

community

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

Boards Approve Fiscal Year 2006 Budget

On March 4, the Board of Trustees of the College of Saint Benedict and the Board of Regents of Saint John's University approved the fiscal year 2006 budgets for CSB and SJU. The budgets total \$48,522,896 for the College of Saint Benedict and \$60,185,895 for Saint John's University.

Key elements and planning assumptions for the fiscal year 2006 budget include:

- Combined undergraduate enrollment of 3,808 students, 20 students fewer than fall 2004 enrollment. First-year to senior

enrollment is expected to total 1,952 at Saint Benedict and 1,856 at Saint John's. Each institution's budget is again built on projected enrollment less 25 students to maintain their enrollment reserve funds in the event the colleges do not meet their enrollment goals.

- A tuition increase of 6.0 percent for both institutions. Tuition and required fees next year will total \$23,454. The comprehensive cost of attendance, which includes tuition, fees, room, and board, will rise by 6.3 percent at CSB and by 5.6 percent at

SJU. Together, the colleges will invest \$33.7 million in student financial aid, an increase of 9.4 percent over the prior year. Overall tuition discount rates were set at 40.1 percent at the College of Saint Benedict and 38 percent at Saint John's University.

- Across-the-board salary increases of 2.0 percent for faculty and staff. Total compensation, including salary and benefits, will rise by 3.9 percent for faculty. Administrative and support staff compensation will rise by 2.34 percent at CSB and by 2.16 percent at SJU.

Fiscal Year 2006 Budget Summary

prepared by

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The combined fiscal year 2006 budgets for the College of Saint Benedict and Saint John's University total nearly \$109 million, an increase of 4 percent over the prior year. Our budgets not only provide resources for continuing operations, they also reflect our commitment to an exceptional learning experience for our students. At the same time, they must and do balance our desire for excellence with fiscal realities. We addressed a number of significant resource challenges in the fiscal year 2006 budget, but have maintained our commitment to

excellence and set in motion the first steps toward the achievement of our Strategic Directions aspirations.

Strategic Directions 2010

Strategic Directions 2010, endorsed by the Boards last fall and winter, identify seven key aspirations for the College of Saint Benedict and Saint John's University:

- We will be recognized nationally as premier, residential, liberal arts colleges, inspired by Catholic and Benedictine community tradition in a global context.
- We will be recognized nationally as leading residential environments for student learning that foster community, are transformative, and integrate learning.

- We will be recognized nationally as vital centers of Catholic and Benedictine culture.
- We will be recognized nationally as institutions for student learning and faculty scholarship in gender education.

COLLEGE OF
Saint Benedict



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Inspired Learning. Inspiring Lives.

- We will maintain our student academic profile and become more racially and ethnically, geographically, and socio-economically diverse.
- We will provide an academic and residential environment that embraces and nurtures racial and ethnic diversity.
- We will attain increased national recognition for our shared distinctive identity and institutional excellence.

Last fall's Board discussions and campus conversations resulted in a series of action plans for each of the seven strategic directions. Those planning templates identify a set of activities for 2005 and 2006 that begin to move us toward our aspiration to be premier liberal arts institutions. Much of the work defined in the planning templates did not require new fiscal resources in fiscal year 2006, but instead requires a reallocation of time and energy in support of new strategic directions and priorities.

The 2005-2006 planning templates are available for review by all members of the CSB/SJU community in the public folder entitled "Strategic Directions 2010."

The seven planning templates for 2005-2006 reflect only the first steps toward attainment of the objectives identified in Strategic Directions 2010. While they help to focus our work and energy, none is complete. Over the course of the coming years, our community must work together to identify our highest priorities, imagine new possibilities, and make the choices necessary to clearly establish ourselves as premier liberal arts colleges.

Budget Environment

Market forces, demographics, and the economics of private higher education are converging to create an enormously challenging fiscal environment for the College of Saint Benedict and Saint John's University.

Private colleges in the Midwest will face a particularly daunting task balancing their desire to improve and thrive with the realities of a shrinking number of traditional-age college students and a declining ability and willingness to pay among families.

The fiscal year 2006 budget is transitional. Our ability to fund new investments in excellence was achieved largely through a six percent increase in tuition and reallocations that totaled more than \$1 million. Looking forward, tuition increases and reallocation will not be sufficient to produce all of the resources required for excellence. Successful fundraising is critical to our future. In addition, we must continue to make focused spending choices that improve the quality of the learning experience we provide within the confines of our fiscal constraints and the reality of what families can and are willing to pay for an education at the College of Saint Benedict and Saint John's University.

Budget Summary

The information that follows details key allocations and assumptions reflected in the fiscal year 2006 budget approved by the Board of Trustees and the Board of Regents.

In total, net Education and General operating revenue will increase by 3.1 percent at the College of Saint Benedict and by 2.4 percent at Saint John's University. The colleges together will generate \$1.9 million in new net revenue next year.

The quality of the experience we provide derives from our ability to attract and retain high quality, committed faculty and staff. The fiscal year 2006 budget clearly makes our employees our highest priority for new funding. All of the new revenue generated in the fiscal year 2006 budget was allocated for compensation increases for faculty and staff. The compensation increase next year will total \$1.9 million.

At the same time, we recognize that we must invest in other strategic priorities in support of learning excellence. Consequently, the colleges together reallocated nearly \$1.1 million in existing resources to provide opportunities for new, targeted spending. Reallocations totaled \$570,000 at the College of Saint Benedict and \$495,000 at Saint John's University. The largest share of reallocated resources (nearly \$475,000) was dedicated to new academic investments. Nearly \$300,000 of that total will support and enhance our international education programs.

Enrollment. The pool of traditional-age college students in the state and region has begun a protracted period of decline. Strategic Directions 2010 sets a course to insure sustainable enrollment at the College of Saint Benedict and Saint John's University, a difficult challenge in a highly competitive marketplace. The fiscal year 2006 budget is based on combined undergraduate enrollment of 3,808 students, 20 fewer than enrolled in fall 2004. First-year to senior enrollment is expected to total 1,952 at Saint Benedict and 1,856 at Saint John's. We expect to enroll a first-year class of 500 at SJU and 501 at CSB. We also have assumed that our retention rates, already well above state and national averages for private colleges, will not change. As we have done in prior years, we have again built our budgets on projected total enrollment less 25 students in the event we do not achieve our overall enrollment goal.

Undergraduate Enrollment History

Fiscal Year	SJU Enrollment	CSB Enrollment
2006	1,856	1,952
2005	1,865	1,963
2004	1,903	1,991
2003	1,862	2,014
2002	1,860	2,029

Comprehensive Fee. The fiscal year 2006 budget includes an increase in comprehensive fees — inclusive of tuition, fees, room, and board — of 6.3 percent at the College of Saint Benedict and 5.6 percent at Saint John’s University. Tuition alone will rise by 6.0 percent, compared to 7.0 percent the previous year. We expect that comprehensive fee increases of six to eight percent will be common among Minnesota’s private colleges. Our comprehensive cost of attendance will remain lower than the cost at Gustavus and St. Olaf, and will be nearly identical to costs at St. Thomas. The net effect of the price change after tuition discounting is a 3.8 percent increase for CSB students and a 3.5 percent increase for SJU students.

Undergraduate Comprehensive Fee History

Fiscal Year	SJU Comp Fee	Percent Change	CSB Comp Fee	Percent Change
2006	\$29,749	5.6%	\$30,129	6.3%
2005	\$28,175	6.4%	\$28,356	6.3%
2004	\$26,473	6.8%	\$26,672	6.6%
2003	\$24,785	4.8%	\$25,016	4.6%
2002	\$23,640	5.7%	\$23,921	6.6%

Undergraduate Student Financial Aid. Financial aid continues to grow faster than all other budget items at most private colleges in Minnesota and nationally. The increasing demand for financial aid — awarded on the basis of need and academic merit — reflects changes in both the willingness and ability to pay for private higher education. Over the past decade, Minnesota’s private colleges collectively have 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.

Our financial aid policies are designed to

assist students with demonstrated financial need and to position the colleges for success in the competitive marketplace for high achieving students. Financial aid awards reflect a balance of the student’s financial need and academic ability. Unless there is a change in a family’s financial circumstances, student financial aid awards typically are not adjusted from one year to the next. Consequently, the vast majority of the increase in student financial aid spending reflected in the fiscal year 2006 budget will be awarded to new entering students at both colleges. The fiscal year 2006 budget includes \$33.7 million for institutionally-supported student financial aid, an increase of 9.4 percent from the prior year. Approximately 90 percent of all CSB and SJU students will receive an institutional grant next year. The average tuition discount for all students will total 38 percent at Saint John’s and 40.1 percent at Saint Benedict. We do not expect any increases in either state grant or federal Pell Grant assistance for our students next year, and pending legislation may actually reduce state and federal grants to our students.

Saint John’s School of Theology• Seminary Tuition and Financial Aid. The fiscal year 2006 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 \$11,440 for the 2005-2006 academic year. The budget also reflects an average tuition discount rate of 58 percent, similar to fiscal year 2005.

Compensation. Compensation expenditures make up two-thirds of all educational operating expenditures at the College of Saint Benedict and Saint John’s University. The fiscal year 2006 budget provides across-the-board salary increases of 2 percent for

faculty and staff. The budget also provides an additional 1.8 percentage point increase for faculty market and promotion adjustments, and market adjustments of .24 percentage points (CSB) and .06 percentage points (SJU) for administrative and support staff. In addition, the percentage of compensation expended on fringe benefits will rise by .1 percentage point.

In 2005, the colleges established a new market basket for faculty salaries that indexes our salaries to a percentage range among liberal arts colleges nationally. The faculty salary market basket agreement specifies that our salaries be within the 70th to 74th percentile nationally for each faculty rank. The increases provided in the fiscal year 2006 budget will keep our faculty salaries within that range.

The College of Saint Benedict and Saint John’s University are self-insured for both health and dental benefits. Our health care cost increases slowed significantly last year, and we expect a similar experience next year. The fiscal year 2006 budget includes a 10 percent premium increase for health care and no increase for dental benefits. Recent slowdowns notwithstanding, health care costs remain volatile and we will continue to monitor our cost and claim experiences to ensure that our employee and institutional needs are met.

Compensation History

Fiscal Year	Compensation Increase from Previous Year (excluding tuition remission)
2006	Faculty: 3.9%; Admin/Supp Staff: 2.3%
2005	Faculty: 4.7%; Admin/Supp Staff: 4.6%
2004	Faculty: 7.9%; Admin/Supp Staff: 5.2%
2003	Faculty: 5.2%; Admin/Supp Staff: 3.1%
2002	5.9% for both faculty and staff

community

*Community is published by the CSB/SJU
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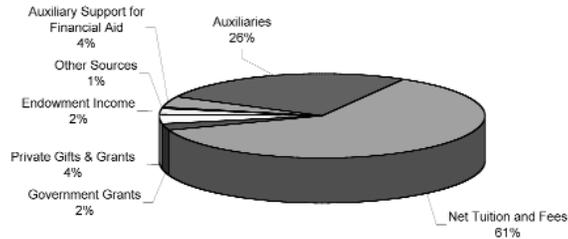
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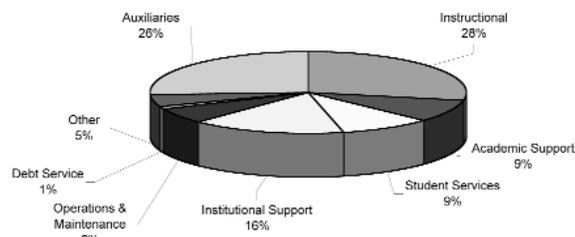
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COLLEGE OF SAINT BENEDICT FY'06 BUDGET TOTAL (E&G AND AUXILIARY) REVENUES AND EXPENDITURES

Total Revenues

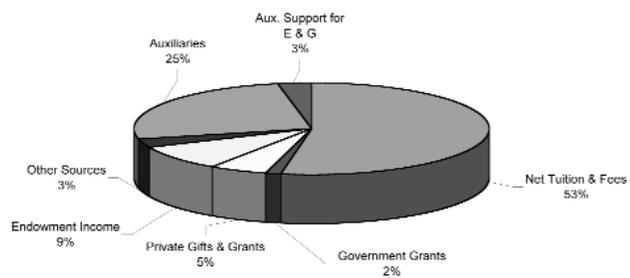


Total Expenses



SAINT JOHN'S UNIVERSITY COLLEGE OF ARTS AND SCIENCES FY '06 BUDGET TOTAL (E&G AND AUXILIARY) REVENUES AND EXPENDITURES

Total Revenues



Total Expenses

