Budget overview

FY2014 Actual Expenses (inclusive of financial aid)

<table>
<thead>
<tr>
<th>Institution</th>
<th>Expenses (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>University</td>
<td>$2,399,121</td>
</tr>
<tr>
<td>Medical Center</td>
<td>$1,378,140</td>
</tr>
<tr>
<td>Argonne</td>
<td>$762,814</td>
</tr>
<tr>
<td>MBL</td>
<td>$45,633</td>
</tr>
<tr>
<td>Fermi</td>
<td>$386,600</td>
</tr>
</tbody>
</table>

Total Expenses: $6,895,918

Budget overview

$ in thousands
### Revenue: Operating revenue breakdown

**FY2014 Operating revenues**

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Tuition and Fees</td>
<td>$665,649</td>
<td>42%</td>
</tr>
<tr>
<td>Endowment Payout</td>
<td>$287,433</td>
<td>18%</td>
</tr>
<tr>
<td>Other Income</td>
<td>$133,510</td>
<td>8%</td>
</tr>
<tr>
<td>Auxiliaries</td>
<td>$144,553</td>
<td>9%</td>
</tr>
<tr>
<td>Government Grants</td>
<td>$133,661</td>
<td>9%</td>
</tr>
<tr>
<td>Private Gifts and Grants</td>
<td>$206,514</td>
<td>13%</td>
</tr>
</tbody>
</table>

**Total = $1.571 billion**
Revenue: Change in composition

Operating revenues
% of total operating revenue / $ in thousands

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2009</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Tuition and Fees</td>
<td>41%</td>
<td>40%</td>
<td>42%</td>
</tr>
<tr>
<td>Government Grants</td>
<td>14%</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>Private Grants and Gifts</td>
<td>5%</td>
<td>10%</td>
<td>13%</td>
</tr>
<tr>
<td>Endowment Payout</td>
<td>17%</td>
<td>19%</td>
<td>18%</td>
</tr>
<tr>
<td>Auxiliaries / Other Income</td>
<td>24%</td>
<td>19%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Revenue in thousands:
- 2004: $903,447
- 2009: $1,276,269
- 2014: $1,571,320

Change in composition:
- Auxiliaries / Other Income: 24% → 19% → 18%
- Endowment Payout: 17% → 19% → 18%
- Private Grants and Gifts: 5% → 10% → 13%
- Government Grants: 14% → 12% → 9%
- Gross Tuition and Fees: 41% → 40% → 42%
Revenue: Enrollment Changes

Total headcount by student type
Thousands of students, Autumn quarter¹

- Undergraduate growth has accounted for the entirety of the total student growth over the past 10 years
- Graduate enrollment has declined by almost 700 students over the last four years.
Revenue: Undergraduate Tuition and Aid Trends

Cumulative growth since 2004 – Total Student Charges and Financial Aid per Student

% growth over 2004 levels
Expenses: Operating expense breakdown

FY2014 Operating expenses
USD thousands

- Financial Aid: $283,128 (17%)
- Supplies, Services and Other: $343,449 (21%)
- Interest and Depreciation: $213,820 (13%)
- Compensation: $799,022 (49%)

Total = $1.639 billion
Expenses: Compensation breakdown

FY2014 Compensation expenses
USD thousands

- Staff Salaries: $379,478 (47%)
- Benefits: $171,644 (21%)
- Academic Salaries: $247,900 (31%)

Total = $799 million
Expenses: Change in composition

Operating expenses
% of total operating revenue, USD thousands

<table>
<thead>
<tr>
<th>Year</th>
<th>Compensation</th>
<th>Supplies, Services and Other</th>
<th>Financial Aid</th>
<th>Interest and Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>47%</td>
<td>28%</td>
<td>16%</td>
<td>8%</td>
</tr>
<tr>
<td>2009</td>
<td>49%</td>
<td>26%</td>
<td>16%</td>
<td>9%</td>
</tr>
<tr>
<td>2014</td>
<td>49%</td>
<td>21%</td>
<td>17%</td>
<td>13%</td>
</tr>
</tbody>
</table>

2004: $881,127
2009: $1,263,685
2014: $1,639,449
### Operating Budget Cycle for FY16

#### FY16 quarterly requirements

- **Oct**: 1st quarter Actuals vs. Budget results due
- **Dec**: 2nd quarter Actuals vs. Budget projections due
- **Feb**: 3rd quarter Actuals vs. Budget projections due
- **Mar**: Tuition assumptions due
- **Apr**: Operating budget finalized
- **May**: Faculty salaries due
- **June**: FY15 quarterly requirements

#### FY16 budget process

- **Budget cycle kick-off meeting**
  - Complete high-level 3-yr operating budget:
    - Enter estimated growth rates by OBS line
    - Identify high-priority initiatives and estimate financial impact
- **Budget Office aggregates unit requests to set the high-level University budget**
- **Final budget targets sent to each unit for FY16-FY18**
- **Operating budget finalized**
  - Detailed budgets completed
Budget Challenges

Academic eminence

Financial flexibility