Priorities Committee Report for FY 2021

Presented to the CPUC
February 10, 2020
# Members of the Priorities Committee

<table>
<thead>
<tr>
<th>Constituency</th>
<th>Members</th>
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<tbody>
<tr>
<td>Cabinet members</td>
<td>Deborah Prentice (Provost), Jim Matteo (VP Finance and Treasurer), Sanj Kulkarni (Dean of Faculty), Treby Williams (EVP)</td>
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<td>Faculty members</td>
<td>Nathalie de Leon (ELE), Andrea Graham (EEB), Tod Hamilton (SOC), Matt Karp (HIS), Chika Okeke-Ogulu (ART), Markus Prior (WWS/POL)</td>
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<td>Graduate students</td>
<td>Karina Alventosa (CEE), Jonathan Aguirre (SPO)</td>
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<td>Undergraduate students</td>
<td>Samantha Lee ‘22, Gabriela Oseguera Serra ‘20, Benjamin Press ‘20, Raya Ward ‘21</td>
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<td>Staff representative</td>
<td>Caasi Love (Facilities)</td>
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<td>Staff to committee</td>
<td>Lisa Baratta (Provost’s Office), Steve Semenuk (Budget Office)</td>
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Priorities Committee Charge

- Review the University’s operating budget
  - Current (FY20), Next (FY21), Future (FY22 and beyond)

- Recommend changes to the budget including
  - Student charges (tuition, fees, room, and board)
  - Undergraduate financial aid budget
  - Faculty and staff salary pools
  - Graduate student stipend
  - Graduate student, staff, and faculty housing rates
  - Allocations to discretionary program enhancements
Priorities Committee Charge (continued)

- Provide feedback on budget policy issues including
  - Increases to student charges
  - Family-friendly support for graduate students
  - Treatment of external fellowships
  - Financial aid initiatives

- Priorities Committee Report: Recommendations for FY21 Budget are sent to the President in March and then presented for board approval in April.
Review: Overall financial context

- **Solid financial position:** Strong long-term endowment returns, solid credit ratings, sufficient liquidity, and loyal/generous alumni base.

- **Every student is subsidized:** Princeton’s “sticker price” tuition is approximately half of per-capita educational expenditures.

- **Robust financial aid:** Around 62% of undergraduates receive financial aid and all doctoral students are guaranteed tuition and stipend support.

- **Labor-centric:** Salaries and benefits account for roughly 40% of our operating budget.

- **Long view:** Decisions today are carefully considered for their long-term impact. We are in a solid financial position but still subject to trade-offs among many important priorities.
The Operating Dollar – FY 21

**Sources: $2,449M**

- **Investment Income (.60)**: $1,458M
- **Gifts (.04)**: $111M
- **Sponsored Research and Other Grants & Contracts (.11)**: $276M
- **Housing, Dining, Rental & Event (.05)**: $113M
- **PPPL (.05)**: $130M
- **Student Charges (.17)**: $420M
- **Auxiliary & Service (.05)**: $110M
- **Capital Budget Transfer (.18)**: $442M

**Uses: $2,443M**

- **Educational & General (.53)**: $1,284M
- **Pending Strategic Initiatives (.01)**: $25M
- **Student Aid & Graduate Student Support (.18)**: $452M
- **Auxiliary & Service (.05)**: $110M
- **Capital Budget Transfer (.18)**: $442M
- **PPPL (.05)**: $130M

**Responsible Units**

- **PRINCO**
- **Priorities Committee**
- **Advancement**
- **University Services**
- **Dean for Research**
- **Finance & Treasury**
- **PPPL**
Where to Learn More

- We welcome your comments and questions to: Lisa Baratta (lbaratta@princeton.edu)
- To read prior reports, go to the Committee’s website:
  http://www.princeton.edu/provost/priorities-committee/