**DRAFT**

**FY 2020 Proposed Operating Budget Assumptions**

**Revenue**

1. Undergraduate tuition will be $52,760, a 3.9% increase, and student fees are not increasing. The overall financial aid discount rate (i.e., financial aid as a percent of gross tuition) will not exceed the actual FY 2019 rate for undergraduate students, approximately 40%.

2. Tuition for the graduate and professional schools may vary but will increase no less than $1,980 (tuition) annually, unless an exception is approved by the COO and the Provost, in consultation with the President.

3. Undergraduate entering Fall class goal is 1,750 new freshmen plus 140 transfer students, and an average full-time undergraduate enrollment target of 7,400 students.

4. The standard double room rate for student housing will increase by 3%, $262, and meal plan rates will increase by $322. The average occupancy rate for the year is projected to be at 98.5%.

5. Grants and Contracts revenue will be budgeted at $160 million and the related indirect cost recovery will be budgeted at $35 million.

6. The goal for Unrestricted Gifts and Grants will be $16 million.

7. Pooled Endowment Income is calculated using a 3-year moving average and a spending rate of 5%. Eminent Scholars funds spending is budgeted in accordance with the Board of Regents’ guidelines.

8. Funds from restricted and endowed account balances will be used first as long as the donor restrictions have been met.

9. The Affiliated Hospital Agreements' revenue projections will increase with inflation. The Medical Practice Related operations will be budgeted at breakeven or better.

10. General Restricted funds (6 ledger) should be fully budgeted.
FY 2020 Proposed Operating Budget Assumptions

Expenditures

1. A 2.25% salary merit pool will be established for raises effective July 1, 2019. The pool will be equal to 2.25% increase over the amount of base faculty and staff salary approved in the FY 2019 Operating Budget. Departments will not be allowed to exceed their fixed, salary dollar amount without advance, written approval from their respective Senior Vice President.

In addition, a .25% central staff salary pool is allocated for compensation adjustments, grade changes and promotions. For faculty, an additional .25% pool will be held by the Provost for faculty compensation adjustments.

The total results in an overall 2.5% salary increase pool.

Fringe benefits will be calculated using the fixed fringe benefit rates.

2. All departments are reminded of their shared responsibility to be fiscally prudent in preserving the integrity of their budgets in support of Tulane’s compensation philosophy and strategies. All departments are expected to comply with the University’s compensation policies as specified in the Compensation Resource Guide (http://tulane.edu/wfmo/compensation/guide.cfm).

3. Utility expenses are held constant at the FY 2019 budgeted amounts.

4. Overall unrestricted non-salary expenses will be held at FY 19 budget.

5. Debt service is budgeted in accordance with the new debt amortization schedule.

6. General Restricted funds (6 ledger) should be fully budgeted.

7. The FY 2020 Athletics subsidy is planned to be in the $12 million - $14 million range.