The University Senate Committee on Budget Review (SCBR) met on September 5, 2018.

After introductions, the SCBR reviewed with COO Patrick Norton (a) the financial statements and fiscal performance of the University for fiscal year 2018 and (b) endowment portfolio performance through June 30, 2018. It is important to note that the university’s audit has not yet been completed so the SCBR will (briefly) review the financial statements at its next meeting. Nonetheless, these statements should be reasonably accurate and they report a net operating margin of over $27 million, which constitutes 2.8% on nearly a $1 billion budget. It is important to note that these operating results include a $7 million, one-time reduction in a OIG/FEMA audit related liability. This continues a positive trajectory (unrestricted revenues were up 4.2% annually from FY 16 to FY 18 while unrestricted expenses increased only 0.2% over the same period) and Tulane did not have to draw on its working capital lines of credit over the past 21 months and don’t expect to make a draw. The endowment enjoyed solid returns over FY 18.

Next the committee considered the administration’s proposed tuition for FY 20. This discussion is happening earlier than in years past so that the SCBR and the full Senate can consider the proposal and make a recommendation to the Board of Administrators at its September meeting. This earlier consideration will allow for tuition to be set early to facilitate the admissions process. The administration is proposing a 3.9% increase in tuition. This, when compared with a hypothetical 3.0% increase among our peer institutions, places us in roughly the top third (but not at the top) of this peer group. Our net price may increase over time because our discount rate may go down; this does not appear to be a concern because we continue to meet our admissions targets regarding student quality, diversity, etc. After a discussion of the process of setting tuition and how our price (sticker as well as net) compares to our peer institutions, the SCBR voted unanimously to recommend to the Senate that the tuition proposal be recommended favorably to the Board of Administrators.

The meeting concluded with a brief discussion of the overall budgeting process and the development of budget assumptions for the FY 20 budget. These assumptions are currently being developed and will be considered by the SCBR at its next meeting. Following that meeting the budget assumptions will be reported to the Senate with a recommendation for subsequent Board action.

Respectfully submitted,

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Chair, Senate Committee on Budget Review

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