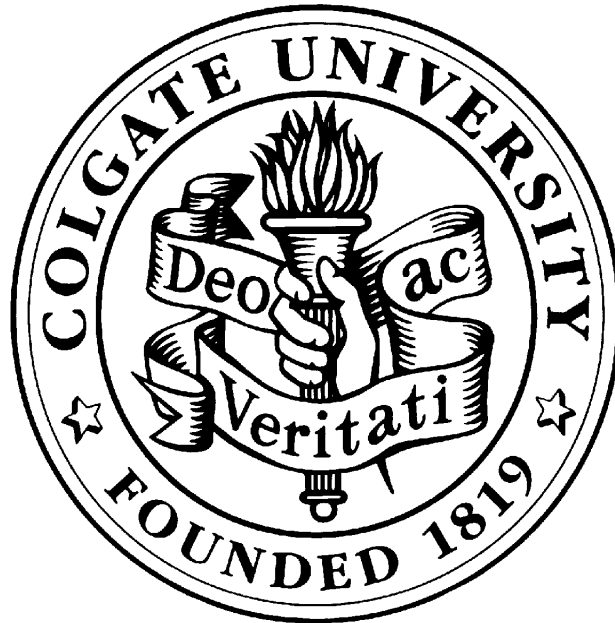


2016/17
OPERATING BUDGET



April 2016

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Highlights of 2016/17 Budget Proposal

- An operating budget of \$185.9 million in expenditures is being proposed for 2016/17, or 3.4% more than the budget for the current year.
- Net tuition revenue, Colgate's principal stream of revenue, is projected to increase 1.3% from the prior year budget. The tempered growth in this area is due to our continued commitment to financial aid. Our target enrollment for the incoming first-year class increased by 10 slots to 770. Overall enrollment (annual FTEs) for 2016/17 is budgeted at 2,840.
 - Total student charges for 2016/17 are \$65,030. This represents a 3.98% increase over 2015/16 charges. The 3.98% overall increase for 2016/17 contains an increase of 4.0% for tuition, an increase of 4.0% for room and board and no increase to the student activity fee.
 - The financial aid budget will grow by \$5.1 million or 9.5% over the current year budget. The Class of 2020 is targeted to consist of 453 full-pay students and 317 aided students, which translates into 41.2% of the class receiving financial aid. This composition of the incoming class is a change from previous years and a swing of 27 full pay students and 17 less aided students. The growth in financial aid can also be attributed to the classes of 2018 and 2019 that finished the year over budget.
- The Colgate Fund has been budgeted at \$6.6 million in 2016/17, an increase of \$300K over the current year budget.
- On December 4th the Finance Committee approved the endowment spending rate for 2016/17. Currently, endowment spending is anticipated to increase \$2.7 million or 5.4% over the FY 2015/16 revised spending rate. The variance shown on page 2 is the percentage change from the approved spending rate for 2015/16.
- Salary pools for continuing faculty and staff are budgeted to increase by 2.1% in 2016/17 which is consistent with our PCDI guideline. In faculty salaries, two incremental positions (roughly \$160K) previously approved are included along with other adjustments. In staff salaries we have new positions that were added subsequent to the 15/16 budget approval, increases beyond the salary pool, market adjustments and increases associated with the proposed FLSA legislation. The 2016/17 budget includes one position in Athletics fully funded by a grant from the NCAA that is budget neutral.
- Fringe benefits are budgeted to increase by 5.0%. We have been able to keep healthcare increases low with minimum plan disruption or significant changes to copays or coverage. Increases beyond the salary pool mentioned above also contribute to the overall fringe benefit growth.
- Net debt service is increasing by \$662K or 7.5% for 2016-17. This increase is in accordance with our long-term debt strategy and includes the recently issued \$55 million Series 2015-B tax exempt bonds. The increase to the operating budget is being partially offset by an additional draw from Fund B of approximately \$4.5 million for 16/17.
- Capital project and equipment reserve allocations are budgeted at \$7.6 million in 2016/17.
- A modest university contingency of \$250K has been budgeted in 2016/17.

Summary of Operating Income

	2014-15 Actual	Approved 2015-16	Proposed 2016-17	Variance	Percent Change
<u>Income:</u>					
Tuition and Fees	\$ 141,750,082	\$ 147,176,095	\$ 153,475,728	\$ 6,299,634	4.3%
Less: Financial Aid	50,094,202	53,219,608	58,290,406	5,070,798	9.5%
Net Tuition Revenue	91,655,880	93,956,486	95,185,322	1,228,835	1.3%
<i>Tuition Discount Rate</i>	35.3%	36.2%	38.0%		
Auxiliary Income	28,037,963	29,248,391	30,796,395	1,548,004	5.3%
LLC Income	1,101,490	1,294,855	1,218,622	(76,233)	-5.9%
Government Sources	846,406	947,065	928,346	(18,719)	-2.0%
Private Gifts & Grants					
Unrestricted	5,987,759	6,300,010	6,600,011	300,001	4.8%
Restricted - Other	5,031,761	3,266,423	3,416,050	149,627	4.6%
Endowment Income	39,434,427	43,598,265	46,298,178	2,699,913	6.2%
Endowment I to P		(1,324,208)	(1,325,848)	(1,640)	0.1%
Athletic Income	2,094,486	1,613,967	1,815,117	201,150	12.5%
Other Income Sources	1,126,141	945,050	939,349	(5,701)	-0.6%
Total Income	\$ 175,316,313	\$ 179,846,305	\$ 185,871,543	6,025,237	3.4%

Summary of Operating Expense

	2014-15 Actual	Approved 2015-16	Proposed 2016-17	Variance	Percent Change
<u>Expenses:</u>					
Faculty Salaries	\$ 32,413,579	\$ 32,698,085	\$ 33,764,907	1,066,822	3.3%
Staff Salaries	43,042,956	43,966,814	45,678,458	1,711,644	3.9%
Fringe Benefits	22,922,842	25,200,233	26,448,742	1,248,508	5.0%
Buildings & Grounds Chargebacks	(2,318,966)	(2,300,000)	(2,300,000)	-	0.0%
<u>Student Wages</u>	1,367,781	1,531,768	1,577,294	45,526	3.0%
Subtotal Compensation	97,428,192	101,096,900	105,169,400	4,072,500	4.0%
Contracted Services	9,889,537	9,798,013	10,285,531	487,519	5.0%
Utilities	5,261,598	5,013,262	5,075,850	62,588	1.2%
Equipment	2,833,594	2,678,064	2,865,129	187,065	7.0%
Library Acquisitions	2,505,565	2,637,450	2,716,566	79,116	3.0%
Repairs & Maintenance	4,190,447	3,862,065	3,842,030	(20,035)	-0.5%
Travel & Entertainment	8,615,692	8,424,687	8,293,686	(131,002)	-1.6%
Printing, Postage & Publications	2,241,606	2,501,775	2,358,944	(142,830)	-5.7%
Taxes, Contributions & Insurance	3,197,498	3,278,116	3,337,261	59,145	1.8%
General Program Expense	18,421,772	19,883,576	21,316,988	1,433,412	7.2%
Cost of Goods Sold	2,233,752	2,272,298	1,971,116	(301,183)	-13.3%
LLC Expense (including transfers)	1,436,899	1,308,655	1,285,838	(22,817)	-1.7%
Debt Service	8,275,024	8,836,238	9,497,997	661,759	7.5%
Plant/Other Transfers (Net)	8,741,579	7,755,207	7,605,207	(150,000)	-1.9%
Contingency	-	500,000	250,000	(250,000)	
Total Expenses	\$ 175,272,755	\$ 179,846,306	\$ 185,871,543	6,025,237	3.4%
Surplus (Deficit)	\$ 43,558	\$ 0	\$ 0		

Five Year Forecast

The five-year forecast is based on the 2016/17 proposed operating budget. The key assumptions used in the forecast include:

- First-year enrollment target of 770 students and total undergraduate enrollment of 2,840.
- Total student charges increasing at 4.0% in FY 16/17 and then 3.5% each year thereafter.
- The Colgate Fund increases at 2.5% throughout the forecast.
- Endowment support is assumed to increase at 3.0% throughout the forecast.
- Faculty and staff salaries increasing at 2.1% throughout the forecast.
- Fringe benefits increasing by 6% each year.
- Net debt service increases by 7.5% annually in FY 17/18 thru FY 19/20 and then by 4.0% in FY 20/21.
- Non-compensation growth rates of 2.0% have been assumed in each year of the forecast.

It is not uncommon for the five year forecast to produce deficits in any given year, our primary concern being fiscal 2017/18. Future operating budget decisions and any new initiatives that are brought forward will need to be considered carefully and with strategic value in mind.

The endowment spending portion of the five-year forecast is prepared in accordance with the spending guideline projections periodically shared with the Endowment Management & Finance Committee. The negative income to principal (“I to P”) number reflects a portion of restricted endowment whose restrictions may preclude spending in any given year, and therefore we do not assume this spending in the operating budget. Endowment support is assumed to increase at 3% throughout the forecast. It is important to note that market performance and investment returns in the current year could significantly impact our long-term assumptions.

Colgate University
Operating Budget Sensitivity (in \$millions)

	Budget Projections - (March 8, 2016)					
	Based on 2016/17 Proposed (in \$millions)					
	2015-16 Budget	2016-17 Proposed Budget	2017-18	2018-19	2019-20	2020-21
<i>Income</i>						
Tuition and Fees	\$ 147.2	\$ 153.5	\$ 158.9	\$ 164.4	\$ 170.2	\$ 175.5
Less Financial Aid	53.2	58.3	61.2	62.4	63.1	65.7
Net Tuition Revenue	\$ 94.0	\$ 95.2	\$ 97.6	\$ 102.0	\$ 107.1	\$ 109.8
<i>Tuition Discount Rate %</i>	36.1%	38.0%	38.6%	38.0%	37.1%	37.5%
Auxiliary & LLC Income	30.5	32.0	33.0	34.1	35.2	36.4
Private Gifts and Grants:						
Unrestricted	6.3	6.6	6.8	6.9	7.1	7.3
Restricted	3.3	3.4	3.5	3.6	3.6	3.7
Endowment Support "Approved"	42.3	45.0	46.3	47.7	49.1	50.6
Other income sources	3.4	3.7	3.8	3.8	3.9	4.0
Total Income	\$ 179.8	\$ 185.9	\$ 191.0	\$ 198.1	\$ 206.1	\$ 211.7
<i>Expenses</i>						
Faculty Salaries	\$ 32.7	\$ 33.8	\$ 34.5	\$ 35.2	\$ 35.9	\$ 36.7
Other Salaries	45.5	47.3	49.0	50.0	51.1	52.1
Benefits	22.9	24.1	25.8	27.4	29.2	31.0
Subtotal compensation	\$ 101.1	\$ 105.2	\$ 109.3	\$ 112.7	\$ 116.2	\$ 119.9
Non-Compensation Expense	62.1	63.6	65.1	66.5	68.0	69.6
Net Debt Service	8.8	9.5	10.2	11.0	11.8	12.3
Transfers to Capital Reserves	7.8	7.6	7.8	8.1	8.3	8.6
Total Expense	\$ 179.8	\$ 185.9	\$ 192.4	\$ 198.2	\$ 204.3	\$ 210.3
Surplus (Deficit)	\$ -	\$ 0.0	\$ (1.4)	\$ (0.1)	\$ 1.7	\$ 1.5

<i>Assumptions</i>	<i>2016-17</i>	<i>2017-18</i>	<i>2018-19</i>	<i>2019-20</i>	<i>2020-21</i>
Total Student Charges Increase	4.00%	3.5%	3.5%	3.5%	3.5%
<i>* Sensitivity: 1% change in pricing equals net impact of approximately \$1.0M in FY 2016/17</i>					
The Colgate Fund	0.0%	2.5%	2.5%	2.5%	2.5%
Endowment Support	5.5%	3.0%	3.0%	3.0%	3.0%
Faculty Salary Pool Increase	2.1%	2.1%	2.1%	2.1%	2.1%
Staff Salary Pool Increase	2.1%	2.1%	2.1%	2.1%	2.1%
Benefit Increase	6.1%	6.0%	6.0%	6.0%	6.0%
<i>* Sensitivity: 1% change in faculty/staff salaries equals approximately \$800K in total comp for FY 2016/17</i>					
Non-Compensation Increase	2.8%	2.0%	2.0%	2.0%	2.0%

Enrollment	2,840	2,840	2,840	2,840	2,830
Total Student Charges	\$65,030	\$67,306	\$69,661	\$72,099	\$74,623

Revenue Highlights

Colgate's operating budget revenue is projected to be \$185.9 million in 2016/17, an increase of 3.4% over the current year budget.

Total Student Charges

Total student charges for 2016/17 are \$65,030. This represents a 3.98% increase over 2015/16 charges, and is higher than the 2.1% per capita disposable income guideline. A detailed comparison by component of next year's student charges is as follows:

	<u>2015/16</u>	<u>2016/17</u>	<u>\$ change</u>	<u>% change</u>
Tuition	\$49,650	\$51,635	\$1,985	4.00%
Fees	320	320	0	0.00%
Room	6,065	6,310	245	4.04%
Board	<u>6,505</u>	<u>6,765</u>	<u>260</u>	<u>4.00%</u>
Total	\$62,540	\$65,030	\$2,490	3.98%

During its February 26 conference call, the Trustee Executive Committee approved total student charges for 2016/17. The 2016/17 charges, along with a historical comparison, are shown on page 8. Early indications are that our 3.98% price increase should keep Colgate competitively positioned on total student charges among national, highly selective private college and universities.

Net Tuition Revenue and Enrollment

Gross Tuition and fee revenue is projected to increase by 4.3%, based on budgeted enrollment of 2,840 undergraduates and tuition charges of \$51,635. In addition, 2016/17 includes the third year with approved programs (study abroad) where participants will pay Colgate tuition for any of the approved programs offered. Overall, **net tuition revenue** is growing by 1.3% for a total of \$95.2 million in the proposed budget.

The budgeted undergraduate **enrollment** of 2,840 for 2016/17 is ten more than the current year. To meet the enrollment budget, Colgate aims to enroll a first-year class of 770 in the fall of 2016. Operating revenue is relatively sensitive to minor fluctuations in enrollment. A variation of 10 students can add or subtract approximately \$350,000 in net tuition revenue depending upon whether the enrollment variation occurs among aided or non-aided students. Factors that can affect enrollment include the ability to enroll a first year class on-target, success in transfer admission, retention rates and changes in the pattern of other leaves of absence.

Financial aid is projected to be \$58.3 million with a projected tuition discount rate of 38.0%. The financial aid budget will grow by \$5.0 million or 9.5% over the current year budget. The Class of 2020 is targeted to have 317 aided students out of a total class of 770, which represents 41.2% of the class. Given that the previous two incoming classes have

exceeded the financial aid budget, we must make provisions and carry this commitment into the 2016/17 operating budget and beyond.

Details of the financial aid budget are shown on page 10.

Non-Tuition Revenues

Auxiliary Income is derived primarily from room and board which totals \$30.8 million. Other auxiliary income sources are from the Bookstore, Seven Oaks Golf Club and Camp Colgate. Improved revenue and operating strategies have been implemented to improve overall bottom-line results in each of these areas. A detailed breakdown of auxiliary revenue and expense appears on page 31.

Colgate LLCs are the Colgate Inn, Palace Theater, Hamilton Movie Theater and Hamilton Initiative. These also have operating strategies to improve bottom-line results.

The **Unrestricted Annual Fund** is budgeted at \$6.6 million for 2016/17. This represents a \$300K increase from last year's budget and \$600K over 2014/15 actual results and reflects a focused effort to emphasize unrestricted giving through the recently rebranded Colgate Fund.

The **restricted** giving budget represents grants and gifts known at the time the budget is prepared. Additional restricted giving is often achieved, however it is usually accompanied by offsetting additional expense and therefore does not have any bottom line impact.

The amount of **endowment support** for operations will increase to \$46.3 million (or 6.2% over the approved spending amount in the current year) for 2016/17. This level of endowment spending was approved by the Finance Committee at its December 2015 meeting.

Athletic income is budgeted at \$1.8 million for 2016/17, a \$0.2 million increase. This area includes revenue received from the NCAA and increased goals by the athletic department in areas of guarantee games, corporate sponsorship, rentals and personal training programs.

Other income sources is budgeted at just under \$1.0 million, only slightly less than the current year budget. This includes items such as interest income, credit card rebates, parking fines and royalty and licensing agreements.

Enrollment

	Fall		Spring		Annual	
	*FTE	Colgate Study Group	*FTE	Colgate Study Group	*FTE	Colgate Study Group
Projected 2018-19	2,860		2,820		2,840	
Projected 2017-18	2,860		2,820		2,840	
Proposed 2016-17	2,856	(97)	2,824	(161)	2,840	(129)
<i>Actual 2015-16</i>	<i>2,834</i>	<i>(93)</i>	<i>2,794</i>	<i>(117)</i>	<i>2,814</i>	<i>(105)</i>
Budget 2015-16	2,843	(100)	2,816	(125)	2,830	(113)
Actual 2014-15	2,864	(88)	2,817	(156)	2,841	(134)
Actual 2013-14	2,871	(86)	2,864	(129)	2,868	(108)
Actual 2012-13	2,850	(119)	2,855	(161)	2,853	(140)
Actual 2011-12	2,926	(142)	2,887	(128)	2,907	(135)
Actual 2010-11	2,868	(72)	2,906	(161)	2,887	(117)
Actual 2009-10	2,800	(141)	2,710	(119)	2,755	(130)
Actual 2008-09	2,804	(116)	2,764	(146)	2,784	(131)
Actual 2007-08	2,800	(143)	2,735	(120)	2,768	(132)
Actual 2006-07	2,757	(91)	2,713	(163)	2,735	(127)
Actual 2005-06	2,750	(147)	2,716	(141)	2,733	(144)
Actual 2004-05	2,798	(139)	2,716	(138)	2,757	(139)
Actual 2003-04	2,768	(155)	2,685	(86)	2,727	(121)
Actual 2002-03	2,793	(113)	2,642	(113)	2,718	(113)
Actual 2001-02	2,778	(163)	2,683	(145)	2,731	(154)
Actual 2000-01	2,772	(148)	2,638	(111)	2,705	(130)
Actual 1999-00	2,803	(143)	2,633	(145)	2,718	(144)
Actual 1998-99	2,767	(155)	2,649	(115)	2,708	(135)
Actual 1997-98	2,840	(165)	2,722	(115)	2,781	(140)
Actual 1996-97	2,848	(185)	2,751	(133)	2,800	(159)

* FTE numbers include Colgate study group numbers

Total Student Charges at Colgate and Reference Colleges (Groups 1 and 2)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Increase Over Prior Year (\$)	Increase Over Prior Year (%)	Ratio Other/CU 2015-16	5 Yr. Avg. Inc. 2010-2011 to 2015-2016
Oberlin	\$52,587	\$54,760	\$57,025	\$59,474	\$61,788	\$64,224	2,436	3.9%	1.03	4.1%
Haverford	52,970	55,050	56,992	59,236	61,564	63,986	2,422	3.9%	1.02	3.9%
Trinity	53,380	55,450	57,530	59,810	61,756	63,920	2,164	3.5%	1.02	3.7%
Amherst	51,522	54,098	56,260	58,744	61,206	63,772	2,566	4.2%	1.02	4.4%
Dartmouth	52,275	55,366	57,996	60,201	61,947	63,744	1,797	2.9%	1.02	4.0%
Williams	52,340	54,560	56,770	58,900	61,070	63,290	2,220	3.6%	1.01	3.9%
Vassar	53,270	55,135	57,070	59,070	61,140	63,280	2,140	3.5%	1.01	3.5%
Connecticut	53,110	54,970	56,790	58,780	60,895	62,965	2,070	3.4%	1.01	3.5%
Colgate	52,060	53,570	55,715	57,890	60,145	62,540	2,395	4.0%	1.00	3.7%
Wesleyan	53,676	55,706	58,202	59,884	61,198	62,478	1,280	2.1%	1.00	3.1%
Bucknell	52,280	54,240	56,190	58,160	60,140	62,368	2,228	3.7%	1.00	3.6%
Union	52,329	54,273	56,289	58,248	60,240	62,274	2,034	3.4%	1.00	3.5%
St. Lawrence	51,770	53,740	55,835	57,900	59,982	62,150	2,168	3.6%	0.99	3.7%
Hamilton	51,760	53,470	55,620	57,790	59,970	62,070	2,100	3.5%	0.99	3.7%
Smith	51,898	53,460	55,320	57,524	59,674	61,758	2,084	3.5%	0.99	3.5%
Colby	51,990	53,800	55,700	57,510	59,500	61,730	2,230	3.7%	0.99	3.5%
Middlebury	52,120	53,800	55,570	57,075	58,753	61,456	2,703	4.6%	0.98	3.4%
Swarthmore	51,500	53,250	55,750	57,870	59,610	61,400	1,790	3.0%	0.98	3.6%
Bowdoin	52,880	54,470	56,128	57,814	59,568	61,354	1,786	3.0%	0.98	3.0%
Mt. Holyoke	52,036	53,596	55,596	57,596	59,146	60,746	1,600	2.9%	0.91	1.7%
Average	\$52,388	\$54,338	\$56,317	\$58,274	\$60,265	\$62,375	\$2,111	3.5%	1.00	3.5%
Median	\$52,278	\$54,257	\$56,225	\$58,204	\$60,193	\$62,423	\$2,152	3.5%	1.00	3.6%
Colgate Rank	13	17	15	13	11	9	5	3	9	6
Colgate	\$52,060	\$53,570	\$55,715	\$57,890	\$60,145	\$62,540	\$2,395	4.0%	1.00	3.7%

Total Student Charges at Colgate and Overlap Colleges (Cross-Admit)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Increase Over Prior Year (\$)	Increase Over Prior Year (%)	Ratio Other/CU 2015-16	5 Yr. Avg. Inc. 2010-2011 to 2015-2016
Colby	51,990	53,800	55,700	57,510	59,500	63,280	3,780	6.4%	1.01	4.0%
Boston University	52,124	54,130	56,184	58,530	60,694	62,956	2,262	3.7%	1.01	3.8%
Boston College	52,206	54,528	56,486	58,506	61,096	62,820	1,724	2.8%	1.00	3.8%
Colgate	52,060	53,570	55,715	57,890	60,145	62,540	2,395	4.0%	1.00	3.7%
Bucknell University	52,280	54,240	56,190	58,160	60,140	62,368	2,228	3.7%	1.00	3.6%
Hamilton College	51,760	53,470	55,620	57,790	59,970	62,070	2,100	3.5%	0.99	3.7%
University of Rochester	51,922	53,946	56,316	58,500	60,668	61,744	1,076	1.8%	0.99	3.5%
Middlebury College	52,036	53,800	55,570	57,075	58,753	61,456	2,703	4.6%	0.98	3.4%
Washington University	53,070	55,111	57,285	58,818	60,844	61,366	522	0.9%	0.98	2.9%
University of Richmond	52,460	53,160	54,740	56,105	57,470	60,880	3,410	5.9%	0.97	3.0%
Northeastern University	49,102	51,012	52,876	55,296	57,490	60,530	3,040	5.3%	0.97	4.3%
Villanova University	50,570	52,070	54,133	56,286	58,244	60,320	2,076	3.6%	0.96	3.6%
University of Vermont	41,952	44,132	45,676	47,148	48,654	50,310	1,656	3.4%	0.80	3.7%
Average	\$51,041	\$52,844	\$54,807	\$56,740	\$58,744	\$60,972	\$2,229	3.8%	0.97	3.6%
Median	\$52,036	\$53,800	\$55,700	\$57,790	\$59,970	\$61,744	\$2,228	3.7%	0.99	3.7%
Colgate Rank	6	8	6	6	5	4	5	5	4	5
Colgate	\$52,060	\$53,570	\$55,715	\$57,890	\$60,145	\$62,540	\$2,395	4.0%	1.01	3.7%

History of Student Charges at Colgate

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2016-17 % growth by component
Tuition	\$39,275	\$40,690	\$41,585	\$42,625	\$44,330	\$46,060	\$47,855	\$49,650	\$51,635	4.00%
Room	4,650	4,815	4,920	5,140	5,345	5,555	5,775	6,065	\$6,310	4.04%
Board	4,975	5,155	5,270	5,510	5,730	5,955	6,195	6,505	\$6,765	4.00%
Activity Fee	270	280	285	295	310	320	320	320	\$320	0.00%
Total	\$49,170	\$50,940	\$52,060	\$53,570	\$55,715	\$57,890	\$60,145	\$62,540	\$65,030	3.98%
\$ growth	2,340	1,770	1,120	1,510	2,145	2,175	2,255	2,395	\$2,490	
% growth	5.00%	3.60%	2.20%	2.90%	4.00%	3.90%	3.90%	3.98%	3.98%	

Tuition Only at Colgate and Reference Colleges (Groups 1 and 2)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Increase Over Prior Year (\$)	Increase Over Prior Year (%)	Ratio Other/CU 2015-16	5 Yr. Avg. Inc. 10-11 to 15-16
Vassar	42,560	44,050	45,580	47,180	48,840	50,550	1,710	3.5%	1.02	3.5%
Oberlin	41,234	42,842	44,512	46,250	48,054	49,928	1,874	3.9%	1.01	3.9%
Bucknell	42,112	43,628	45,132	46,646	48,234	49,878	1,644	3.4%	1.00	3.4%
Williams	41,190	42,938	44,660	46,330	48,030	49,780	1,750	3.6%	1.00	3.9%
Amherst	40,160	42,170	43,860	45,800	47,720	49,730	2,010	4.2%	1.00	4.4%
Colgate	41,585	42,625	44,330	46,060	47,855	49,650	1,795	3.8%	1.00	3.6%
St. Lawrence	40,905	42,420	44,075	45,705	47,350	49,060	1,710	3.6%	0.99	3.7%
Hamilton	40,870	42,220	43,910	45,620	47,350	49,010	1,660	3.5%	0.99	3.7%
Wesleyan	41,814	43,404	45,358	46,674	47,702	48,704	1,002	2.1%	0.98	3.1%
Haverford	40,260	41,830	43,310	45,018	46,790	48,656	1,866	4.0%	0.98	3.9%
Trinity	40,410	41,980	43,570	45,300	46,796	48,446	1,650	3.5%	0.98	3.7%
Dartmouth	39,978	41,736	43,782	45,444	46,764	48,120	1,356	2.9%	0.97	3.8%
Bowdoin	41,150	42,386	43,676	45,004	46,354	47,744	1,390	3.0%	0.96	3.0%
Swarthmore	39,260	40,816	42,744	44,368	45,700	47,070	1,370	3.0%	0.95	3.7%
Smith	38,640	39,800	41,190	42,840	44,450	46,010	1,560	3.5%	0.93	3.6%
Mt. Holyoke	40,070	41,270	41,270	41,270	42,470	43,700	1,230	2.9%	0.88	1.7%
Average	\$40,762	\$42,257	\$43,810	\$45,344	\$46,904	\$48,502	\$1,599	3.4%	0.98	3.5%
Median	\$40,888	\$42,303	\$43,885	\$45,663	\$47,350	\$48,857	\$1,655	3.5%	0.98	3.7%
Colgate Rank	4	6	6	6	5	6	4	4	5	10
Colgate	\$ 41,585	\$ 42,625	\$ 44,330	\$ 46,060	\$ 47,855	\$ 49,650	\$ 1,795	3.8%	1.00	3.6%

Financial Aid

	Actual 2014-15	Approved 2015-16	Proposed 2016-17	Percent Change
Undergraduate Scholarships	\$49,330,170	\$52,378,013	\$57,724,503	10.2%
Graduate Scholarships	\$195,846	242,933	254,359	4.7%
Prizes and Special Awards	\$568,186	598,662	542,512	-9.4%
Total	\$50,094,202	\$53,219,608	\$58,521,373	10.0%

Restated by Source of Funding	Percentage of Total			
Endowment	\$15,045,191	\$16,054,653	\$17,016,777	29.1%
Restricted Gifts	67,320	250,900	225,725	0.4%
Government Grants	270,925	270,925	270,925	0.5%
Unrestricted Funds	34,710,766	36,643,130	41,007,946	70.1%
Total	\$50,094,202	\$53,219,608	\$58,521,373	100.0%

	Actual 2014-15	Budget 2015-16	<i>Projected</i> Actual 2015-16	Proposed 2016-17
Undergraduate Students with				
Institutional Grants:	1,264	1,283	1,324	1,322
Student Body (FTE)	2,841	2,830	2,814	2,840
% of Student Body with Grants	44.5%	45.3%	47.1%	46.5%
Total Financial Aid	\$50,094,202	\$53,220,000	\$54,500,000	\$58,290,000
Net Tuition Revenue	\$91,655,880	\$93,956,000	\$92,500,000	\$95,185,000
Net Tuition Revenue - Percent Change	4.5%	0.4%	0.9%	1.3%
Effective Tuition Discount	35.3%	36.2%	37.1%	38.0%
Amount of Aid from:				
Loans	\$3,666,944	\$3,600,000	\$3,516,198	\$3,600,000
Jobs	\$1,407,934	\$1,800,000	\$1,887,186	\$1,900,000
Outside Grants*	\$2,776,799	\$2,900,000	\$2,948,471	\$2,900,000
Colgate Grant Recipients:				
(First-Year Students Only)	347	334	373	317
First-Year Enrollment (FTE)	767	760	774	770
% of First-Year Students	45.2%	43.9%	48.2%	41.2%

* Mainly New York State and federal grants

Net Tuition Revenue (\$000s)

	Tuition Gross Income (Aggregate)	Annual Growth	Colgate Grant Aid	Annual Growth	Net Tuition Revenue	Annual Growth	Tuition Discount Rate
Projected 2018-19	\$164,400	3.5%	\$62,400	1.9%	\$102,000	4.2%	38.0%
Projected 2017-18	\$158,900	3.5%	\$61,200	5.0%	\$97,700	2.6%	38.5%
Proposed 2016-17	\$153,476	4.3%	\$58,290	9.5%	\$95,186	1.3%	38.0%
Projected 2015-16*	\$147,006	3.7%	\$54,518	8.8%	\$92,488	0.9%	37.1%
Budget 2015-16*	\$147,176	3.8%	\$53,220	6.2%	\$93,956	2.5%	36.2%
2014-15	\$141,750	6.0%	\$50,094	8.8%	\$91,656	4.5%	35.3%
2013-14	\$133,736	4.5%	\$46,041	5.6%	\$87,695	4.0%	34.4%
2012-13	\$127,935	2.2%	\$43,612	2.9%	\$84,323	1.6%	34.1%
2011-12	\$125,238	3.2%	\$42,366	10.5%	\$82,872	-0.2%	33.8%
2010-11	\$121,344	7.3%	\$38,345	4.3%	\$82,999	8.1%	31.6%
2009-10	\$113,041	2.6%	\$36,750	7.5%	\$76,291	0.4%	32.5%
2008-09	\$110,193	5.6%	\$34,188	4.4%	\$76,005	6.2%	31.0%
2007-08	\$104,329	8.6%	\$32,761	8.4%	\$71,568	8.7%	31.4%
2006-07	\$96,043	6.1%	\$30,221	5.8%	\$65,822	6.3%	31.5%
2005-06	\$90,502	4.3%	\$28,577	4.3%	\$61,925	4.2%	31.6%
2004-05	\$86,797	6.0%	\$27,391	7.3%	\$59,406	5.3%	31.6%
2003-04	\$81,920	5.9%	\$25,527	4.6%	\$56,393	6.5%	31.2%
2002-03	\$77,381	4.3%	\$24,409	14.6%	\$52,972	0.1%	31.5%
2001-02	\$74,213	6.0%	\$21,291	4.2%	\$52,922	6.8%	28.7%

* Annual growth rate over 2014-15 actuals

Comparable Tuition Discount Rate (Financial Aid as a Percentage of Tuition & Fees) at Colgate

2016 USNWR** Rank	Institution	Discount Rate 2010/11	Discount Rate 2011/12	Discount Rate 2012/13	Discount Rate 2013/14	Discount Rate 2014/15	2015 Endowment Assets per FTE Student (\$)
19	Grinnell College	61.5%	63.6%	61.7%	63.0%	60.6%	1,056,202
9	Davidson College	54.1%	54.9%	54.0%	54.0%	50.6%	385,593
23	Macalester College	48.1%	48.4%	50.9%	49.6%	50.4%	370,934
14	Smith College	47.0%	47.9%	49.4%	48.5%	49.3%	609,434
4	Wellesley College	49.6%	49.5%	52.6%	50.6%	49.1%	832,804
4	Pomona College	44.5%	45.5%	46.7%	47.6%	48.6%	1,278,142
12	Vassar College	45.8%	48.2%	49.3%	47.7%	46.5%	410,659
2	Amherst College	54.2%	54.1%	55.1%	55.8%	45.9%	1,224,057
1	Williams College	49.8%	49.2%	49.4%	49.4%	45.2%	1,140,169
25	Bryn Mawr College	42.2%	43.4%	46.3%	44.3%	43.8%	515,199
3	Swarthmore College	42.8%	44.0%	42.8%	41.2%	42.4%	1,201,173
14	Washington and Lee University	36.5%	37.9%	39.0%	40.1%	41.4%	651,391
12	Haverford College	38.4%	39.8%	40.7%	40.0%	40.3%	415,771
23	Oberlin College	42.9%	42.1%	40.2%	40.1%	39.9%	282,101
14	Harvey Mudd College*	40.7%	39.3%	39.3%	38.6%	39.4%	360,045
4	Bowdoin College	36.0%	36.5%	37.2%	38.5%	37.9%	772,469
25	Bates College *	34.4%	36.3%	35.7%	38.4%	37.7%	147,491
14	Hamilton College	32.8%	32.6%	34.7%	35.9%	36.6%	451,196
14	Wesleyan University	34.3%	37.0%	37.3%	35.7%	36.1%	257,752
8	Carleton College	36.2%	36.2%	36.1%	35.1%	36.1%	382,486
19	Colgate University	31.7%	33.8%	34.2%	34.4%	35.4%	310,378
25	Kenyon College	35.6%	35.1%	36.0%	33.3%	35.1%	132,191
19	Colby College *	31.6%	32.3%	32.1%	33.9%	33.8%	403,875
25	Colorado College	32.8%	32.7%	32.1%	32.2%	32.8%	350,180
9	Claremont McKenna College	29.4%	27.9%	27.9%	33.9%	31.6%	555,122
4	Middlebury College *	34.0%	32.9%	33.0%	34.1%	27.8%	439,428
Median		39.6%	39.6%	39.7%	40.0%	40.1%	\$427,600

* Note: These schools offer a comprehensive tuition and fee package or list in aggregate the total student charges on their financial statements. In order to calculate a tuition and fee only income amount, assumptions were made based on the percentage tuition and fee component at schools with similar overall charges. Therefore, the discount rates for these schools have been estimated.

** US News and World Report, America's Best Colleges

Compensation Summary

Compensation Expense

Colgate, as with any college or university, is a labor-intensive operation, with approximately 57% of expenses allocated to compensation. A breakdown of the compensation budget is shown on page 15.

Salaries

The *faculty salary* pool for continuing faculty is increasing at 2.1%, the calculated rate of increase in Per Capita Disposable Income over the last two years. To augment this increase, we have set aside anticipated turnover savings of approximately \$300K of funding to reward promotions and strong performance as well as to address any necessary adjustments. Individual faculty salary increases will vary based on merit, length of service and academic rank. Colgate's goal is to maintain the competitive standing of average compensation within its reference groups.

The 2016/17 operating budget includes two new faculty positions that were previously approved.

The *staff salary* pool for continuing staff will increase by 2.1% with an additional \$200K set aside for promotions and market adjustments. We have set aside \$155K to fund the staff bonus program to reward and recognize exceptional performance.

The ColGreat program is a new program that began in the current year to recognize staff members who displayed outstanding achievement in the areas of communication, innovation, leadership, change management, and embracing diversity and inclusion. These employees are peer-nominated and publically acknowledged. We have budget \$10K for these recognition awards.

One staff position (assistant Director of Compliance) has been approved for 2016/17. This position will be funded through the NCAA, which means it will not have a bottom line impact. In addition, these funds will enhance the areas that directly benefit our student athletes in the areas of academic support and/or NCAA compliance.

Benefits

Fringe benefits are budgeted to increase by 5.0% in 2016/17. One of the largest expense items within fringe benefits is the premiums associated with the healthcare coverage provided to active employees and retirees. In October 2013, the Board of Trustees approved the conversion from a fully insured healthcare plan to a partially self-funded plan with additional stop-loss coverage effective January 1, 2014. This plan change has allowed the university to avoid significant healthcare cost increases while simultaneously keeping copays and coverage essentially the same.

When setting the budget we used our half-year of 2016 actual of 3.1% and a second half year of a projected 7.25%. We are cautiously optimistic that we will be able to continue to keep fringe benefit costs low. Being self-insured, there is the potential for an off year with larger insurance claims that may impact healthcare costs. To date, the shift to self-insurance has been favorable for Colgate.

Compensation Analysis

	2014-15	2015-16	2016-17		Percent
	Approved	Approved Budget	Proposed Budget	Variance	Change
Faculty Salaries	\$31,938,642	\$32,698,085	\$33,764,907	\$1,066,822	3.3%
Staff Salaries	42,981,636	43,966,677	45,678,458	\$1,711,781	3.9%
Faculty and Staff Fringe Benefits	24,377,898	25,200,369	26,448,742	\$1,248,372	5.0%
Buildings & Grounds Chargebacks	(2,290,000)	(2,300,000)	(2,300,000)	\$0	0.0%
Student Wages	1,542,469	1,531,768	1,577,294	\$45,526	3.0%
Total Compensation	\$98,550,645	\$101,096,899	\$105,169,400	\$4,072,501	4.1%

Expense by Type (see page 2)

Non-Compensation Expense

Contracted services will increase \$488K . A key component of contracted services is the costs associated with Colgate's meal plans, where we have assumed an expense increase of 3.4%. In addition, we anticipate more students will participate on the premier meal plan which results in \$550K over the current year budget. Offsetting meal plan revenue appears in the area of auxiliary income. Other increases in this category include Professional Fees (\$31K), Legal Fees (\$30K) and Contract Maintenance (\$22K). Lecturer/Consultant, Other Fees/Contractual, and Bank Fees have all remained flat or had slight decreases.

Utilities will increase slightly by \$63K or 1.2% in 2016/17, this is after the addition of utility expenses for the Class of 65 Arena. Work continues on optimizing our systems, improving building envelop performance and fine tuning the use of various fuel sources now available due to our heating plant conversion. Colgate continues to benefit from using wood-chips as one of its primary fuel sources for steam heat for the main campus and has recently negotiated better pricing through a competitive process. The increase in water and sewage fees accounts for the bulk of the utilities increase in 2016/17.

Equipment expense will increase by \$187K or 7.0% in 2016/17. Of that total, \$130K is for ITS Academic Desktop support. Major Equipment also increases with purchases budgeted for biology and the natural sciences.

Library acquisitions will rise by \$79K or 3.0% from the current year budget. The majority of this increase is tied directly to "serials" inflation.

Travel and entertainment (overall, including study groups) will decrease by \$131K or 1.6% in 2016/17. Travel costs associated with Colgate's study abroad program (Colgate led groups) decreased by \$314K due to fewer groups traveling. Student/Team Travel increases \$100K, and Employee Travel expense increases by \$90K.

Printing, postage and publications will decrease by \$143K in 2016/17. We continue to find ways to do more web-based and other electronic forms of communication. Many departments on campus continue to look for ways to reduce paper dependency and taking advantage of electronic methods is a cost-effective measure. In an effort to ensure expenditures are budgeted and accounted for accurately, a new account for copy charges was created and in most cases reallocated from the general operating account.

Taxes, contributions and insurance rises by \$59K in 2016/17. Property Tax is the main driver behind this increase for 2016/17.

General Program Expense increases by \$1.4 million or 7.2% in 2016/17. The majority of the increase is associated with restricted funds (roughly \$1.0 million) and includes areas such as Student Internships in the Career Planning Office, Dean of Faculty Programs, and endowment spending increases of \$800K. The remaining increase is unrestricted spending

for study groups, Presidential contingency funding, and operating expenses to support the Class of '65 Arena.

A more detailed summary of the performance of all of Colgate's auxiliary operations including *LLC expenses* is shown on page 31.

Net debt service rises by \$662K or 7.5% in 2016/17. The university's past practice has been for net debt service to increase by 4% which would have resulted in a \$353K increase. Additional debt service associated with the \$55 million in new debt has been incorporated into the operating budget. This increase is being offset by an additional draw from Fund B¹ of approximately \$4.5 million.

Plant/other transfers (net) will decrease by 1.9% in 2016/17 as we move funding for vehicle replacement to lease expenses. The great majority of the transfer to plant is allocated to the capital project reserves.

A central *contingency* of \$250K is budgeted for 2016/17.

¹ Fund B is a quasi-endowment fund that was established in fiscal 1999 by the Board with certain unrestricted major gifts. The unrestricted gifts transferred to Fund B were invested alongside the endowment; however, Fund B is not subject to the university's endowment spending rule. While the university is allowed to access Fund B at any time to meet current and/or future financial obligations, it is currently being used to smooth the impact of annual "gross" debt service on the operating budget.

Expense by Program Area

A summary of expense by program is shown on page 22.

Program expense budgets also include compensation.

Instruction

Instruction includes most faculty compensation and other costs directly related to teaching.

Cost of *instruction* increases by 2.8% in 2016/17 (details on page 23). The increases in instruction are largely due to increases in salaries and additional program support for academic departments.

Compensation accounts for 79% of the total cost of instruction. As explained on page 13, the salary pool for continuing faculty will rise by 2.1%. To augment this increase, anticipated turnover savings of \$300K have been set aside to reward promotions and strong performance as well as to address any necessary adjustments.

Athletics

Athletics includes both intercollegiate and physical education expenditures. (Details on page 24). The overall *athletics* budget is increasing by 3.8% (\$499K) for 2016/17. The majority of that increase is compensation followed by increased travel expense.

During the last several years the Division of Athletics has been working to budget a higher level of support from restricted funds (support groups) and become less reliant on unrestricted sources of support.

Research

Research includes Colgate-sponsored research and outside (non-federal) grants (i.e. it does not include National Science Foundation grants to faculty members). The budget number fluctuates substantially from year to year as it reflects grants known at the time the budget is prepared (often these are continuations of multi-year grants). Actual grant-funded research expense tends to be higher than budget, but has no bottom line impact.

Academic Support

Academic Support costs are essentially flat overall and include the cost of Colgate's libraries, the majority of the operating cost of Information Technology Services, the Picker Art Gallery, resources for curriculum development, and other administrative expenses that support, but are not part of direct instructional expense.

The *library* budget shows an increase of 1.7% (details on page 25). As stated earlier, this increase is due to the level of inflation experience with serials. The library has worked on reducing expenditures in many areas in order to accommodate the increase in serials without jeopardizing student and faculty research needs. In addition, the library continues to seek

ways to improve operational efficiencies by taking advantage of consortia arrangements and other cost-cutting strategies.

Information technology services (ITS) budget is increasing by 2.5% (details on page 26). The budget for 2016/17 will allow ITS to continue offering high levels of service to students, faculty, and staff. In addition, ITS has been supporting many university and departmental initiatives related to the OAK project (Optimization, Analytics and Knowledge). Some of these initiatives include the build-out of our business intelligence and data warehouse project, customer relationship management (CRM) systems and the Concur travel and expense initiative. These projects are good examples of how we can reduce costs and improve efficiencies.

Student Services

Student services budget remains flat with a 0.3% increase. (details on page 27). Student Services includes the majority of the Dean of the College operations, and also the offices of Admission, Financial Aid and Chaplain.

A vital new program that will have a broad impact on the students and the community is the Sexual Assault Nurse Examiner (SANE), which is funded in the 2016/17 budget. Representatives from Colgate University, Community Memorial Hospital (CMH), Victims of Violence, Cazenovia College, and Morrisville State University are working with the Sexual Assault Nurse Examiner program in Onondaga County through Vera House, Inc., to help train local nurses and implement CMH coverage within 6-12 months. The SANEs will be available to the local community as well as to Colgate, thereby providing this important service to the entire area.

The second phase of the residential commons programming, Commons 2 (Bryan Complex) has been incorporated into the 2016/17 budget. Funding for 2016/17 includes programming costs and one-time expenses, all aimed at creating a more positive and healthy campus climate for all students.

Institutional Support

Institutional Support is budgeted to increase by 9.0% (details on page 28) due primarily to Environmental Health and Safety moving to Institutional Support from Academic Support. The shift in expenses added \$659K to the area of Academic Support, accounting for 26% of the overall increase in this area. When restated by function, the category of Other – Institutional Support Services increased \$1.9 million. Aside from Environmental Health and Safety, other areas include Other General Institutional expense, Retiree Benefits and Affirmative Action. Institutional Support also includes the central administrative offices of the President, the Provost, the Secretary of the Board, Finance and Administration, Human Resources, Institutional Advancement, Alumni Affairs, Communications, Purchasing, and the undistributed portion of Printing and Mail Services and the portion of Information Technology Services that relates to administrative computing.

Operation & Maintenance of Plant

The cost of *operation and maintenance of plant* increases 5.1% (details on page 30) primarily due to compensation and higher sewer and water rates.

Debt Service and Plant Renewal

Colgate is able to smooth its actual debt payments (details on page 30) by drawing on unrestricted funds that are invested with the endowment. *Net debt service* will increase by 7.5% in fiscal year 2016/17. This annual growth is consistent with our planned increase and also includes borrowing \$55 million for our future capital projects.

Colgate also provides for the future renewal and improvement of the physical plant and equipment by transferring funds to reserve accounts. *Plant/other transfers* (net) will decrease by 1.9% in 2016/17 as we move funding for vehicle replacement to lease expenses. The great majority of the transfer to plant is allocated to the capital project reserves.

Auxiliary and LLC Operations

Auxiliary and LLC Operations encompasses Colgate's student residences and dining halls; residential properties rented to faculty and staff; various retail operations such as the Bookstore, Hamilton Theater, Movie Theater and the Colgate Inn. Various recreational facilities such as Seven Oaks Golf Course and Colgate Camp at Saranac Lake are also included. The costs associated with Hamilton Initiative are grouped in this category as well. Auxiliary operations are distinguished from most other activities at Colgate as each has its own separately identifiable revenue stream. While all direct costs are allocated, there are examples where indirect costs are not fully distributed. For that reason, Auxiliary Operations produce positive operating margins that support administrative expenses in the "Educational and General Expense" area (details on page 31).

Room and board expense increases by a combined 4.9% in 2016/17. Both housing and dining are largely dependent on the number of students projected to be living in Colgate housing as well as the number of meal plan participants. Colgate is in its first year with food service provider Chartwells and we continue optimizing food selections, operating hours and meal plan options. It is our hope that we can increase the number of students who voluntarily participate in our meal plan offerings next year and in the years to come. Chartwells increased expense is primarily due to the labor contract with the food service workers.

The second category of auxiliary operations is *student services*. As the names suggests these are seen primarily as services to students rather than businesses run for their ability to generate a surplus. Entities included here are the Hamilton Theater and the Palace Theater.

The third category is *other enterprises*. These are closer to stand-alone businesses and encompass a wide variety of services. The Colgate Bookstore, Colgate Inn, Hamilton Initiative, Rental Dwellings, Seven Oaks Golf Course, and Camp Colgate make up the other enterprises category.

The *Bookstore* revenue decreases by 3.1% and expenses increase by 1.5% in 2016/17. The Bookstore continues to face challenges surrounding textbook sales and computer sales with increased competition from outside sources. In order to compensate for the increased pressure to their revenue base, the Bookstore is responding with greater focus on retail opportunities.

Expense by Program

<u>Expense by Function</u>	Actual 2014-15	Approved 2015-16	Proposed 2016-17	Percent Change
Education and General				
Instruction	\$58,334,689	\$61,425,712	\$63,123,701	2.8%
Athletics	13,596,293	13,139,278	13,638,570	3.8%
Research	838,160	739,256	745,000	0.8%
Academic Support	13,364,587	14,789,521	14,717,486	-0.5%
Student Services	11,677,523	12,967,224	13,011,588	0.3%
Institutional Support	27,570,190	28,315,535	30,851,364	9.0%
Operation and Maintenance of Plant	14,592,558	14,701,019	15,451,250	5.1%
Debt Service Transfers	7,008,628	7,010,515	7,132,933	1.7%
Debt Service Funded by Reserves	(3,669,447)	(1,300,698)	(2,355,450)	81.1%
Plant Renewal Transfers	9,736,859	5,903,948	5,698,947	-3.5%
Total Education and General	153,050,039	157,691,310	162,015,390	2.7%
Auxiliaries				
Operating Expense	15,463,749	16,797,452	17,106,279	1.8%
Debt Service Transfers	4,935,843	4,875,475	6,871,518	40.9%
Debt Service Funded by Reserves	151,777	(1,369,191)	(2,027,904)	48.1%
Plant Renewal Transfers	1,671,347	1,851,260	1,906,260	3.0%
Total Auxiliaries	22,222,716	22,154,996	23,856,153	7.7%
Contingency				
Total Expense	\$175,272,755	\$179,846,306	\$185,871,543	3.4%

Instruction

	Actual 2014-15	Approved 2015-16	Proposed 2016-17	Percent Change
<u>Expenses</u>				
Faculty Compensation	\$32,240,908	\$33,002,785	\$34,100,907	3.3%
Staff Compensation	4,022,157	4,103,784	3,962,724	-3.4%
Fringe Benefits - Faculty and Staff	9,890,435	10,879,734	11,169,110	2.7%
<u>Student Wages</u>	350,113	344,949	359,603	4.2%
Subtotal Compensation	46,503,613	48,331,251	49,592,344	2.6%
Contracted Services	624,640	767,542	707,088	-7.9%
Equipment	435,657	324,614	353,016	8.7%
Travel & Entertainment	3,913,354	3,615,255	3,342,447	-7.5%
General Program Expense/Other	6,857,391	8,387,050	9,128,807	8.8%
Total Expense	\$58,334,654	\$61,425,712	\$63,123,701	2.8%

	Actual 2014-15	Approved 2015-16	Proposed 2016-17
Academic Faculty			
Continuing Faculty Positions	268.4	270.4	274.8
Total Faculty Teaching (FTE)	266.7	262.6	266.1
Paid Faculty Leaves (FTE)	25.6	34.0	28.1
Other Teaching Load Reductions (FTE)	32.7	31.5	32.3
Total FTE Faculty Paid	325.0	328.1	326.5
Instruction Cost/Undergraduate FTE	\$20,533	\$21,705	\$22,227
growth rate:	16.7%	0.0%	2.4%
Students			
Undergraduate Enrollment (FTE)	2,841	2,830	2,840
Undergraduates per Faculty Paid	8.7	8.6	8.7
Undergraduates per Faculty Teaching	10.7	10.8	10.7
Off-Campus Study Groups			
Number of Colgate Study Groups	17	16	16
Students on Colgate Study Groups	244	235	261
Colgate Extended Study Programs	6	6	6
Students on Colgate Extended Study Groups	70	90	90
Number of Students per Colgate Study Group	14.4	14.69	16.30
Participants in Non-Colgate Study Groups	197	240	237

Academic Support

Library

	Actual 2014-15	Approved 2015-16	Proposed 2016-17	Percent Change
<u>Expenses</u>				
Staff Compensation	\$2,423,513	\$2,687,918	\$2,783,868	3.6%
Student Wages	201,506	252,020	212,772	-15.6%
Subtotal Compensation	2,625,019	2,939,938	2,996,640	1.9%
Contracted Services	126,093	152,543	161,149	5.6%
Library Acquisitions	2,463,467	2,589,743	2,678,095	3.4%
Travel & Entertainment	34,741	33,632	37,752	12.3%
General Program Expense	325,848	366,079	341,784	-6.6%
Other Expense	117,208	52,794	24,459	-53.7%
Total Expense	\$5,692,375	\$6,134,730	\$6,239,879	1.7%

	Actual 2014-15	Approved 2015-16	Proposed 2016-17
FTE Positions			
Faculty/Professional (FTE)	16.5	16.5	17.55
Clerical/Technical (FTE)	18.65	18.65	17.89
Total Staff	35.15	35.15	35.44
Library Expense as % of Net E & G	3.7%	3.9%	3.9%
Collections			
Volumes	813,245	824,039	833,239
Periodicals - print only	463	402	403
Microforms	443,423	443,800	442,800
Digital Books	569,256	690,000	605,256
Periodicals/Serials - digital	92,079	118,000	98,980
Circulation & Library Use			
On-Campus Regular & Reserve	67,939	70,000	68,000
Interlibrary Lending	10,813	11,300	10,800
Interlibrary Borrowing (includes ConnectNY)	8,472	10,000	8,500
Interlibrary Borrowing as % of Circulation	12.5%	14.3%	13.0%
Digital Searches (e-books, e-periodicals/serials)	1,177,385	1,210,000	1,242,600
Digital Downloads (e-books, e-periodicals/serials)	359,778	393,615	427,615

¹ ILL lending suspended during construction period.

Academic Support

Information Technology Services

	Actual 2014-15	Approved 2015-16	Proposed 2016-17	Percent Change
<u>Expenses</u>				
Staff Compensation	\$4,278,261	\$4,614,375	\$4,806,227	4.2%
Student Wages	176,462	171,295	240,705	40.5%
Subtotal Compensation	4,454,724	4,785,670	5,046,933	5.5%
Equipment	1,608,077	1,894,920	2,005,272	5.8%
General Program Expense	1,314,387	1,602,441	1,538,320	-4.0%
Contracted Services, Repairs and Other Expense	1,246,410	1,205,302	1,138,069	-5.6%
Total Expense	\$8,623,597	\$9,488,333	\$9,728,593	2.5%

	Actual 2014-15	Approved 2015-16	Proposed 2016-17	Percent Change
Total Staff	45.9	47.0	47.0	0.0%
Expense per Undergraduate FTE	\$3,035	\$3,353	\$3,426	2.2%
Number of Laptops and Desktops	3,514	4,114	4,114	0.0%
ITS Expense as % of Net E & G	5.6%	6.0%	6.0%	

Student Services

	Actual 2014-15	Approved 2015-16	Proposed 2016-17	Percent Change
<u>Expenses</u>				
Staff Compensation	\$7,295,882	\$7,671,414	\$7,910,493	3.1%
Student Wages	126,477	172,538	169,647	-1.7%
Subtotal Compensation	7,422,359	7,843,952	8,080,140	3.0%
Contracted Services	631,565	927,729	874,205	-5.8%
Travel & Entertainment	537,901	643,014	623,957	-3.0%
General Program Expense/Other	3,085,698	3,552,529	3,433,287	-3.4%
Total Expense	\$11,677,523	\$12,967,224	\$13,011,588	0.3%

Restated by Department:

Dean of College	\$2,733,079	\$3,163,794	\$3,475,528	9.9%
Registrar	402,268	386,474	387,513	0.3%
Admissions Office	3,330,127	3,814,704	3,804,232	-0.3%
Chaplain	422,745	517,213	545,444	5.5%
Center for Leadership & Student Involvement	1,048,424	1,169,289	858,616	-26.6%
Financial Aid Office	422,844	433,923	441,314	1.7%
Residential Education	553,505	615,116	539,898	-12.2%
ALANA Cultural Center	212,719	221,839	194,262	-12.4%
University Counseling	710,279	633,079	653,407	3.2%
Health Services	1,731,121	1,863,747	1,962,611	5.3%
Gate Card	110,412	148,047	148,763	0.5%
Total Student Services	\$11,677,523	\$12,967,224	\$13,011,588	0.3%

Institutional Support

	Actual 2014-15	Approved 2015-16	Proposed 2016-17	Percent Change
<u>Expenses</u>				
Staff Compensation	\$17,354,304	\$18,417,160	\$20,062,522	8.9%
<u>Student Wages</u>	144,614	191,853	193,962	1.1%
Subtotal Compensation	17,498,918	18,609,013	20,256,484	8.9%
Contracted services	2,343,515	1,954,115	2,079,714	6.4%
Equipment	749,284	653,635	710,689	8.7%
Travel & Entertainment	1,012,802	1,217,016	1,332,762	9.5%
Printing, Postage & Publications	1,108,293	1,287,385	1,212,189	-5.8%
Taxes, Contributions & Insurance	1,295,553	1,209,278	1,180,824	-2.4%
General Program Expense/Other	3,561,825	3,385,093	4,078,703	20.5%
Total Expense	\$27,570,190	\$28,315,535	\$30,851,364	9.0%
<u>Restated by Function:</u>				
Advancement and Alumni Affairs	\$7,292,201	\$7,461,390	\$7,797,270	4.5%
Career Services	1,808,628	1,633,259	2,049,634	25.5%
Communications	2,240,279	2,474,613	2,559,555	3.4%
Campus Safety	1,566,937	1,655,083	1,699,423	2.7%
a) Administrative Offices	6,735,065	7,268,167	7,196,983	-1.0%
Administrative Information Technology	3,644,352	4,021,559	3,822,354	-5.0%
b) Other - Institutional Support Services	4,282,729	3,801,465	5,726,146	50.6%
Total	\$27,570,190	\$28,315,535	\$30,851,364	9.0%

- a) Administrative Offices includes President, VP for Finance and Administration and Human Resources.
- b) Other - Institutional Support Services includes Printing, Mailroom, Telephone, Retiree Benefits, Liability Insurance, Professional Fees (legal, bank, audit) and Voluntary Payments. Added in 2016/17 is the department of Environmental Health and Safety, which skews the overall increase for 2016/17.

Advancement and Alumni Affairs

	Actual 2014-15	Approved 2015-16	Proposed 2016-17	Percent Change
<u>Expenses</u>				
Staff Compensation	\$4,891,200	\$5,181,538	\$5,445,856	5.1%
<u>Student Wages</u>	55,723	71,502	47,862	-33.1%
Subtotal Compensation	4,946,923	5,253,040	5,493,718	4.6%
Contracted services	181,389	191,571	172,485	-10.0%
Travel & entertainment	517,572	601,294	672,007	11.8%
Printing, postage & publications	366,539	397,430	375,282	-5.6%
General Program Expense/Other	1,279,779	1,018,054	1,083,778	6.5%
Total Expense	\$7,292,201	\$7,461,390	\$7,797,270	4.5%

Communications

	Actual 2014-15	Approved 2015-16	Proposed 2016-17	Percent Change
<u>Expenses</u>				
Staff Compensation	\$1,602,109	\$1,809,815	\$1,874,652	3.6%
<u>Student Wages</u>	17,300	25,000	26,000	4.0%
Subtotal Compensation	1,619,409	1,834,815	1,900,652	3.6%
Contracted services	216,721	238,000	183,720	-22.8%
Travel & entertainment	42,592	45,550	61,550	35.1%
Printing, postage & publications	260,744	289,500	280,600	-3.1%
General Program Expense/Other	100,814	66,748	133,033	99.3%
Total Expense	\$2,240,279	\$2,474,613	\$2,559,555	3.4%

Career Services

	Actual 2014-15	Approved 2015-16	Proposed 2016-17	Percent Change
<u>Expenses</u>				
Staff Compensation	\$1,214,447	\$1,193,921	\$1,339,155	12.2%
<u>Student Wages</u>	41,626	46,557	51,348	10.3%
Subtotal Compensation	1,256,073	1,240,478	1,390,503	12.1%
Contracted services	200	0	110,002	N/A
Travel & entertainment	111,936	90,701	128,798	42.0%
Printing, postage & publications	11,976	7,500	13,998	86.6%
General Program Expense/Other	453,469	294,579	406,333	37.9%
Total Expense	\$1,833,654	\$1,633,259	\$2,049,634	25.5%

Operation and Maintenance of Plant

	Actual 2014-15	Approved 2015-16	Proposed 2016-17	Percent Change
Compensation	\$9,081,084	\$9,587,570	\$10,048,327	4.8%
Compensation Paid by Other Budgets	(2,318,966)	(2,300,000)	(2,300,000)	0.0%
Heating	2,287,658	2,033,465	1,964,499	-3.4%
Electricity/Water/Sewer	1,327,512	1,282,554	1,430,557	11.5%
Unscheduled Repairs	1,555,647	1,421,494	1,397,927	-1.7%
Scheduled Repairs	738,249	715,641	737,110	3.0%
Property & Fire Insurance	316,378	338,033	343,116	1.5%
Supplies & Other Expenses (includes Colgate Cruiser)	2,814,588	2,842,038	2,967,853	4.4%
Costs Paid by Other Budgets	(1,209,592)	(1,219,775)	(1,138,139)	-6.7%
Total Plant	\$14,592,558	\$14,701,019	\$15,451,250	5.1%
Estimated Total Plant Replacement Value	\$491,557,335	\$526,631,892	\$534,531,370	
Plant Costs as a % of E&G Budget	9.5%	9.3%	9.5%	
Gross Square Footage	2,310,726	2,324,931	2,422,000	

Debt Service and Plant Renewal

	Actual 2014-15	Approved 2015-16	Proposed 2016-17	Percent Change
Debt Service:				
Educational & General	\$7,008,628	\$7,010,515	\$7,132,933	1.7%
Auxiliary	4,935,843	4,875,475	6,871,518	40.9%
Funded by Reserves	(5,320,720)	(3,049,752)	(4,506,154)	47.8%
Total	\$6,623,751	\$8,836,238	\$9,498,297	7.5%

	Actual 2014-15	Approved 2015-16	Proposed 2016-17	Percent Change
Reserved for Plant/Equipment Renewal:				
Educational & General	\$7,070,232	\$5,903,947	\$5,698,947	-3.5%
Auxiliary	1,671,347	1,851,260	1,906,260	3.0%
Total	\$8,741,579	\$7,755,207	\$7,605,207	-1.9%

* The auxiliary component includes LLC reserve allocations

Auxiliary and LLC Operations

	Actual 2014-15	Approved 2015-16	Proposed 17APPR	Percent Change
Income:				
Room and Board				
Student Residences	\$14,565,486	\$15,191,344	\$15,900,236	4.7%
Food Services	8,867,411	9,001,325	10,296,923	14.4%
Student Services				
Convenience Store	306,700	342,822	0	-100.0%
Barge Canal Coffee House	14,586	0	0	N/A
Palace Theater	14,548	0	12	N/A
Hamilton Theater, LLC	388,121	417,355	418,610	0.3%
Other Enterprises				
Colgate Inn	211,465	385,000	306,000	-20.5%
Bookstore	3,318,735	3,610,705	3,497,442	-3.1%
Recreational Facilities	812,691	945,000	935,000	-1.1%
Rental Dwellings	152,352	154,794	166,794	7.8%
Hamilton Initiative, LLC	487,356	492,500	494,000	0.3%
Total Income	\$29,139,453	\$30,540,845	\$32,015,017	4.8%
Expense:				
Room and Board				
Student Residences	\$6,892,085	\$7,036,063	\$7,073,317	0.5%
Food Services	5,152,297	5,022,564	5,570,410	10.9%
Debt Service	4,935,843	4,875,475	6,871,518	40.9%
Fund B Support	(1,651,233)	(1,369,191)	(2,027,904)	48.1%
Net Debt Service	3,284,610	3,506,284	4,843,614	38.1%
Student Services				
Convenience Store	267,981	305,196	-	-100.0%
Barge Canal Coffee House	26,559	-	-	N/A
Palace Theater	112,307	90,310	91,838	1.7%
Hamilton Theater, LLC	520,423	412,410	411,500	-0.2%
Other Enterprises				
Colgate Inn	169,230	168,920	165,300	-2.1%
Bookstore	3,510,028	3,460,120	3,513,414	1.5%
Recreational Facilities	1,259,885	1,168,089	1,166,586	-0.1%
Rental Dwellings	392,371	348,025	355,975	2.3%
Hamilton Initiative, LLC	634,939	637,015	617,200	-3.1%
Total Expense	\$22,222,716	\$22,154,996	\$23,809,153	7.5%
Net Financial Contribution:				
Room and Board				
Student Residences	\$7,673,401		\$8,826,919	
Food Services	3,715,114	3,978,760	4,726,514	
Net Debt Service	(3,284,610)	(3,506,284)	(4,843,614)	
	<u>\$8,103,906</u>	<u>\$472,476</u>	<u>\$8,709,819</u>	
Student Services				
Convenience Store	38,719	37,626	0	
Barge Canal Coffee House	(11,972)	0	0	
Palace Theater	(97,759)	(90,310)	(91,826)	
Hamilton Theater, LLC	(132,302)	4,945	7,110	
	<u>(203,314)</u>	<u>(47,739)</u>	<u>(84,716)</u>	
Other Enterprises				
Colgate Inn	42,235	216,080	140,700	
Bookstore	(191,293)	150,585	(15,972)	
Recreational Facilities	(447,194)	(223,089)	(231,586)	
Rental Dwellings	(240,019)	(193,231)	(189,181)	
Hamilton Initiative, LLC	(147,583)	(144,515)	(123,200)	
	<u>(983,854)</u>	<u>(194,170)</u>	<u>(419,239)</u>	
Total Net Financial Contribution	\$6,916,737	\$230,568	\$8,205,864	

Footnotes:

- a) Recreational Facilities include Camp Colgate and Seven Oaks.
- b) Includes auxiliary plant transfers.
- c) Unallocated repair expense is an estimate of total repairs across all auxiliary operations.
When the expense occurs it is distributed to the appropriate auxiliary operation.