

Operating Budget

Fiscal Year 2023



WEST
VIRGINIA

ERV
ST. 1826

The Fiscal Year 2023 Operating Budget was approved by
the Case Western Reserve University Board of Trustees on June 10, 2022.

This document may also be found at:
www.case.edu/finance/financial-information
and
www.case.edu/financialplanning/operating-budget

PREFACE — 2023 OPERATING BUDGET

Case Western Reserve University (the “University”) has traditionally operated under a decentralized structure with the philosophy that each management center is responsible for the planning and implementation of academic programs, revenue development and expense management; significantly following a Responsibility Center Management (RCM) philosophy.

Beginning in 2021, direct cost management was emphasized with a historical cost improvement of \$76.8 M included in the 2021 Operating Budget. This change enabled continued strategic investment in the 2023 Operating Budget.

DIRECT EXPENSE MANAGEMENT FOR STRATEGIC INVESTMENT

The 2023 Operating Budget was constructed using the following key operational tenets:

- **Focused strategic investment** through the University Strategic plan and Retained Surplus generation in academic centers
- **Disciplined expense management** adhering to the cost improvements gained in the 2021 budget to provide the resources for focused strategic investment; while still providing critical resources to operations
- **Achieve recovery plan targets for units in deficit** provides future resources for strategic investment
- **Maintain overall university surplus** ensures sustainable operating structure for the entire University
- **Incorporate revenue and expense macro-impacts into guidelines** allows all units to budget within a reasonable set of assumptions
- **Utilize prior year budget as the base for current year budget** allows for consistency and a better understanding of the guideline development process

The resulting 2023 Operating Budget reflects the above tenets used for planning. The 2023 Operating Budget adheres to the cost improvement previously attained and focuses on providing resources for key operational needs and continued strategic investment. Some highlights include:

- Operating margin and Surplus of \$13.4 M
- Enhanced salary pool of 8%
- Continued strategic plan investment and academic center retained surplus investment

Reclassification – One-half of the 8% salary pool budget is recorded in University Services in UGEN. Based on the results of the staff compensation study in 2023, the budgeted costs will be reclassified to the appropriate management centers. The reclassification will not impact the Consolidated Statement of Operations; however, it will impact each management center’s budgeted operating margin.

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FISCAL YEAR 2022 OPERATING BUDGET

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STATEMENT OF OPERATION FOR FISCAL YEAR 2023

2023 B . 2022 B

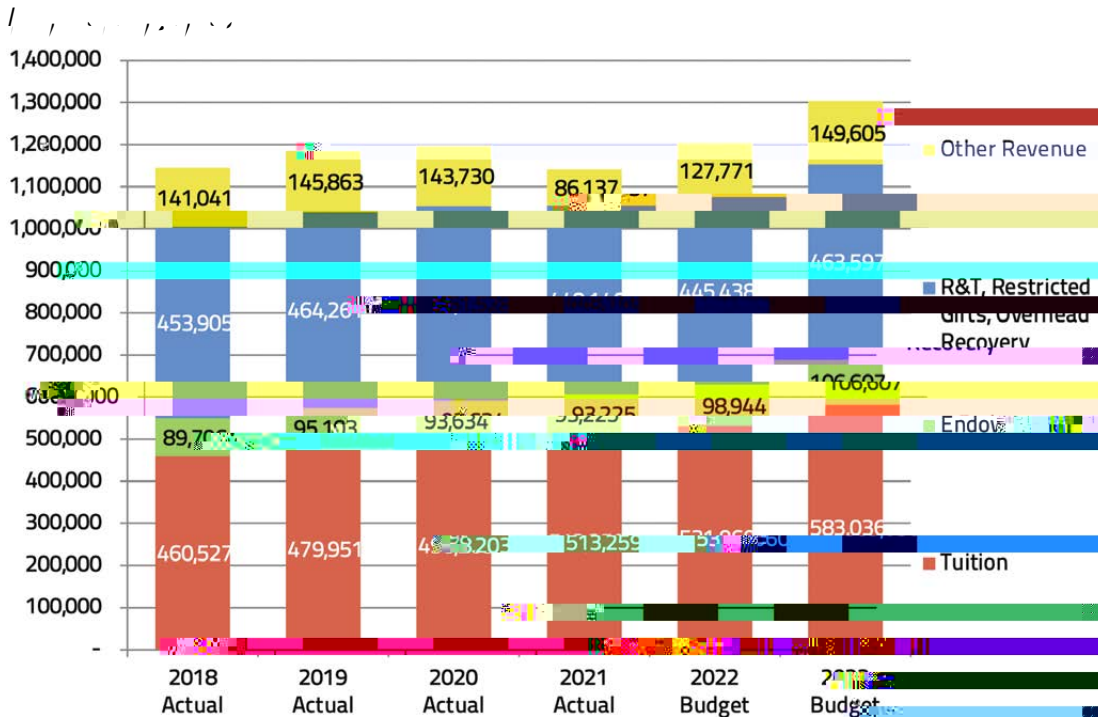
	2021 Actual	2022 Budget	2023 Budget	\$ Increase/ (Decrease) 2022 Budget	% Variance 2022
REVENUE					
TUITION					
Undergraduate	\$261,442	\$271,478	\$308,731	\$37,253	13.7%
Summer	22,949	19,642	21,663	2,021	10.3%
Professional	156,029	172,260	179,280	7,020	4.1%
Graduate	69,543	63,941	69,457	5,516	8.6%
Fees	3,296	3,739	3,905	166	4.4%
TOTAL TUITION	513,259	531,060	583,036	51,976	9.8%
ENDOWMENT					
Restricted Endowment	53,644	58,626	63,763	5,137	8.8%
Unrestricted Endowment	39,581	40,318	42,844	2,526	6.3%
TOTAL ENDOWMENT	93,225	98,944	106,607	7,663	7.7%
OTHER REVENUE					
Research & Training	315,747	322,682	330,076	7,394	2.3%
Restricted Gifts	59,039	46,947	53,242	6,295	13.4%
Overhead Recovery	73,360	75,809	80,279	4,470	5.9%
Unrestricted Gifts	3,385	4,231	7,282	3,051	72.1%
State Support	2,551	1,575	2,500	925	58.7%
Organized Activities	8,602	10,200	11,354	1,154	11.3%
Other Income	36,461	39,077	39,018	(59)	-0.2%
Auxiliaries	42,638	72,688	88,778	16,090	22.1%
Deferred Revenue - Strategic Plan	(7,500)	—	673	673	0.0%
TOTAL OTHER REVENUE	534,283	573,209	613,202	39,993	7.0%
TOTAL REVENUE	\$1,140,767	\$1,203,213	\$1,302,845	\$99,632	8.3%
EXPENSE					
DIRECT EXPENSE					
Faculty Salaries	\$151,222	\$158,684	\$160,261	\$1,577	1.0%
Other Salaries	101,497	107,269	113,094	5,825	5.4%
TOTAL SALARIES	252,719	265,953	273,355	7,402	2.8%
Fringe	85,480	83,876	87,652	3,776	4.5%
Student Salaries	30,704	31,660	33,536	1,876	5.9%
Student Aid	218,557	227,704	260,968	33,264	14.6%
Non-salary	288,874	302,547	318,647	16,100	5.3%
TOTAL DIRECT EXPENSE	876,334	911,740	974,158	62,418	6.8%
Restricted Direct Expense	428,430	428,255	447,081	18,826	4.4%
Unrestricted Direct Expense	447,904	483,485	527,077	43,592	9.0%
INDIRECT EXPENSE					
Library	13,083	14,306	14,774	468	3.3%
Student Services	28,009	29,923	32,812	2,889	9.7%
Plant	71,377	68,318	72,760	4,442	6.5%
Information Services	28,389	29,427	30,537	1,110	3.8%
University Services	57,995	74,380	88,851	14,471	19.5%
TOTAL INDIRECT EXPENSE	198,853	216,354	239,734	23,380	10.8%
Auxiliaries	56,340	64,536	76,740	12,204	18.9%
TOTAL EXPENSE	\$1,131,527	\$1,192,630	\$1,290,632	\$98,002	8.2%
OPERATING MARGIN	\$9,240	\$10,583	\$12,213	\$1,630	15.4%
Undergraduate Tuition Subvention	—	—	—	—	
Use of Retained Surplus/Encumbered Funds	2,428	2,098	1,194	(904)	
SURPLUS/(DEFICIT)	\$11,668	\$12,681	\$13,407	\$726	

TOTAL REVENUE

F 2023 B

	2021 Actual	2022 Budget	2023 Budget	\$ Increase/ (Decrease) 2022 Budget	% Variance 2022 Budget
REVENUE					
TUITION					
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TOTAL OTHER REVENUE	534,283	573,209	613,202	39,993	7.0%
TOTAL REVENUE	\$1,140,767	\$1,203,213	\$1,302,845	\$99,632	8.3%

REVENUE COMPARISON BY YEAR



TUITION

Undergraduate Tuition

Increased \$37.3 M or 13.7% as a result of a 5.0% tuition rate increase for continuing students and an additional 8.0% increase for entering students. Enrollment increased as well.

Summer Tuition

Increased \$2.0 M or 10.3% due to Increased price/enrollment in CAS, CSE, WSOM, MSASS and NURS. Partially offset by lower enrollment in CSOM.

Professional Tuition

Increased \$7.0 M or 4.1% due to higher enrollment/price in WSOM, MSASS, LAW, DENT, NURS and CSOM.

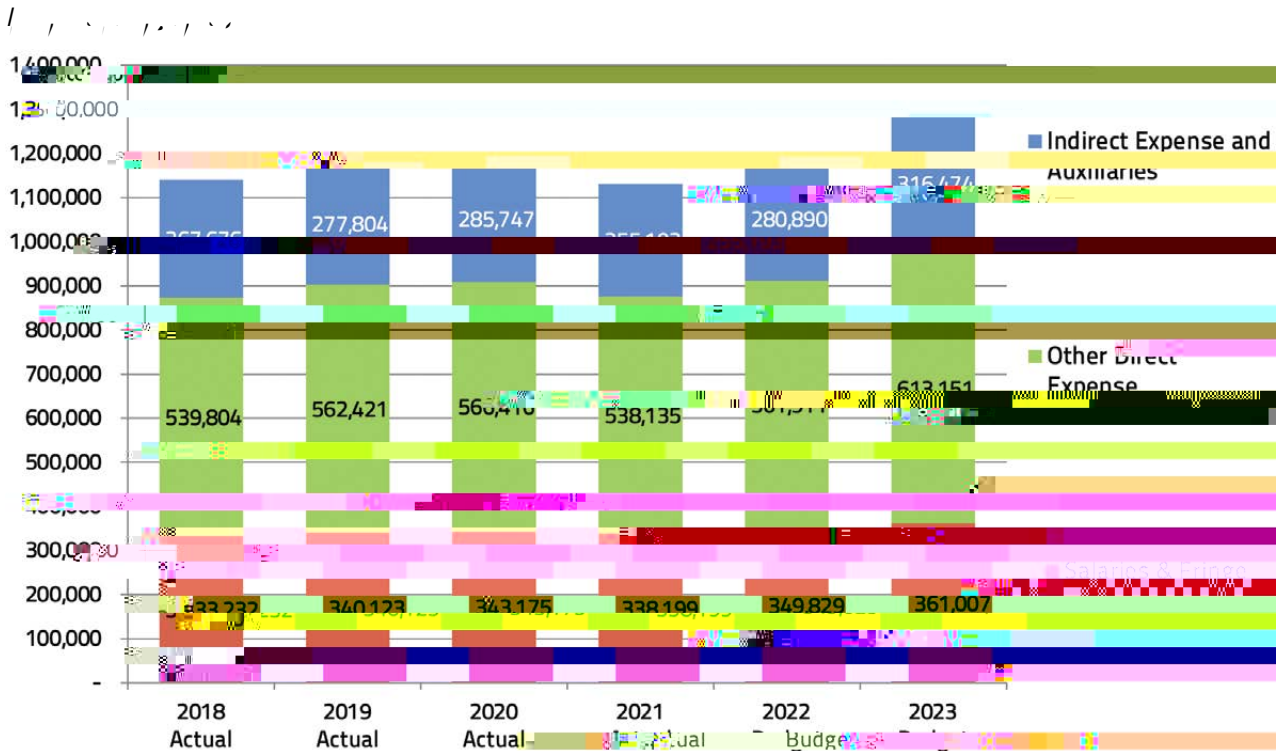
Graduate Tuition

TOTAL EXPENSE

F 2023 B

	2021 Actual	2022 Budget	2023 Budget	\$ Increase/ (Decrease) 2022 Budget	% Variance 2022 Budget
EXPENSE					
DIRECT EXPENSE					
Faculty Salaries	\$151,222	\$158,684	\$160,261	\$1,577	1.0%
Other Salaries	101,497	107,269	113,094	5,825	5.4%
TOTAL SALARIES	252,719	265,953	273,355	7,402	2.8%
Fringe	85,480	83,876	87,652	3,776	4.5%
Student Salaries	30,704	31,660	33,536	1,876	5.9%
Student Aid	218,557	227,704	260,968	33,264	14.6%
Non-salary	288,874	302,547	318,647	16,100	5.3%
TOTAL DIRECT EXPENSE	876,334	911,740	974,158	62,418	6.8%
Restricted Direct Expense	428,430	428,255	447,081	18,826	4.4%
Unrestricted Direct Expense	447,904	483,485	527,077	43,592	9.0%
INDIRECT EXPENSE					
Library	13,083	14,306	14,774	468	3.3%
Student Services	28,009	29,923	32,812	2,889	9.7%
Plant	71,377	68,318	72,760	4,442	6.5%
Information Services	28,389	29,427	30,537	1,110	3.8%
University Services	57,995	74,380	88,851	14,471	19.5%
TOTAL INDIRECT EXPENSE	198,853	216,354	239,734	23,380	10.8%
Auxiliaries	56,340	64,536	76,740	12,204	18.9%
TOTAL EXPENSE	\$1,131,527	\$1,192,630	\$1,290,632	\$98,002	8.2%

EXPENSE COMPARISON BY YEAR



NOTES TO EXPENSE

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DIRECT EXPENSE

Faculty Salaries

Increased \$1.6 M or 1.0% in CAS, NURS and CSOM. Partially offset with decreases in CSE, MSASS and DENT.

Other Salaries

Increased \$5.8 M or 5.4% in CAS, MSASS, LAW, DENT, CSOM and UGEN. Partially offset with a decrease in CSE.

Fringe Benefits

Increased \$3.8 M or 4.5%. The federal fringe benefit rate increased from 29.0% to 29.9%.

The non-federal fringe rate increased from 33.0% to 34.0%.

Student Salaries

Increased \$1.9 M or 5.9% in CAS, WSOM and CSOM. Partially offsetting are lower salaries in MSASS.

Student Aid

Increased \$33.3 M or 14.6% in all units. The increase in UGEN reflects an Undergraduate Student Aid discount rate of 52.3%.

Non-salary

Increased \$16.1 M or 5.3% in CAS, CSE, MSASS, DENT, NURS and CSOM. Partially offsetting are decreases in WSOM, LAW and UGEN.

INDIRECT EXPENSE AND AUXILIARIES

Library

Increased \$0.5 M or 3.3% due to guideline salary pool increase.

Student Services

Increased \$2.9 M or 9.7% due to guideline salary pool increase, new program increase and incremental Other Income offset.

Plant

Increased \$4.4 M or 6.5% due to guideline salary pool increase and new program increase.

Information Services

Increased \$1.1 M or 3.8% due to guideline salary pool increase.

University Services

Increased \$14.5 M or 19.5% due to guideline increase and incremental Other Income offset. Also included \$11.3 M increase for additional 4% salary pool increase to be allocated when expenses are realized.

Auxiliaries

Increased \$12.2 M or 18.9% due to increased UG enrollment.

SUMMARY OF OPERATIONS BY MANAGEMENT CENTER

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	Total Revenue	Total Expense	Operating Margin	Use of Retained Surplus	Surplus/ (Deficit)
CAS	\$128,662	\$121,856	\$6,806	–	\$6,806
CSE	120,986	116,046	4,940	–	4,940



STATEMENT OF OPERATIONS BY MANAGEMENT CENTER

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	CAS	CSE	WSOM	MSASS	LAW	DENT	NURS	CSOM	UGEN	Total University
REVENUE										
TUITION										
Undergraduate	\$74,925	\$38,704	\$15,856	\$246	\$88	\$62	\$7,633	\$6,921	\$164,296	\$308,731
Summer	5,300	2,210	1,831	2,198	472	579	3,152	5,921	–	21,663
Professional	–	393	28,269	12,066	33,648	24,854	11,848	68,202	–	179,280
Graduate	13,390	15,960	1,104	661	–	2,100	630	35,612	–	69,457
Fees	603	618	251	–	–	518	387	515	1,013	3,905
TOTAL TUITION	94,218	57,885	47,311	15,171	34,208	28,113	23,650	117,171	165,309	583,036
ENDOWMENT										
Restricted Endowment	9,491	5,659	2,701	1,892	5,131	676	3,458	17,000	17,755	63,763
Unrestricted Endowment	8,345	4,279	2,147	528	498	675	1,079	12,566	12,727	42,844
TOTAL ENDOWMENT	17,836	9,938	4,848	2,420	5,629	1,351	4,537	29,566	30,482	106,607
OTHER REVENUE										
Research & Training	8,576	33,791	441	5,840	237	1,843	4,093	272,000	3,255	330,076
Restricted Gifts	3,777	3,910	294	6,725	388	643	3,514	24,550	9,441	53,242
Overhead Recovery	3,055	10,122	158	2,074	60	1,006	1,644	62,160	–	80,279
Unrestricted Gifts	600	330	400	250	1,000	528	240	1,000	2,934	7,282
State Support	–	–	–	–	–	–	–	2,500	–	2,500
Organized Activities	–	–	3,457	–	–	7,278	–	619	–	11,354
Other Income	600	4,337	912	183	220	2,233	250	15,032	15,251	39,018
Auxiliaries	–	–	–	–	–	–	–	–	88,778	88,778
Deferred Revenue – Strategic Plan	–	673	–	–	–	–	–	–	–	673
TOTAL OTHER REVENUE	16,608	53,163	5,662	15,072	1,905	13,531	9,741	377,861	119,659	613,202
TOTAL REVENUE	\$128,662	\$120,986	\$57,821	\$32,663	\$41,742	\$42,995	\$37,928	\$524,598	\$315,450	\$1,302,845
EXPENSE										
DIRECT EXPENSE										
Faculty Salaries	\$29,387	\$19,082	\$15,222	\$4,800	\$7,111	\$9,869	\$9,156	\$65,325	\$309	\$160,261
Other Salaries	10,264	10,660	5,113	7,643	3,393	6,058	4,539	62,079	3,345	113,094
TOTAL SALARIES	39,651	29,742	20,335	12,443	10,504	15,927	13,695	127,404	3,654	273,355
Fringe	13,142	9,647	6,909	4,074	3,528	5,372	4,566	39,247	1,167	87,652
Student Salaries	8,292	13,976	771	217	128	96	867	8,972	217	33,536
Student Aid	13,010	4,109	8,266	5,064	17,751	1,011	4,205	33,193	174,359	260,968
Non-salary	11,609	29,557	8,481	7,360	4,089	7,484	5,201	241,574	3,292	318,647
TOTAL DIRECT EXPENSE	85,704	87,031	44,762	29,158	36,000	29,890	28,534	450,390	182,689	974,158
Restricted Direct Expense	21,844	43,360	3,436	14,457	5,756	3,162	11,065	313,550	30,451	447,081
Unrestricted Direct Expense	63,860	43,671	41,326	14,701	30,244	26,728	17,469	136,840	152,238	527,077
INDIRECT EXPENSE										
Library	3,210	2,049	1,337	529	2,208	375	651	2,677	1,738	14,774
Student Services	9,014	5,246	2,300	206	331	222	1,092	2,755	11,646	32,812
Plant	12,013	11,427	3,762	1,193	1,994	3,677	2,618	31,984	4,092	72,760
Information Services	6,533	4,698	2,576	1,033	1,339	1,778	1,788	9,687	1,105	30,537
University Services	5,382	5,595	3,207	1,615	2,535	2,784	2,567	23,492	41,674	88,851
TOTAL INDIRECT EXPENSE	36,152	29,015	13,182	4,576	8,407	8,836	8,716	70,595	60,255	239,734
Auxiliaries	–	–	–	–	–	–	–	–	76,740	76,740
TOTAL EXPENSE	\$121,856	\$116,046	\$57,944	\$33,734	\$44,407	\$38,726	\$37,250	\$520,985	\$319,684	\$1,290,632
OPERATING MARGIN*	\$6,806	\$4,940	\$(123)	\$(1,071)	\$(2,665)	\$4,269	\$678	\$3,613	\$(4,234)	\$12,213
Undergraduate Tuition Subvention	–	–	–	–	–	–	–	–	–	–
Use of Retained Surplus	–	–	123	1,071	–	–	–	–	–	1,194
SURPLUS/(DEFICIT)*	\$6,806	\$4,940	\$–	\$–	\$(2,665)	\$4,269	\$678	\$3,613	\$(4,234)	\$13,407

*4% of total revenue for UGEN, GEN, and other centers.

COLLEGE OF ARTS AND SCIENCES

FINANCIAL YEAR 2023 BUDGET

	2021 Actual	2022 Budget	2023 Budget	\$ Increase/ (Decrease) 2022 Budget	% Variance to 2022 Budget
REVENUE					
TUITION					
Undergraduate	\$62,919	\$67,722	\$74,925	\$7,203	10.6%
Summer	6,683	4,500	5,300	800	17.8%
Professional	–	–	–	–	0.0%
Graduate	12,284	12,500	13,390	890	7.1%
Fees	552	586	603	17	2.9%
TOTAL TUITION	82,438	85,308	94,218	8,910	10.4%
ENDOWMENT					
Restricted Endowment	7,404	8,392	9,491	1,099	13.1%
Unrestricted Endowment	7,630	7,663	8,345	682	8.9%
TOTAL ENDOWMENT	15,034	16,055	17,836	1,781	11.1%
OTHER REVENUE					
Research & Training	6,951	7,269	8,576	1,307	18.0%
Restricted Gifts	1,242	3,241	3,777	536	16.5%
Overhead Recovery	2,790	2,918	3,055	137	4.7%
Unrestricted Gifts	479	600	600	–	0.0%
State Support	–	–	–	–	0.0%
Organized Activities	3	–	–	–	0.0%
Other Income	440	300	600	300	100.0%
Auxiliaries	–	–	–	–	0.0%
Deferred Revenue – Strategic Plan	–	–	–	–	0.0%
TOTAL OTHER REVENUE	11,905	14,328	16,608	2,280	15.9%
TOTAL REVENUE	\$109,377	\$115,691	\$128,662	\$12,971	11.2%
EXPENSE					
DIRECT EXPENSE					
Faculty Salaries	\$28,647	\$28,906	\$29,387	\$481	1.7%
Other Salaries	8,959	8,702	10,264	1,562	17.9%
TOTAL SALARIES	37,606	37,608	39,651	2,043	5.4%
Fringe	12,905	12,124	13,142	1,018	8.4%
Student Salaries	6,922	7,341	8,292	951	13.0%
Student Aid	9,661	11,432	13,010	1,578	13.8%
Non-salary	5,198	10,288	11,609	1,321	12.8%
TOTAL DIRECT EXPENSE	72,292	78,793	85,704	6,911	8.8%
Restricted Direct Expense	15,597	18,902	21,844	2,942	15.6%
Unrestricted Direct Expense	56,695	59,891	63,860	3,969	6.6%
INDIRECT EXPENSE					
Library	3,019	3,159	3,210	51	1.6%
Student Services	8,388	8,737	9,014	277	3.2%
Plant	11,256	10,951	12,013	1,062	9.7%
Information Services	6,200	6,362	6,533	171	2.7%
University Services	4,549	5,069	5,382	313	6.2%
TOTAL INDIRECT EXPENSE	33,412	34,278	36,152	1,874	5.5%
Auxiliaries	–	–	–	–	0.0%
TOTAL EXPENSE	\$105,704	\$113,071	\$121,856	\$8,785	7.8%
OPERATING MARGIN*	\$3,673	\$2,620	\$6,806	\$4,186	159.8%
Undergraduate Tuition Subvention	–	–	–	–	
Use of Retained Surplus	–	–	–	–	
SURPLUS/(DEFICIT)*	\$3,673	\$2,620	\$6,806		

CASE SCHOOL OF ENGINEERING

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	2021 Actual	2022 Budget	2023 Budget	\$ Increase/ (Decrease) 2022 Budget	% Variance to 2022 Budget
REVENUE					
TUITION					
Undergraduate	\$35,148	\$36,210	\$38,704	\$2,494	6.9%
Summer	2,775	2,107	2,210	103	4.9%
Professional	342	486	393	(93)	-19.1%
Graduate	13,360	14,602	15,960	1,358	9.3%
Fees	596	617	618	1	0.2%
TOTAL TUITION	52,221	54,022	57,885	3,863	7.2%
ENDOWMENT					
Restricted Endowment	6,184	5,629	5,659	30	0.5%
Unrestricted Endowment	4,107	3,966	4,279	313	7.9%
TOTAL ENDOWMENT	10,291	9,595	9,938	343	3.6%
OTHER REVENUE					
Research & Training	32,823	33,724	33,791	67	0.2%
Restricted Gifts	4,130	4,116	3,910	(206)	-5.0%
Overhead Recovery	9,529	9,423	10,122	699	7.4%
Unrestricted Gifts	293	765	330	(435)	-56.9%
State Support	–	–	–	–	0.0%
Organized Activities	–	–	–	–	0.0%
Other Income	1,954	2,581	4,337	1,756	68.0%
Auxiliaries	–	–	–	–	0.0%
Deferred Revenue – Strategic Plan	–	–	673	–	0.0%
TOTAL OTHER REVENUE	48,729	50,609	53,163	1,881	3.7%
TOTAL REVENUE	\$111,241	\$114,226	\$120,986	\$6,087	5.3%
EXPENSE					
DIRECT EXPENSE					
Faculty Salaries	\$19,062	\$19,792	\$19,082	\$(710)	-3.6%
Other Salaries	11,587	11,676	10,660	(1,016)	-8.7%
TOTAL SALARIES	30,649	31,468	29,742	(1,726)	-5.5%
Fringe	10,495	9,932	9,647	(285)	-2.9%
Student Salaries	12,754	13,880	13,976	96	0.7%
Student Aid	3,828	3,265	4,109	844	25.8%
Non-salary	21,523	24,270	29,557	5,287	21.8%
TOTAL DIRECT EXPENSE	79,249	82,815	87,031	4,216	5.1%
Restricted Direct Expense	43,137	43,469	43,360	(109)	-0.3%
Unrestricted Direct Expense	36,112	39,346	43,671	4,325	11.0%
INDIRECT EXPENSE					
Library	2,092	2,099	2,049	(50)	-2.4%
Student Services	5,101	5,209	5,246	37	0.7%
Plant	10,784	10,578	11,427	849	8.0%
Information Services	4,689	4,601	4,698	97	2.1%
University Services	4,867	5,320	5,595	275	5.2%
TOTAL INDIRECT EXPENSE	27,533	27,807	29,015	1,208	4.3%
Auxiliaries	–	–	–	–	0.00%
TOTAL EXPENSE	\$106,782	\$110,622	\$116,046	\$5,424	4.9%
OPERATING MARGIN*	\$4,459	\$3,604	\$4,940	\$1,336	37.1%
Undergraduate Tuition Subvention	–	–	–	–	
Use of Retained Surplus	–	–	–	–	
SURPLUS/(DEFICIT)*	\$4,459	\$3,604	\$4,940	\$1,336	

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WEATHERHEAD SCHOOL OF MANAGEMENT

FINANCIAL YEAR 2023 BUDGET

	2021 Actual	2022 Budget	2023 Budget	\$ Increase/ (Decrease) 2022 Budget	% Variance to 2022 Budget
REVENUE					
TUITION					
Undergraduate	\$14,258	\$14,724	\$15,856	\$1,132	7.7%
Summer	1,489	1,475	1,831	356	24.1%
Professional	22,109	26,864	28,269	1,405	5.2%
Graduate	1,624	929	1,104	175	18.8%
Fees	217	262	251	(11)	-4.2%
TOTAL TUITION	39,697	44,254	47,311	3,057	6.9%
ENDOWMENT					
Restricted Endowment	2,745	2,456	2,701	245	10.0%
Unrestricted Endowment	2,202	2,101	2,147	46	2.2%
TOTAL ENDOWMENT	4,947	4,557	4,848	291	6.4%
OTHER REVENUE					
Research & Training	172	71	441	370	521.1%
Restricted Gifts	1,630	432	294	(138)	-31.9%
Overhead Recovery	66	33	158	125	378.8%
Unrestricted Gifts	309	400	400	—	0.0%
State Support	—	—	—	—	0.0%
Organized Activities	2,390	3,269	3,457	188	5.8%
Other Income	623	745	912	167	22.4%
Auxiliaries	—	—	—	—	0.0%
Deferred Revenue – Strategic Plan	—	—	—	—	0.0%
TOTAL OTHER REVENUE	5,190	4,950	5,662	712	14.4%
TOTAL REVENUE	\$49,834	\$53,761	\$57,821	\$4,060	7.6%
EXPENSE					
DIRECT EXPENSE					
Faculty Salaries	\$14,852	\$15,178	\$15,222	\$44	0.3%
Other Salaries	4,481	5,017	5,113	96	1.9%
TOTAL SALARIES	19,333	20,195	20,335	140	0.7%
Fringe	6,738	6,639	6,909	270	4.1%
Student Salaries	453	669	771	102	15.2%
Student Aid	6,684	7,354	8,266	912	12.4%
Non-salary	5,834	8,729	8,481	(248)	-2.8%
TOTAL DIRECT EXPENSE	39,042	43,586	44,762	1,176	2.7%
Restricted Direct Expense	4,547	2,959	3,436	477	16.1%
Unrestricted Direct Expense	34,495	40,627	41,326	699	1.7%
INDIRECT EXPENSE					
Library	1,471	1,498	1,337	(161)	-10.7%
Student Services	2,283	2,340	2,300	(40)	-1.7%
Plant	3,581	3,488	3,762	274	7.9%
Information Services	2,820	2,799	2,576	(223)	-8.0%
University Services	3,065	3,174	3,207	33	1.0%
TOTAL INDIRECT EXPENSE	13,220	13,299	13,182	(117)	-0.9%
Auxiliaries	—	—	—	—	0.00%
TOTAL EXPENSE	\$52,262	\$56,885	\$57,944	\$1,059	1.9%
OPERATING MARGIN*	\$(2,428)	\$(3,124)	\$(123)	\$3,001	96.1%
Undergraduate Tuition Subvention	—	—	—	—	
Use of Retained Surplus	2,428	2,098	123	(1,975)	
SURPLUS/(DEFICIT)*	\$—	\$(1,026)	\$—	\$1,026	

*4% ... GEN ...

MANDEL SCHOOL OF APPLIED SOCIAL SCIENCES

FINANCIAL YEAR 2023 BUDGET

	2021 Actual	2022 Budget	2023 Budget	\$ Increase/ (Decrease) 2022 Budget	% Variance to 2022 Budget
REVENUE					
TUITION					
Undergraduate	\$107	\$154	\$246	\$92	59.7%
Summer	2,952	1,932	2,198	266	13.8%
Professional	11,776	11,945	12,066	121	1.0%
Graduate	545	643	661	18	2.8%
Fees	-	-	-	-	0.0%
TOTAL TUITION	15,380	14,674	15,171	497	3.4%
ENDOWMENT					

SCHOOL OF LAW
FINANCIAL YEAR 2023 BUDGET

	2021 Actual	2022 Budget	2023 Budget	\$ Increase/ (Decrease) 2022 Budget	% Variance to 2022 Budget
REVENUE					
TUITION					
Undergraduate	\$99	\$82	\$88	\$6	7.3%
Summer	372	464	472	8	1.7%

SCHOOL OF DENTAL MEDICINE

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	2021 Actual	2022 Budget	2023 Budget	\$ Increase/ (Decrease) 2022 Budget	% Variance to 2022 Budget
REVENUE					
TUITION					
Undergraduate	\$74	\$77	\$62	\$(15)	-19.5%
Summer	479	512	579	67	13.1%
Professional	21,678	23,184	24,854	1,670	7.2%
Graduate	1,801	2,093	2,100	7	0.3%
Fees	440	486	518	32	6.6%
TOTAL TUITION	24,472	26,352	28,113	1,761	6.7%

SCHOOL OF MEDICINE

FINANCIAL YEAR 2023 BUDGET

	2021 Actual	2022 Budget	2023 Budget	\$ Increase/ (Decrease) 2022 Budget	% Variance to 2022 Budget
REVENUE					
TUITION					
Undergraduate	\$4,877	\$5,590	\$6,921	\$1,331	23.8%
Summer	5,866	6,022	5,921	(101)	-1.7%
Professional	57,485	67,914	68,202	288	0.4%
Graduate	39,091	32,018	35,612	3,594	11.2%
Fees	516	500	515	15	3.0%
TOTAL TUITION	107,835	112,044	117,171	5,127	4.6%
ENDOWMENT					
Restricted Endowment	14,047	16,947	17,000	53	0.3%
Unrestricted Endowment	11,869	11,256	12,566	1,310	11.6%
TOTAL ENDOWMENT	25,916	28,203	29,566	1,363	4.8%
OTHER	11,256	11,256	11,256	0	0.0%

UNIVERSITY GENERAL
FINANCIAL YEAR 2023 BUDGET

	2021 Actual	2022 Budget	2023 Budget	\$ Increase/ (Decrease) 2022 Budget	% Variance to 2022 Budget
REVENUE					
TUITION					
Undergraduate	\$138,261	\$140,501	\$164,296	\$23,795	16.9%
Summer	(132)	–	–	–	0.0%
Professional	–	–	–	–	0.0%
Graduate	12	–	–	–	0.0%
Fees	701	998	1,013	15	1.5%
TOTAL TUITION	138,842	141,499	165,309	23,810	16.8%
ENDOWMENT					
Restricted Endowment	13,084	13,931	17,755	3,824	27.4%
Unrestricted Endowment	11,064	12,709	12,727	18	0.1%
TOTAL ENDOWMENT	24,148	26,640	30,482	3,842	14.4%
OTHER REVENUE					
Research & Training	1,963	1,596	3,255	1,659	103.9%
Restricted Gifts	24,579	12,161	9,441	(2,720)	-22.4%
Overhead Recovery	169	57	–	(57)	-100.0%
Unrestricted Gifts	–	100	2,934	2,834	2834.0%
State Support	–	–	–	–	0.0%
Organized Activities	–	–	–	–	0.0%
Other Income	9,826	14,651	15,251	600	4.1%
Auxiliaries	42,638	72,688	88,778	16,090	22.1%
Deferred Revenue – Strategic Plan (7,500)	–	–	–	–	0.0%
TOTAL OTHER REVENUE	71,675	101,253	119,659	18,406	18.2%
TOTAL REVENUE	\$234,665	\$269,392	\$315,450	\$46,058	17.1%
EXPENSE					
DIRECT EXPENSE					
Faculty Salaries	\$406	\$405	\$309	\$(96)	-23.7%
Other Salaries	1,310	2,460	3,345	885	36.0%
TOTAL SALARIES	1,716	2,865	3,654	789	27.5%
Fringe	592	871	1,167	296	34.0%
Student Salaries	989	207	217	10	4.8%
Student Aid	143,786	148,733	174,359	25,626	17.2%
Non-salary	10,313	5,003	3,292	(1,711)	-34.2%
TOTAL DIRECT EXPENSE	157,396	157,679	182,689	25,010	15.9%
Restricted Direct Expense	39,626	27,688	30,451	2,763	10.0%
Unrestricted Direct Expense	117,770	129,991	152,238	22,247	17.1%
INDIRECT EXPENSE					
Library	642	1,318	1,738	420	31.9%
Student Services	8,173	9,364	11,646	2,282	24.4%
Plant	7,828	3,949	4,092	143	3.6%
Information Services	(534)	161	1,105	944	586.3%
University Services	16,652	29,563	41,674	12,111	41.0%
TOTAL INDIRECT EXPENSE	32,761	44,355	60,255	15,900	35.8%
Auxiliaries	56,340	64,536	76,740	12,204	18.9%
TOTAL EXPENSE	\$246,497	\$266,570	\$319,684	\$53,114	19.9%
OPERATING MARGIN*	\$(11,832)	\$2,822	\$(4,234)	\$(7,056)	-250.0%
Undergraduate Tuition Subvention	–	–	–	–	
Use of Retained Surplus	–	–	–	–	
SURPLUS/(DEFICIT)*	\$(11,832)	\$2,822	\$(4,234)	\$(7,056)	

*4% e , GENE e e e e,e . , e , ... e e e e e e e e e e , e , e e

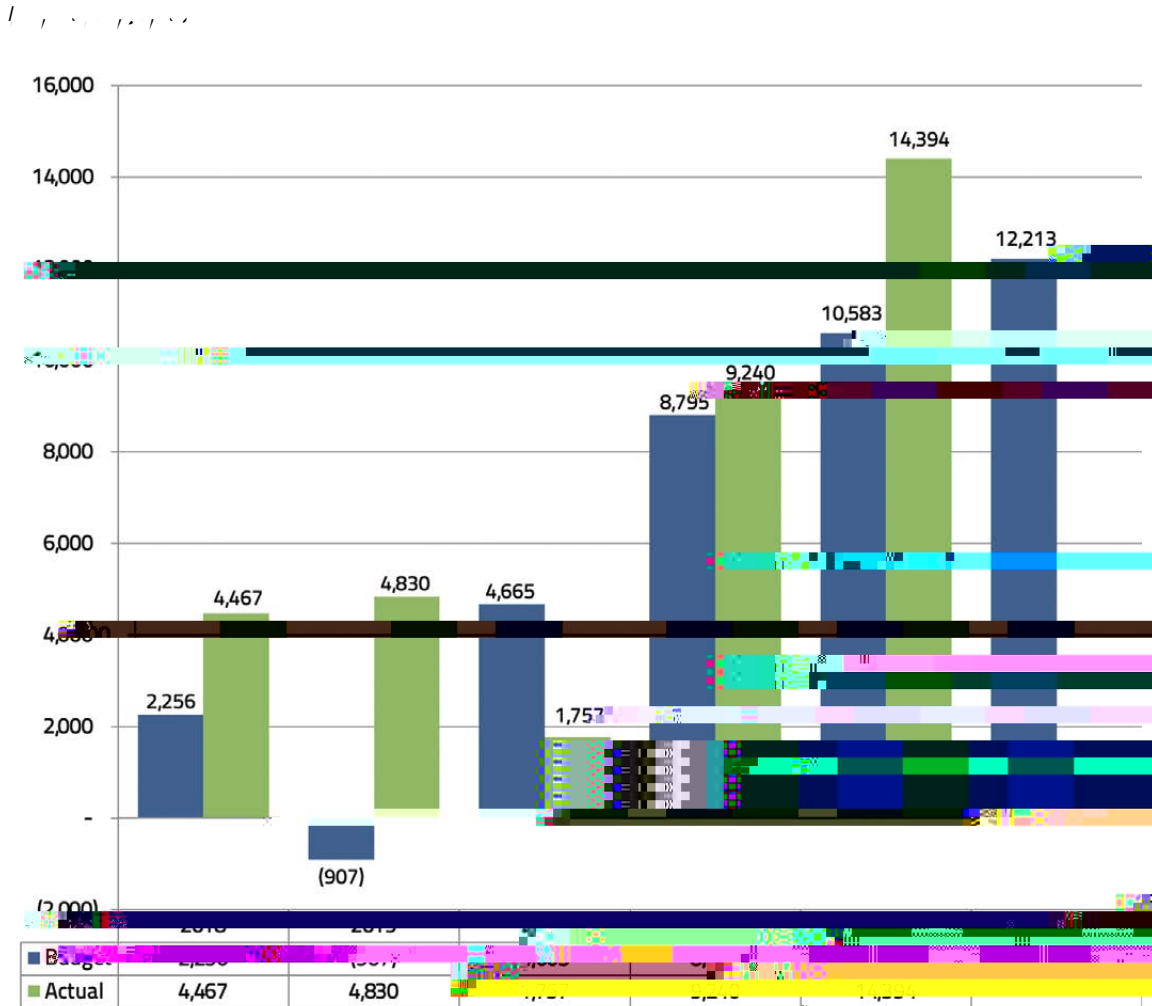
UNIVERSITY OPERATING MARGIN

B MANAGEMENT CENTER

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2023 Budget*
CAS	\$(4,707)	\$(5,295)	\$(4,300)	\$3,673	\$2,620	\$6,806
CSE	(1,459)	(1,233)	(2,038)	4,459	3,604	4,940
WSOM	(271)	855	(388)	(2,428)	(3,124)	(123)
MSASS	688	(787)	541	147	1	(1,071)
LAW	(5,943)	(4,367)	(2,597)	138	(2,000)	(2,665)
DENT	3,147	2,314	1,682	5,535	578	4,269
NURS	596	457	589	1,336	166	678
CSOM	(4,979)	(4,872)	(1,547)	8,212	5,916	3,613
UGEN	17,395	17,758	9,815	(11,832)	2,822	(4,234)
UNIVERSITY OPERATING MARGIN	\$4,467	\$4,830	\$1,757	\$9,240	\$10,583	\$12,213

*4% increase in 2023 budget for GEN

UNIVERSITY OPERATING MARGIN



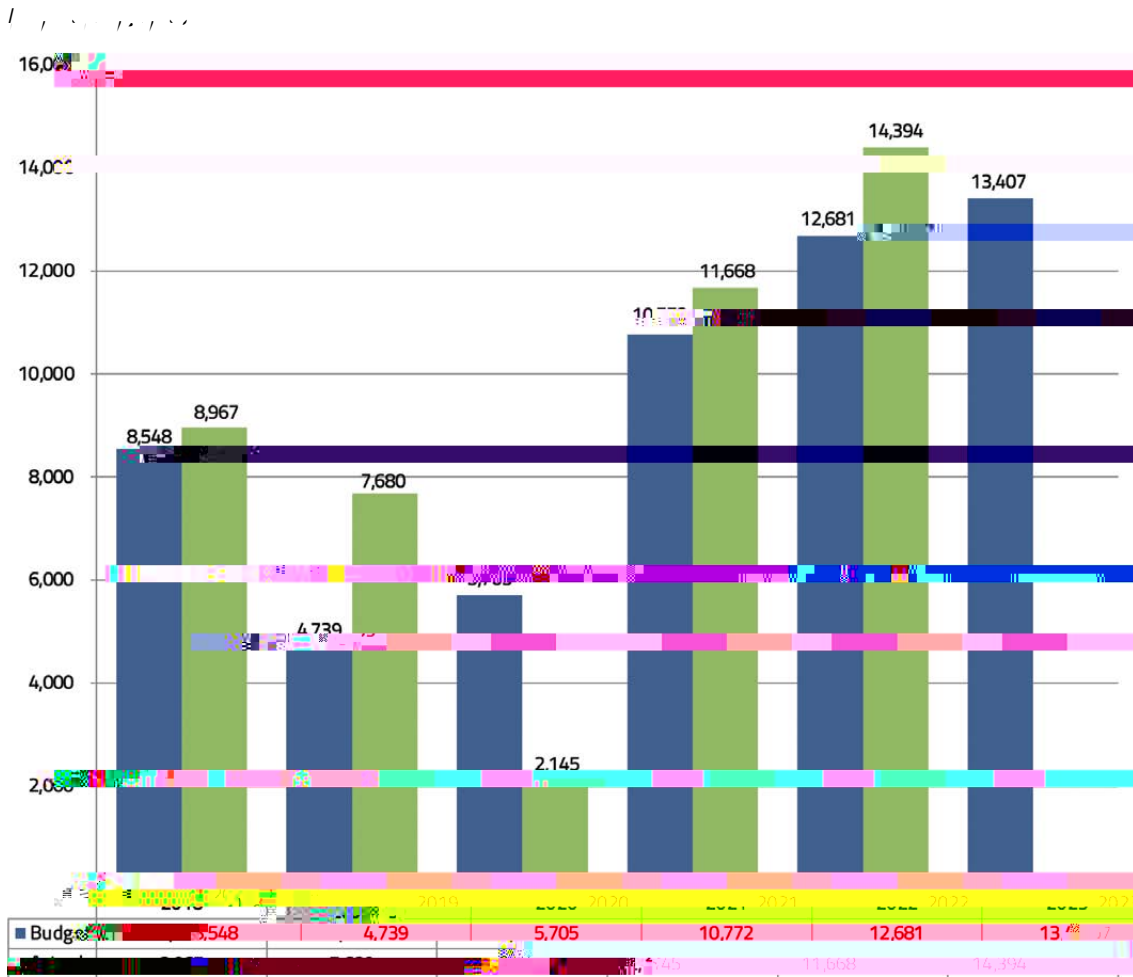
UNIVERSITY SURPLUS/ DEFICIT

B MANAGEMENT CENTER

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2023 Budget*
CAS	\$(4,707)	\$(5,295)	\$(4,300)	\$3,673	\$2,620	\$6,806
CSE	(1,459)	(1,233)	(2,038)	4,459	3,604	4,940
WSOM	–	855	–	–	(1,026)	–
MSASS	688	–	541	147	1	–
LAW	(5,943)	(4,367)	(2,597)	138	(2,000)	(2,665)
DENT	3,147	2,314	1,682	5,535	578	4,269
NURS	596	457	589	1,336	166	678
CSOM	–	(2,809)	(1,547)	8,212	5,916	3,613
UGEN	16,645	17,758	9,815	(11,832)	2,822	(4,234)
UNIVERSITY SURPLUS/(DEFICIT)	\$8,967	\$7,680	\$2,145	\$11,668	\$12,681	\$13,407

*4% increase in 2023 Budget

UNIVERSITY SURPLUS/ DEFICIT



SIGNIFICANT REVENUE AND EXPENSE MOVEMENTS

FI CAL EAR 2023 B DGE

\$ Increase/

STUDENT ENROLLMENT – FALL SEMESTER

TUITION RATES

F -

<i>Pe... e... e...</i>	2020	2021	2022	% Increase 2023% Increase
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BOARD RATES

	2020	2021	2022	2023	% Increase from 2022
FIRST AND SECOND-YEAR STUDENTS					
NORTH RESIDENTIAL VILLAGE					
Double/Triple	\$9,080	\$9,350	\$9,584	\$9,870	3.0%
Single	10,340	10,650	10,916	11,240	3.0%
SOUTH RESIDENTIAL VILLAGE					
Single	10,340	10,650	10,916	11,240	3.0%
TIPPIT/STALEY HOUSE SUITES					
Single	10,690	11,000	11,274	11,610	3.0%
GREEK					
Single	10,340	10,650	10,916	11,240	3.0%
Double/Triple/Quad	9,080	9,350	9,584	9,870	3.0%
UPPER-CLASS STUDENT HOUSING					
VILLAGE @ 115 APARTMENTS					
1 bedroom/Studio	\$12,850	\$13,240	\$13,570	\$13,980	3.0%
2 and 3 bedroom	12,650	13,020	13,346	13,750	3.0%
4 and 5 bedroom	12,420	12,800	13,120	13,510	3.0%
6 and 7 bedroom	11,650	11,990	12,290	12,660	3.0%
9 bedroom	11,650	11,990	12,290	12,660	3.0%
THE TRIANGLE					
Studio/1 bedroom Single	\$12,850	\$13,240	\$13,570	\$13,980	3.0%
1 bedroom Double	10,950	11,270	11,552	11,900	3.0%
2 bedroom Single	12,650	13,020	13,346	13,750	3.0%
2 bedroom Quad	10,950	11,270	11,552	11,900	3.0%
STEPHANIE TUBBS JONES HALL					
1 bedroom	\$12,850	\$13,240	\$13,570	\$13,980	3.0%
2 and 3 bedroom	12,420	12,800	13,120	13,510	3.0%

REVENUE AND EXPENSE ALLOCATION PRACTICES

Case Western Reserve University (the “University”) operates under a decentralized structure with the philosophy that each management center is responsible for the planning and implementation of academic programs, revenue development and expense management. This concept is implemented with all revenue, except Undergraduate tuition revenue, and direct expense flowing to their respective management center. Because not all revenue or expense is directly developed by a school, allocation rules assign certain revenue and indirect expense for support services. The operating principle guiding these rules is that they fairly assign revenue or expense as a proxy for actual direct generation of revenue or occurrence of expense.

REVENUE ASSIGNED

Tuition

A significant portion of Graduate and Professional Tuition is assigned to the schools in which the student is registered as a degree student. Credit hours taken in a school outside a student’s home school are assigned to the school teaching the credit hours for purposes of partial tuition revenue allocation.

The rate used to calculate the Tuition assignment will be \$848 per credit hour in 2023, increasing at the same rate as the increase in Graduate Tuition revenue in subsequent years. Any program exemptions from this model must be approved through a formal process administered by the University Budget Committee.

Undergraduate Tuition is assigned to those schools that teach undergraduates, primarily the College of Arts and Sciences, the Case School of Engineering, Weatherhead School of Management and the Frances Payne Bolton School of Nursing. SAGES tuition is distributed to the units teaching those courses. Tuition revenue, net of unfunded financial aid, is distributed among the schools as follows: 85% is assigned based upon the proportion of undergraduate student credit hours taught by each school in 2020 and 2021; the remaining 15% is assigned based upon the proportion of baccalaureate majors of the graduating students in 2020 and 2021.

Undergraduate tuition assignment is based on:

5,832 students for the academic year

28.2 credit hours/student

Undergraduate tuition revenue is distributed using the average credit hours taught by the management center in 2020 and 2021 to calculate the percentage distribution. The majors of the graduating students is an average of 2020 and 2021.

Endowment

Endowment funds are classified as belonging to a school or University General, and largely pooled for investment purposes. The amount or payout rate made available from the pool to operations each year is approved by the Trustees and considers not only current operational needs, but also long-term interests of intergenerational equity for future endowment beneficiaries. For 2023, the payout rate for the current year spending pool allocation is 4.80%. In addition, the Trustees approved a distribution of 0.8% (\$16.0 million) for administrative expense to administer the endowment. Endowment revenue is allocated based on the twelve quarter average market value of funds as of June 30, 2021. Revenue from new gifts and/or additions to existing gifts will be allocated one year after receipt. The revenue from a small number of endowment funds jointly shared by the schools teaching undergraduates is assigned based upon undergraduate credit hours taught. Funds Held by Others (FHBO) and Un-pooled funds are managed outside the University's pooled investment and are not considered in the spending allocation. Income generated by FHBO and Un-pooled funds is sent to the University, then distributed to the appropriate management center(s).

	Estimated Unused Income Beginning of Year	Current Year Allocation	FHBO	Un-pooled	Total Available	2023 Budget*	Estimated Unused Income End of Year
CAS	\$9,432	\$13,444	\$3,404	\$-	\$26,280	\$17,836	\$8,444
CSE	5,943	9,954	1,045	-	16,942	9,938	7,004
WSOM	4,274	5,430	334	-	10,038	4,848	5,190
MSASS	402	2,519	-	-	2,921	2,420	501

Other Revenue

All other revenue is developed directly by the schools' efforts and the schools receive full credit for sums received. Revenue generated for the University as a whole is attributed to University General. Revenue shown as restricted is only to be used by a particular school or for a particular purpose. Restricted revenue (restricted endowment, research and training grants, and restricted gifts) supports "funded" expense. In these instances, revenue is recognized as the matching expense is incurred. All other revenue is unrestricted and flows directly to the management center that generated the revenue. This revenue is recorded when received and supports a school's unrestricted and "indirect" expense.

INDIRECT EXPENSE ASSIGNED

Each school incurs operating expense that appears in the budget as “Direct Expense.” These expenditures include faculty, staff and student salaries, fringe benefits, graduate and professional student aid, and non-salary expense. In addition, each school is allocated a share of the expense to provide central and support services. These expenditures are categorized as Library, Student Services, Plant Services, Information Technology Services and University Services and are recorded in each budget summary as indirect expense.

Indirect Expense Simplification

Beginning in 2019, certain changes were implemented in Indirect Expense assigned. The change reduced the number of cost drivers to five and retained the current Library allocation and the current Utilities Non-salary cost allocation. In summary, Indirect Expense is allocated using the following cost drivers:

<u>Cost Driver</u>	<u>Indirect Expense Proportion</u>
Current Utilities Non-salary Allocation	Historical Calculation
Current Library Allocation	Historical Calculation
Undergraduate FTE	9.8% of Remaining Indirect Expense
Student Head Count	14.7% of Remaining Indirect Expense
Faculty/Staff Count	2.9% of Remaining Indirect Expense
Square Footage	19.4% of Remaining Indirect Expense
Direct Expense Percentage	31.7% of Remaining Indirect Expense

The data used to calculate the expense allocation represent a sub-set of existing cost drivers historically used to calculate the Indirect Expense allocation. The final Indirect Expense allocation, as shown below, is not reported in the Operating Statement as a single line item for each management center. For comparability with prior years, we have retained the former Indirect Expense allocation, as described within this appendix. Any reconciling differences between the historical Indirect Expense allocation and the below Indirect Expense allocation are reflected in the University Services cost pool on the Operating Statement.

Indirect Expense Allocation

Library

Library includes the operation of the University Library, Health Science Library, Law Library, and the MSASS Library. 75% of the University Library expense is distributed to the core colleges – CAS, CSE, WSOM and a small portion to NURS to recognize support of the BSN program. The remaining 25% is distributed to the other schools. 75% of the Health Science Library expense is distributed to CSOM, DENT, and NURS, with 25% assigned to the other schools. MSASS supports 75% of its Library with the balance distributed to the other schools. LAW pays 100% of its own Library's expense; however, its share of the other Library expense is calculated without the inclusion of estimated materials expense in those Libraries because LAW covers the full expense for its own extensive materials collection. The allocation uses un-weighted student, faculty, and staff counts.

Student Services

Student Services include the expense associated with the following operations: Enrollment Management, Undergraduate Studies, Financial Aid, Registrar, Student Affairs, Career Planning, Educational Support Services, Thwing Center, International Students, Education Abroad, Minority Programs, Physical Education and Athletics, UCITE, SOURCE and the Dean of Graduate Studies. The expense associated with the SAGES program (net of the tuition generated by non-school based lecturers) is included in this category and is allocated on pporthneof

Most Student Services expense is assigned on the basis of the students benefiting from the program or service. Several programs are believed to have an overall University purpose and are assigned using the two-year average direct expense methodology. The student numbers used in the assignment are an average of the 2020 and 2021 fall semester enrollment. The Student Services expense for each management center is determined by student and faculty/staff head count.

Student Numbers used for the 2023 Budget, based on 2020 and 2021 fall semester average enrollment:

	Undergraduate FTE *	Undergraduate Headcount *	Graduate Full-Time	Graduate Part-Time	Professional Full-Time	Professional Part-Time	Total Head Count
CAS	2,751	2,808	447	32	–	–	3,287
CSE	1,445	1,475	604	112	–	–	2,191
WSOM	590	602	45	6	565	199	1,417
MSASS	8	8	27	5	366	45	451
LAW	3	3	–	–	553	36	592
DENT	3	3	–	–	370	11	384
NURS	271	276	34	2	243	138	693
CSOM	241	246	941	257	1,051	–	2,495
UGEN	185	189	–	–	–	–	189
TOTAL	5,497	5,610	2,098	414	3,148	429	11,699

*Professional FTE includes part-time professional FTE. Graduate part-time includes part-time graduate FTE. Undergraduate FTE includes part-time undergraduate FTE. Graduate full-time includes part-time graduate full-time. Graduate part-time includes part-time graduate part-time. Professional full-time includes part-time professional full-time. Professional part-time includes part-time professional part-time.

2023 Student Services Expense Assigned, by Allocation Methodology:

	Undergraduate FTE	Student Head Count	Graduate Student Head Count	Graduate/Professional Head Count	University Services	SAGES	Faculty/Staff Count	Weighted Average Student Headcount	Total
CAS	\$7,346	\$948	\$246	\$49	\$39	\$(220)	\$64	\$542	\$9,014
CSE	3,858	610	368	66	42	(67)	39	330	5,246
WSOM	1,577	409	26	83	21	(36)	20	200	2,300
MSASS	21	78	16	27	13	–	19	32	206
LAW	10	171	–	60	17	(10)	14	69	331
DENT	6	111	–	39	14	(14)	20	46	222
NURS	722	199	18	43	14	(25)	24	97	1,092
CSOM	643	687	617	219	172	(9)	188	238	2,755
UGEN	512	56	–	–	–	(606)	–	34	(4)
TOTAL	\$14,695	\$3,269	\$1,291	\$586	\$332	\$(987)	\$388	\$1,588	\$21,162
Unallocated Student Services (100% to UGEN)									11,650
TOTAL STUDENT SERVICES									\$32,812

Graduate full-time includes part-time graduate full-time. Graduate part-time includes part-time graduate part-time. Professional full-time includes part-time professional full-time. Professional part-time includes part-time professional part-time.

The Plant Services expense for each school or area is determined by each building's utilities rate and square footage. Utility expense is assigned based on a weighted utilities rate. The estimated annual expense is assigned based on square footage. The cost for Plant Services other than utilities is \$9.755 per gross square foot. This expense is assigned based upon square footage.

Information Technology Services (ITS)

Information Technology Services include the expense associated with establishing, maintaining, and providing services through the campus network, central information processing, research and academic computing, as well as the operations of the ITS division and the ERP Finance office. ITS expense is separated into four cost pools, each with its own distribution formula. The first pool, Core Technology, covers core network and infrastructure equipment, wiring and maintenance. It includes the debt service related to the deployment of this technology and is distributed on a (oss squar)10 (e)10 ()JpE7ool, Core Tortworkwand mainteork b.a03 Tp0&a (oss

University Services expense is allocated based on the percentage of direct expense averaged over a two-year period.

Direct Expense (adjusted)

	2020	2021	Average 2020–2021	% of Total	University Services
CAS	\$74,150	\$72,292	\$73,221	11.8%	\$5,382
CSE	76,904	78,708	77,806	12.5%	5,595
WSOM	41,861	39,042	40,452	6.5%	3,207
MSASS	25,122	23,480	24,301	3.9%	1,615
LAW	32,331	31,009	31,670	5.1%	2,535
DENT	28,164	23,874	26,019	4.2%	2,784
NURS	26,475	25,811	26,143	4.2%	2,567
CSOM	330,409	311,662	321,036	51.7%	23,492
UGEN	—	—	—	0.0%	—
TOTAL	\$635,416	\$605,878	\$620,647	100.0%	\$47,177
Unallocated University Services (100% to UGEN)*					41,674
TOTAL UNIVERSITY SERVICES					\$88,851

*Unallocated University Services (100% to UGEN) is calculated as 4% of 2020 direct expense plus 4% of 2021 direct expense, totaling \$41,674.

HEALTH EDUCATION CAMPUS

Operating Expense budgeted to be incurred for the Health Education Campus (HEC) is purposely not included in the calculated portion of the simplified allocation changes for FY 2023. HEC operating costs included in the overall total for Indirect Expense are budgeted to be \$9.318 million and are concentrated in the Plant, ITS and University Services categories of Indirect Expense.

USE OF RETAINED SURPLUSES

Schools and auxiliaries are permitted to retain the excess of revenue over expense in a reserve account. Expenditures against the reserve account require the approval of the Provost and Chief Financial Officer. As all schools and auxiliaries are expected to operate in a financial equilibrium over the long run, current year losses must be charged against the reserve account.

ADDITIONAL INFORMATION

SALARY POOL RECLASSIFICATION

One-half of the 8% salary pool budget is recorded in University Services in UGEN. Based on the results of the staff compensation study in 2023, the budgeted costs will be reclassified to the appropriate management centers. The reclassification will not impact the Consolidated Statement of Operations; however, it will impact each management center's budgeted operating margin.

COVID-19 PANDEMIC

Additional costs related to the COVID-19 pandemic are expected in 2023. Although an estimate, \$6.0 million is included in University Services for anticipated pandemic costs. This amount has not been allocated to Management Centers on a budget basis. Subsequent to the 2023 year end close process the actual realized pandemic costs will be allocated to each management center.

HEALTH EDUCATION CAMPUS

Health Education Campus: Operating Expense budgeted to be incurred for the Health Education Campus (HEC) is segregated from the Indirect Cost allocation calculations. HEC operating expense is directly charged to DENT, NURS, and CSOM and allocated within the three schools based on estimated square footage. HEC operating costs included in the overall total for Indirect Expense are budgeted to be \$9.318 million and are largely concentrated in the Plant, ITS and University Services categories of Indirect Expense.

PLANT

Vacated Space Plant Charge: DENT and NURS vacated certain areas within the campus during 2020. The direct plant allocation associated with the vacancies was eliminated from the Plant expense allocation. Traditionally, vacated space would be added to the Administrative Space Category and allocated based on a two year average of Direct Expense. However, the allocation did not occur in 2023. The expense associated with the vacated space remained in UGEN.

UNDERGRADUATE TUITION

Undergraduate Tuition Contingency: An Undergraduate Tuition Contingency of \$3.0 million is reflected in the Undergraduate Tuition allocation in 2023. If realized at year end, the contingency will be utilized by the provost for strategic initiatives related to Undergraduate serving management centers.

Also, funding for the Student Success Initiative (SSI) of \$0.78 million is also reflected in the Undergraduate Tuition allocation for 2023. This expense is located in the Student Services budget.

Full detailed schedules for revenue and expense allocation may be found at:
www.case.edu/financialplanning/operating-budget

