3,641.4)	-9.4%
14 All Other Spendable Gifts	16,588.1	15,707.5	43,785.6	28,078.1	178.8%
<b>15 Total Annual Contributions</b>	<b>53,638.1</b>	<b>54,498.8</b>	<b>78,935.6</b>	<b>24,436.8</b>	<b>44.8%</b>
16 Endowment Yield Distribution	123,456.0	124,433.0	133,619.4	9,186.4	7.4%
17 Associated Program Cost	0.0	0.0	7,844.9	7,844.9	--
<b>18 Total Endowment Distribution</b>	<b>123,456.0</b>	<b>124,433.0</b>	<b>141,464.3</b>	<b>17,031.3</b>	<b>13.7%</b>
19 Housing Contractual Revenue	0.0	0.0	0.0	0.0	--
20 Dining Contractual Revenue	0.0	0.0	0.0	0.0	--
21 Student Health Insurance	0.0	0.0	0.0	0.0	--
22 Student Health Services Fees	0.0	0.0	0.0	0.0	--
23 All Other Auxiliary Revenue	1,740.4	2,130.5	2,182.9	52.4	2.5%
<b>24 Total Auxiliary Revenue</b>	<b>1,740.4</b>	<b>2,130.5</b>	<b>2,182.9</b>	<b>52.4</b>	<b>2.5%</b>
25 Current Fund Investment Income	8,671.1	8,718.7	8,844.6	125.9	1.4%
26 Affiliated Hospital Revenue	0.0	0.0	0.0	0.0	--
27 All Other Income	3,466.7	9,634.2	11,873.2	2,239.0	23.2%
<b>28 Total Other Income</b>	<b>12,137.8</b>	<b>18,352.9</b>	<b>20,717.8</b>	<b>2,364.9</b>	<b>12.9%</b>
<b>29 TOTAL REVENUES</b>	<b>728,233.5</b>	<b>751,849.2</b>	<b>824,542.1</b>	<b>72,693.0</b>	<b>9.7%</b>
<b>30 EXPENSES</b>					
32 Faculty Salaries & Wages	102,830.0	102,631.4	113,608.1	10,976.6	10.7%
33 Staff Salaries & Wages	152,097.5	158,706.3	165,973.0	7,266.7	4.6%
34 Student Wages	4,749.3	3,980.4	3,815.9	(164.4)	-4.1%
<b>35 Total Salaries &amp; Wages</b>	<b>259,676.8</b>	<b>265,318.1</b>	<b>283,397.0</b>	<b>18,078.9</b>	<b>6.8%</b>
36 Faculty Benefits	30,453.1	30,117.6	33,414.9	3,297.3	10.9%
37 Staff Benefits	46,903.9	48,466.2	50,439.4	1,973.2	4.1%
38 Student Benefits	227.1	211.0	163.8	(47.3)	-22.4%
<b>39 Total Benefits</b>	<b>77,584.0</b>	<b>78,794.9</b>	<b>84,018.1</b>	<b>5,232.2</b>	<b>6.6%</b>
40 Undergraduate Student Aid and Support	122,450.5	136,879.5	143,059.0	6,179.5	4.5%
41 Graduate Student Aid and Support	111,333.8	119,297.0	123,198.1	3,901.1	3.3%
42 All Other Student Aid and Support	4,435.1	4,469.5	4,262.4	(207.1)	-4.6%
<b>43 Total Student Aid and Support</b>	<b>238,219.4</b>	<b>260,645.9</b>	<b>270,519.5</b>	<b>9,873.5</b>	<b>3.8%</b>
44 General Operating Expenses	107,411.0	101,560.9	141,896.6	40,335.7	39.7%
45 Subcontracts	10,081.6	9,334.6	7,185.2	(2,149.4)	-23.0%
<b>46 Total General Operating Expenses &amp; Subcontracts</b>	<b>117,492.5</b>	<b>110,895.5</b>	<b>149,081.8</b>	<b>38,186.3</b>	<b>34.4%</b>
47 Property Costs	30,955.6	30,163.4	30,266.7	103.4	0.3%
48 Debt Service	45,151.0	46,391.0	43,902.9	(2,488.1)	-5.4%
49 Capital & Plant Expenses	8,977.5	8,841.1	8,049.1	(792.0)	-9.0%
<b>50 Total Property Costs, Debt Service and Capital Expenses</b>	<b>85,084.1</b>	<b>85,395.4</b>	<b>82,218.7</b>	<b>(3,176.7)</b>	<b>-3.7%</b>
51 Internal Services, Transfers, and All Other Expenses	(48,720.1)	(47,590.3)	(45,004.1)	2,586.1	5.4%
<b>52 Total Internal Services, Transfers, and All Other Expenses</b>	<b>(48,720.1)</b>	<b>(47,590.3)</b>	<b>(45,004.1)</b>	<b>2,586.1</b>	<b>5.4%</b>
<b>53 TOTAL EXPENSES</b>	<b>729,336.7</b>	<b>753,459.4</b>	<b>824,230.9</b>	<b>70,771.4</b>	<b>9.4%</b>
54					
55 Internal Contributions In	(13,486.3)	(13,486.3)	(11,486.3)	2,000.0	14.8%
56 Internal Contributions Out	19,553.0	16,282.0	16,797.5	515.5	3.2%
<b>57 Net of Internal Contributions</b>	<b>6,066.7</b>	<b>2,795.7</b>	<b>5,311.3</b>	<b>2,515.5</b>	<b>90.0%</b>
<b>58</b>					
<b>59 Operating Margin (\$)</b>	<b>(7,170.0)</b>	<b>(4,406.0)</b>	<b>(5,000.0)</b>	<b>(594.0)</b>	<b>-13.5%</b>
<b>60 Operating Margin (%)</b>	<b>-1.0%</b>	<b>-0.6%</b>	<b>-0.6%</b>	<b>0.0%</b>	<b>-3.5%</b>
61					
62 Transfer to/(from) Designated Funds	(7,170.0)	(4,406.0)	(5,000.0)	(594.0)	-13.5%
63 Transfer to/(from) Plant Funds	0.0	0.0	0.0	0.0	--
<b>64 NET RESULTS</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>28.8%</b>

Note: When calculating a percentage change from a negative number, the formula is based on the absolute value of the base number

## 2.5 Description of Revenues

### Tuition and Fees

The proposed FY20 budget for tuition and fees is \$500.8 million, which represents an 8.4% increase from the prior year. The total increase of \$38.8 million is primarily driven by revenue attributed to undergraduate tuition. In FY20, Brown anticipates gross undergraduate tuition revenue, including study abroad programs and Wintersession, of \$391.9 million. The undergraduate tuition revenue of \$391.9 million is 47.5% of the division's total revenue budget.

The proposed FY20 budget incorporates a 5.14% tuition increase for undergraduate students. Including varying rate increases for undergraduate student fees, the total undergraduate charge per student is budgeted to increase by 5% from the current year. The committee spent a considerable amount of time discussing the proposed increase, weighing the amount of additional funds made available through the new rate against Brown's priorities and how it might compare to Brown's peer group. Brown remains committed to offering the very best residential undergraduate experience, and ensuring highly personalized learning. Yet, many of these peers have more resources to support fewer students. These peer institutions are much less dependent on tuition revenue to support their academic and campus life operations.

The undergraduate tuition revenue will help support the significant investments Brown has made in the past few years to ensure student success. These include steady growth in the faculty and enhanced facilities that directly improve the student learning experience, such as the Engineering Research Center, Friedman Hall and the expansion of the Watson Institute for International and Public Affairs; strengthened staffing in the College and Campus Life, particularly in the areas of health, Counseling and Psychological Services, and the Writing Center and Science Center; and the construction of a new residence hall, to name just a few examples.

The committee agreed to support a 5% increase in total student charges with the understanding that the increase in undergraduate financial aid (which outpaces the tuition increase) would accommodate students with need while providing additional funds to enhance the overall student experience. Beginning this year, Brown eliminated loans packaged in financial aid awards for all students. In addition, Brown continues to support several new initiatives created in the past couple of years to support low-income students. These include establishing the First-Generation College and Low-Income Student Center; providing scholarship funds to cover health insurance; the doubling of emergency funding to assist students in times of crisis; establishing travel allowances for international students; lowering the summer earning expectation for students on aid; the launch of a text book pilot for the lowest-income students; and strengthening food security by requiring adequate meal plans for all first-year students, among many other initiatives.

The proposed tuition and fee schedule is shown in Table 7 on the following page.

Table 7: Undergraduate Total Student Charges by Year

Brown University: Undergraduate Total Student Charges					
				FY20 \$	FY20 %
Tuition & Fees	FY18	FY19	FY20	Change vs. FY19	Change vs. FY19
Undergraduate Tuition	\$52,231	\$54,320	\$57,112	\$2,792	5.14%
Room	\$8,784	\$9,120	\$9,420	\$300	3.29%
Board	\$5,236	\$5,550	\$5,912	\$362	6.52%
Health Fee	\$850	\$886	\$942	\$56	6.32%
Student Activities Fee	\$274	\$286	\$286	\$0	0.00%
Recreation Fee	\$64	\$64	\$64	\$0	0.00%
<b>Total</b>	<b>\$67,439</b>	<b>\$70,226</b>	<b>\$73,736</b>	<b>\$3,510</b>	<b>5.00%</b>

Source: Budget Office

Table 8 displays recent trends and projections for net undergraduate tuition revenue. In FY20, for Brown students only (excluding non-Brown students on Brown-run study abroad programs), the University anticipates net undergraduate tuition revenue of \$241.1 million, a 5% increase over the current year projection. Table 8 shows the expected spend of institutional funds for undergraduate financial aid in FY20, including Wintersession and a proposed allocation of \$950,000 by the URC to reduce the summer earnings requirement for aided students.

Table 8: Net Undergraduate Tuition Revenue by Year

Brown University: Net Undergraduate Tuition Revenue							
					FY20 Budget	FY20 Budget	
					vs. FY19	vs. FY19	
\$ in 000s	FY17	FY18	FY19	FY20	Projection \$	Projection %	
	Actuals	Actuals	Projection	Budget	Change	Change	
Undergraduate Tuition	\$325,469.8	\$341,549.5	\$356,800.9	\$376,111.4	\$19,310.5	5.4%	
Wintersession Tuition	\$824.9	\$1,066.8	\$1,283.3	\$1,334.6	\$51.3	4.0%	
Study Abroad Tuition (Brown students only)	\$9,473.5	\$11,375.9	\$11,352.9	\$11,993.5	\$640.6	5.6%	
Undergraduate Financial Aid	(\$118,980.4)	(\$124,057.0)	(\$133,229.2)	(\$141,559.0)	(\$8,329.8)	-6.3%	
<b>Net Undergraduate Tuition</b>	<b>\$216,787.8</b>	<b>\$229,935.2</b>	<b>\$236,208.0</b>	<b>\$247,880.6</b>	<b>\$11,672.6</b>	<b>4.9%</b>	
Study Abroad Program Fees (Brown students only)	(\$5,872.0)	(\$6,288.9)	(\$6,558.1)	(\$6,740.9)	(\$182.8)	-2.8%	
<b>Net UG Tuition after SA Program Fees</b>	<b>\$210,915.9</b>	<b>\$223,646.3</b>	<b>\$229,649.9</b>	<b>\$241,139.7</b>	<b>\$11,489.8</b>	<b>5.0%</b>	

Source: Budget Office

Note: Above table excludes external (i.e., non-Brown) students in Brown-run study abroad programs; financial aid figure excludes external Davis Scholarship

Note: When calculating a percentage change from a negative number, the formula is based on the absolute value of the base number

The total number of undergraduate students, including on-campus and students studying abroad, is expected to rise by 41 full-time equivalents from the current level. Fiscal year 2020 is the final year of the planned growth of the undergraduate student body. Table 9 on the following page shows enrollment trends and projections for undergraduate students.

Table 9: Undergraduate Student FTE Enrollment by Year

Brown University Undergraduate Student Full-Time Equivalent Enrollments						
	FY17	FY18	FY19	FY20	FY20	FY20 %
	Actuals	Actuals	Projection	Projection	Change vs. FY19	Change vs. FY19
On Campus Degree Seeking	6,402	6,465	6,520	6,535	15	0.2%
Study Abroad	192	215	186	210	24	12.9%
Brown/RISD Dual Degree	34	38	36	38	2	5.6%
On Campus Non-Degree Seeking	13	13	13	13	-	0.0%
<b>Total</b>	<b>6,641</b>	<b>6,731</b>	<b>6,755</b>	<b>6,796</b>	<b>41</b>	<b>0.6%</b>

Source: Academic Finance and Administration

Note: Figures are actual/projected full-year FTEs; therefore, figures will differ from census reporting by the Office of Institutional Research.

Note: Brown/RISD dual degree students counted as 0.5 FTE as Brown retains 50% of tuition and fee revenue.

For doctoral programs across E&G departments and the School of Public Health, the University expects to enroll close to 1,330 Ph.D. students in FY20. Brown underwrites the cost of tuition for Ph.D. students in the humanities and social sciences. In STEM fields, the University generally underwrites the first three semesters; the remaining tuition for these advanced graduate students is provided through grants, contracts, and external fellowships. Across E&G-based master's programs, the University expects to enroll about 445 full-time equivalent students. Many master's programs also provide financial aid to their students.

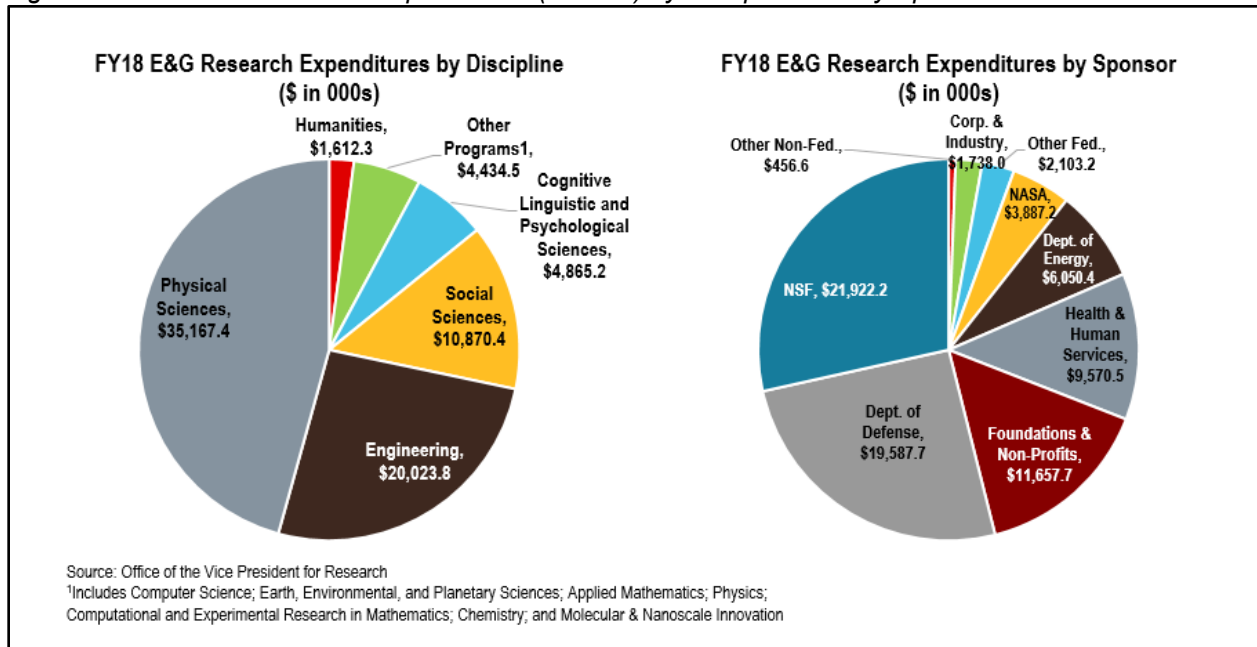
In the Educational and General Division, the tuition rate for Ph.D. programs, and most master's programs, is the same as that for undergraduate students. The proposed tuition increase for E&G's graduate programs will match the 5.14% increase for undergraduate students. In the supplementary information section of this document, Table 19 displays historical and proposed tuition rates for Ph.D. and master's programs, including the varied rate (i.e., non-standard) pricing that applies to select master's programs.

#### Sponsored and F&A Revenue

Brown University performs sponsored research across a broad range of disciplines and is funded by a variety of government, private, and not-for-profit organizations. Brown's primary source of funding for research is the federal government, and within E&G, major sponsors include the National Institutes of Health, the National Science Foundation, and the Department of Defense.

Research awards typically involve a highly competitive process, unless following the renewal of an existing project, and can be for single investigator projects, group programs, research centers, and graduate training, among others. Funding is awarded based upon proposals (typically peer reviewed) that are submitted by individuals or a group of faculty. The vast majority of Brown's sponsored funding is on a cost-reimbursement basis; in these cases, the University recognizes the revenue as allowable expenses are incurred. Figure 3 shows the distribution of E&G-related research by discipline and by sponsor.

Figure 3: FY18 E&G Research Expenditures (Actuals) by Discipline and by Sponsor

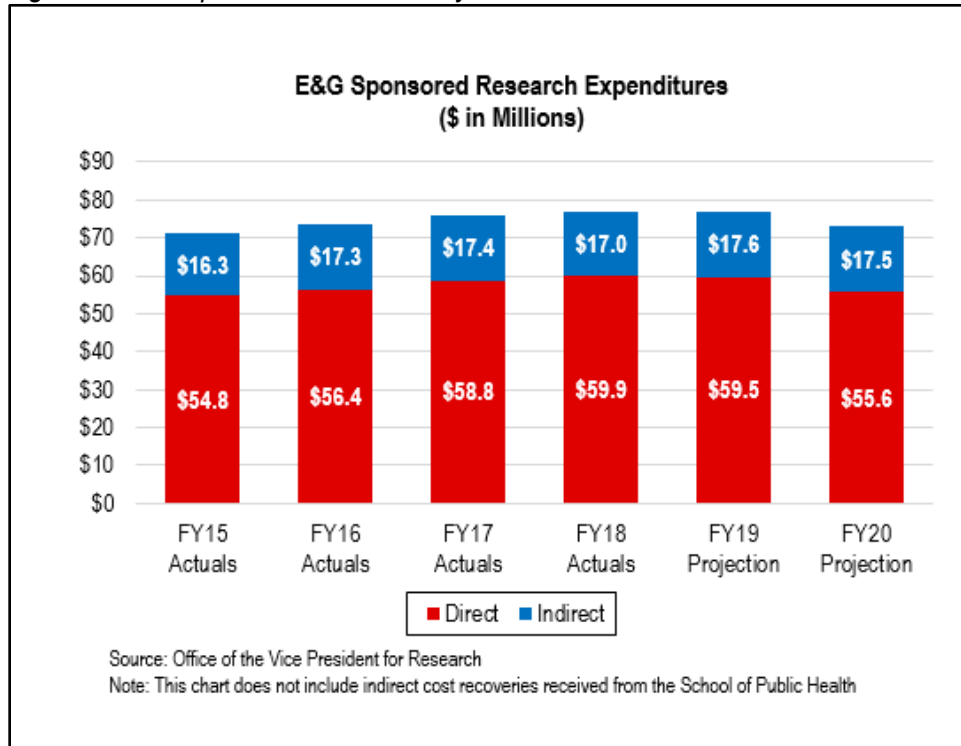


In FY20, E&G has budgeted for a 13.7% decline in sponsored revenue (i.e., directs) as compared to the FY19 budget (which was developed in November 2017) that is partially due to a dip in new funds awarded. These funds cover the direct costs of research, including faculty salaries, graduate student costs, supplies, and research subjects. The FY20 budget for facilities and administration (F&A) revenue (i.e., indirect cost recovery) is 4.4% lower than the FY19 budget.

The decline for F&A revenue is not as large as that for direct research revenue because 56% of indirect cost recoveries generated by the School of Public Health (which has been steadily growing its research activity) is retained by E&G because of the indirect research costs that it incurs in support of research performed by the School of Public Health.

Figure 4 on the following page shows recent trends and projections for E&G-related sponsored activities.

Figure 4: E&G Sponsored Research by Year



Annual Contributions

The E&G Division’s FY20 budget for annual contributions features two major components. The first component relates to unrestricted giving through the Brown Annual Fund. For FY20, E&G expects to receive \$35.2 million, a decline of \$3.6 million from the prior year. This amount is net of a 5% distribution that is paid to BioMed based on a prior agreement. The FY20 decline is due in part to a shift by some donors from unrestricted giving to more restricted purposes through school-specific funds and programs.

The second component of the budget for annual contributions relates to restricted, spendable gifts. The University has historically budgeted for some restricted gifts, such as donations to the Brown University Sports Foundation, *The Brown Promise*, and other gifts to financial aid, but it has not typically budgeted for spendable gifts across most academic departments. In an attempt to better approximate year-end spending, the FY20 budget incorporates estimates on the anticipated spend for most restricted gifts. Brown’s operating budget recognizes revenue for spendable gifts as the expense is incurred in accordance with donor stipulations. This inclusion accounts for the relatively large \$28.1 million increase from the prior year. This means that the FY20 budget for spendable gifts will be more in line with what is ultimately spent in that year, sourced from current year gifts and/or the partial use of unspent balances from prior year(s) gifts.

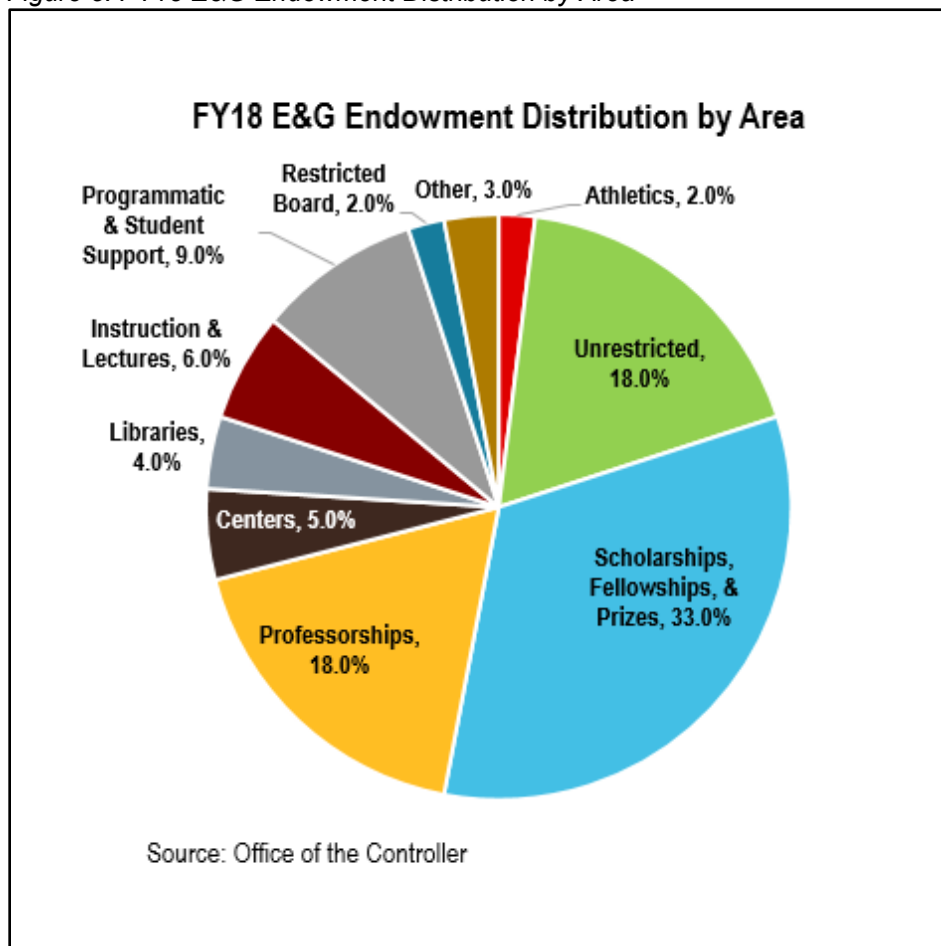
Endowment Distribution

Brown’s endowment is intended to support various programs and strategic priorities on an annual basis while maintaining its purchasing power to support future generations of students. In FY18, the actual endowment distribution to E&G funded roughly 18% of its budget. As shown in Figure 5, the payout



supported a variety of priorities, including scholarships, fellowships, and professorships, as well as student-based activities in libraries, research centers, and athletics.

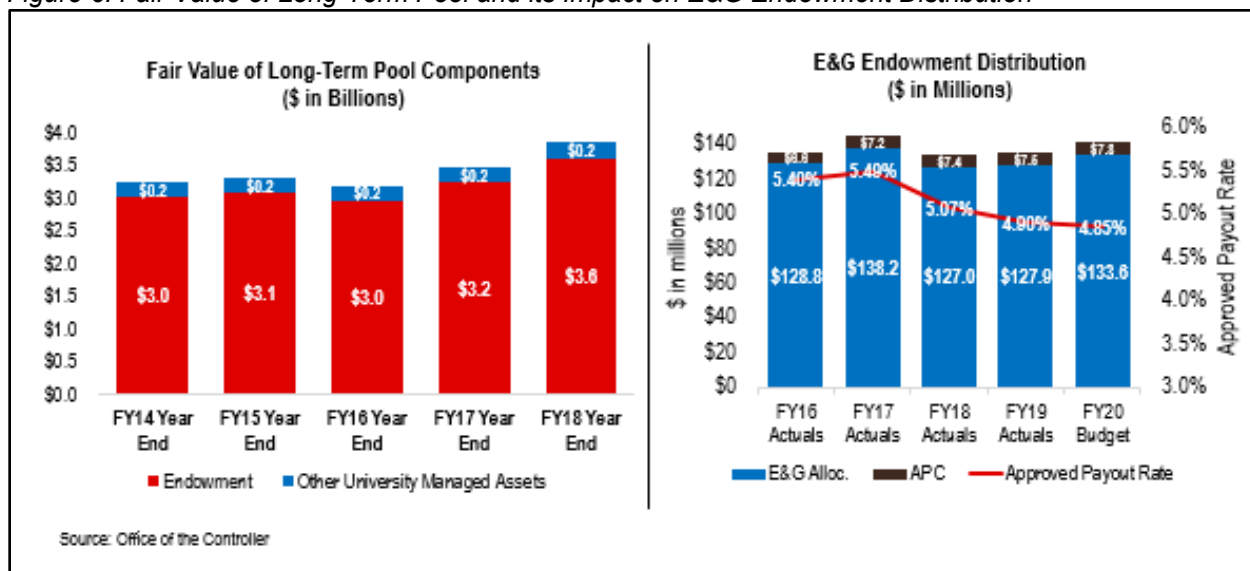
Figure 5: FY18 E&G Endowment Distribution by Area



The University’s endowment spending policy allows for a payout rate between 4.5% and 5.5% of the average fair value of applicable endowments over the most recent twelve quarters ending in December. As part of its plan for long-term financial sustainability, Brown has budgeted for a payout rate of 4.85% in FY20, a decline of five basis points from the FY19 rate of 4.9%.

Despite a lower payout rate, recent gains in the market value of the University’s long-term investment pool are expected to result in an increase in the annual distribution from endowed funds from FY19 to FY20. The University’s long-term investment pool includes the University endowment and other University managed assets. Based on current forecasts, a payout rate of 4.85% is expected to yield a total distribution of \$141.5 million for E&G in FY20. This amount includes a component called the associated program cost, which is intended to recover some of the cost of administering endowed funds. In total, the FY20 budget is an increase of \$17 million over the FY19 budget. Figure 6 on the following page demonstrates the relationship between the market value of the long-term pool, the approved payout rate, and the amount available in a given year to fund various activities.

Figure 6: Fair Value of Long-Term Pool and its Impact on E&G Endowment Distribution



### All Other Income

For E&G, auxiliary-like revenue is generated almost exclusively from parking-related activities. In this revenue category, E&G's FY20 budget of \$2.2 million is a modest 2.5% increase from the prior year. Brown's Transportation Office, which manages University-owned parking facilities as well as transportation services, is part of the Educational and General Division, and because its activities are subsidized with general funds, it is not considered a separate auxiliary operation like housing, dining, and student health services.

E&G's FY20 budget for total other income is \$20.7 million, a 12.9% increase over the prior year. In FY20, 42.7% of E&G's \$20.7 million budget comes from the current fund investment income. Non-pooled investment income and athletics-related revenue (e.g., facility fees, ticket sales, and concessions) are other relatively large revenue sources in this category.

## 2.6 Description of Expenses

### Salaries, Wages, and Benefits

For FY20, E&G's budget for faculty, staff, and student salaries and wages is \$283.4 million, a 6.8% increase over the prior year. This increase is primarily due to several factors. First, it includes a 2.5% increase for faculty and staff merit pools as well as an incremental 0.25% increase for faculty and staff equity pools. Second, it includes previously approved (in FY18), but not budgeted, faculty positions in the Dean of the Faculty unit. Third, it includes contractual obligations for union wage increases. Finally, it includes base funds for new positions proposed by the University Resources Committee. These new positions include additional faculty members in the Dean of the Faculty unit and faculty support staff in key departments.

The presentation of compensation-related expenses in this year's URC report differs from prior year reports in that it includes those expenses funded by external research grants. In prior year reports, all sponsored research expenses (e.g., salaries, benefits, space, equipment) were reported as a single line for presentation purposes. The change to this year's report is intended to communicate the use of

external research funds and to better account for the total amount of compensation costs throughout Brown University.

FY20 benefit costs are based on a proposed fringe rate of 30.5% for full-time positions and 7.7% for part-time positions. The FY19 fringe rates are 30.7% for full-time positions and 7.1% for part-time positions. For full-time positions, over 90% of benefits-related costs fall within four areas: health insurance, retirement, FICA (i.e., Social Security), and sabbaticals. Total benefit costs are expected to rise by \$5.2 million, or 6.6%, from FY19 to FY20.

#### Student Aid and Support

E&G's FY20 budget for total student aid and support is \$270.5 million, an increase of \$9.9 million over the prior year. Undergraduate student aid and support, which represents 52.9% of the total aid amount, is expected to rise by \$6.2 million. The FY20 budget is based on guidance from the Office of Financial Aid as to the funding requirements to meet the full need of undergraduate students at the proposed tuition and fee rates. To remain competitive with Brown's peers, the University Resources Committee proposed additional funding to reduce the summer earnings requirement for aided students. In the current year, the summer earnings requirement is \$2,800 for first-year students and \$3,250 for sophomores through seniors. With the additional funding, the requirement will fall in FY20 to \$2,700 for first-year students and \$2,900 for sophomores through seniors.

For FY20, E&G has budgeted \$123.2 million for graduate student aid and support, a \$3.9 million increase over the prior year. Graduate student aid and support includes scholarships, fellowships, and stipends, as well as health and dental benefits for graduate students. This budget will cover the proposed tuition rate and fund requests from the Graduate School to the University Resources Committee. The Graduate School sought additional funding in three areas. First, the Graduate School requested a 2.5% increase to stipends to cover the increased cost of living. Second, the School requested enhanced support for graduate students who are parents, coming in the form of an expanded child care subsidy, a health insurance subsidy for child dependents, and backup care for those graduate students who are not eligible to receive the University's standard child care subsidy. Finally, the Graduate School requested money for a transitional stipend for newly matriculated Ph.D. and MFA students during the summer before their first year as well as a summer health services subsidy for all students who receive a stipend.

#### General Operating Expenses and Subcontracts

For FY20, E&G has budgeted for \$149.1 million of general operating expenses, including subcontracts on research grants. This category includes spending on a wide variety of activities, including casualty insurance, legal services, books, laboratory supplies, computer hardware and software, equipment, furniture, office supplies, specialized trade and maintenance services, temporary employment agencies, transportation and other purchased services, and business and athletic team travel. While E&G's operating statement shows an increase of \$38.2 million over the prior year, nearly two-thirds of the increase is because the FY20 budget incorporates anticipated spending on restricted, spendable gifts that have not historically been included in the URC report.

For the coming year, the University Resources Committee proposes funding several departmental requests, which account for close to \$2 million of incremental spending within general operating expenses. A comprehensive list of these items is described in a separate section of this document; however, some of the larger items include funds for operations and maintenance of new space, reserves for future capital renewal, library collections, research-related cost share, access to specialized

databases for faculty scholarship, computer hardware and software, lab ventilation improvements, and community-building initiatives (e.g., international student orientation).

#### Property Costs, Debt Service, and Capital Expenses

E&G's FY20 budget for property costs, debt service, and capital expenses is \$82.2 million, which is a decrease of \$3.2 million or 3.7% from the prior year. This category includes spending related to capitalized costs for computer hardware and scientific equipment, debt service principal, interest, and swap payments, and property costs, which include rental costs, property taxes and insurance, as well as utilities, such as light and power, natural gas, sewer, and water fees.

While the University budgeted for \$46.4 million of debt service expense in FY19, the current year forecasted expense is \$41.7 million. This reduction is primarily related to a prepayment on 2009 taxable bonds as well as lower than anticipated interest expense on variable rate bonds. In FY20, the University has budgeted for \$43.9 million of debt service expense, an increase of \$2.2 million over the current year forecast. This debt service expense does not include applicable fees and transfers to the renewal reserve fund, which are reflected in "Internal Services, Transfers, and All Other Expenses" on the operating statement. Collectively, the fees and transfers to the renewal reserve fund will increase from a FY19 forecasted expense of \$5 million to a FY20 budget of \$6.7 million. Separately, the University will incur higher property lease payments for South Street Landing, Davol Square, and 110 Elm Street.

#### Internal Services, Transfers, and All Other Expenses

For fiscal year 2020, E&G's budget for internal services, transfers, and all other expenses includes a broad mix of credits and debits; the net of all of these is such that the total amount of credits (revenue) is greater than the total amount of debits (expense) by \$45 million. This effectively means that row 52 (in Table 6) in the division's operating statement acts as a contra-expense (or revenue) when calculating the operating margin. This category includes internal billings for activities related to dining, facilities sold services, graphic services, information technology, communications, and other units.

Brown's payment to Brown Physicians, Inc. (BPI) of \$2.5 million in FY19 and FY20 is reflected in "Internal Services, Transfers, and All Other Expenses." BPI is a collaborative clinical faculty practice organization established in FY18 by Brown University and several specialty group practices, or "foundations," as they are known in Rhode Island.

#### Internal Contributions

In recent years, Brown's operating budget has included several agreements that call for the transfer of funds between E&G and standalone operating units for specific mission-critical needs. For this year's URC report, these internal contributions are shown in a separate section of the operating statement (in rows 55 to 57 of Table 6), to lend greater transparency to this type of internal subsidy within the University. For fiscal year 2020, E&G will contribute \$11.9 million to BioMed and \$4.9 million to Public Health. At the same time, E&G will receive contributions from the School of Professional Studies and from the Office of Residential Life for \$8 million and \$3.5 million, respectively.

More information on these internal contributions is in Table 10 on the following page.

Table 10: E&G Related Internal Contributions by Year

E&G Related Internal Contributions by Year					
(\$ in 000s)	FY18	FY19	FY20	FY20 \$	FY20 %
	Budget	Budget	Proposed	Change vs. FY19	Change vs. FY19
<b>Contributions from Professional Studies</b>					
General Operations	\$10,000	\$10,000	\$8,000	(\$2,000)	-20.0%
<b>Contributions from Residential Life</b>					
General Operations	\$3,486	\$3,486	\$3,486	\$0	0.0%
<b>Contributions to BioMed</b>					
UG Instruction	(\$9,510)	(\$9,795)	(\$10,064)	(\$269)	-2.7%
Transitional Support	(\$2,500)	\$0	\$0	\$0	0.0%
Animal Care / Herbarium	\$0	(\$353)	(\$364)	(\$11)	-3.0%
Faculty Startup & Initiatives	(\$2,892)	(\$1,371)	(\$1,501)	(\$130)	-9.5%
<b>Contributions to Public Health</b>					
UG Instruction	(\$3,725)	(\$3,837)	(\$3,943)	(\$106)	-2.8%
Faculty Startup & Initiatives	(\$280)	\$0	\$0	\$0	0.0%
Transitional Support	(\$926)	(\$926)	(\$926)	\$0	0.0%
<b>E&amp;G Net Contributions</b>	<b>(\$6,347)</b>	<b>(\$2,796)</b>	<b>(\$5,311)</b>	<b>(\$2,516)</b>	<b>-90.0%</b>

Notes:  
 In FY18, E&G's transition support to BioMed of \$2.5MM related to a contribution to Brown Physicians, Inc. After FY18, E&G's \$2.5MM payment went directly to BPI; therefore, it is captured in the expenses section of E&G's operating statement. Reflects a \$280k contribution from E&G to Public Health that was part of PH's budget, but not E&G's budget, in the FY18 URC report. When calculating a percentage change from a negative number, the formula is based on the absolute value of the base number

### 3.0 SCHOOL OF PROFESSIONAL STUDIES

#### 3.1 Description and Mission

The School of Professional Studies (SPS) magnifies Brown's reach and visibility, and its impact with new forms of education. Accomplished executives from for-profit and non-profit industries and organizations of all types choose Brown's executive programs. They gain cutting-edge knowledge, develop nuanced perspectives, and hone their leadership skills to prepare to take on tough challenges in their workplaces and spheres of influence.

Each year hundreds of undergraduate students deepen their knowledge and advance their credits to degree in summer session courses on campus as well as online, an option of increasing interest to students. The school's division of pre-college education serves thousands of talented younger students who experience the excitement of college-level learning; these students expand their vision of the world and their place in it through courses on campus, online, and in on-site programs around the world.

#### 3.2 Goals and Strategic Priorities

As the school develops strategies and engages in its work, it is guided by institutional values and, in particular, by Brown's strategic plan. More specifically, the school's programs, faculty engagement, representation to students, and leadership strategies aim to support the four major areas of the strategic plan as follows:

- **Integrative Scholarship** through the design of programs and courses that engage students in the integration of diverse multidisciplinary content in instruction at the course and program level. This effort embraces the concept of addressing issues of import to society, contributes to opportunities for Brown faculty to work together across the disciplines, and showcases Brown's distinctive strength to our students and many others who engage in or learn about our programs.
- **Educational Leadership** through program delivery that embraces the need to create access for students who cannot engage in a residential degree program. Through innovative modes of delivering content and program structures, learning at Brown is made possible for busy adult professionals and younger students exploring higher education as well as for traditional students during non-traditional semesters and in online formats.
- **Academic Excellence** through consistent attention to the highest quality academic experiences for our students, excellent support for our faculty as they engage in course development and instruction, and through academic program partnerships with international institutions and other organizations that help enhance the academic experience.
- **Campus Development** through a forward-thinking design of space for faculty and students, engagement in our local, regional, and multinational communities, and the development of content that contributes to a virtual Brown with broader access for many.

The school also embraces the *Pathways for Diversity and Inclusion* action plan, which helps to guide all aspects of its daily work, student engagement, curricular design, and instruction.

### **3.3 Financial Environment**

After years of growth, Pre-College Program revenue became stagnant in FY18 because of increased competition. While the program remains healthy, FY20 revenue projections reflect a conservative goal as SPS continues to identify new opportunities for growth. As newer entrants into the marketplace, executive master's programs have experienced some challenges in growing cohort sizes. Despite this, the school expects some expansion through new educational offerings that include certificate programs, customized programs, summer institute series, and weekend intensives.

SPS continues to strive toward enhancing the financial sustainability of the University through revenue generation and net contributions. SPS will begin FY20 in its new home at 225 Dyer Street and the space presents SPS and Brown with a tremendous opportunity to be part of an innovative and community-oriented site with significant potential for new revenue streams and collaborations. SPS is looking forward to working with other University partners to identify opportunities to leverage and maximize the use of 225 Dyer Street as a catalyst and hub for innovation.

Maintaining Brown's leadership in an increasingly competitive pre-college landscape as well as scaling to meet the needs of new executive programs brings forth multiple operational and financial challenges for SPS and its array of University partners. A recent organizational assessment provided key insights, recommendations, and tactics to significantly improve operational efficiencies, build capacity to scale, and support continued program growth. The sections below identify the key areas, factors, and trends that will strengthen SPS's capacity to respond to students with the highest quality programs, sustain internal contributions, and maintain appropriate reserve levels.

### **3.4 Financial Presentation**

For fiscal year 2020, the School of Professional Studies has budgeted for a total of \$38.9 million in revenues (a 7.2% decline from the prior year's budget) and a total of \$30.5 million in expenses (a 4.4% decline from the prior year's budget). After accounting for the school's \$8 million contribution to the University, it anticipates an operating surplus of \$413,300, which it will transfer to reserves as part of its long-term plan to build up its reserves after several years of withdrawals.

Table 11: Budgeted Operating Statement for the School of Professional Studies

(\$ in 000s)	Professional Studies				
	FY18 Budget	FY19 Budget	FY20		
			Proposed Budget	FY20 vs FY19 \$ Change	FY20 vs FY19 % Change
1	<b>REVENUES</b>				
2	0.0	0.0	0.0	0.0	--
3	0.0	0.0	0.0	0.0	--
4	0.0	0.0	0.0	0.0	--
5	37,674.5	39,313.8	37,481.0	(1,832.9)	-4.7%
6	0.0	0.0	0.0	0.0	--
7	0.0	0.0	0.0	0.0	--
8	0.0	0.0	0.0	0.0	--
9	<b>37,674.5</b>	<b>39,313.8</b>	<b>37,481.0</b>	<b>(1,832.9)</b>	<b>-4.7%</b>
10	0.0	0.0	0.0	0.0	--
11	0.0	0.0	0.0	0.0	--
12	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
13	0.0	0.0	0.0	0.0	--
14	0.0	0.0	0.0	0.0	--
15	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
16	0.0	0.0	0.0	0.0	--
17	0.0	0.0	0.0	0.0	--
18	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
19	0.0	0.0	0.0	0.0	--
20	0.0	0.0	0.0	0.0	--
21	0.0	0.0	0.0	0.0	--
22	0.0	0.0	0.0	0.0	--
23	0.0	0.0	0.0	0.0	--
24	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
25	0.0	0.0	0.0	0.0	--
26	0.0	0.0	0.0	0.0	--
27	2,450.0	2,624.0	1,450.0	(1,174.0)	-44.7%
28	<b>2,450.0</b>	<b>2,624.0</b>	<b>1,450.0</b>	<b>(1,174.0)</b>	<b>-44.7%</b>
29	<b>40,124.5</b>	<b>41,937.8</b>	<b>38,931.0</b>	<b>(3,006.8)</b>	<b>-7.2%</b>
30					
31	<b>EXPENSES</b>				
32	1,205.0	2,363.5	1,800.0	(563.5)	-23.8%
33	8,841.3	7,722.3	6,919.0	(803.3)	-10.4%
34	695.0	785.0	650.0	(135.0)	-17.2%
35	<b>10,741.3</b>	<b>10,870.8</b>	<b>9,369.0</b>	<b>(1,501.8)</b>	<b>-13.8%</b>
36	373.6	725.6	277.5	(448.1)	-61.8%
37	2,514.5	2,273.7	1,902.7	(370.9)	-16.3%
38	0.0	0.0	0.0	0.0	--
39	<b>2,888.0</b>	<b>2,999.3</b>	<b>2,180.2</b>	<b>(819.0)</b>	<b>-27.3%</b>
40	0.0	0.0	0.0	0.0	--
41	0.0	0.0	0.0	0.0	--
42	3,694.6	3,262.7	3,207.3	(55.4)	-1.7%
43	<b>3,694.6</b>	<b>3,262.7</b>	<b>3,207.3</b>	<b>(55.4)</b>	<b>-1.7%</b>
44	6,775.0	7,179.3	6,399.7	(779.6)	-10.9%
45	0.0	0.0	0.0	0.0	--
46	<b>6,775.0</b>	<b>7,179.3</b>	<b>6,399.7</b>	<b>(779.6)</b>	<b>-10.9%</b>
47	0.0	0.0	0.0	0.0	--
48	0.0	0.0	476.7	476.7	--
49	36.3	10.0	10.1	0.1	1.0%
50	<b>36.3</b>	<b>10.0</b>	<b>486.8</b>	<b>476.8</b>	<b>4767.9%</b>
51	5,989.2	7,615.8	8,874.8	1,259.0	16.5%
52	<b>5,989.2</b>	<b>7,615.8</b>	<b>8,874.8</b>	<b>1,259.0</b>	<b>16.5%</b>
53	<b>30,124.5</b>	<b>31,937.8</b>	<b>30,517.7</b>	<b>(1,420.1)</b>	<b>-4.4%</b>
54					
55	0.0	0.0	0.0	0.0	--
56	10,000.0	10,000.0	8,000.0	(2,000.0)	-20.0%
57	<b>10,000.0</b>	<b>10,000.0</b>	<b>8,000.0</b>	<b>(2,000.0)</b>	<b>-20.0%</b>
58					
59	<b>0.0</b>	<b>0.0</b>	<b>413.3</b>	<b>413.3</b>	<b>--</b>
60	<b>0.0%</b>	<b>0.0%</b>	<b>1.1%</b>	<b>1.1%</b>	<b>--</b>
61					
62	0.0	0.0	413.3	413.3	--
63	0.0	0.0	0.0	0.0	--
64	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>

Note: When calculating a percentage change from a negative number, the formula is based on the absolute value of the base number



### **3.5 Description of Revenues**

#### Tuition and Fees

For FY20, the School's tuition and fee budget reflects a more conservative approach, which is based on, and more closely tied to, prior year actual results.

For undergraduate summer session, tuition revenue results for FY17 (\$3.1 million), FY18 (\$3 million), and FY19 (projected at \$2.9 million) are relatively flat. The FY20 proposed budget reflects this recent trend. SPS leadership has identified several subject areas and courses to offer in FY20 that have the potential to generate modest growth.

In FY19, Pre-College Program enrollments were strong compared to previous years; however, students tended to enroll in targeted programs (e.g., STEM, location-based) and shorter program lengths (i.e., one to two weeks versus three to four weeks) for Summer@Brown, which impacted total revenue results. The FY20 proposed budget anticipates enrollment trends and increased market competition to continue. Additionally, the budget provides for increased scholarships to support diversity and inclusion goals, especially for local students.

As mentioned above, executive master's programs experienced revenue growth challenges in both FY18 and FY19. The FY20 proposed budget is informed by increased sensitivity to cohort levels and the timing of revenue recognition.

#### Auxiliary Revenue and Other Income

The school provides program services for Brown's 50 summer sports camps for athletes. Camps are led by Brown's varsity coaches, their staff, and current Brown student athletes. The total number of camps varies from year to year. In FY18, Brown's summer sports camps welcomed a record-breaking 3,332 athletes across 17 sports, accounting for \$1.6 million of revenue. Anticipated revenue in FY19 and FY20 is projected to be close to \$1.5 million each year.

The Choices Program will transfer to the Department of History in July 2019; therefore, it is not included in the School's FY20 proposed budget. A breakdown of the school's budgeted revenue by program is displayed in Table 12 on the following page.

Table 12: Budgeted Revenue by Program for the School of Professional Studies

School of Professional Studies Revenue by Program					
\$'s in 000s	FY18 Budget	FY19 Budget	FY20 Budget	FY20 \$ Change vs. FY19	FY20 % Change vs. FY19
Pre-College	\$25,198.6	\$25,008.0	\$24,950.0	(\$58.0)	-0.2%
Executive Master's	\$9,233.8	\$10,826.8	\$9,531.0	(\$1,295.9)	-12.0%
Summer Undergraduate Tuition	\$3,242.1	\$3,479.0	\$3,000.0	(\$479.0)	-13.8%
Sports Camps	\$1,500.0	\$1,500.0	\$1,450.0	(\$50.0)	-3.3%
Choices Program	\$950.0	\$1,124.0	--	--	--
<b>Total SPS Revenue</b>	<b>\$40,124.5</b>	<b>\$41,937.8</b>	<b>\$38,931.0</b>	<b>(\$3,006.8)</b>	<b>-7.2%</b>

Source: School of Professional Studies  
 Note: The Choices Program will transfer from SPS to the Department of History in July 2019.

### 3.6 Description of Expenses

#### Salaries, Wages, and Benefits

SPS programs and operations support a combination of faculty, staff, and students with over 800 individuals receiving full, part-time, and/or seasonal compensation. Of this total, SPS employed between 76 to 78 FTE staff during FY18 and FY19. SPS programs engage over 150 faculty members to deliver pre-college, undergraduate, and executive curriculum. The school's FY20 proposed budget features a \$2.3 million reduction in salaries and benefits, which is primarily due to the transfer of the Choices Program from SPS to the Department of History and the reduction of anticipated new positions due to unmet growth expectations in FY18 and FY19. Faculty positions will be added in future years as expansion goals for executive programs are achieved.

SPS programs engage over 600 employees (undergraduate, graduate, and seasonal) to provide a range of program support services. The FY20 proposed budget for these positions is budgeted to continue at a similar level; over 80% of this support is provided to undergraduate, pre-college, and sports camps program participants.

#### Student Aid and Support

The school's FY20 proposed budget for student aid and support is \$3.2 million, which is similar to the FY19 funding level and is based on two types of scholarships offered by the Pre-College Program (Dean's Scholarships and Partner Scholarships) as well as targeted scholarships to students in the school's executive master's programs.

In FY19 (summer 2018), the Pre-College Program awarded a total of \$1.8 million in scholarships. The Dean's Scholarship, which awarded \$953,000 in summer 2018, is granted to admitted students who demonstrate financial need. For the Partner Scholarships, Brown's Pre-College Program works with partner organizations (e.g., community organizations, foundations) across the country to identify low-income students, providing them with the financial support they need to participate in the Pre-College Program. Often these partnerships are arranged such that the partner organization pays for one-half of the student's cost of attendance while the Pre-College Program picks up the remaining half. In FY19

(summer 2018), Pre-College awarded \$819,000 in Partner Scholarships, while partner organizations contributed \$578,000.

Executive master's programs strive to ensure that each cohort includes professional diversity and excellence across industry and business sectors, as well as meeting the school's diversity and inclusion action plan (DIAP) objectives. To help achieve this goal, scholarships are awarded to select candidates based on a comprehensive evaluation of the admission and scholarship application. Scholarship support for an individual generally ranges from \$10,000 to \$25,000, with overall awards confined to approximately 10% of the total cohort tuition revenue. Smaller scholarship offers are used strategically to attract particularly strong candidates, or those with unique professional experience, or to strengthen relationships with the corporate community.

#### General Operating Expenses and Subcontracts

The FY20 proposed budget for general operating expenses is \$6.4 million, which includes reductions of nearly \$800,000 compared to FY19; the largest reduction, approximately \$500,000 of expense, is related to external marketing and media services. This reduction reflects a strategic shift from traditional marketing resources to higher-touch recruiting activities for the school's executive programs.

#### Property Costs, Debt Service, and Capital Expenses

In FY20, SPS will occupy space at 225 Dyer Street. SPS is financing \$5.3 million of the projected \$10.5 million of tenant improvements over a 15-year period at an annual cost of close to \$477,000; the FY20 proposed budget reflects this new commitment.

#### Internal Services, Transfers, and All Other Expenses

A significant portion of SPS's non-personnel budget (\$8.9 million) is related to payments for services provided by other University departments. In the FY20 proposed budget, 90% of the total internal service allocations are comprised of dining (31%), facilities (37%), campus life (18%), and administrative (4%) services. The \$1.3 million increase in FY20 is primarily related to rental and facility management costs for the new 225 Dyer Street location.

#### Internal Contributions

SPS's contribution to the University increased by 25% in FY18, from \$8 million to \$10 million, which continued at the same \$10 million level in FY19. For fiscal year 2020, the contribution was lowered to \$8 million, which should allow the school, based on its budget, to increase the current level of its reserve balance.

## 4.0 DIVISION OF BIOLOGY AND MEDICINE

### 4.1 Description and Mission

Brown's Division of Biology and Medicine (BioMed) is comprised of the Warren Alpert Medical School and the Program in Biology. It is home to five basic biology departments, one hybrid department, and fourteen clinical departments, and is affiliated with eight diverse teaching hospitals in and around Providence. Its mission is to understand and improve the health of individuals and populations and the environments in which they live. BioMed's vision is to be internationally recognized for an integrated approach to transformative and socially responsible research, education, and service in the life sciences. The division will attract, inspire, and cultivate the leading scholars in biology and medicine.

### 4.2 Goals and Strategic Priorities

Improving human health requires an integrated approach to understanding the causes of disease and translating that knowledge into new modes of diagnosis, treatment, and, ultimately, prevention — from bench to bedside to therapies and populations. The division relies upon the close alignment of the Warren Alpert Medical School and the Program in Biology, and on synergies with faculty across the campus and at partner hospitals, to create the knowledge on which new therapies can be based, population health can be improved, and skilled professionals can be educated to benefit people in Rhode Island and around the world. Strategic priorities in several areas are as follows:

1. **Warren Alpert Medical School:** The Warren Alpert Medical School has become a national leader in medical education and biomedical research. By attracting first-class physicians and researchers to Rhode Island over the past three decades, the medical school and its eight affiliated teaching hospitals have radically improved the State of Rhode Island's health system, from health policy to patient care. Strategic priorities for the Warren Alpert Medical School include:
  - Developing a robust and responsive academic advising structure;
  - Supporting faculty in their career development through enhanced faculty development programming;
  - Growing the M.D./Ph.D. program (both numbers of students and amount of support) to move closer to Medical Science Training Program equivalency; and
  - Expanding educational offerings through new master's programs.
2. **Program in Biology:** Brown's Program in Biology comprises five basic science departments and one hybrid department, offering undergraduate and graduate study in the life sciences. All Program in Biology faculty are dedicated to providing the best educational and research experiences to undergraduate students, graduate students, and postdoctoral trainees. Their overarching goal is to help students deepen their understanding of biology at the environmental, organismal, cellular, and molecular levels. Strategic priorities for the Program in Biology include:
  - Recruiting and retaining world-class faculty to/in the biology programs;
  - Investing in graduate programs through an increased number of students, enhanced student stipends, and greater support for faculty mentors; and

- Investing in critical infrastructure necessary to support state-of-the-art research, including animal care, cores, and buildings.
3. **Clinical Departments:** Biomedical research and teaching also involves fourteen clinical departments whose faculty are employed by Brown's affiliated hospitals and physician organizations. These clinicians train medical school students and residents and obtain roughly \$122 million in federal research support annually.
  4. **Brown Physicians, Inc. (BPI):** Brown invested heavily in the creation of BPI, which brought together more than 500 physicians in a physician-led federation, to achieve greater integration of patient care, research, and education across Rhode Island's health care sector. At a time when affiliated hospital systems, and health care in general, are in great flux, the fact that the participating foundations have agreed to make the financial and governance commitment to an integrated faculty practice plan is a substantial achievement. The creation of BPI will enhance the ability of its members to serve the community's health care needs, to optimally educate the next generation of medical professionals, to grow their combined research portfolios, and to contribute to the state's plans to cultivate a thriving biomedical economy in Providence and the greater region. Partnering more closely than ever, the physicians, the medical school, and the hospitals will be better equipped to collaborate on educational initiatives and opportunities, to pool resources, to support research, and to coordinate clinical care and administrative functions.
  5. **Brown Institute for Translational Science (BITS):** BioMed will build BITS as a resource for Brown's entire academic medical center, making Brown a premier institution of exceptional medical education and far-reaching impact. Scientists, clinicians, students, and scholars from across the University will work closely together in a new paradigm called Horizontally Integrated Research Teams (HIRTs) to convert scientific discoveries into medical breakthroughs. This innovative vision of team science will allow Brown researchers to fight a disease or take advantage of an emerging biomedical opportunity by assembling talent across the whole continuum, from basic research to commercialization and policy. Through new and more fully supported translational research groups and faculty, BITS will create new courses, research opportunities, and clinical experiences, giving all students — from undergraduate to medical, as well as postdoctoral scholars — direct access to translational research. Finally, by expanding existing collaborations and forging new research-clinical intersections, BITS will catalyze the translation of basic discoveries into clinical innovations, commercialize new patient treatments, and improve human health.

#### 4.3 Financial Environment

By all measures, BioMed is experiencing unprecedented success across the division. Research funding is up 88% over the past five years. Furthermore, it has increased the size of the biology faculty by 10% since 2016 and established and recruited leaders for new programs in biomedical informatics, vaccine biology, translational neurosciences (in conjunction with the Carney Institute for Brain Science) and, most recently, cancer biology. Brown and the hospital affiliate-based Centers of Biomedical Research Excellence and Advance-CTR have supported research by faculty in clinical, biology, and public health departments with a strong return on investment.

Participation in the American Medical Association consortium has put Brown in the forefront of medical education in the U.S., and the University has received national recognition for its work in advancing the

education of medical students regarding opioids, substance use disorder, and pain management. The division's medical students matched in many of the top residency programs across the country, and it has a record number of undergraduates participating in research in BioMed labs. Additionally, the Program in Biology ranked fourth in the nation according to niche.com, and the medical school is in the top ten for selectivity, according to U.S. News and World Report.

BioMed's master's programs are thriving and have shown themselves to be an economic engine. The programs are a clear area of opportunity as division leadership looks towards the next five years. In that regard, the division is in the second year of its Gateways to Medicine program with plans for expansion, and it has two new programs in development.

The tremendous growth and success of the past five years is not without its challenges. Space availability and core infrastructure support (including adequacy of animal care facilities) are major bottlenecks and may halt growth within the next one to three years. The ability to sustain financial success over time depends heavily on BioMed's research productivity as well as continued success in recruiting and retaining world-class faculty. This effort requires adequate space and support, for which the division does not yet have a solution.

#### **4.4 Financial Presentation**

The Division of Biology and Medicine is proposing an operating budget for fiscal year 2020 that reflects total revenues of \$169.1 million and total expenditures of \$176.8 million, which, after accounting for internal contributions to the division, results in an operating surplus of \$4.2 million. Excluding internal contributions, the FY20 budget proposal reflects a 12.9% increase in total revenues and a 9.7% increase in total expenses versus the prior year.

Topline revenue growth continues to be fueled by enrollment increases in master's programs, growth in sponsored research funding, and philanthropic success. With a growing portfolio of grant awards, an increasing percentage of BioMed's expenses are funded by sponsored research, thereby freeing up resources for necessary capital and strategic investments.

BioMed's proposed budget for FY20, with comparison to FY18 and FY19, is displayed in Table 13 on the following page.

Table 13: Budgeted Operating Statement for the Division of Biology and Medicine

		Biology & Medicine				
				FY20		
(\$ in 000s)		FY18 Budget	FY19 Budget	Proposed Budget	FY20 vs FY19 \$ Change	FY20 vs FY19 % Change
1	<b>REVENUES</b>					
2	Undergraduate Tuition	0.0	0.0	0.0	0.0	--
3	Study Abroad Tuition & Fees	0.0	0.0	0.0	0.0	--
4	Masters Tuition	3,026.2	3,811.2	4,217.9	406.6	10.7%
5	Professional Studies Tuition	645.9	408.9	655.0	246.1	60.2%
6	Ph.D. Tuition	12,225.8	12,439.4	13,363.6	924.2	7.4%
7	Medical Tuition	31,910.1	34,257.4	35,262.3	1,004.8	2.9%
8	Student Fees	594.0	587.0	639.5	52.5	8.9%
9	<b>Total Tuition &amp; Fees</b>	<b>48,402.0</b>	<b>51,504.0</b>	<b>54,138.2</b>	<b>2,634.2</b>	<b>5.1%</b>
10	Sponsored Revenue	38,759.0	43,000.0	54,000.0	11,000.0	25.6%
11	F&A Revenue (Indirect Cost Recovery)	15,000.0	16,000.0	20,500.0	4,500.0	28.1%
12	<b>Total Sponsored and F&amp;A Revenue</b>	<b>53,759.0</b>	<b>59,000.0</b>	<b>74,500.0</b>	<b>15,500.0</b>	<b>26.3%</b>
13	Brown Annual Fund	1,950.0	2,042.0	1,850.0	(192.0)	-9.4%
14	All Other Spendable Gifts	12,521.8	15,003.5	15,054.2	50.7	0.3%
15	<b>Total Annual Contributions</b>	<b>14,471.8</b>	<b>17,045.5</b>	<b>16,904.2</b>	<b>(141.3)</b>	<b>-0.8%</b>
16	Endowment Yield Distribution	15,751.3	15,874.1	17,022.8	1,148.6	7.2%
17	Associated Program Cost	829.1	897.7	912.6	14.9	1.7%
18	<b>Total Endowment Distribution</b>	<b>16,580.4</b>	<b>16,771.8</b>	<b>17,935.4</b>	<b>1,163.5</b>	<b>6.9%</b>
19	Housing Contractual Revenue	0.0	0.0	0.0	0.0	--
20	Dining Contractual Revenue	0.0	0.0	0.0	0.0	--
21	Student Health Insurance	0.0	0.0	0.0	0.0	--
22	Student Health Services Fees	0.0	0.0	0.0	0.0	--
23	All Other Auxiliary Revenue	0.0	0.0	0.0	0.0	--
24	<b>Total Auxiliary Revenue</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
25	Current Fund Investment Income	0.0	0.0	0.0	0.0	--
26	Affiliated Hospital Revenue	3,166.8	3,244.1	3,279.2	35.1	1.1%
27	All Other Income	1,400.0	2,152.6	2,337.7	185.1	8.6%
28	<b>Total Other Income</b>	<b>4,566.8</b>	<b>5,396.6</b>	<b>5,616.9</b>	<b>220.3</b>	<b>4.1%</b>
29	<b>TOTAL REVENUES</b>	<b>137,780.0</b>	<b>149,718.0</b>	<b>169,094.7</b>	<b>19,376.7</b>	<b>12.9%</b>
30						
31	<b>EXPENSES</b>					
32	Faculty Salaries & Wages	24,730.0	28,152.7	32,593.7	4,441.1	15.8%
33	Staff Salaries & Wages	19,801.6	23,442.2	26,863.4	3,421.2	14.6%
34	Student Wages	3,711.5	4,336.7	852.8	(3,483.8)	-80.3%
35	<b>Total Salaries &amp; Wages</b>	<b>48,243.1</b>	<b>55,931.5</b>	<b>60,309.9</b>	<b>4,378.4</b>	<b>7.8%</b>
36	Faculty Benefits	7,544.7	8,516.8	9,807.8	1,291.0	15.2%
37	Staff Benefits	6,040.1	7,108.6	8,060.3	951.6	13.4%
38	Student Benefits	353.7	423.2	48.0	(375.2)	-88.7%
39	<b>Total Benefits</b>	<b>13,938.5</b>	<b>16,048.7</b>	<b>17,916.1</b>	<b>1,867.4</b>	<b>11.6%</b>
40	Undergraduate Student Aid and Support	38.3	20.0	28.8	8.8	44.0%
41	Graduate Student Aid and Support	23,481.4	24,573.3	34,265.0	9,691.7	39.4%
42	All Other Student Aid and Support	648.1	821.6	858.6	37.0	4.5%
43	<b>Total Student Aid and Support</b>	<b>24,167.8</b>	<b>25,414.9</b>	<b>35,152.4</b>	<b>9,737.5</b>	<b>38.3%</b>
44	General Operating Expenses	24,275.3	24,210.3	28,744.0	4,533.7	18.7%
45	Subcontracts	7,494.5	5,450.0	6,840.0	1,390.0	25.5%
46	<b>Total General Operating Expenses &amp; Subcontracts</b>	<b>31,769.8</b>	<b>29,660.3</b>	<b>35,584.0</b>	<b>5,923.7</b>	<b>20.0%</b>
47	Property Costs	834.1	303.4	347.3	43.9	14.5%
48	Debt Service	707.5	615.6	0.0	(615.6)	-100.0%
49	Capital & Plant Expenses	1,383.9	1,490.0	1,900.0	410.0	27.5%
50	<b>Total Property Costs, Debt Service, and Capital Expenses</b>	<b>2,925.5</b>	<b>2,409.0</b>	<b>2,247.3</b>	<b>(161.7)</b>	<b>-6.7%</b>
51	Internal Services, Transfers, and All Other Expenses	28,996.4	31,772.5	25,614.0	(6,158.5)	-19.4%
52	<b>Total Internal Services, Transfers, and All Other Expenses</b>	<b>28,996.4</b>	<b>31,772.5</b>	<b>25,614.0</b>	<b>(6,158.5)</b>	<b>-19.4%</b>
53	<b>TOTAL EXPENSES</b>	<b>150,041.0</b>	<b>161,237.0</b>	<b>176,823.7</b>	<b>15,586.7</b>	<b>9.7%</b>
54						
55	Internal Contributions In	(14,902.0)	(11,519.0)	(11,929.0)	(410.0)	-3.6%
56	Internal Contributions Out	0.0	0.0	0.0	0.0	--
57	<b>Net of Internal Contributions</b>	<b>(14,902.0)</b>	<b>(11,519.0)</b>	<b>(11,929.0)</b>	<b>(410.0)</b>	<b>-3.6%</b>
58						
59	<b>Operating Margin (\$)</b>	<b>2,641.0</b>	<b>0.0</b>	<b>4,200.0</b>	<b>4,200.0</b>	<b>--</b>
60	<b>Operating Margin (%)</b>	<b>1.9%</b>	<b>0.0%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>--</b>
61						
62	Transfer to/(from) Designated Funds	576.0	(2,500.0)	1,200.0	3,700.0	148.0%
63	Transfer to/(from) Plant Funds	2,065.0	2,500.0	3,000.0	500.0	20.0%
64	<b>NET RESULTS</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>--</b>

Note: When calculating a percentage change from a negative number, the formula is based on the absolute value of the base number

## 4.5 Description of Revenues

### Tuition and Fees

BioMed proposes to increase tuition by 3%, which will increase the tuition rate from \$61,244 in FY19 to \$63,082 in FY20. As always, BioMed benchmarks Alpert Medical School tuition and fees against peer medical schools to assess its relative market position. For FY20, the division anticipates that its proposed tuition rate of \$63,082 will move the medical school up one spot to just above the mid-point for its peer group, which ranges from a projected amount of \$69,166 at the University of Washington to \$49,800 at Penn State. Among the Ivy League institutions, Alpert Medical School's proposed tuition rate is expected to place it as the third-highest rate, below that of Dartmouth and Harvard.

In managing the size and composition of its student body, BioMed carefully analyzes key metrics, such as applications, yield, and student indebtedness. The current year admission to Alpert Medical School remains exceptionally competitive, with an acceptance rate of 2.8% and a yield rate of 48%. For FY20, medical school application volume continues to be strong with 9,814 applications. The school expects to enroll a first-year class of 144 students in FY20, which will result in a total student enrollment of 559 full-time equivalents.

With the exception of the Gateways to Medicine, Health Care, and Research master's program, the division plans to follow the same tuition rate increase as the University's E&G-based master's and Ph.D. programs. In this case, the tuition rate for master's and Ph.D. programs will increase by 5.14% from \$54,320 in FY19 to \$57,112 in FY20. In the supplementary information section of this report, historical tuition rates for master's and Ph.D. programs are displayed in Table 19. In the same section, Table 17 shows student enrollments by division and by level since the fall of 2009.

### Sponsored and F&A Revenue

With a FY20 budget of \$74.5 million, sponsored research revenue (direct and indirect) is BioMed's single largest source of support, representing 44.1% of total revenues. This is an increase from its 39.4% share in FY19. The FY20 budget includes \$54 million in direct sponsored revenue (and related expense), an increase of 25.6%, or \$11 million, and an indirect cost return (i.e., F&A revenue) of \$20.5 million, an increase of 28.1%, or \$4.5 million, over FY19. A key indicator of research success is the annual increase in the number and dollar amount of research awards; for FY20, this increase is 5% and 4.3%, respectively. Since FY13, BioMed's annual research awards have increased by 88%.

### Annual Contributions

For FY20, BioMed expects a slight dip of 0.8% in total annual contributions versus the prior year's budget. This amount includes spendable gifts, the medical school annual fund, and BioMed's 5% share of the University's Brown Annual Fund.

### Endowment Distribution

BioMed expects \$17.9 million in income from the payout of the University's endowment in FY20, which is higher than the FY19 level of \$16.8 million. Despite a reduction in the payout rate from 4.90% to 4.85%, the anticipated FY20 increase in the endowment distribution is the result of favorable growth in the market value of the University's long-term investment pool.



### Auxiliary Revenue and Other Income

BioMed does not generate any auxiliary-related income, and its FY20 budget for other income does not reflect any significant changes. Other income is comprised primarily of billings to external customers for the use of the animal care and research core facilities as well as affiliation payments from hospital partners.

## **4.6 Description of Expenses**

### Salaries, Wages and Benefits

BioMed applies the same faculty and staff salary increases as E&G; therefore, the proposed FY20 budget for BioMed incorporates an increase of 2.5% for faculty and staff merit pools and a 0.25% increase for faculty and staff equity pools.

The total FY20 compensation budget reflects a 15.6% increase in total faculty compensation costs as compared to FY19. That figure is the result of increased research grants, a merit increase, and the addition of seven new faculty members. A greater percentage of faculty salaries has been placed on research grants and donor funds over the past several years. In FY20, it is projected that 33% of the division's total faculty compensation will be funded by research grants and 15% by donor funds. Of the seven new faculty members recruited for FY20, three are funded by new endowed gifts.

BioMed's growing research enterprise has created the need for additional staff; therefore, the FY20 budget reflects an additional 21 staff to support research activities and four staff to accommodate programmatic growth within the division.

### Student Aid and Support

Total student aid consists of aid to both medical and graduate students. The FY20 budget includes \$10.5 million in medical student aid, a 5.5% increase from FY19. The sources of support are donor funds, which are 45% of the total, and operating funds, which are 55% of the total. Due to the ever-growing costs of providing scholarships, BioMed's share of this cost is increasing every year. It is the division's hope that philanthropic efforts during the current campaign will garner additional donor funds. The 5.5% increase in medical student aid in the FY20 budget is to cover the 3% increase in medical school tuition plus the 1% increase in the financial aid discount rate to 30%. BioMed's financial aid discount rate continues to be toward the bottom of the medical school's peer group. Average indebtedness of medical students grew by \$4,267 to \$164,817. This debt level remains at the median of all medical schools.

BioMed provides stipends and other support for the first three semesters, plus one summer, to its graduate students. After that, graduate student support is provided by individual principal investigator grants, training grants, and fellowships. Graduate programs have reserves that may be used to support students in the event of an unexpected lapse in grant funding. For FY20, BioMed will increase the 12-month graduate student stipend to \$35,035, an increase of 11.6%, or \$3,655, over the FY19 budgeted stipend of \$31,380. This increase will bring BioMed's stipends in line with the rest of the University and be slightly above the midpoint of its aspirational peer group.

#### General Operating Expenses and Subcontracts

The FY20 operating expense budget has been recalibrated to more closely align with the spend rates on institutionally supported research in FY18 and FY19.

#### Property Costs, Debt Service, and Capital Expenses

The 6.7% decrease in property costs, debt service, and capital expenses represent the slightly lower dollar value of equipment charged to sponsored research grants and core facilities in FY20 as compared to FY19.

#### Internal Services, Transfers, and All Other Expenses

For FY20, BioMed has budgeted \$25.6 million for internal services, transfers, and all other expenses. Internal services are increasing predominantly by an increase in the cost of services charged on sponsored research grants and increases in operating and maintenance costs. Increases in operating and maintenance costs include an annual rate increase of 1.1%, additional space cost for Brown Physicians Inc., and BioMed's expanding master's programs. These increases are offset by a decrease in all other expenses.

#### Internal Contributions

For FY20, BioMed will receive internal contributions that total \$11.9 million, which represents a 3.6% increase over the prior year. Of that amount, \$10.1 million is from E&G to support undergraduate instruction provided by BioMed. This amount increased by 2.75% in FY20 to mirror the general faculty compensation increase within E&G. The remaining \$1.8 million represents operational support for BioMed's animal care facility, herbarium, faculty startup packages, and other strategic priorities.

## 5.0 SCHOOL OF PUBLIC HEALTH

### 5.1 Description and Mission

The School of Public Health, established in July 2013, consists of four academic departments and thirteen research centers and institutes. It offers two undergraduate concentrations, six master's programs, and four doctoral programs. Since 2016, the school ranks among the top ten schools of public health for funding from the National Institutes of Health. Its nationally renowned research centers and institutes are especially strong in the critical areas of addiction, health disparities, aging, and chronic and infectious diseases.

The mission of the School of Public Health is to serve the community, the nation, and the world by training future public health leaders and discovering and communicating innovative approaches to address public health challenges and to enhance population health and well-being. The school pursues its mission by working with the broader public health community to advance knowledge on population health through understanding risk and protective factors throughout the lifespan, to develop evidence about effective medical and public health interventions, to evaluate and disseminate strategies to encourage healthy behaviors, and to improve health care by identifying and promoting effective policies and practices. The school's interdisciplinary nature gives it a broad, influential voice in national and international dialogue and offers opportunities to affect change through research.

The school supports the *Building on Distinction* goals of integrative scholarship, educational leadership, and academic excellence by improving human health through an integrated approach to understanding the causes of disease and translating that knowledge into new modes of diagnosis, treatment, and ultimately prevention — from bench to bedside to community.

### 5.2 Goals and Strategic Priorities

The school is in the process of developing a comprehensive strategic plan and expects to publish a five-year plan in early 2019. Current strategic priorities include the following:

1. **Undergraduates:** Enhance the undergraduate experience with more advising and expansion of A.B./MPH programs (i.e., fifth-year master's program), connecting to the goal of academic excellence.
2. **Master's Programs:** Plan for controlled growth of students in FY20 and beyond. This will be accomplished through the development of niche programs within the Master of Public Health Program to appeal to students seeking specialized tracks, and through additional scholarships to attract the best and brightest students. The school is also considering the consolidation of smaller degree programs for a more effective use of resources. These initiatives will contribute to the University's strategic goal of academic excellence.
3. **Research:** Significant growth in research is a key strategic goal of the school and this priority aligns with University goals and accreditation standards. Building connectivity between research areas and elevating the stature of research-track faculty will support the overall growth of the school's research enterprise.

4. **Community:** The school has long-standing collaborations with the Rhode Island community, including State agencies such as the Department of Health and the Executive Office of Health and Human Services, as well as the City of Providence. School leadership intends to strengthen these collaborations through research partnerships, community events, and enhanced communication about its efforts.
5. **Diversity and Inclusion:** Advancing diversity and inclusion is central to the school's mission, with the goal of serving every member of the school and the communities where it works. The school is considering additional education and research areas that support vulnerable populations. The school also intends to double its efforts to hire diverse faculty, support underrepresented junior faculty, and increase student diversity.
6. **Faculty Recruitment and Retention:** Recruiting and retaining top faculty is critical to the school's success; therefore, there are significant efforts devoted to this priority. Over the past year, the School recruited thirteen new faculty members (ten of whom are in research), and additional hires in mHealth, climate and health, and other strategic initiatives are planned for the current year. In addition to hiring new faculty, there is a focus on providing excellent support to develop talented researchers and educators.

### 5.3 Financial Environment

Because of the strength of its research centers, the school's sponsored research revenue (direct and indirect) increased from \$41.4 million in FY17 to \$51.3 million in FY18 for a 23.9% gain; these figures include \$7.5 million of indirect revenue that is shared with E&G. Future investments will focus on areas where there is existing strength and market opportunity, such as mental health and mindfulness, environmental health and climate change, health during vulnerable life stages, and addiction. The critical challenge is to build the necessary infrastructure and support for an expanded research profile.

One of the school's most significant challenges is space. The primary space at 121 South Main Street accommodates a diverse set of needs, including classrooms as well as space for graduate students, faculty, research support, staff support, and community events. Hiring new research faculty and support over the past year means that current space is at capacity. Additional space and other infrastructure, such as improved systems to track research metrics, will be necessary to support continued growth.

Overall, the School of Public Health needs to carefully manage growth and align resources with strategic priorities. Targeted investments will enable the school to attract the highest caliber students, conduct innovative research, and collaborate with key partners in local and global community organizations. These efforts will allow the school to confront the wide array of complex health challenges that society faces.

### 5.4 Financial Presentation

The School of Public Health is proposing an operating budget for fiscal year 2020 that reflects total revenues of \$53.2 million and total expenditures of \$58.8 million, which, after accounting for internal contributions to the school, results in an operating deficit of \$700,000. Excluding internal contributions,

the FY20 budget proposal reflects a 13.6% increase in total revenues and a 12.4% increase in total expenses versus the prior year.

The FY20 operating deficit, which is similar in size to the FY19 budgeted deficit, will be covered by reserve fund balances. While the school budgeted for an operating deficit of \$269,000 in FY18, the year-end result was an operating surplus of \$361,000. Likewise, the school expects to finish the current year slightly better than the budgeted deficit of \$702,000.

Table 14 on the following page shows the budgeted operating statement for the School of Public Health.

Table 14: Budgeted Operating Statement for the School of Public Health

(\$ in 000s)	Public Health				
	FY18 Budget	FY19 Budget	FY20		
			Proposed Budget	FY20 vs FY19 \$ Change	FY20 vs FY19 % Change
<b>1 REVENUES</b>					
2 Undergraduate Tuition	0.0	0.0	0.0	0.0	--
3 Study Abroad Tuition & Fees	0.0	0.0	0.0	0.0	--
4 Masters Tuition	6,264.4	6,623.9	7,056.3	432.4	6.5%
5 Professional Studies Tuition	0.0	0.0	0.0	0.0	--
6 Ph.D. Tuition	0.0	0.0	0.0	0.0	--
7 Medical Tuition	0.0	0.0	0.0	0.0	--
8 Student Fees	0.0	0.0	0.0	0.0	--
<b>9 Total Tuition &amp; Fees</b>	<b>6,264.4</b>	<b>6,623.9</b>	<b>7,056.3</b>	<b>432.4</b>	<b>6.5%</b>
10 Sponsored Revenue	31,620.0	32,252.3	37,500.0	5,247.7	16.3%
11 F&A Revenue (Indirect Cost Recovery)	5,132.0	5,235.1	5,764.0	528.9	10.1%
<b>12 Total Sponsored and F&amp;A Revenue</b>	<b>36,752.0</b>	<b>37,487.5</b>	<b>43,264.0</b>	<b>5,776.6</b>	<b>15.4%</b>
13 Brown Annual Fund	135.0	140.0	395.6	255.6	182.6%
14 All Other Spendable Gifts	1,703.7	1,496.7	1,426.2	(70.5)	-4.7%
<b>15 Total Annual Contributions</b>	<b>1,838.7</b>	<b>1,636.7</b>	<b>1,821.8</b>	<b>185.1</b>	<b>11.3%</b>
16 Endowment Yield Distribution	970.0	1,091.9	1,080.3	(11.7)	-1.1%
17 Associated Program Cost	0.0	0.0	0.0	0.0	--
<b>18 Total Endowment Distribution</b>	<b>970.0</b>	<b>1,091.9</b>	<b>1,080.3</b>	<b>(11.7)</b>	<b>-1.1%</b>
19 Housing Contractual Revenue	0.0	0.0	0.0	0.0	--
20 Dining Contractual Revenue	0.0	0.0	0.0	0.0	--
21 Student Health Insurance	0.0	0.0	0.0	0.0	--
22 Student Health Services Fees	0.0	0.0	0.0	0.0	--
23 All Other Auxiliary Revenue	0.0	0.0	0.0	0.0	--
<b>24 Total Auxiliary Revenue</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
25 Current Fund Investment Income	0.0	0.0	0.0	0.0	--
26 Affiliated Hospital Revenue	0.0	0.0	0.0	0.0	--
27 All Other Income	0.0	0.0	0.0	0.0	--
<b>28 Total Other Income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
<b>29 TOTAL REVENUES</b>	<b>45,825.0</b>	<b>46,840.0</b>	<b>53,222.4</b>	<b>6,382.4</b>	<b>13.6%</b>
<b>30 EXPENSES</b>					
32 Faculty Salaries & Wages	4,022.0	5,253.1	5,155.0	(98.0)	-1.9%
33 Staff Salaries & Wages	3,461.0	3,442.6	3,530.6	88.0	2.6%
34 Student Wages	39.0	75.0	80.0	5.0	6.7%
<b>35 Total Salaries &amp; Wages</b>	<b>7,522.1</b>	<b>8,770.7</b>	<b>8,765.6</b>	<b>(5.0)</b>	<b>-0.1%</b>
36 Faculty Benefits	1,184.2	1,598.6	1,572.3	(26.3)	-1.6%
37 Staff Benefits	1,060.4	1,029.3	1,078.7	49.4	4.8%
38 Student Benefits	0.0	0.0	6.0	6.0	--
<b>39 Total Benefits</b>	<b>2,244.5</b>	<b>2,627.9</b>	<b>2,656.9</b>	<b>29.1</b>	<b>1.1%</b>
40 Undergraduate Student Aid and Support	0.0	0.0	0.0	0.0	--
41 Graduate Student Aid and Support	2,126.6	1,885.9	2,450.8	564.8	29.9%
42 All Other Student Aid and Support	19.6	19.3	16.0	(3.3)	-16.9%
<b>43 Total Student Aid and Support</b>	<b>2,146.2</b>	<b>1,905.3</b>	<b>2,466.8</b>	<b>561.6</b>	<b>29.5%</b>
44 General Operating Expenses	32,911.5	34,183.8	39,094.8	4,911.0	14.4%
45 Subcontracts	0.0	0.0	0.0	0.0	--
<b>46 Total General Operating Expenses &amp; Subcontracts</b>	<b>32,911.5</b>	<b>34,183.8</b>	<b>39,094.8</b>	<b>4,911.0</b>	<b>14.4%</b>
47 Property Costs	4,225.0	3,759.0	4,599.0	840.0	22.3%
48 Debt Service	70.0	70.0	70.0	0.0	0.0%
49 Capital & Plant Expenses	0.0	5.0	0.0	(5.0)	-100.0%
<b>50 Total Property Costs, Debt Service, and Capital Expenses</b>	<b>4,295.0</b>	<b>3,834.0</b>	<b>4,669.0</b>	<b>835.0</b>	<b>21.8%</b>
51 Internal Services, Transfers, and All Other Expenses	1,906.7	983.4	1,137.7	154.2	15.7%
<b>52 Total Internal Services, Transfers, and All Other Expenses</b>	<b>1,906.7</b>	<b>983.4</b>	<b>1,137.7</b>	<b>154.2</b>	<b>15.7%</b>
<b>53 TOTAL EXPENSES</b>	<b>51,026.0</b>	<b>52,305.0</b>	<b>58,790.9</b>	<b>6,485.9</b>	<b>12.4%</b>
55 Internal Contributions In	(4,932.0)	(4,763.0)	(4,868.5)	(105.5)	-2.2%
56 Internal Contributions Out	0.0	0.0	0.0	0.0	--
<b>57 Net of Internal Contributions</b>	<b>(4,932.0)</b>	<b>(4,763.0)</b>	<b>(4,868.5)</b>	<b>(105.5)</b>	<b>-2.2%</b>
<b>59 Operating Margin (\$)</b>	<b>(269.0)</b>	<b>(702.0)</b>	<b>(700.0)</b>	<b>2.0</b>	<b>0.3%</b>
<b>60 Operating Margin (%)</b>	<b>-0.6%</b>	<b>-1.5%</b>	<b>-1.3%</b>	<b>0.2%</b>	<b>12.2%</b>
62 Transfer to/(from) Designated Funds	(269.0)	(702.0)	(700.0)	2.0	0.3%
63 Transfer to/(from) Plant Funds	0.0	0.0	0.0	0.0	--
<b>64 NET RESULTS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>	<b>-100.0%</b>

Note: When calculating a percentage change from a negative number, the formula is based on the absolute value of the base number

## **5.5 Description of Revenues**

### Tuition and Fees

Master's tuition is the sole source of tuition and fee revenue that flows directly to the school. For FY20, this is estimated to be \$7.1 million, which is a 6.5% increase over the FY19 budgeted amount of \$6.6 million. The increase comes from a combination of a planned 5.14% increase in the tuition rate and increased enrollments.

### Sponsored and F&A Revenue

The school expects to generate total sponsored revenue of \$50.6 million in FY20. Of the \$50.6 million, \$37.5 million is direct and \$13.1 million is indirect. Of the indirect expense, 56%, or \$7.3 million, supports the University's E&G budget, while 44%, or \$5.8 million, is retained by the school. The net amount for FY20 of \$43.3 million represents a 15.4% increase over the prior year.

### Annual Contributions

For FY20, annual contributions are expected to be \$1.8 million, an 11.3% increase over the prior year. This increase is driven by more contributions through the Brown Annual Fund.

### Endowment Distribution

For FY20, the school expects to receive \$1.1 million from the payout of endowed gifts, which represents a 1.1% decrease from the prior year.

## **5.6 Description of Expenses**

### Salaries, Wages, and Benefits

In FY20, compensation costs are estimated to be \$6.7 million for faculty and \$4.6 million for staff. The School has 99 core faculty members; 41 of these are tenure track faculty, 22 are research faculty, and 36 are research and teaching scholars. In addition, the School employs 113 additional faculty members in the roles of research investigator, adjunct professor, clinical professor, emeritus professor, and professor of the practice. In terms of staff, 54 individuals support the school's educational activities and administrative functions, and another 134 staff are directly supporting research. As with the rest of the University, the School will increase faculty and staff compensation to account for a 2.5% merit pool and a 0.25% equity pool.

### Student Aid and Support

The school estimates student aid and support to be \$2.5 million in FY20. For the coming year, a higher percentage of annual fundraising has been targeted for scholarships to attract the best and brightest students.

### General Operating Expenses and Subcontracts

For general operating expenses and subcontracts, the school has budgeted \$39.1 million in FY20 for a 14.4% increase over the prior year. Of the \$39.1 million budgeted, \$37.5 million is based on direct costs related to research, and the remaining \$1.5 million are general operating costs.

#### Property Costs, Debt Service, and Capital Expenses

The school's FY20 budget for property, debt service, and capital expenses is \$4.7 million, which represents a 21.8% increase over the prior year. The FY20 budget includes approximately \$4.0 million in rental costs, \$630,000 in estimated costs for the renovation of existing space or the addition of new space, and \$70,000 in debt service.

#### Internal Services, Transfers, and All Other Expenses

For FY20, the school anticipates a net expense of \$1.1 million for internal service, transfers, and all other expenses. This category mostly consists of fund transfers between units for startup funds or shared expenses between units.

#### Internal Contributions

In FY20, the school will receive internal contributions that total \$4.9 million, which is \$105,000 more than the prior year. This budget reflects two distinct contributions from the University's E&G budget; the first is \$3.9 million to support undergraduate education and the second is for \$926,000 in transitional funding related to the establishment of the School of Public Health.



## 6.0 AUXILIARIES

### 6.1 Description and Mission

In general, auxiliary units exist to furnish goods or services to students, faculty, staff, other institutional departments, or incidentally to the general public and charge a fee directly related to the cost of the goods or services. Auxiliary units are self-supportive entities, vital to the total academic experience, and their proper and efficient management is an important determinant of student satisfaction.

Brown University's largest auxiliary operations are as follows:

- **Student Housing**
- **Dining Services**
- **Student Health Insurance**
- **Health Services** (e.g., medical visits, labs, X-rays, pharmacy, counseling, psychological services)

Other auxiliary units include the Bookstore, Commercial Real Estate, Auxiliary Housing, and Student Activities.

### 6.2 Goals and Strategic Priorities

For student housing, the Office of Residential Life strives to foster a safe and inclusive living environment that promotes student learning and holistic development by providing tools to help students navigate the social, emotional, and academic challenges of their residential experience. The Office of Residential Life's strategic priorities can be categorized into three distinct functional areas. The first area is building and renovating space to create places that are equally accessible and inclusive to all. The second area is to develop student leaders who provide guidance and support for their peers while creating a vibrant living and learning environment in the residence halls. The third area is to invest resources to create an intentionally designed residential program that complements the academic curriculum, mirrors the progressive student experience, and, ultimately, prepares students for life after Brown.

Brown Dining Services and the Faculty Club continue to advance initiatives with regards to strategic partnerships. Brown's partnership with Bon Appetit, its food service consultant, continues to thrive through advancements in customer engagement as well as operational efficiencies. This includes creating economic efficiencies through consolidating volume food purchases and improving customer communications. We have also made strides in our sustainable sourcing initiatives which utilize local farmers with sustainable practices to source healthy high-quality ingredients. This initiative also cultivates strong and positive connections for the benefit of the University, the city, and the state.

The Student Health Insurance Program's primary goal is to offer a comprehensive and affordable health insurance plan for students. To keep pace with Brown's peers, the program has steadily improved graduate student benefits to attract and retain the best students. Meanwhile, Health Services strives to enhance student wellness as optimal physical, emotional, and social health positively impacts a student's overall academic and co-curricular learning outcomes. A priority for the unit is to integrate the services of BWell, Counseling and Psychological Services (CAPS), Emergency Medical Services, Health Services, and Student and Employee Accessibility Services (SEAS).

### **6.3 Financial Environment**

In July 2018, the Office of Residential Life reorganized its financial management function to improve operational excellence. A critical part of financial management for the Office of Residential Life is to balance University policies with the available number of student residence halls/beds. These policies guarantee housing for all undergraduate students and require students to live on campus for six semesters. While undergraduate enrollment has increased in recent years, the number of beds in inventory has remained constant, which has caused a shortage of beds and the need to allow some juniors to live off campus. Adding to the complexity is year-to-year fluctuations in the incoming first-year class size, mid-year transfers, students choosing to study abroad, seniors choosing to live off-campus, and the number of students taking medical or personal leaves.

Brown has been able to offer students with a higher quality of food, generating incremental sales. In the spring of FY18, the Faculty Club repurposed the former reading room, located on the first floor of the club, into a lounge, which has brought a new energy to the space and increased sales for the Faculty Club.

The landscape for student health insurance has been challenging to navigate as insurers react to, and anticipate, regulatory requirements for plan design. Any difficulties with a renewal are typically the result of Brown's claims experience (high dollar claims and/or high utilization), changes in regulations impacting coverage, and/or coverage enhancements from University requests. The Student Health Insurance Program has a long history of partnering with major departments across campus (e.g., Graduate School, Campus Life, Financial Aid, the medical school, and Athletics) to meet student needs in the most affordable way possible.

In Health Services and CAPS, demands on staff's clinical time has increased over the past several years. With the transition to a new integrated program over the next several years, it is anticipated that there will be an increased need for all health-related services, which requires a continued assessment and evaluation of staffing resources. Furthermore, Health Services must regularly invest resources in the professional development of new and existing staff to recruit and retain the best and most qualified health care professionals.

### **6.4 Financial Presentation**

For fiscal year 2020, across all auxiliary operations, the revenue budget is \$119.1 million, a 4.9% increase from the prior year, and the expense budget is \$115.8 million, a 5% increase from the prior year. After accounting for internal contributions, nearly all of the auxiliaries anticipate a break-even operation for next year. Dining Services has planned for a modest operating surplus of \$81,700, which it expects to transfer to reserves. The Faculty Club, which is part of the overall Dining Services business unit, anticipates a modest operating deficit of \$275,900, as it makes investments to increase sales. Together, these two components have budgeted for an operating deficit of \$194.1 million.

Table 15 on the following page shows the budgeted operating statement for auxiliaries.

Table 15: Budgeted Operating Statement for Auxiliaries

(\$ in 000s)	FY18 Budget Total	FY19 Budget Total	FY20 Proposed Budget					Total FY20 Proposed Budget	FY20 vs FY19 \$ Change	FY20 vs FY19 % Change
			Dining Services	Student Housing	Health Services	Student Health Insurance	All Other Auxiliaries			
<b>1 REVENUES</b>										
2 Undergraduate Tuition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
3 Study Abroad Tuition & Fees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
4 Masters Tuition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
5 Professional Studies Tuition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
6 Ph.D. Tuition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
7 Medical Tuition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
8 Student Fees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
<b>9 Total Tuition &amp; Fees</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
10 Sponsored Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
11 F&A Revenue (Indirect Cost Recovery)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
<b>12 Total Sponsored and F&amp;A Revenue</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
13 Brown Annual Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
14 All Other Spendable Gifts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
<b>15 Total Annual Contributions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
16 Endowment Yield Distribution	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
17 Associated Program Cost	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
<b>18 Total Endowment Distribution</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
19 Housing Contractual Revenue	41,913.0	44,058.7	0.0	45,826.9	0.0	0.0	0.0	45,826.9	1,768.1	4.0%
20 Dining Contractual Revenue	22,769.9	23,552.8	24,374.1	0.0	0.0	0.0	0.0	24,374.1	821.3	3.5%
21 Student Health Insurance	13,737.0	15,750.0	0.0	0.0	0.0	17,300.0	0.0	17,300.0	1,550.0	9.8%
22 Student Health Services Fees	7,616.0	8,003.2	0.0	0.0	8,509.1	0.0	0.0	8,509.1	505.8	6.3%
23 All Other Auxiliary Revenue	22,935.1	22,165.3	2,434.6	2,417.1	2,612.8	0.0	15,626.2	23,090.7	925.5	4.2%
<b>24 Total Auxiliary Revenue</b>	<b>108,971.0</b>	<b>113,530.0</b>	<b>26,808.7</b>	<b>48,244.0</b>	<b>11,121.9</b>	<b>17,300.0</b>	<b>15,626.2</b>	<b>119,100.8</b>	<b>5,570.8</b>	<b>4.9%</b>
25 Current Fund Investment Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
26 Affiliated Hospital Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
27 All Other Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
<b>28 Total Other Income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
<b>29 TOTAL REVENUES</b>	<b>108,971.0</b>	<b>113,530.0</b>	<b>26,808.7</b>	<b>48,244.0</b>	<b>11,121.9</b>	<b>17,300.0</b>	<b>15,626.2</b>	<b>119,100.8</b>	<b>5,570.8</b>	<b>4.9%</b>
<b>31 EXPENSES</b>										
32 Faculty Salaries & Wages	6.9	11.3	0.0	0.0	11.6	0.0	0.0	11.6	0.3	3.0%
33 Staff Salaries & Wages	20,286.4	21,482.3	11,607.3	1,124.7	6,016.8	87.3	2,873.6	21,709.7	227.3	1.1%
34 Student Wages	2,335.7	2,543.2	1,197.7	511.9	123.2	0.0	44.7	1,877.5	(665.7)	-26.2%
<b>35 Total Salaries &amp; Wages</b>	<b>22,629.0</b>	<b>24,036.8</b>	<b>12,805.0</b>	<b>1,636.5</b>	<b>6,151.6</b>	<b>87.3</b>	<b>2,918.3</b>	<b>23,596.8</b>	<b>(438.0)</b>	<b>-1.8%</b>
36 Faculty Benefits	2.1	3.5	0.0	0.0	3.5	0.0	0.0	3.5	0.1	2.3%
37 Staff Benefits	6,108.8	6,355.8	3,524.7	343.0	1,764.7	26.6	857.0	6,516.2	160.3	2.5%
38 Student Benefits	36.1	50.2	0.0	4.2	0.0	0.0	3.4	7.6	(42.6)	-84.9%
<b>39 Total Benefits</b>	<b>6,147.1</b>	<b>6,409.5</b>	<b>3,524.7</b>	<b>347.2</b>	<b>1,768.3</b>	<b>26.6</b>	<b>860.5</b>	<b>6,527.3</b>	<b>117.8</b>	<b>1.8%</b>
40 Undergraduate Student Aid and Support	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
41 Graduate Student Aid and Support	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
42 All Other Student Aid and Support	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
<b>43 Total Student Aid and Support</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
44 General Operating Expenses	38,929.4	41,457.0	13,835.3	1,291.8	2,313.8	17,186.1	8,682.1	43,309.1	1,852.1	4.5%
45 Subcontracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
<b>46 Total General Operating Expenses &amp; Subcontracts</b>	<b>38,929.4</b>	<b>41,457.0</b>	<b>13,835.3</b>	<b>1,291.8</b>	<b>2,313.8</b>	<b>17,186.1</b>	<b>8,682.1</b>	<b>43,309.1</b>	<b>1,852.1</b>	<b>4.5%</b>
47 Property Costs	3,881.3	3,649.0	101.9	0.0	0.0	0.0	3,609.7	3,711.6	62.6	1.7%
48 Debt Service	100.0	100.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0%
49 Capital & Plant Expenses	15.5	935.0	50.0	1,200.0	0.0	0.0	7.6	1,257.6	322.6	34.5%
<b>50 Total Property Costs, Debt Service, and Capital Expenses</b>	<b>3,996.8</b>	<b>4,684.0</b>	<b>151.9</b>	<b>1,200.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3,717.3</b>	<b>5,069.2</b>	<b>385.2</b>	<b>8.2%</b>
51 Internal Services, Transfers, and All Other Expenses	33,552.0	33,671.9	(3,314.2)	40,282.3	888.1	0.0	(552.0)	37,304.2	3,632.3	10.8%
<b>52 Total Internal Services, Transfers, and All Other Expenses</b>	<b>33,552.0</b>	<b>33,671.9</b>	<b>(3,314.2)</b>	<b>40,282.3</b>	<b>888.1</b>	<b>0.0</b>	<b>(552.0)</b>	<b>37,304.2</b>	<b>3,632.3</b>	<b>10.8%</b>
<b>53 TOTAL EXPENSES</b>	<b>105,254.2</b>	<b>110,259.3</b>	<b>27,002.8</b>	<b>44,757.8</b>	<b>11,121.9</b>	<b>17,300.0</b>	<b>15,626.2</b>	<b>115,808.7</b>	<b>5,549.4</b>	<b>5.0%</b>
54 Internal Contributions In	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
56 Internal Contributions Out	3,486.3	3,486.3	0.0	3,486.3	0.0	0.0	0.0	3,486.3	0.0	0.0%
<b>57 Net of Internal Contributions</b>	<b>3,486.3</b>	<b>3,486.3</b>	<b>0.0</b>	<b>3,486.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3,486.3</b>	<b>0.0</b>	<b>0.0%</b>
<b>59 Operating Margin (\$)</b>	<b>230.6</b>	<b>(215.5)</b>	<b>(194.1)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(194.1)</b>	<b>21.4</b>	<b>9.9%</b>
<b>60 Operating Margin (%)</b>	<b>0.2%</b>	<b>-0.2%</b>	<b>-0.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.2%</b>	<b>0.0</b>	<b>14.1%</b>
61 Transfer to/(from) Designated Funds	230.6	42.5	81.7	0.0	0.0	0.0	0.0	81.7	39.3	92.5%
63 Transfer to/(from) Plant Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	--
<b>64 NET RESULTS</b>	<b>0.0</b>	<b>(258.0)</b>	<b>(275.9)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(275.9)</b>	<b>(17.9)</b>	<b>-6.9%</b>

Note: When calculating a percentage change from a negative number, the formula is based on the absolute value of the base number  
 Note: This statement includes separate line items for transfers to/from designated (i.e., reserve) and plant funds that were reported under expenses in prior year URC reports

## 6.5 Description of Revenues

### Auxiliary Revenue

Auxiliary revenue is the sole source of revenue for Brown's auxiliary operations and is comprised of charges assessed by each unit to recover its costs. In FY20, the proposed budget of \$119.1 million is a 4.9% increase over the prior year. Collectively, Student Housing plus Dining Services represent 63% of the total revenue budget for all auxiliaries in fiscal year 2020.

## **6.6 Description of Expenses**

### Salaries, Wages, and Benefits

Across all auxiliary operations, the FY20 budget for salaries and wages is \$23.6 million, which is a \$438,000 decrease from the prior year. A lower budget is partially due to decreased personnel spending in Student Housing. In the past, the Office of Residential Life paid graduate students who worked in the residence halls during the summer to support SPS programs, and SPS reimbursed the Office for these costs. Starting in FY20, SPS will pay these students directly.

### General Operating Expenses and Subcontracts

The FY20 budget for general operating expenses is \$43.3 million, a \$1.9 million, or 4.5%, increase over the prior year. The majority of the increase is driven by Student Health Insurance based on the current fee structure (there is no planned rate increase in FY20) and projected enrollments. With the exception of an administrative fee to recover personnel costs, the unit's budgeted expenses are effectively a pass-through of charges from participating health insurance companies. Those expenses are a product of the insurance premium rate and the number of student enrollees.

### Property Costs, Debt Service, and Capital Expenses

Collectively, the University's auxiliary units have budgeted for \$5.1 million in property costs, debt service, and capital expenses in fiscal year 2020. This budget represents a \$385,000 increase over the prior year, which is mostly due to a \$330,000 increase in capitalized spending within Student Housing.

### Internal Services, Transfers, and All Other Expenses

For FY20, the total auxiliary budget for internal services, transfers, and all other expenses is \$37.3 million, a \$3.6 million increase over the prior year. This line item comprises revenue (which acts as a contra-expense) that the auxiliaries collect from internal customers for goods and services sold as well as an even larger amount of expense in the form of internal service fees that auxiliaries pay to central by means of the facility service fee, administration fee, security fee, etc.

## 7.0 SUPPLEMENTARY INFORMATION

This section features various tables of student and financial data that is intended to provide contextual information related to the development of the proposed budget for fiscal year 2020.

*Table 16: Undergraduate Application, Admission, and Matriculation Rates by Year*

Brown University: Undergraduate Applications					
Year	Applied	Admitted	% Admitted	Enrolled	% Enrolled
FY09	20,633	2,828	13.7%	1,550	54.8%
FY10	24,988	2,790	11.2%	1,494	53.5%
FY11	30,135	2,815	9.3%	1,501	53.3%
FY12	30,944	2,757	8.9%	1,507	54.7%
FY13	28,742	2,759	9.6%	1,539	55.8%
FY14	28,919	2,654	9.2%	1,543	58.1%
FY15	30,431	2,661	8.7%	1,561	58.7%
FY16	30,396	2,875	9.5%	1,615	56.2%
FY17	32,390	3,014	9.3%	1,681	55.8%
FY18	32,723	2,779	8.5%	1,639	59.0%
FY19	35,437	2,718	7.7%	1,652	60.8%
CAGR	5.56%	-0.40%		0.64%	

Source: Office of Institutional Research  
 Note: Numbers reflect degree-seeking, first-time, first-year students;  
 "CAGR" denotes compounded annual growth rate

*Table 17: Student FTE Enrollments by Level and by Year*

Brown University: Student FTE Enrollments												
Category	Student Type	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	CAGR
Undergraduate	Degree-Seeking	6,005	6,094	6,109	6,118	6,165	6,253	6,311	6,758	6,662	6,739	1.3%
	Special	119	111	138	158	147	149	174	178	165	150	2.7%
	<b>Total</b>	<b>6,123</b>	<b>6,205</b>	<b>6,247</b>	<b>6,276</b>	<b>6,312</b>	<b>6,402</b>	<b>6,485</b>	<b>6,936</b>	<b>6,827</b>	<b>6,889</b>	<b>1.3%</b>
Medical	Degree-Seeking	416	410	417	455	461	490	522	545	564	585	3.9%
	<b>Total</b>	<b>416</b>	<b>410</b>	<b>417</b>	<b>455</b>	<b>461</b>	<b>490</b>	<b>522</b>	<b>545</b>	<b>564</b>	<b>585</b>	<b>3.9%</b>
Graduate	Degree-Seeking	1,788	1,863	1,864	1,899	1,935	2,051	2,140	2,170	2,380	2,456	3.6%
	Special	45	36	29	23	28	27	29	28	24	23	-7.1%
	<b>Total</b>	<b>1,833</b>	<b>1,898</b>	<b>1,893</b>	<b>1,922</b>	<b>1,963</b>	<b>2,078</b>	<b>2,169</b>	<b>2,198</b>	<b>2,404</b>	<b>2,479</b>	<b>3.4%</b>
Total	<b>Total Degree-Seeking</b>	<b>8,209</b>	<b>8,367</b>	<b>8,390</b>	<b>8,472</b>	<b>8,560</b>	<b>8,793</b>	<b>8,973</b>	<b>9,473</b>	<b>9,606</b>	<b>9,780</b>	<b>2.0%</b>
	<b>Total Special</b>	<b>163</b>	<b>147</b>	<b>167</b>	<b>181</b>	<b>175</b>	<b>176</b>	<b>203</b>	<b>206</b>	<b>189</b>	<b>173</b>	<b>0.7%</b>
	<b>Total</b>	<b>8,372</b>	<b>8,513</b>	<b>8,557</b>	<b>8,653</b>	<b>8,735</b>	<b>8,969</b>	<b>9,176</b>	<b>9,679</b>	<b>9,795</b>	<b>9,953</b>	<b>1.9%</b>

Source: Office of Institutional Research; data is based on official census date of October 15 for each year  
 Note: Brown/RISD dual-degree students counted as 1.0 FTE; "CAGR" denotes compounded annual growth rate; degree-seeking includes graduate-level certificate programs (n = 5 in fall 2018)

Table 18: Graduate Student FTE Enrollments by Division and by Year

Brown University: Graduate Student FTE Enrollments												
Unit	Level	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	CAGR
E&G	Doctor of Philosophy	1,139	1,173	1,147	1,141	1,138	1,153	1,152	1,172	1,246	1,245	1.0%
	Master's	307	321	349	372	381	406	475	434	502	550	6.7%
	Special	13	10	11	9	9	9	14	11	12	8	-5.5%
	<b>Total</b>	<b>1,458</b>	<b>1,503</b>	<b>1,506</b>	<b>1,521</b>	<b>1,527</b>	<b>1,568</b>	<b>1,640</b>	<b>1,617</b>	<b>1,759</b>	<b>1,802</b>	<b>2.4%</b>
BioMed	Doctor of Medicine	416	410	417	455	461	490	522	545	564	585	3.9%
	Doctor of Philosophy	262	283	271	273	219	205	218	229	236	247	-0.6%
	Master's	79	87	98	114	36	53	71	72	101	100	2.6%
	Special	32	26	19	15	9	8	6	12	6	8	-14.3%
	Certificate	2	0	0	0	0	0	0	0	1	2	0.0%
<b>Total</b>	<b>791</b>	<b>805</b>	<b>804</b>	<b>856</b>	<b>725</b>	<b>756</b>	<b>816</b>	<b>857</b>	<b>908</b>	<b>941</b>	<b>2.0%</b>	
Public Health	Doctor of Philosophy	0	0	0	0	41	52	59	63	63	76	13.1%
	Master's	0	0	0	0	120	126	126	155	152	150	4.6%
	Special	0	0	0	0	11	10	10	6	7	8	-7.4%
	Certificate	0	0	0	0	0	0	0	0	3	3	--
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>172</b>	<b>187</b>	<b>194</b>	<b>224</b>	<b>225</b>	<b>237</b>	<b>6.6%</b>	
Professional Studies	Master's	0	0	0	0	0	57	41	46	77	84	10.2%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>57</b>	<b>41</b>	<b>46</b>	<b>77</b>	<b>84</b>	<b>10.2%</b>	
<b>Total</b>	<b>Total</b>	<b>2,249</b>	<b>2,308</b>	<b>2,310</b>	<b>2,377</b>	<b>2,424</b>	<b>2,567</b>	<b>2,691</b>	<b>2,743</b>	<b>2,968</b>	<b>3,064</b>	<b>3.5%</b>

Source: Office of Institutional Research; data is based on official census date of October 15 for each year

Note: "CAGR" denotes compounded annual growth rate; starting period for calculation is based on first year with positive values

Table 19: Tuition Rates by Program and by Year

Brown University - Historical Tuition Rates													
	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20 Proposed	FY20 \$ Change vs. FY19	FY20 % Change vs. FY19	FY11 to FY20 CAGR
Undergraduate Tuition	\$39,928	\$41,328	\$42,808	\$44,608	\$46,408	\$48,272	\$50,224	\$52,231	\$54,320	\$57,112	\$2,792	5.14%	4.06%
M.D. Tuition	\$43,064	\$45,216	\$47,480	\$49,384	\$51,360	\$53,416	\$55,552	\$58,328	\$61,244	\$63,082	\$1,838	3.00%	4.33%
Ph.D. Tuition	\$39,928	\$41,328	\$42,808	\$44,608	\$46,408	\$48,272	\$50,224	\$52,231	\$54,320	\$57,112	\$2,792	5.14%	4.06%
Master's Tuition (non-variable)	\$39,928	\$41,328	\$42,808	\$44,608	\$46,408	\$48,272	\$50,224	\$52,231	\$54,320	\$57,112	\$2,792	5.14%	4.06%
Master's Tuition (variable)*													
-Engineering	--	--	--	--	--	--	--	--	\$63,314	\$66,568	\$3,254	5.14%	--
-PRIME	--	--	--	--	--	--	--	--	\$62,400	\$65,608	\$3,208	5.14%	--
-Physics	--	--	--	--	--	--	--	--	\$59,758	\$62,830	\$3,072	5.14%	--
-Computer Science	--	--	--	--	--	--	--	--	\$65,374	\$68,734	\$3,360	5.14%	--
-Data Science	--	--	--	--	--	--	--	--	\$63,440	\$66,702	\$3,262	5.14%	--
-Public Affairs**	--	--	--	--	--	--	--	--	\$54,320	\$57,112	\$2,792	5.14%	--

Source: Budget Office

\*Master's variable rate tuition pricing was established in FY19

\*\*For FY20, the Master of Public Affairs program has three components: (1) standard tuition rate of \$57,112 for fall and spring term; (2) program fee of \$13,764 (unchanged from FY19); and (3) summer tuition of \$14,278 (equivalent to 1/4 of the tuition rate during the regular academic year) for a total annual charge of \$85,154.

Table 20: FY19 Undergraduate Tuition and Fees vs. Peers

Brown University: Undergraduate Total Student Charges vs. Peers							
Institution	FY19 Tuition & Mandatory Fees	Tuition & Mandatory Fee Rank	FY19 Room & Board	Room & Board Rank	FY19 Total Charges	Total Charge Rank	FY19 % Change vs. FY18
University of Chicago	\$57,006	2	\$16,350	6	\$73,356	1	3.98%
Columbia	\$59,430	1	\$13,864	20	\$73,294	2	3.48%
Duke	\$55,860	4	\$15,972	8	\$71,832	3	3.78%
University of Pennsylvania	\$55,584	5	\$15,616	12	\$71,200	4	3.74%
Northwestern	\$54,567	11	\$16,626	2	\$71,193	5	3.59%
Amherst	\$56,426	3	\$14,740	17	\$71,166	6	3.89%
Dartmouth	\$55,035	9	\$15,756	11	\$70,791	7	3.94%
Georgetown	\$54,104	12	\$16,418	4	\$70,522	8	3.20%
<b>Brown</b>	<b>\$55,556</b>	<b>6</b>	<b>\$14,670</b>	<b>18</b>	<b>\$70,226</b>	<b>9</b>	<b>4.13%</b>
Williams	\$55,450	7	\$14,500	19	\$69,950	10	3.32%
Oberlin	\$55,052	8	\$14,834	15	\$69,886	11	2.98%
Washington U in St. Louis	\$53,399	15	\$16,440	3	\$69,839	12	3.41%
Cornell	\$54,818	10	\$14,766	16	\$69,584	13	3.02%
Johns Hopkins	\$53,740	13	\$15,836	9	\$69,576	14	2.95%
Yale	\$53,430	14	\$16,000	7	\$69,430	15	3.78%
Swarthmore	\$52,588	16	\$15,474	14	\$68,062	16	3.48%
Harvard	\$50,420	19	\$17,160	1	\$67,580	17	3.00%
MIT	\$51,832	17	\$15,510	13	\$67,342	18	4.23%
Stanford	\$51,354	18	\$15,763	10	\$67,117	19	3.69%
Princeton	\$49,450	20	\$16,360	5	\$65,810	20	4.76%

Source: Budget Office

Table 21: University-Owned Space by Year

Fiscal Year	Brown University-Owned Space											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Dec 2018	CAGR
Owned Gross Square Feet	6,768,970	6,726,382	6,753,099	6,804,319	6,798,505	6,778,752	6,792,881	6,756,253	6,789,551	6,823,393	6,838,708	0.10%
Owned Number of Buildings	245	241	244	239	235	231	231	226	229	228	227	-0.76%
GSF/Building	27,628	27,910	27,677	28,470	28,930	29,345	29,406	29,895	29,649	29,927	30,126	0.87%

Source: Facilities Management

Note: "CAGR" is the compounded annual growth rate; all data is based on the end of the specified time period.

## 8.0 APPENDIX

### 8.1 Charge of the University Resources Committee

1. The Committee shall serve to review, to analyze, and to offer recommendations to the President on all budgetary plans, proposals, and priorities, both current and future, affecting the University.
2. The Committee shall be responsible for maintaining a level of awareness of budgetary matters throughout the University that will encourage the development of informed opinions and the articulation and discussion of issues.
3. The Committee shall review, analyze, and make recommendations regarding the allocation of University resources for the coming fiscal year and for long-range plans developed by the administration or by other duly constituted committees.
4. The Committee will conduct its business in closed session. The Committee will, however, host University-wide forums as necessary and appropriate to allow the Committee to hear the concerns and priorities of the University community.
5. The Committee shall, at appropriate points during the preparation of the University budget, report in written form to the President its analysis and its policy recommendations concerning the allocation of resources within the University.



## **8.2 Membership of the University Resources Committee (FY19)**

### **Administrators**

Richard Locke, Provost and Chair  
Jay Calhoun, Vice President for Finance, Chief Financial Officer, and Treasurer  
Russell Carey, Executive Vice President for Planning and Policy  
Barbara Chernow, Executive Vice President for Finance and Administration  
Kimberly Galligan, Executive Dean for Administration and Finance, BioMed  
Lawrence Larson, Dean, School of Engineering  
Wendy McHugh, Senior Director, Finance and Data Initiatives, BioMed  
Kevin McLaughlin, Dean of the Faculty  
Shankar Prasad, Deputy Provost for Global Engagement and Strategic Initiatives  
Matthew Smith, Assistant Vice President for Budget, Planning, and Analysis  
Laurie Ward, Senior Director for Finance and Administration, School of Public Health

### **Faculty**

Lynne DeBenedette, Senior Lecturer, Slavic Studies  
Patrycja Dubielecka-Szcerba, Assistant Professor of Medicine (Research)  
Lina Fruzzetti, Professor of Anthropology  
Elena Oancea, Associate Professor of Medical Sciences, MPPB, and Vice Chair  
Samuel Perry, Associate Professor of East Asian Studies, East Asian Studies  
James Russell, Professor of Earth, Environmental, and Planetary Sciences  
David Sobel, Professor of Cognitive, Linguistic, and Psychological Sciences

### **Staff Representatives**

Monty Combs, Director of Systems and Services  
Kathleen Morrissey, Director of Treasury Operations

### **Students**

Lauren Fish, Graduate Student  
Dennis M. Hogan, Graduate Student  
Katie Hsia, Medical Student  
Jordan Kei-Rahn, Undergraduate Student  
Kaely Michels-Gualtieri, Undergraduate Student (on leave)  
Kriyana Reddy, Undergraduate Student  
Jourdan Smithwick, Undergraduate Student  
William Zhou, Undergraduate Student

### **Staffed by:**

Deborah Moser, Director, Budget, Planning and Analysis  
Kathy Santos, Executive Assistant to the VP for Finance, CFO, and Treasurer  
Charlene Sweeney, Assistant Vice President and University Controller  
Sara Walsh, Assistant Vice President of Finance, Operational Support, and Special Projects

### 8.3 Meeting Schedule of the University Resources Committee

Date	Topics
September 24	<ul style="list-style-type: none"> <li>• New Member Orientation</li> <li>• URC Kickoff</li> <li>• FY18 Results; Review of FY19 Requests, Obligations, and Commitments</li> </ul>
October 1	<ul style="list-style-type: none"> <li>• Admissions</li> <li>• Financial Aid</li> <li>• Advancement</li> </ul>
October 15	<ul style="list-style-type: none"> <li>• Facilities Management</li> <li>• Dean of the College</li> <li>• Research</li> </ul>
October 22	<ul style="list-style-type: none"> <li>• Graduate School</li> <li>• Dean of the Faculty</li> <li>• Campus Life</li> </ul>
October 29	<ul style="list-style-type: none"> <li>• Revenue Presentation</li> </ul>
November 5	<ul style="list-style-type: none"> <li>• Recap of Revenue</li> <li>• BioMed</li> <li>• Public Health</li> </ul>
November 12	<ul style="list-style-type: none"> <li>• School of Engineering</li> <li>• Faculty and Staff Compensation</li> </ul>
November 14	<ul style="list-style-type: none"> <li>• URC Public Forum</li> </ul>
November 19	<ul style="list-style-type: none"> <li>• Academic Priority Proposals</li> <li>• Administrative Priority Proposals</li> </ul>
November 26	<ul style="list-style-type: none"> <li>• Review and Deliberations</li> </ul>
December 3	<ul style="list-style-type: none"> <li>• Review and Deliberations</li> </ul>
December 6	<ul style="list-style-type: none"> <li>• Final Recommendations</li> </ul>
January 22	<ul style="list-style-type: none"> <li>• Discussion and Approval of Final URC Report</li> <li>• Thank You Reception</li> </ul>

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