



Finance Update

Faculty Meeting
October 9, 2020

Presented by Gregory N. Brown, Vice President for Finance and Administration

Financial Study Group

Erin Bronchetti, Economics

Greg Brown, CFO

Kathleen Howard, Chemistry

Leslie Jewett, BoM

Koof Kalkstein, BoM (ex officio)

Dorothy Robinson, BoM

Gus Schwed, BoM

Salem Shuchman, BoM (ex officio)

Sunka Simon, F&MS, German

Valerie Smith, President (ex officio)

Sarah Willie-LeBreton, Provost

Ed Rowe, Staff Support to the FSG

Guiding Principles

- We will hold paramount the health and safety of our students, faculty, and staff members.
- We will continue to deliver to our students the highly engaged, intellectually enriching educational experience that is foundational to all that we as a College do.
- We will make decisions about College finances and operations with empathy, compassion, and humanity and work to maintain operational continuity and retain employees to the greatest extent possible.

FY 2020-21 Budget Assumptions

- Cohorts of students first and second semester
- Freeze compensation but maintain employment to the extent possible
- Most courses taught remotely
- Reductions to non-personnel expenses
- Continued support of critical capital projects
- Focus on long-term implications of pandemic and its aftermath

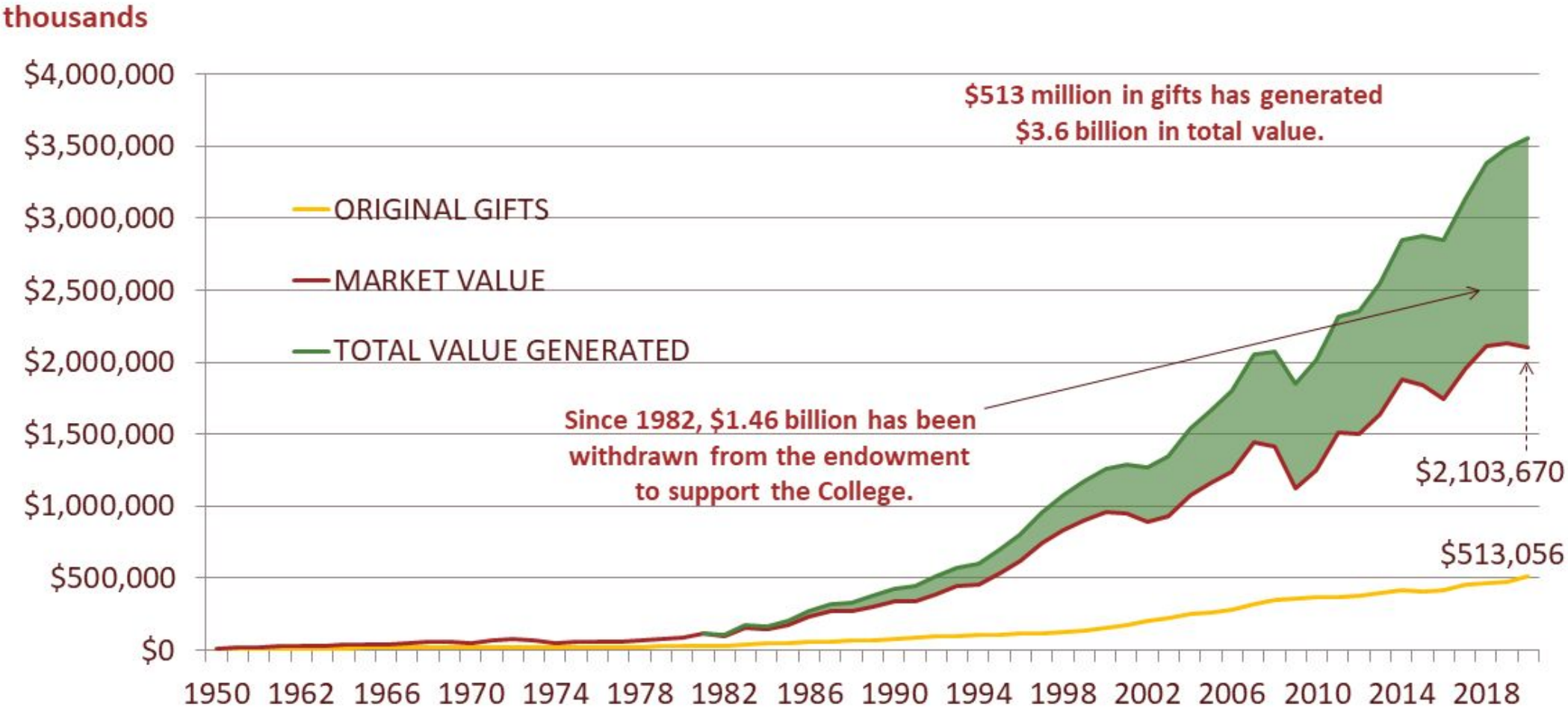
Enrollment

	FY 2019-20 Budget	June Interim Budget	Proposed FY 2020-21 Budget (Cohort Approach)	Spring 2021 Remote Only Scenario
Total Enrollment	1,660	1,500	1,450	1,450
Total in Campus Housing	1,523	1,200	610	150

Tuition, Room & Board

\$ in thousands	FY 2019-20 Budget	June 2020 Interim Budget	Proposed FY 2020-21 with Cohorts both Semesters	Worst Case Scenario with cohort first semester, Remote Second Semester
Tuition and Fees	\$91,227	\$86,777	\$78,961	\$78,961
Room and Board	24,373	19,985	10,159	6,329
Financial Aid	(46,751)	(45,908)	(42,000)	(40,500)
Net Term Bill Income	\$68,850	\$60,854	\$47,120	\$44,790

Endowment Performance



Endowment Spending

	FY 2020-21 June Interim Budget	FY 2020-21 Revised Budget Proposal (Cohorts all Year)	Worst Case Scenario: Cohort in Fall, Remote in Spring
Budget Support	\$81,350	\$97,409	\$96,954
Quasi-endowment liquidation for Debt Principal	10,070	10,070	10,070
Total Endowment Spending	\$91,420	\$107,479	\$107,024
Endowment Market Value	\$2,103,670	2,103,670	2,103,670
Endowment Spending Rate	4.6%	5.3%	5.3%

Historical Endowment Spending

Spending Rate By Fiscal Year



Operating Budget Summary - Revenue

<i>\$ in thousands</i>	FY 2019-20 Budget	FY 2020-21 June Interim Budget	FY 2020-21 Budget
Tuition & Fees	\$91,227	\$86,777	\$78,961
Room & Board	24,373	19,985	10,159
Less: Financial Aid	(46,751)	(45,908)	(42,000)
Net Term Bill	\$68,850	\$60,854	\$47,120
Endowment Spending	96,421	91,420	107,479
Other Revenue	10,390	9,158	9,158
Total	\$175,661	\$161,432	\$163,757

Expenditure Highlights

- Salary and wage freeze through June 30, 2020
- Supplemental pay for front-line hourly staff on campus
- No changes to retirement plan contributions for 2021
- No changes to health plan options for 2021
- Some increases in premium cost sharing due to increased medical benefits costs

Expenditure Highlights

- Travel restrictions extended through 6-30-2020 (exceptions approved by Provost or Vice Presidents only)
- Funding maintained for *remote* professional development
- Reduction in funding for off-campus study
- Reduced food expenses due to enrollment changes
- Increased expenses to support textbook/course materials initiative
- Reductions in most other non-personnel line items
- Continued funding for critical capital improvements

Operating Budget Summary - Expenditures

<i>\$ in thousands</i>	FY 2019-20 Budget	FY 2020-21 June Interim Budget	FY 2020-21 Budget
Salaries and wages	\$71,598	\$70,998	\$71,924
Benefits	23,621	24,802	26,618
Non-personnel expenses	42,883	37,880	35,783
Contingency	1,800	1,600	2,500
Debt Service	23,194	20,577	20,577
Capital Renewal & Replacement	13,941	8,013	11,513
Inn at Swarthmore (net)	430	342	342
Transfer to/(from) reserves	(946)	(2,781)	(5,500)
Total	\$176,521	\$161,432	\$163,757

Discussion