

REED COLLEGE
BUDGET MODEL
September 2009

| ASSUMPTIONS | INITIAL BUDGET 2009-10 | REVISED BUDGET 2009-10 | PROJECTED BUDGET 2010-11 | PROJECTED BUDGET 2011-12 | PROJECTED BUDGET 2012-13 | PROJECTED BUDGET 2013-14 | PROJECTED BUDGET 2014-15 | ENDOWMENT | | | |
|--|------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------|-----------|--------|--------------|
| | | | | | | | | QTR | MV CHANGE | PAYOUT | MARKET VALUE |
| ENROLLMENT | 1,310 | 1,350 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | Mar-05 | -2.92% | | 347,559,357 |
| TUITION RATE | 39,440 | 39,440 | 40,820 | 42,249 | 43,728 | 45,258 | 46,955 | Jun-05 | 0.56% | | 349,492,649 |
| INFLATION RATE | 1.75% | 1.75% | 1.75% | 1.75% | 1.75% | 1.75% | 3.00% | Sep-05 | 4.58% | | 365,487,750 |
| TUITION REVENUE | 51,666 | 53,244 | 3.50% | 3.50% | 3.50% | 3.50% | 3.75% | Dec-05 | 0.68% | 5.3% | 367,958,044 |
| ENDOW. FIN. AID | (4,485) | (4,485) | -4.79% | -12.34% | -11.58% | -1.14% | 3.09% | Mar-06 | 6.49% | | 391,847,023 |
| ENDOWMENT INC | 19,565 | 19,565 | -4.79% | -12.34% | -11.58% | -1.14% | 3.09% | Jun-06 | -1.67% | | 385,293,669 |
| GIFTS | 3,200 | 3,450 | 4.68% | 4.48% | 4.50% | 4.50% | 4.50% | Sep-06 | 2.88% | | 396,378,363 |
| GOV'T. GRANTS | 400 | 400 | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | Dec-06 | 6.05% | 5.3% | 420,375,151 |
| OTHER | 377 | 377 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | | | | |
| FAC SALARIES | 11,274 | 11,274 | 2.00% | 2.00% | 2.00% | 2.50% | 3.50% | Mar-07 | 3.52% | | 435,180,312 |
| STAFF SALARIES # | 15,136 | 15,150 | 2.00% | 2.00% | 2.00% | 2.50% | 3.50% | Jun-07 | 4.72% | | 455,705,091 |
| STUDENT SALARIES | 1,282 | 1,303 | 1.75% | 1.75% | 1.75% | 2.25% | 3.25% | Sep-07 | 0.66% | | 458,715,171 |
| FAC BENEFITS | 5,956 | 5,927 | 3.00% | 3.00% | 3.00% | 3.50% | 4.50% | Dec-07 | 0.42% | 5.3% | 460,649,370 |
| STAFF BENEFITS | 5,180 | 5,180 | 3.00% | 3.00% | 3.00% | 3.50% | 4.50% | | | | |
| FIN. AID | 13,100 | 14,100 | 3.50% | 3.50% | 3.50% | 3.50% | 3.75% | Mar-08 | -6.91% | | 428,812,451 |
| UTILITIES | 1,193 | 1,193 | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | Jun-08 | -0.84% | | 425,214,323 |
| LIBRARY MTLs. | 2,481 | 2,481 | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | Sep-08 | -8.25% | | 390,124,859 |
| SUPPLIES | 2,979 | 2,940 | 0.00% | 1.00% | 1.50% | 1.75% | 3.00% | Dec-08 | -13.41% | 5.3% | 337,803,457 |
| FEES & SRVC. | 3,399 | 3,398 | 0.00% | 1.00% | 1.50% | 1.75% | 3.00% | | | | |
| OTHER | 3,167 | 3,270 | 0.00% | 1.00% | 1.50% | 1.75% | 3.00% | Mar-09 | -9.33% | | 306,293,238 |
| CONTINGENCY | 400 | 331 | 500 | 500 | 500 | 500 | 773 | Jun-09 | 1.13% | | 309,739,948 |
| DEBT SERVICE | 2,588 | 2,588 | 2,568 | 2,586 | 2,579 | 2,567 | 2,572 | Sep-09 | 8.00% | | 334,519,144 |
| PLANT FUND | 2,375 | 2,375 | 2,375 | 2,375 | 2,375 | 2,375 | 2,500 | Dec-09 | 0.00% | 5.3% | 334,519,144 |
| NET TRANSFERS | (712) | (712) | (680) | (392) | (392) | 0 | 0 | | | | |
| ADJ. ANL. TOTAL * | 925 | 1,753 | (614) | (2,969) | (4,629) | (4,766) | (5,145) | Mar-10 | -16.00% | | 280,996,081 |
| CUMULATIVE TOTAL * | 2,939 | 3,767 | 3,153 | 184 | (4,445) | (9,211) | (14,356) | Jun-10 | 1.00% | | 283,806,042 |
| Staff FTE \$ Increase | | | \$0 | \$0 | \$0 | \$0 | \$0 | Sep-10 | 1.00% | | 286,644,102 |
| *Numbers in parentheses are negative and represent deficits. | | | | | | | | Dec-10 | 1.00% | 5.3% | 289,510,543 |
| NET TRANSFERS: | | | | | | | | | | | |
| Campaign | (247) | (247) | (230) | (392) | (392) | 0 | 0 | Mar-11 | 1.00% | | 292,405,649 |
| Quant. Skills Ctr. | (15) | (15) | 0 | 0 | 0 | 0 | 0 | Jun-11 | 1.00% | | 295,329,705 |
| Financial Aid Reserve | (450) | (450) | (450) | 0 | 0 | 0 | 0 | Sep-11 | 1.00% | | 298,283,002 |
| Total | (712) | (712) | (680) | (392) | (392) | 0 | 0 | Dec-11 | 1.00% | 5.3% | 301,265,832 |
| CHANGES TO 2009-10 BUDGET EQUAL: | | | | | | | | | | | |
| | | | | Year | Actual FPE | Actual CPI | | | | | |
| 10 FPE Enrollment | \$394,400 | | | 2008-09 | 1,348 | -1.4% | | Mar-12 | 1.25% | | 305,031,655 |
| 1% Tuition Rate (Net) | \$391,440 | | | 2007-08 | 1,359 | 5.0% | | Jun-12 | 1.25% | | 308,844,551 |
| 1% Endowment Income | \$195,650 | | | 2006-07 | 1,303 | 2.4% | | Sep-12 | 1.25% | 5.3% | 312,705,108 |
| 1% Endowment Payout | \$3,691,509 | | | 2005-06 | 1,231 | 3.8% | | Dec-12 | 1.25% | | 316,613,921 |
| 1% Total Sal/Benefit | \$375,310 | | | 2004-05 | 1,223 | 3.2% | | Mar-13 | 1.25% | | 320,571,595 |
| 1% Faculty Sal/Benefit | \$172,010 | | | 2003-04 | 1,219 | 3.1% | | Jun-13 | 1.25% | | 324,578,740 |
| 1% Staff Sal/Benefit | \$203,300 | | | 2002-03 | 1,262 | 2.2% | | Sep-13 | 1.25% | | 328,635,975 |
| 1% Financial Aid | \$185,850 | | | 2001-02 | 1,284 | 1.1% | | Dec-13 | 1.25% | 5.3% | 332,743,924 |
| | | | | 2000-01 | 1,255 | 3.0% | | Mar-14 | 1.75% | | 338,566,943 |
| | | | | 1999-00 | 1,224 | 3.7% | | Jun-14 | 1.75% | | 344,491,864 |
| | | | | | | | | Sep-14 | 1.75% | | 350,520,472 |
| | | | | | | | | Dec-14 | 1.75% | 5.3% | 356,654,580 |
| FINANCIAL AID (\$000): | | | | | | | | | | | |
| | | Operating + Endowment | % Increase | To Match Tuition Increase | | OB % of Tuition | Tot % of Tuition | | | | |
| 2004-05 | | \$12,790 | 2.90% | \$12,114 | 5.75% | 24.3% | 34.1% | Mar-15 | 1.75% | | 362,896,035 |
| 2005-06 | | \$13,528 | 5.77% | \$12,780 | 5.50% | 25.1% | 34.0% | Jun-15 | 1.75% | | 369,246,716 |
| 2006-07 | | \$14,749 | 9.03% | \$13,547 | 6.00% | 24.7% | 33.0% | Sep-15 | 1.75% | | 375,708,534 |
| 2007-08 | | \$15,262 | 3.48% | \$14,293 | 5.51% | 23.1% | 31.0% | Dec-15 | 1.75% | 5.3% | 382,283,433 |
| 2008-09 | | \$16,598 | 8.75% | \$14,992 | 4.89% | 23.5% | 32.4% | | | | |
| 2009-10-Budget | | \$18,585 | 11.97% | \$15,577 | 3.90% | 26.5% | 34.9% | Mar-16 | 1.75% | | 388,973,393 |
| 2010-11-Projection | | \$19,235 | 3.50% | \$16,122 | 3.50% | 28.0% | 36.0% | Jun-16 | 1.75% | | 395,780,427 |
| 2011-12-Projection | | \$19,909 | 3.50% | \$16,686 | 3.50% | 29.2% | 36.0% | Sep-16 | 1.75% | | 402,706,585 |
| 2012-13-Projection | | \$20,606 | 3.50% | \$17,270 | 3.50% | 30.2% | 36.0% | Dec-16 | 1.75% | 5.3% | 409,753,950 |
| 2013-14-Projection | | \$21,327 | 3.50% | \$17,875 | 3.50% | 30.5% | 36.0% | | | | |
| 2014-15-Projection | | \$22,126 | 3.75% | \$18,545 | 3.75% | 30.5% | 36.0% | Mar-17 | 1.75% | | 416,924,644 |
| | | | | | | | | Jun-17 | 1.75% | | 424,220,826 |
| | | | | | | | | Sep-17 | 1.75% | | 431,644,690 |
| | | | | | | | | Dec-17 | 1.75% | 5.3% | 439,198,472 |
| | | | | | | | | Mar-18 | 1.75% | | 446,884,445 |
| | | | | | | | | Jun-18 | 1.75% | | 454,704,923 |
| | | | | | | | | Sep-18 | 1.75% | | 462,662,259 |
| | | | | | | | | Dec-18 | 1.75% | 5.3% | 470,758,849 |
| | | | | | | | | Mar-19 | 1.75% | | 478,997,129 |
| | | | | | | | | Jun-19 | 1.75% | | 487,379,578 |
| | | | | | | | | Sep-19 | 1.75% | | 495,908,721 |
| | | | | | | | | Dec-19 | 1.75% | 5.3% | 504,587,124 |
| | | | | | | | | Mar-20 | 1.75% | | 513,417,398 |
| | | | | | | | | Jun-20 | 1.75% | | 522,402,203 |
| | | | | | | | | Sep-20 | 1.75% | | 531,544,241 |
| | | | | | | | | Dec-20 | 1.75% | 5.3% | 540,846,266 |

GOALS:

- Long-Term FPE enrollment of 1,250
- 10:1 student/faculty ratio
- Realistic maintenance budget
- Reduce endowment payout rate to 5%
- Meet full financial aid need of all students
- Continue to be competitive in hiring & retaining faculty & staff