

community

A newsletter for the faculty and staff of the College of Saint Benedict and Saint John's University

Boards Approve Fiscal Year 2009 Budget

On March 7, the Board of Trustees of the College of Saint Benedict and the Board of Regents of Saint John's University approved the fiscal year 2009 budgets for CSB and SJU. The budgets total \$58,618,247 for the College of Saint Benedict and \$59,680,180 for the undergraduate College of Arts and Sciences at Saint John's University.

Key elements and planning assumptions for the fiscal year 2009 budget include:

- Combined undergraduate enrollment of 3,967 students, nearly identical to total enrollment in fall 2007. First-year to senior enrollment is expected to total 2,076 at Saint Benedict and 1,891 at Saint John's. We expect to enroll new entering classes of 525 at CSB and 490 at SJU.

- Continuing a practice begun five years ago, the colleges have built their budgets on total projected enrollment less 20 students at CSB and less 18 students at SJU to sustain reserve funds on each campus in the event enrollment goals are not met. New this year, the

fiscal year 2009 budget also includes a revenue line to reflect potential additional net tuition should the colleges exceed their income goals. An additional and matching expense line was added specifying that any supplemental net tuition revenue be used to fund key strategic objectives, which have already been identified.

- A differential tuition increase of 8.0 percent for new entering students at both institutions and 6.5 percent for returning students. Tuition next year for new students will total \$28,122, an increase of \$2,084. For returning students, tuition will total \$27,730, an increase of \$1,692. The average comprehensive price of attendance for new students, which includes tuition, fees, room, and board, will rise by 7.7 percent at CSB and by 7.4 percent at SJU. Together, the colleges will provide \$49 million in student financial aid. Financial aid has been set aside for lower- and middle-income students to hold their tuition increases to 6 percent.

- A salary pool of 5.0 percent for

faculty and 3.75 percent for administrative and support staff. The colleges were able to decrease health insurance costs by 2.5 percent and dental insurance costs by 9.0 percent. In total, overall spending for compensation, including tuition remission, will rise by 6.1 percent at CSB and by 5.3 percent at SJU.

- At Saint John's, the Board of Regents approved a budget of \$9,530,945 for the School of Theology•Seminary, Hill Museum & Manuscript Library, the Heritage Edition, and the Artist in Residence Program for fiscal year 2009. The SOT budget was built on projected enrollment of 90 full-time equivalent (FTE) students for the academic year and 75 FTE for summer. The budget reflects a 4 percent tuition increase and includes a salary increase of 5.0 percent for faculty and 3.75 percent for administrative and support staff.

Fiscal year 2009 begins on July 1, 2008, and ends on June 30, 2009.

Fiscal Year 2009 Budget Summary

Prepared by Susan Palmer, vice president of finance and administration, CSB; Dick Adamson, vice president of finance and administration, SJU; Jon McGee, vice president for enrollment, planning and public affairs, CSB/SJU

The combined fiscal year 2009 budgets for the College of Saint Benedict and Saint John's University total nearly \$128 million. Our budgets not only provide resources for continuing operations, they also include investments in support of the aspirations articulated in *Strategic Directions 2010*. They seek to advance the quality of the student learning experience inside and outside of the classroom. As it

does every year, our budget process this year had to reconcile our commitment to building institutional capacity and excellence with internal and external resource realities. We have focused our efforts on our primary assets – our people – and our best opportunities for excellence and distinction.

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COLLEGE OF
Saint Benedict



Saint John's
UNIVERSITY

Budget Environment

As we have reported many times in recent years, demographic and competitive market forces continue to shape, influence, and change the environment for the College of Saint Benedict and Saint John's University. The number of high school graduates in the region, which has been stable since 2003, will begin a slow period of decline in 2009, falling nearly continuously until 2015. Because our recruitment cycles run in three year cycles, we have already begun planning and preparing for the change. We are confident we can maintain current levels of new entering student enrollment, other things remaining stable, through at least fall 2010. The regional enrollment environment will become decidedly more complex after then. We expect an increasingly competitive enrollment market for years to come, driven by the efforts of both public and private colleges to enroll high achieving students. Extraordinary price competition (which manifests itself through rising tuition discount rates, particularly for high achieving students) will continue, acting as a brake on resource growth at most private colleges.

The external economic environment clearly is less predictable this year than in recent years. The national economic downturn has a number of potential consequences, not only for CSB and SJU but for all colleges, including the likely possibility of lower returns on endowment, higher institutional borrowing costs, and the prospective impact on family ability to pay for college. We do not know, for example, how on-going credit markets problems will influence our students' access to student loan capital. We will continue to closely monitor all of these issues and their impact on our fiscal year 2009 budget. Nonetheless, we believe it is important that we continue to invest in excellence here and our budget reflects our confidence in our direction and our future.

Budget Summary

The information that follows details key allocations and assumptions reflected in the fiscal year 2009 budget approved by the Board of Trustees and the Board of Regents.

Revenue

As we do every year, we began our budget process by assessing revenue and income opportunities. We examined market conditions and enrollment, pricing trends and opportunities, and fundraising potential. In fiscal year 2009, total net revenue (inclusive of E&G and Auxiliary income) will rise by nearly \$4.0 million at the College of Saint Benedict (a gain of 7.6 percent) and by \$2.1 million at the College of Arts and Science at Saint John's University (a gain of 3.6 percent).

Enrollment. Because tuition is our most significant income source, our enrollment expectations are critically important. We have planned for stable enrollment at both institutions in 2008-09. We expect to enroll a new entering class of 525 women at CSB and 490 men at SJU in fall 2008, similar to the goals for fall 2007. In total, we have planned for enrollment of 2,076 students at the College of Saint Benedict and 1,891 students at Saint John's University (a total first-year to senior headcount of 3,967, compared to 3,966 actually enrolled in fall 2007). We also have assumed stable retention rates, which already are well above state and national averages for private colleges. Similar to what we have done in prior years, we built our budgets on projected total enrollment less 20 students at CSB and less 18 students at SJU to sustain enrollment reserve funds in the event we do not achieve our undergraduate goals.

Price of Attendance. The fiscal year 2009 budget includes a composite comprehensive fee increase – inclusive of tuition, fees, room, and board – of 7.7 percent at CSB and 7.4 percent at SJU. Unlike prior years, tuition will rise at differential rates for new and returning students. It will rise by 6.5 percent for returning students, an increase of \$1,692. For new entering students, tuition will

rise by 8.0 percent, an increase of \$2,084. The average price of attendance for new entering CSB and SJU students before financial aid (including tuition, required fees, room, and board) will total more \$36,600 at CSB and \$35,900 at SJU. The average total price of attendance will be approximately \$400 lower for returning students.

Between fall 2002 and fall 2007, tuition increased by 38 percent at the College of Saint Benedict and Saint John's University, rising at an average annual rate of approximately 6.7 percent over that period. In the last five years, tuition charges here have increased at the same rate as the Minnesota private college average, but at a faster annual rate than at private colleges nationally (5.6 percent) and faster than the average at peer liberal arts colleges nationally (6.3 percent). However, while our tuition has risen comparatively fast, it remains lower than

Undergraduate Comprehensive Fee History

Fiscal Year	SJU Comp Fee	Percent Change	CSB Comp Fee	Percent Change
2009	\$35,916	7.4%	\$36,627	7.7%
2008	\$33,440	6.3%	\$34,000	6.7%
2007	\$31,420	5.7%	\$31,822	5.6%
2006	\$29,749	5.6%	\$30,129	6.3%
2005	\$28,175	6.4%	\$28,356	6.3%

the average for our national liberal arts peers and lower than at our two primary liberal arts competitors in Minnesota (Gustavus and St. Olaf). Our price position not only must generate sufficient revenue to allow for continuous improvement, it also must reflect the rising value of the experience we provide to our students. Though we have planned for a somewhat slower rate of tuition growth for new entering students in coming years (our budget models assume annual increases of 6.0 percent through 2012), we expect to continue to more appropriately position our price with our local and national liberal arts peers.

Undergraduate Student Financial

Aid. A CSB/SJU education requires a significant financial investment for the families of most of our students. Our total price of attendance this year (before financial aid) was equal to at least one-third of the family income of fully one-half of

Undergraduate Enrollment History

Fiscal Year	SJU Enrollment	CSB Enrollment
2009 (projected)	1,891	2,076
2008	1,917	2,049
2007	1,886	2,027
2006	1,842	1,992
2005	1,865	1,963

our students. The increasing demand for financial aid – awarded on the basis of ability-to-pay and academic achievement – reflects changes in both the willingness and ability to pay for private higher education. We remain committed to financial accessibility for our students. Over the past decade, Minnesota’s private colleges have more than tripled their annual commitment to student financial assistance. Financial aid spending trends at the College of Saint Benedict and Saint John’s University have mirrored trends and choices at most other private colleges in the state and nation.

Our financial aid practices are designed to assist students with demonstrated financial need and to position the colleges to successfully enroll high achieving students. Tuition discount rates reflect the summations of what individual students are able to pay and willing to pay. They are tuned to address both economic and competitive conditions.

The vast majority of the increase in student financial aid spending reflected in the fiscal year 2009 budget will be awarded to new entering students at both colleges. Barring a change in a family’s financial circumstances, institutional scholarship and grant awards typically have not been adjusted for returning students. However, next year, financial aid will be increased for returning students whose parent income would make them eligible for a Minnesota State Grant or a federal Pell Grant.

The fiscal year 2009 budget includes \$49 million for institutional grants and scholarships. Approximately 90 percent of all CSB and SJU students will receive an institutional grant next year. Our tuition discount rates – now in the mid-40 percent range – are typical among our Minnesota private college peers and have been lower than the average for our national liberal arts peers. The typical CSB and SJU family next year will pay more than \$22,000 for tuition, fees, room, board, and expenses after institutional gift aid. Only a small portion of all institutional financial aid is funded by gifts or endowment. Gifts and endowment support 5.5 percent of all grants and scholarships at CSB and 17.7 percent at SJU. These

percentages clearly demonstrate the importance of our Capital Campaigns and increasing endowment support for financial aid.

Non-Tuition Income. Operating income from non-tuition sources, the largest of which is private gifts and endowment, will rise by 9.6 percent at CSB and by 4.3 percent at SJU between fiscal year 2008 and fiscal year 2009. Non-tuition income will comprise 19 percent of total operating income at Saint Benedict next year and 32 percent of operating income at Saint John’s.

Saint John’s School of Theology• Seminary Tuition and Financial Aid.

The fiscal year 2009 budget includes a 4 percent increase in tuition for students enrolled at the School of Theology•Seminary, identical to the increase last year. Tuition at the school will total \$12,900 for the 2008-2009 academic year, an increase of \$500 from the prior year. The budget also reflects an average tuition discount rate of 62 percent, an increase of three percentage points from fiscal year 2008.

Expenditures

Compensation. Nationally competitive compensation was the highest priority for the fiscal year 2009 budget. The colleges have together allocated more than \$2.5 million for faculty and staff compensation increases next year. Fully three-quarters of the total increase in net revenue – from tuition and non-tuition – was allocated for compensation.

Compensation expenditures make up approximately two-thirds of all educational operating expenditures at the College of Saint Benedict and Saint John’s University. The fiscal year 2009 budget includes a 5.0 percent salary pool for faculty and a 3.75 percent salary pool for administrative and support staff. In addition, the salary pool includes funding

for market and promotional adjustments totaling .39 percent for faculty, .91 percent for administrative and support staff at CSB and .80 percent for administrative and support staff at SJU. The faculty salary adjustment will insure that the colleges meet their commitment to the salary market basket approved in 2004.

Health Insurance. CSB and SJU are self-insured for health and dental benefits. Similar to the experience at many organizations, our health insurance costs have risen dramatically in recent years. Last fall, we contracted with Wells Fargo Insurance Services of Minnesota (WFIS) to review our employee benefit programs, with a principal focus on our health and dental plans. With their assistance, we have been able to identify new health and dental insurance vendors and reduce our premiums for fiscal year 2009. WFIS’s current projections for next year indicate a 2.5 percent decrease in health insurance premiums and a 9.0 percent decrease in dental insurance premiums. We are able to incur these savings without significant changes to either the breadth or depth of our current health and dental coverage. Employees will receive more information about our health and dental care benefits this spring.

Strategic Priorities for 2009.

We continue to move assertively toward positioning the College of Saint Benedict and Saint John’s University as exceptional *national* liberal arts colleges. In addition to substantial investments in compensation, the fiscal year 2009 budget includes resources for key activities in support of our strategic direction, including: investments to reduce the size of first-year symposium classes (and eventually to add new senior capstone opportunities for students who enter this fall), additional resources for experiential learning, and new funding for student recruitment initiatives intended to increase our national reach.

In total, the fiscal year 2009 budget includes \$3.8 million in new education and general spending at CSB and SJU. Total educational spending per student will rise by 4.6 percent at CSB and by 4.5 percent at SJU.

Compensation History	
Fiscal Year	Compensation increase from prior year (excluding tuition remission)
2009	Faculty: 4.8%; Admin/Supp Staff: 4.7%
2008	Faculty: 5.9%; Admin/Supp Staff: 4.6%
2007	Faculty: 4.3%; Admin/Supp Staff: 4.1%
2006	Faculty: 3.5%; Admin/Supp Staff: 2.3%
2005	Faculty: 4.7%; Admin/Supp Staff: 4.6%

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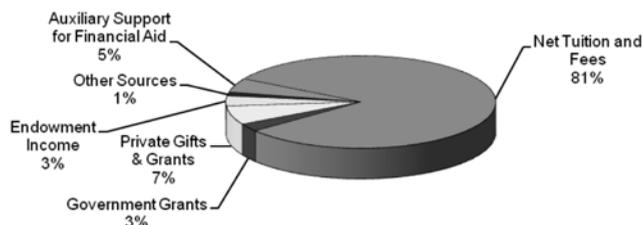
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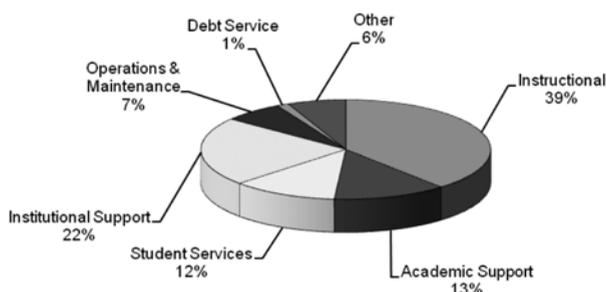
College of Saint Benedict

Fiscal Year 2009 Budget
E&G Revenues and Expenditures

Projected Revenue



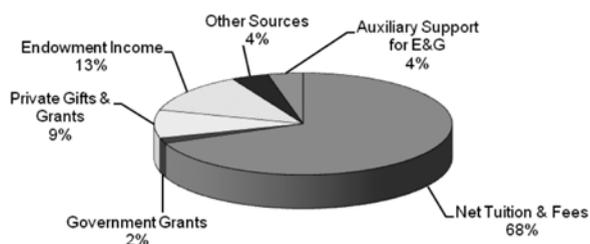
Projected Expense



Saint John's University (College of Arts and Sciences)

Fiscal Year 2009 Budget
E&G Revenues and Expenditures

Projected Revenue



Projected Expense

